

Notice of Annual General Meeting

Notice is hereby given that the 2024 Annual General Meeting of members of Santos Limited (“Santos” or “the Company”) will be held on Thursday, 11 April 2024 at 10:00 am (Adelaide time).

Shareholders can attend the Annual General Meeting (AGM) in the William Magarey Room at the Adelaide Oval, War Memorial Dr, North Adelaide, South Australia.

Shareholders who are unable to attend the meeting are encouraged to submit a directed proxy before the Annual General Meeting and may submit written questions in advance of the meeting. See page 24 for further details.

If it becomes necessary, or appropriate, to make alternative or supplementary arrangements to hold the meeting, to those set out in this notice, shareholders will be given as much notice as possible. Information relating to alternate arrangements will be communicated to shareholders by way of an announcement to the Australian Securities Exchange (ASX) market announcements platform and published at santos.com/investors/2024-annual-general-meeting/.

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BUSINESS

1. Financial Report

To receive and consider the Financial Report for the year ended 31 December 2023 and the reports of the Directors and the Auditor, as set out in the 2023 Annual Report.

2. To re-elect or elect Directors

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

- (a) Mr Keith Spence retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers himself for re-election.
- (b) Dr Vanessa Guthrie AO retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers herself for re-election.
- (c) Mr John Lydon has been nominated by the Directors in accordance with Rule 34(h)(2) and, being eligible, offers himself for election (with effect from the conclusion of the meeting).
- (d) Ms Vicki McFadden has been nominated by the Directors in accordance with Rule 34(h)(2) and, being eligible, offers herself for election (with effect from the conclusion of the meeting).

3. Remuneration Report

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

"That the Remuneration Report for the year ended 31 December 2023 be adopted."

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

4. Grant of Share Acquisition Rights to Mr Kevin Gallagher

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

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

5. Renewal of the proportional takeover provisions for a further three years

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

"That proportional takeover provisions in the form of Rule 70 of the Constitution of the Company (as last approved by shareholders in 2021) be renewed for a further period of three (3) years, with effect from the date of the Annual General Meeting."

VOTING ENTITLEMENT

The Board has determined, in accordance with the Company's Constitution and the Corporations Regulations, that a person's entitlement to vote at the Annual General Meeting will be taken to be the entitlement of that person shown in the Register of Members at 6.30 pm (Adelaide time) on Tuesday, 9 April 2024.

Voting restrictions in relation to Resolution 3 and Resolution 4 apply to the Company's key management personnel and their closely related parties, which also affect proxy voting. Full details are included in the Notes Relating to Voting commencing on page 24. In particular, please note that if the Chair of the meeting is appointed as your proxy, and you have not directed them how to vote, then by submitting the proxy form you will be expressly authorising the Chair of the meeting to exercise your undirected proxy on Resolution 3 and Resolution 4, even though the resolutions are connected with the remuneration of the Company's key management personnel.

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

By Order of the Board

Amelia Senneck
Company Secretary

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

8 March 2024

EXPLANATORY NOTES

1. FINANCIAL AND STATUTORY REPORTS

As required by section 317 of the *Corporations Act 2001* (Cth) (Corporations Act), the Financial Report and the reports of the Directors and the Auditor for the financial year ended 31 December 2023 will be laid before the meeting.

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

The Financial Report and the reports of the Directors and the Auditor for the year ended 31 December 2023 are contained in Santos' 2023 Annual Report, which is available on the Company's website at santos.com/investors/company-reporting/.

2. ELECTION AND RE-ELECTION OF DIRECTORS

Rule 34 of the Company's Constitution specifies that at every Annual General Meeting of the Company, one third of the Directors (disregarding any fractions) who have been longest in office since the date of their last election or appointment (excluding the Managing Director and any Director not yet

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elected) must retire. In addition, no Director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the Director was last elected or re-elected. Any Director appointed by the Board in addition to the existing Directors, or to fill a casual vacancy, holds office until the conclusion of the next Annual General Meeting and may stand for election.

As part of the Board's annual performance review process, the Board has reviewed the performance of each of the Directors standing for re-election and considered the contribution made to the Board and its Committees by those Directors, as well as their skills and expertise.

Accordingly, Mr Keith Spence and Dr Vanessa Guthrie AO will retire and seek re-election. Peter Hearl and Eileen Doyle will retire and, having served 9 and 3 years respectively on the Board, will not seek re-election.

Following a recommendation from the Nomination Committee of the Board, the Board has resolved to nominate Mr John Lydon and Ms Vickki McFadden for election by shareholders as Directors in accordance with Rule 34(h)(2) of the Company's Constitution.

Brief biographical details of each Director standing for re-election and of each candidate standing for election follow.



MR KEITH SPENCE

Chair

BSc (First Class Honours in Geophysics), FAIM

Mr Spence is an independent non-executive Director. He joined the Board on 1 January 2018 and became Chair on 19 February 2018. He is Chair of Santos Finance Ltd and Chair of the Nomination Committee.

Mr Spence has over 40 years' experience in managing and governing oil and gas operations in Australia, Papua New Guinea, the Netherlands and Africa.

A geologist and geophysicist by training, Mr Spence commenced his career as an exploration geologist with Woodside Petroleum Limited in 1977. He subsequently joined Shell (Development) Australia, where he worked for 18 years. In 1994, he was seconded to Woodside to lead the North West Shelf Exploration team and, in 1998, he left Shell to join Woodside. He retired from Woodside in 2008 after a 14-year tenure in top executive positions in the company, including Chief Operating Officer and Acting Chief Executive Officer. He has expertise in exploration and appraisal, development, project construction, operations and marketing.

On his retirement, Mr Spence took up several board positions, working in oil and gas, energy, mining, engineering and construction

services, and renewable energy. This included Base Resources Limited where he served as Chairman from 2015 to 2021; Clough Limited, where he served as Chairman from 2010 to 2013; Geodynamics Limited, where he served as a non-executive Director from 2008 to 2016 (including as Chairman from 2010 to 2016); Verve Energy and Synergy (after merger with Verve), where he served as a non-executive Director from 2009 to 2014; Oil Search Limited, where he served as a non-executive Director from 2012 to 2017; and Murray and Roberts Holdings Limited, where he served as a non-executive Director from 2015 to 2020. Mr Spence is also a past Chair of the National Offshore Petroleum Safety and Environmental Management Authority Board. He led the Commonwealth Government's Carbon Storage Taskforce from 2008 to 2010, and chaired the Carbon Capture and Storage Flagship Independent Assessment Panel from 2008 to 2012.

Mr Spence is currently a non-executive Director of IGO Limited (since 2014).

RECOMMENDATION

Having reviewed Mr Spence's performance, the Board considers that Mr Spence makes a valuable contribution to the Santos Board. The review included consideration of Mr Spence's expertise, skill and experience as well as his performance and contribution to the work of the Board since his appointment. The Board considers Mr Spence to be a high-performing Director.

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



DR VANESSA GUTHRIE AO

Hon. DSc, PhD, BSc (Hons)

Dr Guthrie is an independent non-executive Director. She joined the Board on 1 July 2017, and is a member of the Safety and Sustainability Committee and the People, Remuneration and Culture Committee.

Dr Guthrie has more than 30 years' experience in the resources sector in diverse roles such as operations, environment, community and Indigenous affairs, corporate development and sustainability.

She has qualifications in geology, environment, law and business management including a PhD in Geology. She was awarded an Honorary Doctor of Science from Curtin University in 2017 for her contribution to sustainability, innovation and policy leadership in the resources industry. In 2021, she was appointed an Officer of the Order of Australia for her contribution to the mining and resources sector and as a role model for women in business.

Dr Guthrie is currently a non-executive Director of Lynas Rare Earths Ltd (since 2020), Cricket Australia (since 2021) and Orica Limited (since 2023). She is the former Lead Independent Director and Deputy Chair of AdBri Limited (2020-2023), non-executive Director of Tronox Holdings PLC (2019 - Feb 2024), Managing Director and CEO of Toro

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Energy Limited (2013–2016), VP Sustainable Development at Woodside Energy, Chair of the Minerals Council of Australia, and non-executive Director of Vimy Resources Limited and the Australian Broadcasting Corporation (2017–2021).

RECOMMENDATION

Having reviewed Dr Guthrie's performance, the Board considers that Dr Guthrie makes a valuable contribution to the Santos Board. The review included consideration of Dr Guthrie's expertise, skill and experience, as well as her performance and contribution to the work of the Board since her appointment. The Board considers Dr Guthrie to be a high-performing Director.

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



MR JOHN LYDON

BA, MBA

If elected, the Board considers that Mr Lydon will be an independent non-executive Director. He will join the Board following the conclusion of the AGM and will be a member of the Safety and Sustainability Committee and the Nominations Committee.

Mr Lydon is a Board Member of the Net Zero Emissions and Clean Energy Board, which

advises the NSW Government, and was from 2021 to 2023 the Economic Commissioner on the Greater Cities Commission, NSW Government. He is also Co-Chair of Australian Climate Leaders Coalition and the Chairperson of Generation Australia.

After starting his career at Citibank in London, Mr Lydon spent 25 years at McKinsey where he advised clients on strategic growth and operational opportunities and also held leadership roles including founding McKinsey Implementation globally, Managing Partner of McKinsey Australia & New Zealand, and leading Social Responsibility across Asia Pacific. He is also an Industry Professor at UTS Business School.

Mr Lydon has an MBA from INSEAD, France, and a BA from the University of London.

RECOMMENDATION

The Board considers that Mr Lydon's skills and experience will enhance the Board's ability to perform its role. Appropriate background checks were completed before Mr Lydon was nominated for election to the Board.

The Board recommends that shareholders vote **IN FAVOUR** of the election of Mr Lydon.



MS VICKKI MCFADDEN

BCom, LLB

If elected, the Board considers that Ms McFadden will be an independent non-executive director. She will join the Board following the conclusion of the AGM and will be a member of the Audit and Risk Committee.

Ms McFadden is an experienced company director and chairman and brings a broad range of skills and experience to Santos gained through her current and previous non-executive director roles and her executive career spanning investment banking, corporate finance and corporate law.

Ms McFadden is currently a non-executive director of GPT Group, where she has been Chairman since May 2018. She is also currently non-executive director of Allianz Australia Limited. She was previously a non-executive director of Newcrest Mining Limited, Tabcorp Holdings Limited, President of the Australian Takeovers Panel, a non-executive Director of Myer Family Investments Pty Limited, Chairman of eftpos Australia Pty Limited, Chairman of Skilled Group Limited and a non-executive director of Leighton Holdings Limited, and a Member of the Executive Council and Advisory Board of the UNSW Business School.

Ms McFadden holds a Bachelor of Commerce and a Bachelor of Laws. She is a member of Chief Executive Women and the Australian Institute of Company Directors.

RECOMMENDATION

The Board considers that Ms McFadden's skills and experience will enhance the Board's ability to perform its role. Appropriate background checks were completed before Ms McFadden was nominated for election to the Board.

The Board recommends that shareholders vote **IN FAVOUR** of the election of Ms McFadden.

3. REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report for the financial year ended 31 December 2023 (**2023 Remuneration Report**). The 2023 Remuneration Report is set out on pages 37–68 of the 2023 Annual Report and is also available from the Company's website (www.santos.com). A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

The Remuneration Report:

- outlines the key developments that impacted on Santos' remuneration strategy during 2023
- explains the Board's policies in relation to the objectives and structure of remuneration

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- highlights the links between the Company's performance and the remuneration received by Directors and other key management personnel (KMP)
- explains the components of remuneration for Directors and other KMP, including relevant performance conditions; and
- sets out the remuneration details for the Directors and other KMP of the Group.

The shareholder vote on the 2023 Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with section 250R of the Corporations Act.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on pages 21–24.

RECOMMENDATION

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

4. GRANT OF SHARE ACQUISITION RIGHTS TO MR KEVIN GALLAGHER

The Company is seeking the approval of shareholders for the grant of Share Acquisition Rights (SARs) to the Managing Director and Chief Executive Officer, Mr Kevin Gallagher, under the Santos Employee Equity Incentive Plan (SEEIP) on the terms following.

TERMS AND CONDITIONS OF GRANT OF SARs UNDER SEEIP (“GRANT”)

Form of grant	<p>The grant of Mr Gallagher’s 2024 long-term incentive is in the form of Share Acquisition Rights (“SARs”).</p> <p>Each SAR will vest and become exercisable subject to the satisfaction of performance conditions measured over a performance period. On vesting, each SAR generally entitles participants to one fully paid ordinary share in the Company.</p>
Performance period	<p>Four years commencing on 1 January 2024 and ending on 31 December 2027.</p>
Date of grant	<p>If approval is obtained, the SARs will be granted to Mr Gallagher as soon as practicable after the Annual General Meeting. In any event, they will not be granted more than 12 months after the date of the Annual General Meeting.</p>
Performance conditions	<p>The Board has determined that the SARs to be granted to Mr Gallagher will be divided into four tranches, each of which will comprise 25% of the SARs.</p> <p>The performance conditions for the vesting of the SARs in each tranche are set out below. There is no re-testing if performance conditions are not met and any SARs that do not vest on testing will lapse.</p>

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Tranche 1: Relative TSR against ASX 100

25% of the SARs will be subject to the Company's Total Shareholder Return (TSR) performance, relative to the TSR performance of the companies comprising the ASX 100 index as at 1 January 2024 (the ASX 100 Comparator Group).

At the end of the performance period, the TSR of the Company and the other companies in the ASX 100 Comparator Group will be calculated and the Company's relative TSR ranking determined.

Once the Company's relative TSR ranking is determined, the SARs will vest according to the following vesting scale:

TSR percentile ranking	% of tranche vesting
Below 51st percentile	0%
51st percentile	50%
Straight-line pro-rata vesting in between	
76th percentile and above	100%

The Board has absolute discretion over the calculation methodology and may adjust the ASX 100 Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

**Tranche 2:
Relative TSR against
S&P Global Energy Index**

25% of the SARs will be subject to the Company's TSR performance relative to the TSR performance of the companies comprising the S&P Global Energy Index as at 1 January 2024 (the S&P Global Energy Index Comparator Group).

At the end of the performance period, the TSR of the Company and the other companies in the S&P Global Energy Index Comparator Group will be calculated and the Company's relative TSR ranking determined.

Once the Company's relative TSR ranking is determined, the SARs will vest according to the following vesting scale:

TSR percentile ranking	% of tranche vesting
Below 51st percentile	0%
51st percentile	50%
Straight-line pro-rata vesting in between	
76th percentile and above	100% vesting

The Board has absolute discretion over the calculation methodology and may adjust the S&P Global Energy Index Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

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Tranche 3: Free Cash Flow Breakeven Point

25% of the SARs will be subject to the Company's performance on its Free Cash Flow Breakeven Point (FCFBP).

FCFBP is the US\$ oil price at which cash flows from operating activities equals cash flows from investing activities, as published in the Company's financial statements.

This condition has been chosen in order to drive the underlying business to be an operationally efficient low-cost producer focused on delivering shareholder value throughout the oil price cycle. As the aim of the condition is to measure the performance of the underlying business, the Board will have discretion to adjust the FCFBP for individually material items including asset acquisitions and disposals that may otherwise distort the measurement.

The Company's FCFBP will be calculated each year and will be an average over the four-year performance period, and the SARs will vest in accordance with the following vesting scale:

FCFBP	% of tranche vesting
Above US\$35/bbl	0%
Equal to US\$35/bbl	50%
Straight-line pro-rata vesting in between	
Equal to or below US\$25/bbl	100% vesting

**Tranche 4:
Relative Return
on Average
Capital Employed**

25% of the SARs will be subject to the Company's performance in relation to Return on Average Capital Employed (ROACE) relative to the Company's weighted average cost of capital (WACC).

ROACE is measured as underlying earnings before interest and tax (EBIT) divided by average capital employed, being shareholders' equity plus net debt, as published in the Company's financial statements. Average capital employed is calculated as the simple average of opening and closing balances.

This condition has been chosen in order to drive the underlying business to be an operationally efficient low-cost producer focused on delivering shareholder value throughout the oil price cycle. As the aim of the condition is to measure the performance of the underlying business, the Board will have discretion to adjust the ROACE for individually material items that may otherwise distort the measurement.

The Company's ROACE will be calculated as an average over the four-year performance period from 2024 to 2027, and compared to the Company's WACC over the four-year performance period in order to determine whether the SARs will vest in accordance with the following vesting scale:

ROACE percentile ranking	% of tranche vesting
Santos' ROACE is equal to or below 110% of WACC	0%
From greater than 110% of WACC	50%
Straight line pro rata vesting in between	
Equal to or above 140% of WACC	100% vesting

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Number of SARs

The number of SARs to be granted to Mr Gallagher has been determined using the 'face value' methodology, that is, by dividing an amount equivalent to 180% of Mr Gallagher's 2024 total fixed remuneration of \$2,070,300 by \$7.60, being the share price at the start of the performance period (the price on Friday 29 December 2023 was used, as 1 January 2024 was not a trading day). This was the same face value methodology that was used to calculate the number of SARs awarded to other Executives of the Company as part of the Company's long-term incentive program.

Based on the above formula, it is proposed that Mr Gallagher be granted 490,334 SARs.

Amount payable for SARs

Under the terms of the SEEIP, SARs are granted at no cost, and no amount is payable on vesting of the SARs if the performance conditions are met.

Vesting of SARs

At the end of the performance period, the Board will determine if and to what extent the performance conditions set out above have been satisfied and the number of SARs that will vest. Any SARs that do not vest when they are tested will immediately lapse.

Each SAR entitles Mr Gallagher to one fully paid ordinary share in the Company which, when allocated, will rank equally with shares in the same class. At Santos' election, cash to the same value can be paid as an alternative to providing shares.

Voting and dividend entitlements

Under the terms of the SEEIP, the SARs do not provide participants with any legal or beneficial interest in Santos shares and participants have no entitlement to receive dividends and no voting rights until SARs vest.

For SARs which vest, Mr Gallagher will receive additional Santos shares equivalent in value to notional dividends accrued and reinvested over the vesting period, or the cash equivalent value.

The dividend equivalent payment is calculated by dividing the value of dividends that would have been received over the vesting period by the Santos closing share price on the dividend payment date, calculated on the basis that dividends were reinvested.

These additional shares or cash equivalent value will be provided at or around the time of vesting.

No entitlement to additional shares or cash payment will be provided in respect of SARs which do not vest.

Cessation of employment

Under the terms of the SEEIP, on cessation of employment some or all of the SARs may vest, lapse or remain on foot, subject to the Board's discretion. Generally, Mr Gallagher resigns or is summarily dismissed, his unvested SARs will lapse. In all other circumstances, unvested SARs will generally remain on foot and will vest or lapse in accordance with their original terms, unless the Board determines otherwise.

Change of control

Under the terms of the SEEIP, the Board has discretion to vest or lapse the SARs if there is a change of control.

Clawback and malus

Under the terms of SEEIP, the Company has the discretion to lapse unvested SARs, and claw back vested shares or cash, in certain circumstances (such as dishonesty, fraud or breach of material obligations).

Securities hedging

Under the Company's Securities Dealing Policy, Santos personnel cannot enter into hedging or other financial arrangements that operate to limit the economic risk associated with holding Santos securities prior to the vesting of those securities or while they are subject to a holding lock or restriction on dealing.

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Other material terms of the SEEIP

The SEEIP, under which the SARs are being granted, can be amended by the Board, subject to the Listing Rules. Subject to the Listing Rules, the Board may make such adjustments to rights awarded under the SEEIP as the Board considers appropriate in order to minimise or eliminate any material advantage or disadvantage to participants resulting from a corporate action such as a capital raising or capital reconstruction.

The Remuneration Report in the Company's Annual Report for the financial year ended 31 December 2023 contains further details about the SEEIP.

OTHER INFORMATION REQUIRED BY THE ASX LISTING RULES

Why is approval being sought and what will happen if approval is not given?

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of Santos;
- (b) an associate of a director of Santos; or
- (c) a person whose relationship with Santos or a person referred to in (a) or (b) above is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders. As Mr Gallagher is a director of Santos, Santos is required to seek shareholder approval for the issue of SARs to Mr Gallagher.

Santos is seeking shareholder approval for the purposes of Listing Rule 10.14, and for transparency and governance reasons. While obtaining shareholder approval would give Santos the flexibility to issue shares to satisfy SARs that vest, Santos currently intends to satisfy any vested SARs (as well as any distribution equivalent amount) with shares that have been purchased on market.

If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Gallagher.

Why are SARs used for Mr Gallagher's long term incentive?

Santos uses SARs because they create share price alignment between Executives and ordinary shareholders, but do not provide the Executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the SARs vest.

Mr Gallagher's total remuneration package for FY23

Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Gallagher's current total remuneration:

Total Fixed Remuneration (including superannuation) (TFR)	\$2,070,300
Short term incentive	100% of TFR at target, 167% of TFR at maximum
Long Term Incentive	180% of TFR on a face value basis

Shareholders are referred to the remuneration report for full details of Mr Gallagher's remuneration.

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Other information

- A summary of the material terms of the SEEIP is set out above under the heading “TERMS AND CONDITIONS OF GRANT OF SARs UNDER SEEIP (“GRANT”)”.
- Mr Gallagher is the only Director entitled to participate in SEEIP.
- There is no loan in relation to the SARs.
- The ASX Listing Rules require this Notice of Meeting to state the number and average price of securities received by Mr Gallagher under Santos’ long term incentive plan. 4,728,014 SARs have been issued to Mr Gallagher under the SEEIP (at no cost) in respect of prior year long term incentives.
- Details of any SARs issued under the SEEIP will be published in the Company’s Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14, who become entitled to participate in an issue of shares under the SEEIP after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on pages 21–24.

RECOMMENDATION

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

5. RENEWAL OF THE PROPORTIONAL TAKEOVER PROVISIONS FOR A FURTHER THREE YEARS

The proportional takeover provisions set out in Rule 70 of the Company's Constitution were last renewed by shareholders of the Company at the 2021 Annual General Meeting for a period of three years.

The provisions prohibit the registration of transfers of shares acquired under the proportional takeover bid unless a resolution is passed by shareholders approving the bid. As provided in Rule 70, the provisions cease to have effect three years after they were last approved by shareholders, unless renewed. Accordingly, it is appropriate to consider renewing the proportional takeover provisions by renewing Rule 70, in the form last approved by shareholders at the 2021 Annual General Meeting.

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution. If these provisions are renewed by shareholders, they will be in exactly the same terms as the current provisions in Rule 70 of the Constitution and will operate for three years from the date of the Annual General Meeting. A copy of the Company's Constitution is available on the Company's website at https://www.santos.com/wp-content/uploads/2020/01/santos_limited_constitution_3may2012.pdf.

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

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

To deal with this possibility, a company may provide in its constitution that:

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

The Directors consider that members should continue to be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all their shares for a satisfactory control premium. Members may, therefore, be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares. The Directors also believe that the right to vote on a proportional

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takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

Similar provisions are commonly found in the constitutions of publicly listed companies on the ASX, and are regularly renewed.

What is the effect of the proportional takeover approval provisions?

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

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and their associates are not allowed to vote. If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act. This effectively means that members may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

The proportional takeover approval provisions do not apply to full takeover bids, and only

apply for three years after the date they are renewed. The provisions may be refreshed for a further three-year period, but only by a special resolution passed by members.

Potential advantages and disadvantages

While Rule 70 has been in effect, there have been no full or proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and shareholders, respectively, during this period.

While the renewal of Rule 70 will allow the Directors to ascertain members' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The potential advantages of the proportional takeover provisions for shareholders include:

- they give members their say in determining, by majority vote, whether a proportional takeover bid should procedure;
- they ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including appropriate pricing;
- knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer; and

- they may assist members in avoiding being left with a minority interest.

However, the potential disadvantages of the proportional takeover provisions include:

- they may discourage proportional takeover bids being made as they may make a proportional takeover bid more difficult to achieve;
- they may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made; and
- they may be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their shares.

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

No knowledge of any present acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

RECOMMENDATION

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

NOTES RELATING TO VOTING

1. ATTENDING THE ANNUAL GENERAL MEETING

Registration for the meeting will open at 9:00 am Adelaide time at the Adelaide Oval. If you have a smartphone or tablet, please bring it with you to use the online voting platform during the meeting. If you do not have a smartphone, other options will be available.

Please monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

2. VOTING EXCLUSIONS

Resolution 3

The Company will disregard any votes cast on resolution 3:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 31 December 2023 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

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

- in accordance with a direction in the proxy form; or
- by the Chair of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy, even though resolution

Notice of Annual General Meeting

continued

3 is connected with the remuneration of the Company's KMP.

Resolution 4

The Company will disregard any votes cast on resolution 4:

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

unless the vote is cast on resolution 4:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman of the meeting decides, even though the resolution is connected with the remuneration of a member of the Company's KMP; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. VOTING ENTITLEMENT ON A POLL

All resolutions will be decided on a poll. On a poll, every member has one vote for every fully paid ordinary share held.

4. PROXIES

Any shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in their place. The following information is relevant if you wish to appoint a proxy to vote on your behalf on resolutions at the Annual General Meeting.

The Chair of the Annual General Meeting acting as proxy

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

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

For proxies without voting instructions that are exercisable by the Chair of the meeting, the Chair of the meeting intends to vote all available proxies in favour of resolutions 2a, 2b, 2c, 2d, 3, 4 and 5.

In relation to each of the remuneration-related resolutions (being resolutions 3 and 4), if the Chair of the meeting is appointed as, or becomes, your proxy, and you have not directed your proxy how to vote on the relevant resolution, by submitting the proxy form you will be expressly authorising the Chair of the meeting to exercise your undirected proxy on these resolutions as the Chair of the meeting decides, even though they are connected with the remuneration of the Company's key management personnel.

Directing your proxy how to vote

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

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

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

Does the proxy you appoint need to be a member?

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

Appointing two proxies

A member entitled to attend and vote is entitled to appoint not more than two proxies. If you wish to appoint two proxies, you must specify the nominated percentage or number

of your votes given to each proxy on the proxy form. If the proxy form does not specify the proportion or number of your votes, each proxy may exercise half of the votes.

Appointment of a body corporate representative as a proxy

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

- it appoints an individual as its corporate representative to exercise its powers at the meeting in accordance with section 250D of the Corporations Act (the 'Certificate of Appointment of Corporate Representative'" that can be obtained from the Share Registry, can be used for this purpose); and
- the instrument appointing the corporate representative is received by the Company at its registered office by 10:00 am (Adelaide time) on Tuesday 9 April 2024.

Completing the proxy form

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

Notice of Annual General Meeting

continued

Lodgement of proxy forms

Proxy forms must be received by the Company by 10:00 am (Adelaide time) on Tuesday 9 April 2024. You may lodge your proxy form:

- online by visiting <https://www.investorvote.com.au>;
- by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- by post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001.

Note that references to submitting a proxy form in this Notice of Meeting include appointing a proxy using any of the above methods.

5. APPOINTING AN ATTORNEY TO VOTE ON YOUR BEHALF

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

6. APPOINTING A CORPORATE REPRESENTATIVE

Where a member is a corporation and appoints a representative under section 250D of the Corporations Act, appropriate evidence of the appointment must be produced. A 'Certificate of Appointment of Corporate Representative' can be obtained from the Share Registry. It should be completed prior

to the Annual General Meeting and presented at the registration desk on the day of the meeting.

7. SUBMITTING QUESTIONS IN ADVANCE OF THE MEETING

Shareholders are welcome to provide questions in advance of the Annual General Meeting. If you wish to submit questions to the Company or the external auditor in advance of the Annual General Meeting, you may do so by visiting santos.com/investors/2024-annual-general-meeting/.

Questions must be received no later than 5.00 pm (Adelaide Time) on Thursday, 4 April 2024. During the Annual General Meeting, the Chair of the meeting will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

8. VIDEO OF MEETING

The Annual General Meeting will be recorded and available to view at santos.com/investors/2024-annual-general-meeting/ after the meeting.

Annexure A

STATEMENT PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT IN RELATION TO ITEM 2(A)

A group of shareholders holding less than 0.0034% of the Company's ordinary shares has requested, pursuant to section 249P of the Corporations Act, that the following statement about Item 2(a) be provided to shareholders.

Santos is legally required to circulate the statement to shareholders. However, the Board and Company do not endorse, and are not responsible for, the contents of the statement or any inaccurate or misleading statements contained in it.

Unless otherwise indicated, terms used in the Board's response below have the meaning set out in the glossary at Appendix 1 to the Notice of Meeting.

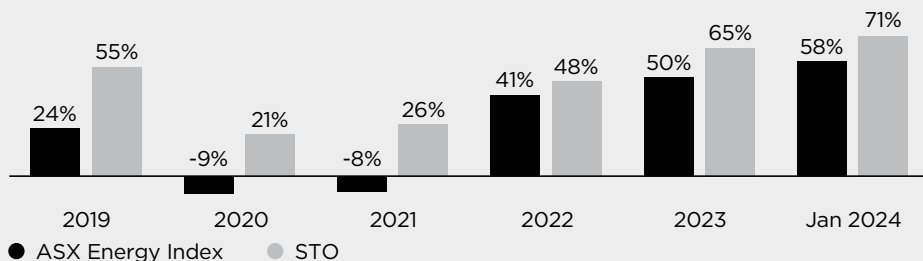
THE BOARD'S RESPONSE

A group of shareholders holding less than 0.0034 per cent of the Company's ordinary shares is urging shareholders to vote against the re-election of the Board Chair, alleging that Santos has failed to deliver a company strategy that maximises shareholder value during his time as Chair.

The Board is confident that Santos has a robust strategy that is resilient to external volatility and will deliver shareholder value over the medium and long term.

During Mr Spence's tenure, Santos has delivered total shareholder returns of more than 70 per cent (to January 31 2024). Underlying NPAT has almost doubled from US\$727 million in 2018 to US\$1.42 billion in 2023. The market capitalisation of the Company has grown from \$11 billion in 2018 to more than \$23 billion at the end of 2023, moving from the top 30 of the ASX to the top 20 and to the top 20 global independent upstream energy companies.

Cumulative Total Returns 2019 to January 2024



Annexure A

continued

Product demand and future operating environment

The claim that Santos “operates in a sunset industry” is false. The latest International Energy Agency (IEA) Net Zero by 2050 scenario assumes world demand of about 32,000 petajoules of gas per year in 2050, of which almost 60 per cent would be served with abated gas through carbon capture and storage (CCS)¹. The IEA also makes clear that “continued investment is required in existing oil and gas assets².” The Intergovernmental Panel on Climate Change has a number of 1.5-degree scenarios with wide-ranging gas demand assumptions, the median of which shows global gas demand in 2050 is about 60% of today’s levels³. In the Asia Pacific, Wood Mackenzie forecasts growing LNG demand through to 2040⁴. With three LNG projects currently serving the Asia Pacific LNG market, Santos is well placed to supply this market over at least the next two decades.

Santos’ Barossa gas project, which will backfill the existing Darwin LNG project is an example of this. The proposed Bayu-Undan CCS project would permanently sequester reservoir carbon dioxide from Barossa, making it a low emissions intensity project and contributing to it having net-zero reservoir emissions from first gas.

Santos has a forward-looking strategy that focuses on backfilling and sustaining existing infrastructure and supplying the critical fuels the world continues to demand. Santos also seeks to decarbonise its operations and develop low carbon fuels as market demand evolves.

Santos is confident this strategy will deliver long-term value to shareholders, utilising the Company’s diverse portfolio of high-quality, long-life, low-cost oil and gas assets, carbon storage resources and infrastructure.

Company performance

The investments Santos is making today in the Barossa and Pikka projects are targeting cash flows of ~\$1.1 billion to \$1.7 billion per year at full production rates from 2027 onwards⁵. Santos is confident these investments will generate strong returns to shareholders from first production. Barossa is on track for first production in 2025 and Pikka in 2026.

In 2023, Santos returned \$852 million to shareholders through dividends, including a final dividend for 2023 of 17.5 cents per share.

Since the Chair joined in January 2018, Santos has delivered attractive TSR (~70 per cent), outperforming an index of its energy peers (~60 per cent).

1 IEA, Net Zero Roadmap - A Global Pathway to Keep the 1.5°C Goal in Reach - 2023 Update, September 2023

2 IEA, Net Zero Roadmap - A Global Pathway to Keep the 1.5°C Goal in Reach - 2023 Update, September 2023

3 Intergovernmental Panel on Climate Change (IPCC) AR6 report, April 2022

4 Wood Mackenzie LNG Tool Q4 2023

5 Based on oil prices of \$70-100/bbl (2023 real) in all years and JKM of \$10-14/mmbtu (2023 real) in all years.

Santos' capital management framework seeks to maintain a strong balance sheet, invest in major projects to backfill and sustain existing infrastructure, invest in decarbonisation and low-carbon fuels development, and provide returns to shareholders of at least 40 per cent of free cash flow from operations⁶ generated per annum.

Investment hurdles

Santos clearly indicated that it is targeting a Return on Average Capital Employed⁷ (ROACE) of -15-20 per cent by 2028 on Slide 20 of the 2023 Investor Day presentation.

Santos uses multiple data points for its oil price assumptions, which are publicly disclosed and within the range of reputable forecasts.

Remuneration framework alignment to shareholder returns

Santos' strategy is designed to be robust and resilient to external volatility and aims to deliver shareholder value across three horizons: backfill and sustain, decarbonisation and low-carbon fuels.

Santos' remuneration structure incentivises the delivery of the strategy and our goal to be a global leader in the energy evolution to low carbon fuels by helping the world decarbonise and continuing to provide the reliable, affordable energy the world needs.

For over a decade the Short-Term Incentive (STI) has included sustainability metrics and, from 2019, it has included specific metrics related to emissions reduction as well as advancement of CCS projects.

The pursuit of CCS projects is a critical component of Santos' decarbonisation and low-carbon fuels strategy. Fatih Birol, Executive Director of the IEA has said that reaching net zero goals without CCS "will become virtually impossible". As the market for carbon abatement grows globally and in Australia, Santos sees CCS as an important opportunity to grow new revenue streams, while supporting the decarbonisation of the oil and gas industry, and of hard-to-abate sectors such as steel and cement.

Santos has been proactive in continually strengthening the links between sustainability and climate, and performance pay.

The 2023 STI had a weighting of 40 per cent towards sustainability and climate metrics. The strong focus on sustainability metrics is designed so that Management is rewarded for

- 6 Free cash flow from operations is defined as operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure less lease liability payments. The Board will have the discretion to adjust free cash flow for individually material items.
- 7 Return on Average Capital Employed (ROACE) is Earnings Before Interest and Tax / (Average Total Equity + Net Debt). ROACE range is due to base assumption of Brent of \$75/bbl (2023) and JKM of \$12/mmBtu (2023 real) and upside assumption of Brent of \$90/bbl (2023) and JKM of \$14/mmBtu (2023 real).

Annexure A

continued

delivering outcomes which lead to sustainable returns in the long term and delivery of our climate commitments.

Santos' 2023 Remuneration Report details the four quadrants of the 2023 Company Balanced Scorecard used to assess performance for the STI.

Sustainability accounts for 25% of the company scorecard and includes safety, environment, Cultural Heritage, Community and People related measures. In addition, the production and backfill, sustain and decarbonisation quadrant includes climate-related measures that account for 15% weighting. These metrics continue to reinforce the link between sustainability and climate, and executive remuneration.

People and culture performance

The Board and Management are committed to maintaining a robust corporate governance framework to underpin Santos' disciplined operating model, the execution of the Company's strategy and the commitment to delivering strong shareholder returns and targeting net-zero emissions (Scope 1 and Scope 2, equity share) by 2040.

The statement raises the longstanding relationship between the Chair and CEO. The CEO is accountable to the full Board. The CEO and Chair have an effective working relationship which facilitates open, transparent communications between Management and the Board. Both the CEO and Chair operate within the Company's Delegations of Authority.

In 2023, Santos developed and rolled out a new Employment Value Proposition (EVP) which included engaging with people across all areas of the business to understand more about the current employee experience, identify barriers and opportunities to the Santos One Team culture, and identify what sets Santos apart from our competitors.

One of the key activities to support the EVP has been the introduction of a higher-frequency listening model through the Real Talk survey. The first survey in mid 2023 provided a baseline on the level of engagement across the business and generated insights and focus areas to improve employee engagement and organisational culture. This survey highlighted our top strengths as safety and the calibre of the people at Santos. A second survey was conducted to check on progress in late 2023, with significant improvements in engagement recorded. Santos is continuing to implement measures throughout 2024 to further improve organisational culture and employee engagement.

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

Attachment 1

Statement received regarding resolution to re-elect Keith Spence as a director

Under the direction of chair Keith Spence, the Santos board has failed to deliver a company strategy that maximises shareholder value.

The Santos board has made a series of strategic decisions aimed at growth which have resulted in chronic share price underperformance. With shareholder frustration mounting,¹ the primary strategy the board appears to be contemplating is to merge with or sell off assets to an industry peer. The board's options are decreasing, with the highly publicised merger talks with Woodside recently concluding without a deal.²

Santos operates in a “sunset industry”³ facing long-term structural demand decline and a challenging future operating environment. The company needs a high-calibre chair, with the requisite skill and judgement to properly weigh its strategic options in the face of the energy transition and to deliver satisfactory shareholder returns.

As Chair since February 2018, Spence is ultimately responsible for the company's poor performance and strategic failings. A vote against him is warranted.

Company underperformance relative to peers

Santos' pivot to a growth strategy and subsequent underperformance casts doubt on the board's judgement. The shift to a growth strategy was marked by the final investment decision for the Barossa project in late March 2021. This saw the company move from a low cost operating model (2016-2020), with average annual capex of US\$711m p.a. to a growth phase (2021 to 2023), with

¹ <https://www.afr.com/chanticleer/investors-push-for-santos-lng-break-up-20231016-p5ec1l>

² <https://www.afr.com/companies/energy/woodside-santos-call-off-talks-on-80b-merger-20240207-p5f32q>

³ <https://www.afr.com/chanticleer/value-killed-80-billion-woodside-santos-deal-20240207-p5f32t>

Attachment 1

continued

average annual capex of US\$1,780m p.a.⁴ This amounts to a 150% increase in capex.

To date, this growth phase has delivered only 7% total shareholder returns (TSR).⁵ This is a drastic underperformance when compared with peers and relevant indices over the same period. For example:

- average TSR for global and Australian peers ('peer group') was 82%. Peer TSR's were:
 - ConocoPhillips (142%), ExxonMobil (98%), Equinor (94%), Shell (84%), TotalEnergies (69%), Eni (69%), BP (63%), Chevron (57%) and Woodside (57%)
- MSCI World Energy Index was 76%
- ASX200 was 18%

This demonstrates Santos' capex-heavy growth strategy is not delivering for shareholders. At the 2023 investor day CEO Kevin Gallagher noted his frustration with the "cheap" share price, acknowledging "It's stalled, and we need to unstall it".⁶

Santos is also a laggard in returning capital to shareholders. With a 5.8% 2023 dividend and share buyback yield⁷, it is the lowest amongst its peer group. The average 2023 dividend and share buyback yield for the group is 9.7%.

Santos did not disclose an investment hurdle for new projects in its 2023 Investor Day presentation, unlike recent equivalent disclosures from many in its peer group (e.g. Shell, BP, TotalEnergies, Woodside). This means the level of profitability the Santos board demands from new projects is opaque.

Additionally, for company Return on Average Capital Employed (ROACE) targets Santos is using more optimistic oil price assumptions than its peer group. Santos has the highest oil price assumption of the selected peer group,

⁴ Bloomberg. Capex is based on calendar years, including an estimate for 2023

⁵ US\$ TSR from 30 March 2021 (i.e. Barossa FID) to 31 December 2023

⁶ <https://www.afr.com/companies/energy/santos-shares-are-cheap-says-frustrated-ceo-20231121-p5elq5>

⁷ The dividend and share buyback yield is the sum of 2023 dividend yield (Bloomberg estimates as of 31 December 2023) and share count yield for the period from 31 December 2022 to 31 December 2023

with an implied 2028 Brent price of \$83/bbl (calculated from a \$75/bbl 2023 real price). This is 15% above the peer group's average of \$72/bbl. Santos' use of higher oil prices could drive the company to progress projects its peers would not, exposing its shareholders to higher risk in the energy transition.

Remuneration framework not incentivising shareholder returns

Santos' remuneration settings are misaligned with governance norms and insufficiently incentivise management to focus on shareholder returns.

On 21 April 2021 the board announced a \$A6m bonus for CEO Kevin Gallagher to incentivise Santos' growth pivot.⁸ At the time, a governance expert reportedly described it as an incentive “to deliver on future projects that have yet to deliver earnings and value for shareholders”, creating a situation where Gallagher “could still get his bonus if the board subjectively determines performance hurdles have been achieved, even if they don't generate shareholder value”.⁹ The Australian Shareholder Association also expressed concerns regarding the absence of “a hurdle set to ensure shareholders had a good outcome”.¹⁰

The absence of any clear linkage between shareholder returns and the CEO's growth incentive bonus was a major error of judgement by the Santos board that investors are now paying for.

Management accountability

Multiple incidents indicate the board is either unwilling or unable to exercise an appropriate level of control over management and hold it to account, as required under ASX Corporate Governance guidelines.¹¹ The longstanding

⁸ https://www.santos.com/wp-content/uploads/2021/04/210412_Growth-projects-incentive-for-CEO.pdf

⁹ <https://www.afr.com/companies/energy/6m-incentive-locks-in-santos-ceo-amid-woodside-rumours-20210412-p57iee>

¹⁰ CapitalIQ, Santos 2021 AGM transcript, p20

¹¹ <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-fourth-edn.pdf>, p6, Recommendation 1.1

Attachment 1

continued

partnership between the Chair and CEO has raised questions about the board's ability to hold management to account.¹²

The Santos board permitted the extraordinary appointment of CEO Kevin Gallagher as a Mineral Resources Non-Executive Director in March 2022,¹³ amid Santos' \$A22 billion merger with Oil Search, despite the obvious conflicts it would introduce with respect to Gallagher's availability and prioritisation of Santos, in addition to potential business conflicts of interest.¹⁴ The appointment was reversed following public shareholder discontent.¹⁵

Staff satisfaction with management is persistently low:

- an internal 2021 survey indicated that 'trust in leadership' and belief among staff that Santos was 'effectively managed and well run' was 'well below benchmarks'.¹⁶
- CEO approval among staff has been as low as 23 per cent, according to Glassdoor.¹⁷

Further examples of concerning company culture include: the board's approval of the leasing of a private jet (\$US 23 million) in 2022 for board and executive travel, which was undisclosed in company reporting documents but revealed in the media;¹⁸ and the revelation that Alex Epstein, a vocal opponent of the scientific consensus on climate change, was invited to speak with executive staff.¹⁹

¹² <https://www.afr.com/rear-window/santos-ceo-kevin-gallagher-joins-the-jet-set-20230912-p5e3yx>

¹³ <https://announcements.asx.com.au/asxpdf/20220131/pdf/455j46jqc4ykb5.pdf>

¹⁴ <https://www.afr.com/companies/energy/a-bit-odd-santos-ceo-s-board-seat-at-minres-20220201-p59sv7>

¹⁵ <https://www.afr.com/companies/energy/santos-ceo-s-u-turn-on-odd-minres-board-role-20220303-p5a1eb>

¹⁶ <https://www.smh.com.au/business/companies/santos-staff-blast-management-in-confidential-survey-after-ceo-offered-6m-bonus-20220429-p5ah87.html>

¹⁷ <https://www.afr.com/rear-window/santos-launched-book-on-chief-s-sheer-brilliance-20231029-p5eful>

¹⁸ <https://www.afr.com/rear-window/santos-ceo-kevin-gallagher-joins-the-jet-set-20230912-p5e3yx>

¹⁹ <https://www.afr.com/rear-window/santos-kevin-gallagher-reads-from-his-burn-book-20231029-p5efw2>

Annexure B

STATEMENT PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT IN RELATION TO ITEM 3.

A group of shareholders holding less than 0.0047% of the Company's ordinary shares has requested, pursuant to section 249P of the Corporations Act, that the following statement about Item 3 be provided to shareholders.

Santos is legally required to circulate the statement to shareholders. However, the Board and Company do not endorse, and are not responsible for, the contents of the statement or any inaccurate or misleading statements contained in it.

Unless otherwise indicated, terms used in the Board's response below have the meaning set out in the glossary at Appendix 1 to the Notice of Meeting.

THE BOARD'S RESPONSE

The following information is provided to refute the statement made regarding the Santos' 2023 Remuneration Report. A group of shareholders holding approximately 0.00463 per cent of the Company's ordinary shares is urging shareholders to vote against the Remuneration Report, alleging that Santos' remuneration structure is inconsistent with Santos' climate goals.

The Board is confident that Santos' remuneration structure supports the achievement of Santos' purpose and vision, and is aligned to its Climate Transition Action Plan. The Board recommends that shareholders vote for the Remuneration Report.

Alignment with climate pathways

Santos seeks to balance the needs of today, supplying critical fuels for affordable and reliable energy, with the need to transition to a lower-carbon future as market demand evolves.

Santos recognises the scientific consensus on climate change and supports the objective of the Paris Agreement to limit global temperature rise by 2100 to well below 2 degrees Celsius and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

Under a range of potential scenarios where global temperature increase is limited to 1.5 degrees Celsius, both the Intergovernmental Panel on Climate Change¹ and the

¹ IPCC 2022. Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

Annexure B continued

International Energy Agency indicated that there is a need for gas and liquids production through to 2050².

The report further concluded that “extreme volatility in energy markets during the global energy crisis has highlighted the importance of affordable, reliable and resilient supply, especially in price-sensitive developing economies that see the largest increase in demand for energy services³.”

The International Energy Agency noted in its 2023 update that a reduction in fossil fuel supply is not the key lever to achieve the NZE scenario outcomes⁴.

Santos has a three-horizon strategy which underpins our decarbonisation pathway targeting net-zero Scope 1 and 2 emissions by 2040. The strategy is focused on backfilling and sustaining existing infrastructure, decarbonising operations and investing in the technologies needed to develop low carbon fuels for the future. The decarbonisation of Santos’ portfolio is designed to be value accretive for shareholders.

Our approach is to strike the right balance between disciplined and phased spending on major projects to meet global energy demand, while also investing in innovative energy solutions that align with the energy transition.

Santos’ Climate Transition Action Plan (CTAP) outlines the decarbonisation initiatives that Santos is currently pursuing to achieve our emissions reduction targets and to help our customers achieve theirs. The CTAP includes potential pathways to progressively develop and deliver lower carbon energy and low carbon fuels in the future.

The International Energy Agency recognises a series of key levers that will drive emissions reduction within the oil and gas industry to meet global Net Zero targets⁵. Several of these levers form a fundamental part of Santos’ CTAP, including:

1. Reducing methane emissions
2. Eliminating non-emergency flaring
3. Electrifying upstream facilities with low-emission electricity
4. Providing carbon capture and storage (CCS) services.

2 IEA 2023. World Energy Outlook 2023.

3 IEA 2023. World Energy Outlook 2023, page 23.

4 IEA 2023. Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach.

5 IEA 2023. The Oil and Gas Industry in Net Zero Transitions.

Investor expectations

The majority of Santos' shareholders have indicated their support for Santos' approach to climate risk and the energy transition as follows:

- In 2022, 63 per cent of shareholders supported the Company's 'say on climate'
- In 2023, 82 per cent of shareholders voted against a resolution for the Company to manage down its oil and gas production in-line with the IEA's NZE scenario.

In 2023, members of the Santos Board and Management engaged with many shareholders to understand their views on our Climate Transition Action Plan and our approach to climate and energy transition. Also in 2023, we conducted an extensive process to better understand the sources and composition of the Company's Scope 3 emissions profile, taking on board shareholder feedback. Disclosure of all material Scope 3 emissions categories is included in our 2023 Sustainability and Climate Report.

This comprehensive work has provided insight into customer demand for, and use of, our products, and has informed conversations with our suppliers about how they can reduce their emissions – in turn reducing Santos' upstream Scope 3 emissions. Further details of shareholder feedback and our response are included in our 2023 Sustainability and Climate Report at Appendix 7 on page 214.

Santos' remuneration structure and its alignment to corporate strategy

Santos' strategy is designed to be robust and resilient to external volatility and aims to deliver shareholder value across three horizons: backfill and sustain, decarbonisation and low-carbon fuels.

Santos' remuneration structure incentivises the delivery of the strategy and our goal to be a global leader in the energy evolution to low carbon fuels by helping the world decarbonise and continuing to provide the reliable, affordable energy the world needs.

The People, Remuneration and Culture Committee is responsible for the oversight and formulation of remuneration recommendations to the Board for Senior Executives and the Company more broadly.

For over a decade the Short-Term Incentive (STI) has included sustainability metrics and, from 2019, it has included specific metrics related to emissions reduction as well as advancement of CCS projects.

The pursuit of CCS projects is a critical component of Santos' decarbonisation and low-carbon fuels strategy. Fatih Birol, Executive Director of the IEA has said that reaching

Annexure B continued

net zero goals without CCS “will become virtually impossible”. As the market for carbon abatement grows globally and in Australia, Santos sees CCS as an important opportunity to grow new revenue streams, while supporting the decarbonisation of the oil and gas industry, and of hard-to-abate sectors such as steel and cement.

Santos has been proactive in continually strengthening the links between sustainability and climate, and performance pay.

The 2023 STI had a weighting of 40 per cent towards sustainability and climate metrics. The strong focus on sustainability metrics will ensure that Management is rewarded for delivering outcomes which lead to sustainable returns in the long term and delivery of our climate commitments.

Santos’ 2023 Remuneration Report, pages 37-68, details the four quadrants of the 2023 Company Balanced Scorecard used to assess performance for the STI.

Sustainability accounts for 25% of the company scorecard and includes safety, environment, Cultural Heritage, Community and People related measures. In addition, the production and backfill, sustain and decarbonisation quadrant includes climate-related measures that account for 15% weighting. These metrics continue to reinforce the link between sustainability and climate, and executive remuneration.

The Board recommends that shareholders vote **FOR** the Remuneration Report.

Attachment 1

Statement received regarding resolution to adopt Remuneration Report

We urge shareholders to vote against Santos' Remuneration Report because its remuneration structure is inconsistent with the company's stated support for the climate goals of the Paris Agreement.¹

Concerningly, Santos has set a deadline for the submission of requisitioned statements **prior** to the release of its 2023 Annual Report and Remuneration Report. It is important that Santos' remuneration structure be subject to appropriate scrutiny. Accordingly, this statement is directed to the anticipated remuneration structure in the 2023 Remuneration Report, based on information from the company's previous annual reports.

The International Energy Agency (IEA) has found that meeting the Paris climate goals would see cuts to "fossil fuel demand by more than 25% by 2030 and 80% in 2050", requiring no new oil and gas fields to be developed.² Yet Santos' remuneration structure incentivises key management personnel to increase oil and gas production and progress oil and gas growth projects. This practice is inconsistent with numerous international peers including Shell and TotalEnergies.

Inconsistent with investor expectations

Many shareholders do not support Santos' strategic response to climate risk, as demonstrated by recent votes against the board's recommendations:

- In 2020, 43% of shareholders voted for scope 1, 2, and 3 emissions targets, and exploration and capital expenditure plans aligned with the Paris Agreement.
- In 2022, 37% of shareholders voted against the company's climate plan.

¹ <https://www.santos.com/wp-content/uploads/2023/02/Climate-Change-Report-2023.pdf> (pg. 42)

² <https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach> (pg 16)

Attachment 1

continued

- In 2023, 18% of shareholders voted for the company to disclose plans to manage down oil and gas production in line with a net zero emissions by 2050 scenario, following 15% for a similar resolution in 2022 and 13% in 2021.

Rather than respond to these concerns, Santos has continued pursuing increased oil and gas production, and new projects that are incompatible with the Paris climate goals and a net zero by 2050 scenario.

Inconsistent with climate pathways

The IEA's 2023 version of Net Zero Emissions by 2050 Scenario (NZE) reiterated that in order to have a 50% chance of limiting global warming to 1.5°C, rapid and deep cuts to fossil fuel demand mean that "no new long-lead time upstream oil and gas projects are needed".³ The NZE projects gas demand declining 18% from 2022 to 2030, and oil demand declining by 23% over the same period. **Santos plans to increase production by 16% by 2028 against 2022 levels.**⁴

The NZE's conclusions are consistent with a "large consensus" of Paris-aligned climate scenarios, which have found "developing any new oil and gas fields is incompatible with limiting warming to 1.5°C".⁵

Santos' incentivisation of fossil fuel growth is a consistent feature of its annual bonus scheme, with fossil fuel growth incentives having ranged from ~42.5% to ~50% in 2018-2021.⁶ In 2022, 27.5% of Santos' "corporate scorecard" used to determine the award of short-term incentives was based on increasing oil and gas production and developing new oil and gas projects:

³ Ibid.

⁴ <https://www.santos.com/wp-content/uploads/2023/11/Santos-Investor-Day-2023.pdf> (pg. 7)

⁵ <https://www.iisd.org/system/files/2022-10/navigating-energy-transitions-mapping-road-to-1.5.pdf> (pg. iv)

⁶ Santos Annual Reports 2018-2021. Where individual metric weights were not disclosed, we assume an even split of the metric category weight.

25% for higher production,⁷ and 7.5% for delivery of oil and gas growth projects.⁸

In 2021 the CEO received a one-off "Growth Projects Incentive", delivered in the form of 847,458 share acquisition rights (SARs). The SARs become available in 2025 depending on performance over the five-year period. 60% of this award is based on the successful delivery of oil and gas growth projects: Barossa, Dorado and "backfill resources to maximise ongoing utilisation and future expansion of existing facilities". In 2022, the board added Pikka, a former Oil Search asset, as a targeted project in the scheme. If all Growth Projects Incentive SARs are fully granted, the fair value (measured at the beginning of the scheme) would be \$6 million.

Santos has failed to respond to investor concerns around the CEO's "Growth Projects Incentive". Despite receiving a strike against the 2021 Remuneration Report,⁹ Santos' board maintained that incentivising oil and gas project growth would "deliver sustainable growth and longer-term profitability to our shareholders".¹⁰

Shareholders continued to voice their displeasure for Santos' remuneration plan at the 2023 AGM with over 10% of shareholders voting against the 2022 Remuneration Report. Santos has also faced a campaign from activist investor Snowcap focused on the company's consistent underperformance due to its "misguided and reckless growth strategy" and "misaligned executive incentives".¹¹ Snowcap's campaign highlights that **Santos' current**

⁷ Including 5% for late-life assets.

⁸ <https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf> (pg. 45-47)

⁹ https://www.santos.com/wp-content/uploads/2022/05/220503_2022-Santos-AGM-results.pdf

¹⁰ <https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf> (pg.39)

¹¹

<https://static1.squarespace.com/static/5fb304fb74a5527435ec0d68/t/647f26d32bacd64b3b13ecaf/1686054620245/230308%2B-%2BREform%2BSantos%2BPresentation%2BvF.pdf> (pg. 3)

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continued

growth strategy - incentivised by its remuneration structure - is failing to deliver short- term shareholder value while also increasing exposure to transition risk.

Inconsistent with peers

Santos' remuneration approach is inconsistent with international oil and gas industry peers including BP, Shell and TotalEnergies. Shell's long term incentive scheme and TotalEnergies performance share scheme offer no oil and gas production or growth incentives.¹² Both Shell and TotalEnergies removed direct quantitative fossil fuel production targets from their remuneration schemes in 2021. These targets were worth up to 25% and 8% respectively of their CEO's annual bonuses.¹³

BP has eliminated fossil fuel production metrics from its annual bonus scheme and has progressively reduced their weight in its long-term incentive scheme; the company's most recent long-term scheme saw a major cut in production metrics weight, and instead included a 15% weighting for scope 1 and 2 emissions cuts.¹⁴

¹² https://reports.shell.com/annual-report/2022/_assets/downloads/shell-annual-report-2022.pdf (pg. 200);

https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2023-03/TotalEnergies_URD_2022_EN.pdf (pg.247)

¹³ <https://reports.shell.com/annual-report/2021/> (pg.174);

https://reports.shell.com/annual-report/2019/servicepages/downloads/files/shell_annual_report_2019.pdf?_gl=1*117n3xy*_ga*OTU3NzQ4NDAYLjE3MDU5MDEyNDE.*_ga_RW3SLP4RXT*MTcwNjgzNzkyNC4xLjEuMTcwNjgzNzkyNS42MC4wLjA (pg.140);

https://totalenergies.com/system/files/documents/2022-03/DEU_21_VA.pdf (pg.241)

https://totalenergies.com/sites/g/files/nytnzq121/files/atoms/files/2019_total_universal_registration_document.pdf (pg.174)

¹⁴ <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf> (pg. 130)

The total proportion of BP, Shell and TotalEnergies' remuneration driven by fossil fuel production or project delivery is negligible compared to Santos'.

In order to meet investors' growing expectations to closely align corporate strategy with global climate goals and accepted net zero pathways, Santos must stop providing remuneration incentives relating to new oil and gas project development and increased production.

Investors are urged to vote against the Remuneration Report.

Appendix 1

Glossary of terms

Term	Meaning
ACCU	Australian Carbon Credit Unit. Each ACCU issued represents one tonne of carbon dioxide equivalent (tCO ₂ e)
capacity	When being used in the context of CO ₂ storage as per the SRMS, means those storable quantities of CO ₂ anticipated to be commercially stored by application of development projects from a given date forward under defined conditions. Capacity must satisfy four criteria: it must be discovered, storable, commercial, and remaining (as of a given date) on the basis of the development project(s) applied
carbon capture and storage (ccs)	A process in which greenhouse gases, including carbon dioxide, methane and nitrous oxide, from industrial and energy-related sources, are separated (captured), conditioned, compressed, transported and injected into a geological formation, that provides safe and permanent storage deep underground
critical fuels	Hydrocarbon fuels, including oil and natural gas, that supply around 80 per cent of the world's primary energy supply. Hydrocarbon fuels are critical to meet current and forecast energy demand and to the manufacturing of everyday products.
cultural heritage	Both Aboriginal and non-Aboriginal cultural heritage. Cultural heritage can be either tangible (artefacts, scar tree, stock yards, cultural heritage) or non-tangible (Sacred Sites, Significant Aboriginal Areas, cultural heritage).
data	Facts and statistics collected together for reference or analysis [Oxford English Dictionary: accessed 2021]
decarbonise	The process of avoiding, reducing or offsetting anthropogenic greenhouse gas emissions through operational activities or efficiencies, technology deployment, use of generated or acquired carbon credit units, and/or other means.
emissions	Greenhouse gas emissions, unless otherwise specified
employee	People employed by Santos under permanent or maximum term contracts, either full time or part time.

Term	Meaning
exploration	Drilling, seismic or technical studies undertaken to identify and evaluate regions or prospects with the potential to contain hydrocarbons
free cash flow	Operating cash flows less investing cash flows (net of acquisitions and disposals and major growth capex) less lease liability payments
information	Data in context with a particular meaning. (Per Data and Information Management Operating Standard)
joules	Joules are the metric measurement unit for energy
leaders	Employees who are in roles which have direct line control and responsibility for employee safety, behaviour and performance.
LNG	Liquefied natural gas. Natural gas that has been liquefied by refrigeration to store or transport it. Generally, LNG comprises mainly methane.
low carbon fuels	Fuels that Santos may seek to develop with materially lower net greenhouse gas emissions in their production, processing and use (including through reduction and / or equivalent emissions reduction units) compared to traditional fossil fuels. This term may encompass a range of fuels such as hydrogen, ammonia or e-methane
Net Zero	In relation to greenhouse gas emissions, is achieved when anthropogenic emissions of greenhouse gases are balanced by anthropogenic removal of greenhouse gases through means such as operational activities or efficiencies, technology (e.g, CCS), offset through the use of carbon credit emission reduction units, or other means.
oil	A mixture of liquid hydrocarbons of different molecular weights.
return on average capital employed (roace)	Is measured as the underlying earnings before interest and tax (EBIT) divided by the average capital employed, being shareholders' equity plus net debt
Santos	Santos Limited and its subsidiaries.
Scope 3 emissions	All indirect greenhouse gas emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

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continued

Term	Meaning
supplier	An individual or organisation that may supply goods or services to Santos. Goods and services may be procured by Purchase Order or credit card contracts. Suppliers who are engaged by a Contract other than a Purchase Order or credit card are referred to as Contractors. (Per HSE Contractor Management and Materials Management Operating Standard)
the Company	Santos Limited and all its subsidiaries.
ACCU	Australian Carbon Credit Unit. Each ACCU issued represents one tonne of carbon dioxide equivalent (tCO ₂ e)
CCS	Carbon Capture and Storage
CEO	Chief Executive Officer
CTAP	Climate Transition Action Plan
FEED	Front-end engineering design
FID	Final investment decision
gas	Natural gas
ha	Hectares
IEA	International Energy Agency
MOU	Memorandum of Understanding
NDT	Non-destructive testing
NGO	Non-government organisation
PHA	Provincial Health Authorities
STEM	Science, Technology, Engineering and Maths
/bbl	per barrel
J	Joule
K	thousand
M	million
T	tonne
Mt	million tonnes
US\$	US currency

Units of measure

bbl	Barrel
boe	Barrels of oil equivalent
kt	Thousand tonnes
mmbbl	Million barrels
mmboe	Million barrels of oil equivalent
mmBtu	Million British thermal units
MtCO ₂ e	Million tonnes of carbon dioxide equivalent
Mtpa	Million tonnes per annum
PJ	Petajoules, 1 joule x 10 ¹⁵
t	Tonnes
TJ	Terajoules, 1 joule x 10 ¹²

Conversion factors

Sales gas and ethane	1 PJ = 171.937 boe x 10 ³
Crude oil	1 barrel = 1 boe
Condensate	1 barrel = 0.935 boe
LPG	1 tonne = 8.458 boe
LNG	1 PJ = 18,040 tonnes
LNG	1 tonne = 52.54 mmBtu

For a comprehensive online conversion calculator tool, please visit <https://www.santos.com/conversion-calculator/>

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