Notice to company pursuant to s 249P of the Corporations Act 2001 (CA)

I/we .... [name of 'shareholder']

of ....

.. [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN) .... [HIN or SRN]

in respect of any holding of the shareholder's Santos Limited ('STO', 'Santos' or 'the company') ordinary fully paid shares;

hereby request (in accord with section 249P of the CA) that the company give to all members in the notice of general meeting the following statement about the resolution to adopt the company's Remuneration Report pursuant to s 250R(2) of the CA, which will be moved at the next general meeting.

SIGNED

………………………………………………..	…………………………………………………
(Signature of individual Shareholder† /company director)	(Signature of second shareholder in a joint holding/for a company second director or company secretary)

† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all shareholders must sign)

Statement 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

[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)

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.
- 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: 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

[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.

[7] Including 5% for late-life assets

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

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 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]

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

---

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)
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*MTcwNjgzNzYyNC4xLjEuMTcwNjgzNzkzNS42MC4wLjA (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)

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.