



Investor Bulletin: ACCR files members' statement against re-election of Santos' Chair

16/02/24 | ASX:STO

From early 2021, with Chair Keith Spence at the helm, Santos has made a series of strategic decisions aimed at growth which have resulted in chronic share price underperformance.

ACCR has filed a members' statement¹ with Santos Ltd, outlining the reasons why ACCR will be voting against the Chair, Keith Spence, who is up for re-election at the 11 April AGM.

Read the members' statement in full [here](#).

ACCR believes a vote against the Chair is warranted because under his direction the Santos board has failed to deliver a company strategy that maximises shareholder value.

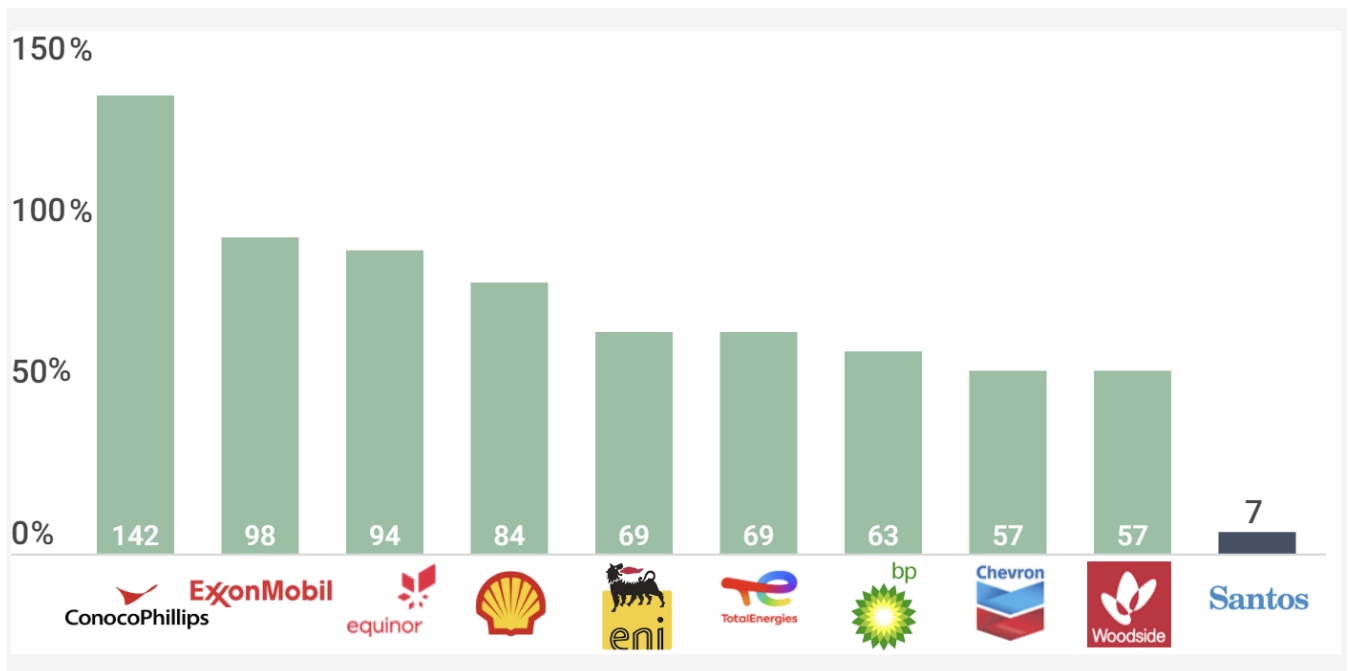
Key points:

- According to ACCR analysis, Santos' pivot to a growth strategy in early 2021 has increased capex by 150%, but only delivered 7% total shareholder returns (TSR). The average TSR for global and Australian oil and gas peers over the same period was 82%.
- Santos' is a laggard in returning capital to shareholders. With a 5.8% 2023 dividend and share buyback yield, it is the lowest amongst its peer group.
- Santos has implemented an A\$6m CEO bonus that incentivises growth regardless of shareholder returns.
- ACCR also has concerns about the long-standing business relationship between Keith Spence and Kevin Gallagher, which spans decades across a range of companies. We question whether there is sufficient independence for Spence to exercise an appropriate level of control over management.

ACCR will provide pre-AGM analysis and a webinar in the coming weeks.

¹ Under Australian law, a group of 100 or more shareholders can file a members' statement to be distributed to all shareholders with the company's Notice of Meeting ahead of an AGM. Unlike a resolution, a members' statement is not put to a vote.

Chart 1: Total Shareholder Return (TSR) of Santos and selected global and Australian O&G peers (30 March 2021* to 31 December 2023)



* 30 March 2021, date of Barossa FID

** Data used with permission of Bloomberg Finance L.P.

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