



Oil Search

2019 Corporate Governance Statement

Oil Search Limited
Incorporated in
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ARBN 055 079 868

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Oil Search is committed to adopting and implementing rigorous corporate governance practices across all aspects of its business. The Company recognises that effective governance arrangements drive informed decision making within the business and contribute to long-term value for shareholders in a socially responsible manner. The Board and its Committees regularly review the Company's governance arrangements to ensure that they continue to align with best practice and support the Board's strategic objectives.

The Company has reported against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles) each year since their first release in 2003. The Company has followed all recommendations in the 3rd edition of the ASX Principles, other than recommendation 7.1(a)(2) (to have independent Chair of a committee that oversees risk), during the 12 months ended 31 December 2019. In 2019 the Company conducted an internal review of its governance practices in light of the 4th edition of the ASX Principles and expects to fully comply with all recommendations in the 4th edition, other than recommendation 7.1(a)(2).

This corporate governance statement is current as at 20 February 2020 and has been approved by the Board. An explanation regarding recommendation 7.1(a)(2) is included in this statement.

Laying solid foundations for management and oversight

Role of the Board and management

The Board is accountable to the Company's shareholders for the overall strategic direction and performance of the Company. The Board discharges its duties in accordance with applicable laws and the provisions in the Company's Constitution.

The Board's charter provides for the role and responsibilities reserved for the Board and those delegated to management. The charter also sets out the role and responsibilities of the Chair of the Board and those delegated to the Managing Director. A summary of the Board's responsibilities and a copy of the charter are available on the Company's website. Responsibilities are delegated to management in accordance with the Board approved delegations of authority.

Succession and director recruitment

The Board regularly monitors succession plans and Board renewal. The selection and recruitment process for a new director involves a rigorous search and verification process overseen by the People and Nominations Committee and the Board Chair. To ensure that the candidate selected is fit and proper to serve on the Board, comprehensive reference checks are conducted including education, career history, capabilities and experience. There also is an extensive interview process with the Chair and other directors.

The Board's comprehensive global search for the replacement of its departing Managing Director, Peter Botten, culminated in the announcement of Dr Keiran Wulff as his successor on 1 October 2019. The succession planning took place over several years and included engaging external international specialists to ensure that the candidates had the requisite skills and knowledge to deliver the Company's strategic plan. The Board determined that Dr Wulff's knowledge and operating experience in both PNG and Alaska, as well as his strong relationships and demonstrated leadership skills, made him the ideal successor to lead the Company through its next phase of growth.

To assist shareholders in making an informed decision about whether to vote in favour of a director standing for election or re-election, the notice of meeting for the Annual Meeting contains all relevant information including a career summary, directorships, material outside interests, the director's independence and a statement by the Board as to whether it supports their election or re-election.

The Company has a contract with each director and senior executive. The terms of each contract include duties and responsibilities, remuneration arrangements, and where appropriate, indemnity and insurance arrangements. Agreements with directors also include the circumstances under which a director may seek independent advice at the expense of the Company, rights of access to corporate information, and requirements to disclose director's interests. The Group Secretary is accountable to the Board, through the Chair, and is responsible for facilitating the proper functioning of the Board. Each director is entitled to communicate directly with the Group Secretary. The appointment or removal of the Group Secretary requires Board approval.

Diversity and inclusion

The Company values an engaged and diverse workforce which contributes to the Company's performance and delivery of strategic objectives. The Company is committed to promoting diversity and inclusion across all levels of the organisation, including within the Board. This commitment is reflected in the Oil Search Diversity and Inclusion Policy. A copy of the policy is available on the Company's website.

To help promote diversity and inclusion in the workplace, the Board has set measurable objectives for gender diversity, increasing the representation of PNG citizens in leadership roles and promoting an inclusive workplace. These objectives and the Company's progress towards achieving them are disclosed in the 2019 Annual Report and Social Responsibility Report.

In 2019, the Board reviewed its measurable objectives for gender diversity taking into consideration the 4th edition of the ASX Principles. Following the review, the Board set two additional measurable objectives effective 1 January 2020:

- meet or exceed oil and gas sector averages for female representation in the workforce in 2020 (World Petroleum Council and Boston Consulting Group, 2017); and
- minimum 30% representation of each gender on the Board in 2020.

These objectives together with an update on progress, will be disclosed in the 2020 Annual Report.

The gender diversity of the Board, senior executive positions and across the whole organisation as at 31 December 2019 is provided in Table 1 below.

Table 1: Workplace diversity

Diversity in senior management and governance roles	2014	2015	2016	2017	2018	2019
% Women in organisation as a whole	22%	23%	25%	25%	27%	27%
% Women in senior management roles*	15%	18%	21%	22%	23%	25%
% Women in senior executive roles**	0%	0%	0%	10%	12%	14%
% Women on the Board	11%	11%	22%	22%	33%	33%

* Senior management roles are within three levels of the Managing Director with strategic, functional and/or operational leadership responsibilities.

** Senior executive is defined as current executive key management personnel as disclosed in the Oil Search Remuneration Report in the year of disclosure.

The Company's subsidiary, Papuan Oil Search Limited lodges annually a Workplace Gender Equality Report pursuant to the Workplace Gender Equality Act, which discloses gender equality indicators for the Company's Australian workforce. A copy of the most recent report is available on the Company's website.

Board and senior management performance

The Board periodically reviews its performance, the performance of its Committees and of individual directors. The process involves completion of detailed questionnaires covering director performance and that of the Board, its Committees and Chairs. The Board Chair meets with each director to discuss their responses to the questionnaire and to provide performance feedback. Committee Chairs also conduct questionnaire-based performance reviews for their respective Committees.

A Board Effectiveness Review was conducted in 2018 led by an external specialist. Priorities identified from the Effectiveness Review were progressed during 2019. The next performance review is planned for 2020.

The Managing Director conducts an annual performance review with each member of the senior executive team. The performance of each senior executive during the year is assessed against individual and corporate key performance indicators and agreed deliverables that are aligned with the Company's strategic objectives. The Board also conducts an annual performance assessment of the Managing Director against key performance indicators. The Chair meets with the Managing Director to provide feedback on that assessment.

Performance evaluations for the Managing Director and senior executives were carried out in 2019 in accordance with this process. Further details on the 2019 performance review and outcomes for senior executives identified as key management personnel are disclosed in the Remuneration Report in the 2019 Annual Report.

Structuring the Board to add value

Board composition



From left: Rick Lee, Susan Cunningham, Fiona Harris, Bakheet Al Katheeri, Kostas Constantinou, Eileen Doyle, Mel Togolo, Agu Kantser and Peter Botten.

The Company recognises that an effective board facilitates the efficient discharge of the duties imposed by law on directors and contributes to the delivery of the Company's strategic objectives. Accordingly, the Company has structured its Board so that it:

- has a proper understanding of, and the competencies to deal with, the current and emerging issues impacting Oil Search's business;
- exercises independent judgement;
- encourages enhanced Company performance; and
- effectively reviews and challenges management's performance.

The directors, their qualifications, the number of Board meetings held and each director's attendance at those meetings during 2019 are disclosed in the Directors' Report in the 2019 Annual Report.

The non-executive directors met at each regular or scheduled Board meeting throughout the year to discuss Board matters without the presence of the Managing Director or other senior executives.

Board Committees

The Board has established five Board Committees to assist it in discharging its duties. Each Committee has a charter formalising its membership requirements and responsibilities. All Committee charters are available on the Company's website. The Committees report the deliberations of each meeting and make recommendations to the subsequent Board meeting.

The Board recognises that technology and innovation are integral to the successful delivery of the Company's strategy. The Project and Technology Committee was established in 2019 to oversee the Company's technology and project governance and consider innovation opportunities and challenges. Further information on this Committee's responsibilities are set out in its charter.

The members of each Committee, their qualifications, the number of Committee meetings held and each member's attendance at those meetings during 2019 are disclosed in the Directors' Report in the 2019 Annual Report.

Table 2: Summary of Committee membership requirements and responsibilities

Committee	Membership requirements	Responsibilities include:
Audit and Financial Risk Committee	<ul style="list-style-type: none"> solely non-executive directors, a majority of whom are independent an independent director as Chair who is not Chair of the Board at least three members each member must be financially literate and at least one member must have accounting or related financial expertise 	<p>Assisting the Board to fulfil its corporate governance and oversight responsibilities in relation to financial reporting, accounting policies, internal control systems, internal audit and compliance functions, external audit functions and Oil Search's process for managing compliance with laws and regulations.</p> <p>Reviewing the systems and processes employed to manage the Company's financial risks.</p>
Health, Safety and Sustainability Committee	<ul style="list-style-type: none"> solely non-executive directors, a majority of whom are independent an independent director as Chair at least three members 	Monitoring the performance of the Company in respect of health and safety, operational risks and social responsibility, including climate change and other environmental issues.
People and Nominations Committee	<ul style="list-style-type: none"> solely non-executive directors, a majority of whom are independent an independent director as Chair at least three members 	<p>Providing advice and recommendations to the Board regarding:</p> <ul style="list-style-type: none"> the remuneration of directors, executives and other employees the skills needed and available for the Board to be able to discharge its duties and add value <p>Overseeing the establishment and monitoring of strategies to promote diversity and inclusiveness.</p>
Project and Technology Committee	<ul style="list-style-type: none"> solely non-executive directors, a majority of whom are independent at least three members <p>This Committee is responsible for consideration of technology and innovation opportunities as well as project risks. The Board is satisfied that having only non-executive director members (a majority of whom are independent) is sufficient to ensure that independent views and consideration is given to all matters before the Committee and recommendation 7.1 is not fully complied with on that basis only.</p>	<p>Assisting the Board in monitoring the performance of the Company in respect of project and technology issues.</p> <p>Ensuring a culture of innovation and pursuing cost-effective and value-creating technology opportunities exists within the Company.</p>
Corporate Actions Committee	<ul style="list-style-type: none"> the Chairman of the Board, the Managing Director and at least two other non-executive directors at least one member must have expertise in corporate finance 	Assisting the Board to fulfil corporate governance responsibilities including potential mergers, major acquisitions and divestments, capital raisings and other corporate initiatives as delegated by the Board.

Board skills

The Company believes the Board should consist of directors with a diverse mix of skills and experiences that are compatible with the Company's operating activities, geographic focus and strategic direction. The Board has a skills matrix that records its target mix of skills, experience and technical capabilities. The skills and experience of the directors have been mapped against this matrix to identify gaps in their collective skills.

The skills matrix is considered by the People and Nominations Committee and the external specialist when assessing the appropriateness of a potential candidate to the Board. It is also used to assist with the ongoing director education programme.

Table 3: Board Skills Matrix

Number of Board Members:		9
Oil & Gas Industry Experience	Senior executive experience in the oil and gas industry including in-depth knowledge of strategy, markets, competitors, operational issues, technology and regulatory concerns	6
PNG / Government Relations	Senior management or equivalent experience in PNG: familiarity with national and regional political, cultural, regulatory and business environments	5
Finance & Audit	Senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls, including ability to probe the adequacies of financial and risk controls	7
Risk Management	Experience working with and applying broad based risk management frameworks in various countries, regulatory or business environments	8
Mergers & Acquisitions & Divestments	Experience managing, directing or advising on mergers, acquisitions, divestments and portfolio value optimisation	8
Capital Projects – Financing/ Project Management	Experience in an industry with projects involving large-scale capital outlays and long-term investment horizons	7
Remuneration (People & Nominations)	Board People and Nominations Committee membership or management experience in relation to talent management, remuneration and contractual framework governing remuneration	8
HSE Sustainability/ Corporate Social Responsibility	Experience related to workplace health and safety, environment, social responsibility and community	8
Capital Markets	Experience related to capital markets	7
Capital Management	Experience in capital management strategies including debt financing and capital raisings	8
Investor Relations	Experience related to investor relations	7
Legal	Experience related to the management of legal and regulatory compliance matters	5
Global Experience	Senior management or equivalent experience in global locations, exposed to a range of political, cultural, regulatory and business environments	9
US & Alaska Experience	Senior management or equivalent experience exposed to the political, cultural, regulatory and business environment in the United States and Alaska	6

Director independence and tenure

A majority of directors are considered by the Board to be independent. The Chair of the Board is an independent director and has no executive responsibilities.

Table 4: 2019 director independence

Director	Term in office	Qualifications / Honours	Status
RJ Lee <i>Chairman</i>	Director since May 2012 Chairman since February 2013	BEng (Chem) (Hons), MA (Oxon), FAICD, AM	Independent
PR Botten <i>Managing Director</i>	Director since October 1994	AC, CBE, BSc, ARSM	Executive Not Independent
KG Constantinou <i>Non-executive director</i>	Director since April 2002	KBE, OBE	Independent
AJ Kantsler <i>Non-executive director</i>	Director since July 2010	BSc (Hons), PhD, GAICD, FTSE	Independent
EJ Doyle <i>Non-executive director</i>	Director since February 2016	BMath (Hons), MMath, PhD, FAICD	Independent
MP Togolo <i>Non-executive director</i>	Director since October 2016	KBE, CBE, BEcon (Hons), MA (Econ), MA (Geography)	Independent
FE Harris <i>Non-executive director</i>	Director since January 2017 (previously a director from Mar 2013 to Dec 2015)	BCom, FAICD, FCA (Aust)	Independent
SM Cunningham <i>Non-executive director</i>	Director since March 2018	BAGeol	Independent
BS Al Katheeri <i>Non-executive director</i>	Director since March 2018	PhD, BAsc, MSc, Executive MBA (Hons)	Not Independent

The Board considers each Oil Search director, other than the Managing Director, Peter Botten and non-executive director, Bakheet Al Katheeri, to be an independent director. As such, seven of the nine directors (a majority of the Board) are independent.

The independence of each non-executive director is assessed regularly. The Board considers a range of factors when determining a director's independence, including the list of interests, positions and relationships in box 2.3 of the ASX Principles. In each case, the Board assesses the materiality of the interest, position or relationship to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

The Board charter provides that a non-executive director should retire from the Board upon serving nine years from the date of their first election to the Board at an Annual Meeting. The Board may, at its discretion, decide to recommend a non-executive director for re-appointment where the tenure exceeds nine years if it is deemed to be in the best interests of the Company and its shareholders to do so.

Director induction and education

New directors participate in a comprehensive induction programme to understand the Company's strategic objectives, values and culture, financial performance, operations and risk management framework. The induction also includes training on their obligations under the Company's Code of Conduct and other corporate policies, as well as administrative and procedural arrangements that promote the effective functioning of the Board.

Directors participate in the Company's ongoing director education programme which includes briefings from external industry and subject matter specialists who present on matters of general relevance to the Company. The directors also visit the Company's operating facilities at least annually to see at first hand the Company's global operations and its relationships with the local communities in which it operates.

Acting ethically and responsibly

The Company actively promotes ethical and responsible decision-making by clearly stating its vision and core values. The principles in the Oil Search Code of Conduct underpin the Company's vision and values and provide guidance on standards of behaviour expected by its people and business partners and reinforce its commitment to meet applicable legal and regulatory requirements.

The Company has adopted policies that support the Code of Conduct, including policies on Social Responsibility, Health, Safety, Environment and Security (HSES), Corruption Prevention, Climate, Diversity and Inclusion, Share Trading, Minimum Shareholding, Public Disclosure, Whistleblower, and Drug and Alcohol. Copies of the Code of Conduct and the policies are available on the Company's website.

The policies have been approved by the Board and are core to the Company's internal governance framework. They set the Company's legal and ethical expectations for all directors, employees and contractors on key areas of importance to the Company. Every new director, employee and on-site contractor must complete training on the Code of Conduct and Oil Search's policies relevant to their role. The Board and the senior executive team promote a culture of fair and ethical behaviour by regularly reviewing, endorsing and enforcing Oil Search's Code of Conduct and supporting policies.

Safeguarding integrity in corporate reporting

Oil Search recognises the importance of independently verifying and safeguarding the integrity of the Company's financial reporting. The Audit and Financial Risk Committee assists the Board in discharging its governance and oversight responsibilities in relation to corporate reporting processes, including the financial reporting process, risk management of financial risks and internal control, external audit, internal audit and compliance.

Financial statements

The Audit and Financial Risk Committee reviews the Company's half-year and full-year financial statements and supporting materials prepared by management before they are finalised and approved by the Board for release to the market. All directors are requested to attend the Audit and Financial Risk Committee meetings where the Company's financial statements are reviewed.

Both the Managing Director and the Chief Financial Officer provide detailed declarations in accordance with Section 295A of the Australian *Corporations Act 2001(Cth)*. These declarations include a statement that the Company's system of risk management and internal control is operating effectively. The declarations are supported by a comprehensive certification process across the Company's broader management group.

External auditor

Oil Search's policy is to appoint an internationally recognised external audit firm with expertise in the resources sector. The appointment of Deloitte Touche Tohmatsu, as the current external auditor, was approved by shareholders at the Company's 2019 Annual Meeting.

The Audit and Financial Risk Committee reviews the performance of the external auditor and the rotational plan for external audit partners and recommends changes to the external auditor to the Board.

Deloitte Touche Tohmatsu's professional requirements mandate that each lead audit partner rotates from his or her client after no more than five years of service. That policy is followed for the Oil Search assignment and a partner rotation will occur in 2020.

Deloitte attended all Audit and Financial Risk Committee meetings in 2019 and held discussions with Committee members without management present during meetings where the Company's financial statements were reviewed.

Deloitte is required to attend Oil Search's Annual Meeting and respond to questions by shareholders relevant to the audit of the Company's financial statements. A Deloitte audit partner responsible for the audit of Company's financial statements attended the 2019 Annual Meeting in Port Moresby.

Making timely and balanced disclosures

The Company has adopted a Public Disclosure Policy to ensure compliance with its continuous disclosure requirements under the ASX Listing Rules so that all investors have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance.

Under the Public Disclosure Policy, the Disclosure Committee is responsible for determining whether information is price sensitive and should be disclosed to the ASX. The Board receives copies of all ASX announcements immediately after their release, and new and substantive investor or analyst presentations are released by the ASX ahead of the presentation being given. All ASX announcements are made available on the Company's website and lodged with the PNGX after their release by the ASX.

Respecting the rights of security holders

Oil Search's investor engagement programme is designed to promote effective communication with shareholders by providing readily accessible, balanced and understandable information about the Company.

When the Company holds major investor briefings such as the half year and full year results presentations, electronic facilities (e.g. webcasting and teleconferencing) are used to facilitate wider participation. The results presentations are also released by the ASX and made available on the Company website before the briefings take place so that investors who are unable to participate can access the information.

The Company's website is regularly updated to give all shareholders ready access to balanced and factual information about the Company, including its business activities, financial and operating performance, key events and dates, ASX announcements, and governance practices.

The website details how investors may contact the Company's Investor Relations team to submit queries and feedback. It also contains contact details for the Company's external share registry, Computershare.

Investor engagement

Oil Search has a structured investor engagement programme to develop and maintain effective two-way communication between the Company and the market. The Company's Investor Relations team is responsible for providing clear, meaningful and timely information on the activities and financial performance of the Company. It does this through regular telephone contact, one-on-one and group meetings and desk presentations. Participants include institutional investors, private shareholders, equity analysts and the financial media.

In addition, the Company's senior management team undertakes investor roadshows and participates in investor and industry forums and conferences, both locally and overseas. The engagement process extends to other relevant stakeholders, including government officials and regulators, local communities and Non-Government Organisations. The Board Chair regularly meets with institutional investors, proxy advisors and other stakeholders.

More information on the Company's approach to shareholder engagement is available in the Shareholder Communication section of the Oil Search website.

Shareholder meetings and communications

As the Company is incorporated in PNG, its Annual Meetings are usually held in Port Moresby. The meetings are webcast so shareholders located both within and outside PNG can participate. Oil Search's Constitution requires the Chair of the Annual Meeting to allow a reasonable time for shareholders at the meeting to question, discuss and comment on the management of the Company. All resolutions put to shareholders at the Company's Annual Meeting are decided by a poll.

The Company and its share registry, Computershare, offer facilities for shareholders to receive Company and registry communications electronically, and to communicate either through email or by using one of the website contact options.

Recognising and managing risk

Risk management framework

Oil Search is committed to monitoring, mitigating and managing risk in a proactive, structured and effective manner. The Board is responsible for setting the Company's risk strategy and appetite and for reviewing at least annually, the effectiveness of the risk management framework.

Management is responsible for the implementation of the risk management framework to identify, assess, mitigate, manage and monitor all risks to the Company. Management reports on risks with potential to materially impact achievement of its business objectives to the Board and its Committees responsible for the oversight of certain risks in accordance with their charters.

An independent review of the risk management framework was completed in early 2019. Recommendations were then implemented to enhance the effectiveness of the framework, including updating the risk governance approach, expanding second line assurance capability and developing the Board's risk appetite statement. Further information on Oil Search's risk management framework is available from the "risk and assurance" section on the Company's website.

A summary of the material risks that the Company is potentially exposed to, and the measures taken to mitigate these risks, is set out in the Directors' Report in the 2019 Annual Report. Detail on how the Company operates in a socially responsible manner is set out in the "how we work" section of the Company's website, and recent social and environmental performance summarised in the annual Social Responsibility Report and in the "data centre" section of the website. Oil Search has disclosed its climate risk and climate management approach in its Climate Change Resilience Report, also available on the Company's website.

Governance of risk management

Oversight of the Company's risk management framework resides with the Board. However, the Board has delegated oversight of specific risk categories to Board Committees as follows:

- the Audit and Financial Risk Committee supports the Board in reviewing the systems and processes employed to monitor and manage the Company's financial risks;
- the Health, Safety and Sustainability Committee assists the Board in monitoring the performance of the Company in respect of health and safety, operational risks and social responsibility, including climate change and other environmental issues; and
- the Project and Technology Committee assists the Board in monitoring and managing technology, project and stakeholder risks, including the risk of not contemplating or adopting useful new technologies.

Internal audit and compliance

Oil Search's Internal Audit and Compliance function is responsible for managing the internal audit function. As part of its duties, the Internal Audit function provides independent assurance on the adequacy and effectiveness of the Company's risk management framework and the completeness and accuracy of risk reporting by management.

The Internal Audit function conducts annual risk-based audits and reviews based on a plan agreed with senior management, the Audit and Financial Risk Committee and the Health, Safety and Sustainability Committee. The Vice President, Internal Audit & Compliance has access to all members of the management team and the right to seek information and explanations from any staff member or contractor.

The Vice President, Internal Audit & Compliance is independent of the external auditor, with unfettered access to the Chair of the Audit and Financial Risk Committee, including regular private meetings. The Vice President, Internal Audit & Compliance is also required to attend and report at Audit and Financial Risk Committee and Health, Safety and Sustainability Committee meetings. The Internal Audit function is itself reviewed by external specialists on a five-year cycle. The Audit and Financial Risk Committee reviews the performance of the Vice President, Internal Audit & Compliance and approves their appointment and termination.

Remunerating fairly and responsibly

Oil Search's remuneration approach is that the level and composition of remuneration for all employees is competitive and reasonable and that the relationship between remuneration and corporate and individual performance is clearly defined.

Remuneration structure and governance

The People and Nominations Committee provides advice to the Board on the remuneration arrangements for non-executive and executive directors and senior executives. Its responsibilities include reviewing and maintaining the appropriateness and competitiveness of Oil Search's policies and practices on employee remuneration and benefit programs in accordance with its charter.

Although not required by PNG law, Oil Search demonstrates its commitment to good governance practices by electing to prepare a Remuneration Report. The 2019 Remuneration Report complies with section 300A of the Australian *Corporations Act 2001(Cth)* and sets out Company's remuneration strategies, policies and practices in relation to its key management personnel. The Remuneration Report has been audited by Deloitte.

Oil Search clearly distinguishes between the structure of non-executive director remuneration and that of its executive director and senior executives.

Fees of non-executive directors are not performance-based. They are set at levels in line with the responsibilities of those directors and the time they spend discharging their duties and are within the aggregate amount approved by shareholders. When setting fees, the level of fees paid to directors of similarly sized companies is also considered. Non-executive directors are not entitled to retirement benefits.

Senior executive remuneration arrangements include short-term and long-term performance-based components. Short-term performance incentives are set and assessed through a balanced scorecard which includes a range of key measures directly linked to the Oil Search strategic plan performance incentives. Performance rights granted to senior executives under the Long-Term Incentive Plan are linked to the long-term return to shareholders and only vest if performance hurdles are satisfied. These are designed to reward total shareholder return out performance relative to comparator groups.

Further details on the Company's remuneration arrangements for its directors and other key management personnel, including summaries of the terms and conditions of short-term and long-term incentives, are set out in the Remuneration Report.

Employee share plan hedging prohibition

Oil Search's Share Trading Policy expressly prohibits directors and employees from entering into transactions in financial products that limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes.