



Company	Worley Limited
Code	WOR
Meeting	AGM
Date	23 October 2020
Venue	Online – all virtual
Monitor	Gary Barton assisted by Lewis Gomes

Number attendees at meeting	28 shareholders, 3 proxy holders plus 110 visitors – as provided by the company
Number of holdings represented by ASA	51
Value of proxies	\$1.6 million
Number of shares represented by ASA	150,812
Market capitalisation	\$5.508b – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair John Grill, Director Tom Gorman, Investor Relations Manager Verena Preston

Coping with COVID

The Chair John Grill acknowledged the successful integration of the Jacobs Energy Chemical and Resources (ECR) Division into Worley with improved revenue EBITDA and cashflow. The business is now more diversified and has demonstrated earnings resilience in the face of the economic circumstances resulting from the COVID-19 pandemic. The company has adapted to the rapidly changing environment for its business and has been strengthening its liquidity position by extending existing and securing additional facilities. The ASA asked a question on the reduced margin since the acquisition, which was addressed by the CEO. However, the CEO spoke to cost reductions and efficiencies gained from the ECR acquisition and seemed to miss the related point which was to increase revenue by raising fees to better capture the value that Worley is providing to its customers. Questions were raised on carbon emissions and the CEO stated that there is a transition plan to meet Worley's targets and it is working with its clients to assist in reducing their emissions.

Mr Grill thanked the outgoing CEO Andrew Wood and welcomed the new CEO Chris Ashton, an internal appointee. Chris was previously Worley's Chief Operating Officer, where he was

responsible for the integration of ECR. Chris has been based in the USA but hopes to move to Sydney once COVID travel restrictions are eased.

There were changes to the Board this year. In February, Andrew Liveris took up the new position of Deputy Chairman and Martin Parkinson was appointed as a director in February 2020. Chris Haynes stepped down as the chairman of the Health Safety and Sustainability Committee. Andrew Liveris will take on the additional responsibilities of Lead Independent Director while remaining Deputy Chairman, and Roger Higgins will take on the responsibilities as Chairman of the Health, Safety and Sustainability Committee. Emma Stein will be appointed as an independent non-executive director to fill a casual vacancy on the Board from 10 December 2020. Emma Stein was introduced to Worley by the Dar Group, to act as an independent director of Worley, but not as a representative of Dar Group. Questions were raised by shareholders on the independence of Ms Stein. The Chairman stated that a short list of three possible directors was submitted by the DAR Group and Emma was selected as the most suitable of these candidates. The link for the Chairman's, CEO and People and Remuneration Committee Chairman's address is https://quoteapi.com/resources/d616aea9991fd6d0/announcements/wor.asx/2A1258256/WOR_AGM_addresses.pdf

The Chairman then spoke to the re-election and election of two directors, namely Dr Christopher Haynes and Dr Martin Parkinson, respectively. The Chair asked both directors to address the meeting on their qualifications and relevant experience. The ASA raised questions on Dr Parkinson's workload and what value he is adding to the company. His response was less than convincing given that almost all his career has been spent in the commonwealth public service. A question was raised on why Dr Haynes resigned from two roles, which he has served for eight years. This might be succession planning for Worley's next Chairman, with Andrew Liveris being appointed Lead Independent Director. The re-election of Dr Haynes was passed with nearly 99% of the vote while Dr Parkinson was elected with 99% of the vote.

The ASA raised questions concerning the remuneration report on why bonuses were being paid when the share price and total shareholder return has decreased. The response from Mr Gorman was along the lines that these bonuses are necessary to attract and retain key staff and are common practice in the USA where most of Worley's staff are located. Another question was raised on the DAR Group vote on the remuneration, which it voted for the resolution after getting a board representative. The remuneration item was passed with 99% of the vote.

The grant of deferred equity rights and the long-term performance rights to Mr Ashton were passed with 99% on each resolution. The ASA raised a question on the low hurdle rates for the deferred equity rights and noted that they are more aligned to a North American bonus arrangement than to Australian practice.

Given that a second strike on the remuneration report did not occur, the resolution for the spill resolution was not required.

Following the meeting, Worley advised that a recorded version of the AGM would not be made available on its website. The ASA regards this decision as poor governance and disrespectful of shareholders who may not have been able to attend the online event.