



CIMIC Group Limited
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10 February 2021

Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
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CIMIC GROUP CORPORATE GOVERNANCE STATEMENT

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance (USA) Pty Ltd.

Yours faithfully
CIMIC GROUP LIMITED

Company Secretary

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

CIMIC Group Entity

ABN/ARBN

57 004 482 982

Financial year ended:

31 December 2020

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: www.cimic.com.au/en/our-group/governance/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 9 February 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 10 February 2021

Name of authorised officer authorising lodgement: L Nikolopoulos / L Griffiths

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	☒ and we have disclosed a copy of our board charter at: www.cimic.com.au/en/our-group/governance/corporate-governance	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☐ and we have disclosed a copy of our diversity policy at: www.cimic.com.au/en/our-group/governance/corporate-governance and we have disclosed the information referred to in paragraph (c) at: page 6 of the Corporate Governance Statement [insert location] and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: page 2 of the Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: page 2 of the Corporate Governance Statement	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: page 4 of the Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: page 4 of the Corporate Governance Statement	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.cimic.com.au/en/our-group/governance/corporate-governance and the information referred to in paragraphs (4) and (5) at: page 2 of Corporate Governance Statement and the Directors' Report section of the 2020 Annual Report <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☒ and we have disclosed our board skills matrix at: page 1 of Corporate Governance Statement	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: page 2 of Corporate Governance and, where applicable, the information referred to in paragraph (b) at: page 2 of Corporate Governance Statement and the length of service of each director at: page 2 of Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values at: page 5 of Corporate Governance Statement and www.cimic.com.au/en/our-group/about-us/mission-and-principles	☐ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct at: www.cimic.com.au/en/our-group/governance/corporate-governance	☐ set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☒ and we have disclosed our whistleblower policy at: www.cimic.com.au/en/our-group/governance/corporate-governance	☐ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☒ and we have disclosed our anti-bribery and corruption policy at: page 5 of Corporate Governance Statement	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☒ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.cimic.com.au/en/our-group/governance/corporate-governance and the information referred to in paragraphs (4) and (5) at: the Directors Report section of the 2020 Annual Report <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:	☐ set out in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☐	☒ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: www.cimic.com.au/en/our-group/governance/corporate-governance	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: www.cimic.com.au/en/our-group	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: page 7 of Corporate Governance Statement	☐ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☒	☐ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☒ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.cimic.com.au/en/our-group/governance/corporate-governance and the information referred to in paragraphs (4) and (5) at: page 2 of Corporate Governance Statement and the Directors' Report section of the 2020 Annual Report <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:	☐ set out in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: page 4 of Corporate Governance Statement.	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☒ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: page 4 of Corporate Governance Statement <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at: page 5 of Corporate Governance Statement, the Sustainability Report contained in the 2020 Annual Report and, if we do, how we manage or intend to manage those risks at: page 5 of Corporate Governance Statement and the Sustainability Report contained in the 2020 Annual Report .	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.cimic.com.au/en/our-group/governance/corporate-governance and the information referred to in paragraphs (4) and (5) at: page 2 of the Corporate Governance Statement and the Directors' report section of the 2020 Annual Report <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Remuneration Report section of the 2020 Annual Report	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☒ and we have disclosed our policy on this issue or a summary of it at: www.cimic.com.au/en/our-group/governance/corporate-governance	☐ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – NOT APPLICABLE			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement



Corporate Governance
Statement 2020

Corporate Governance Statement

As required by the ASX Listing Rules, this Corporate Governance Statement (Statement) discloses the extent to which CIMIC has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (ASX Principles and Recommendations). Except where otherwise explained, CIMIC followed the ASX Principles and Recommendations during the period. This Statement should be read in conjunction with the material on our website (www.cimic.com.au), including the 2020 Annual Report and Appendix 4G.

This Statement is current as at 9 February 2021 and has been approved by the CIMIC Board.

BOARD AND MANAGEMENT

ROLE AND RESPONSIBILITIES

The Board is responsible to shareholders for the long-term performance of the CIMIC Group and for overseeing the implementation of appropriate corporate governance with respect to the Group's affairs.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations, and is available on our website at: www.cimic.com.au/en/our-group/governance/corporate-governance. The Charter sets out the matters specifically reserved for the Board and the powers delegated to its Committees and to the CEO.

The Board delegates responsibility for the day-to-day management of CIMIC to the CEO but retains responsibility for the overall strategy and direction and risk profile of the Group. The CEO then delegates authority to the appropriate senior executives for specific activities and transactions. This authority is governed by a formal 'delegations of authority'.

APPOINTMENT, INDUCTION AND TRAINING

The Remuneration and Nomination Committee assists the Board with the selection and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Remuneration and Nomination Committee will ensure that appropriate background checks are undertaken. We provide our shareholders with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the Notice of Meeting, the Directors' Resumes and other information contained in the 2020 Annual Report.

Upon appointment, each Director (and senior executive) receives a letter of appointment which sets out the formal terms of their appointment. Directors also receive a deed of indemnity, insurance and access.

New Directors attend induction sessions where they are briefed on the Company's vision and principles, strategy, financials, corporate governance and the risk management framework. All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge.

BOARD SKILLS AND EXPERIENCE

Our objective is to have an appropriate mix of expertise and experience on our Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills matrix below. The areas of experience relate directly to CIMIC's operations.

Skills and experience	In industries and sectors including		In geographies including
- Workplace health and safety - Sustainability - Environmental performance - Remuneration - Government relations - Executive leadership - Tax governance - Financial knowledge and experience - Legal, governance and compliance - Strategy - Commercial acumen - Risk management - Engineering - People and Capability	Construction - roads - tunnelling - rail - building - health - defence - oil and gas - resources infrastructure Mining and mineral processing - development, extraction, processing and remediation - surface and underground mining	Services, operations and maintenance - resources - oil and gas - power - water - transport - defence Public Private Partnerships - social and economic infrastructure Engineering - transport - industrial and resources - building	- Australia - New Zealand - South-East Asia - East Asia - India - Africa - North America - Central and South America

PERFORMANCE REVIEWS

The Board is committed to formally evaluating its performance, the performance of its Committees and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

An internal Board assessment took place during October 2020. Individual interviews between the Chairman, and each Director were conducted to give the Directors the opportunity to provide feedback on the effectiveness and performance of the Board and its Committees as part of the Company's ongoing corporate governance practices. Overall, the feedback in terms of Board effectiveness and performance was positive, recognising the difficulties associated with COVID-19 restrictions in terms of engagement due to virtual Board meeting/Director meetings.

It was also noted that there were some opportunities identified to improve Board effectiveness.

INDEPENDENCE OF THE BOARD

The Board assesses the independence of Non-executive Directors upon appointment and reviews the assessment annually. When appointing an independent director or reviewing the independence of its Directors, the Board will have regard to the definition of independent director and the factors set out in the ASX Principles and Recommendations. The Board's assessment of the independence of each current and former Director during the 2020 Financial Year is set out below.

Name	Status	Appointment date	Committee membership
Current			
Juan Santamaria	Executive Chairman	Appointed CEO and Managing Director 5 February 2020 Appointed Executive Chairman 6 November 2020	-
Russell Chenu	Independent Director	11 June 2014	- Audit & Risk (C) - Remuneration & Nomination - Ethics, Compliance & Sustainability
Pedro López Jiménez	Non-independent Director	13 March 2014	- Remuneration & Nomination - Ethics, Compliance & Sustainability
David Robinson	Non-independent Director	17 December 1990	Ethics, Compliance & Sustainability
Peter-Wilhelm Sassenfeld	Non-independent Director	29 November 2011	Audit & Risk
Kathryn Spargo	Independent Director	20 September 2017	- Ethics, Compliance & Sustainability (C) - Remuneration and Nomination (C) - Audit and Risk
Former Directors			
Marcelino Fernández Verdes	Executive Chairman Non-independent Director	13 March 2014 – 6 November 2020 10 October 2012 – 13 March 2014	-
Michael Wright	Executive Director	01 December 2017 - 5 February 2020	-

(C) Chair of Committee

Following the retirement of Mr Fernández Verdes on 6 November 2020, Mr Santamaria was appointed as Executive Chairman. He is not a member of any Board Committee but he has a standing invitation to attend all Board Committee Meetings.

As at the date of this Statement, two of our seven Directors are independent. Three of our Directors are representatives of our majority shareholder, HOCHTIEF AG. Although the composition of our Board does not comply with Recommendation 2.4 of the ASX Principles and Recommendations, we consider HOCHTIEF AG's representation on the Board to be fair and reasonable given its majority shareholding in the Company. We also consider that the current Board structure will allow it to act in the best interests of the Company and all shareholders.

Further information regarding our Directors, including their experience and qualifications, is set out in the Directors' Resumés section in our 2020 Annual Report.

EXECUTIVE CHAIRMAN

The Executive Chairman provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. The role of the Executive Chairman is set out in more detail in the Board Charter.

Our CEO was appointed to the position of Executive Chairman by the Board on 6 November 2020 following the retirement of Mr Fernández Verdes on 6 November 2020.

Whilst the independence of our Chairman does not comply with Recommendation 2.5 of the ASX Principles and Recommendations, the Board considers the Executive Chairman's oversight of the management of the Company to be advantageous to the decision-making process of the Board.

Details regarding the Executive Chairman, including his experience and qualifications, are set out in the Directors' Report in our 2020 Annual Report.

COMPANY SECRETARIES

The Company Secretaries support the Board and its Committees on governance matters, Board and Committee meetings, directors' duties, and act as an interface between the Board and senior executives. The Board and individual Directors have direct access to the Company Secretaries.

Under CIMIC's governance framework, the Company Secretary is accountable to the Board, through the Executive Chairman and CEO, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding CIMIC's Company Secretaries, including their experience and qualifications, are set out in the Directors' Report in our 2020 Annual Report.

SENIOR EXECUTIVES

CIMIC's senior executives are appointed by the Executive Chairman and CEO and their Key Performance Indicators (KPI) contain specific financial and non-financial objectives. These KPIs are reviewed annually by the Executive Chairman and CEO, and in the case of senior executives who are also Key Management Personnel, are noted by the Remuneration and Nomination Committee. The performance of the CIMIC senior executives against these objectives is evaluated annually. Performance evaluations for the 2020 Financial Year have commenced but as at the date of this Statement, no decisions have been determined with respect to outcomes. Refer to the Remuneration Report in our 2020 Annual Report for further information.

REMUNERATION

Information regarding our remuneration framework for our Directors and senior executives is set out in the Remuneration Report in our 2020 Annual Report. The CIMIC Group's Securities Trading Policy prohibits senior executives from entering into hedging arrangements regarding their equity-based remuneration.

BOARD COMMITTEES

At the date of this Statement, the Board has three Committees which are the:

- Audit and Risk Committee;
- Remuneration and Nomination Committee; and
- Ethics, Compliance and Sustainability Committee.

The membership of each Committee is provided on page two and on our website at: www.cimic.com.au/en/our-group/our-leaders/board. Each Committee is chaired by an independent director.

As at the date of this Statement, two of the four members of our Remuneration and Nomination Committee are independent and although this does not comply with Recommendations 2.1(a)(1) and 8.1(a)(1) of the ASX Principles and Recommendations, the Company considers that the Committee functions effectively with this current composition. The Committee also ensures independent decision-making through the exercise of a casting vote, in the event of a deadlock, by the independent Chairman.

Each Committee has adopted a formal, Board-approved Charter that details its role, authority, responsibilities, membership and operations. The Committee Charters are reviewed regularly and are available on our website at: www.cimic.com.au/en/our-group/governance/corporate-governance.

A Director may attend any Committee meeting unless precluded due to a potential conflict of interest. Furthermore, each Committee regularly reports to the Board on matters relevant to the Committee's role and responsibilities, and the minutes of each Committee meeting are made available to each Director unless that Director is otherwise precluded due to a potential conflict of interest. Board Sub-Committees are formed as required to give guidance and provide oversight concerning specific matters to the Board.

Details of the number of Board and Committee meetings held during the 2020 Financial Year and the attendance by Directors are set out in the Directors' Report in our 2020 Annual Report.

CORPORATE REPORTING AND RISK MANAGEMENT

CEO AND CFO DECLARATION

The CEO and CFO provide an annual declaration to the Board prior to the Board's approval of the Company's 2020 Financial Year results. This process was followed for the 2020 Financial Year results, where the CEO and CFO provided a declaration to the Board that, in their opinion,

- the financial records have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group,

and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

On this basis, the 2020 Financial Year results were approved by the Board. Although this process does not fully comply with Recommendation 4.2 of the ASX Principles and Recommendations by receiving a formal declaration from the CEO and CFO for the half year or quarterly results, the Board is satisfied that appropriate processes are in place to provide assurance to the Board regarding the integrity of the financial statements it releases to the market and the effectiveness of the Group's risk management systems on an ongoing basis.

PERIODIC CORPORATE REPORTING

CIMIC publishes quarterly reports for Q1 and Q3 which are not reviewed or audited by the external auditor. The Group has processes and procedures in place to ensure that these reports are consistent with the preparation of the half year and full year results before these reports are published to the market. This includes internal checks to ensure both accuracy and compliance with the relevant accounting standards, as well as seeking appropriate review and approval from the Audit and Risk Committee and CIMIC Board.

CIMIC also publishes a Sustainability Report which forms part of the Annual Report to shareholders. The Group has processes and procedures in place to ensure that the relevant data relating to the five sustainability themes used to structure the Report - safety, integrity, culture, innovation and environment - is collated and there are appropriate checks and balances in place before the Report is published. This report is reviewed and approved by the Ethics, Compliance and Sustainability Committee (ECSC) before it is approved by the Board and the ECSC reviews periodic reports from each Operating Company on safety, environmental and integrity matters.

EXTERNAL AUDITOR

Our external auditor, Deloitte, was appointed following our 2012 AGM. Deloitte is invited to all Audit and Risk Committee meetings and all Audit and Risk Committee papers are made available to Deloitte. Deloitte representatives are also available to all Audit and Risk Committee members.

Deloitte attends our AGM and a representative is available to answer questions from shareholders relevant to the audit at the AGM. Deloitte's independence declaration is contained in the Directors' Report in our 2020 Annual Report.

Deloitte is required to confirm its independence and compliance with specified independence standards to the satisfaction of the Board. The External Auditor Independence Charter sets out the criteria to assist the Audit and Risk Committee, the Board and our shareholders to be satisfied that Deloitte is independent at all times. The Charter also sets out the circumstances in which Deloitte can perform certain services and the procedures to be followed to obtain approval for those services where they are permitted. The External Auditor Independence Charter is available on our website at: www.cimic.com.au/en/our-group/governance/corporate-governance.

INTERNAL AUDIT

The Internal Audit function provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control and governance, along with recommendations to improve the efficiency and effectiveness of these systems and processes.

The head of Internal Audit reports to the CEO under a mandate approved by the Audit and Risk Committee and has full access to all functions, records, property and personnel of the Group. The head of Internal Audit has direct access to the Chairman of the Audit and Risk Committee and provides the Committee with reports and information relevant to assisting the Committee with discharging its responsibilities.

RISK MANAGEMENT

We define risk management as the identification, assessment and treatment of risks that have the potential to materially impact our operations, people, and reputation, the environment and communities in which we work, and the financial prospects of the Group.

The CIMIC Group Risk Framework is based on International Standard ISO 31000 Risk management – principles and guidelines and forms the basis for CIMIC’s risk management activities. Our approach to risk is governed by the CIMIC Group Risk Management Policy with which our Operating Companies are required to comply.

The Audit and Risk Committee assists the Board in fulfilling its governance and oversight responsibilities in relation to financial statements, financial controls and enterprise risk. Refer to previous discussion on Board Committees for further information on the committee.

Under its Charter, the Audit and Risk Committee is required to review the Group Risk Framework at least annually. A formal review was completed in 2020 and considered by the Audit and Risk Committee in early 2021. In addition, throughout 2020, the Audit and Risk Committee and the Board regularly assessed risk management performance through the monitoring of key business risks and review of quarterly risk reports.

Our key economic, environmental and social sustainability risks, together with our approach to managing those risks, are outlined in both the Sustainability Report and the Operating and Financial Review sections of our 2020 Annual Report. Our Approach to Climate Change can be accessed on our website at www.cimic.com.au/en/our-group/governance/policies.

LAWFUL, RESPONSIBLE AND ETHICAL BEHAVIOUR

MISSION AND PRINCIPLES

CIMIC’s mission is to generate sustainable returns for shareholders by delivering projects for our clients while providing safe, rewarding and fulfilling careers for our people. Our mission is supported by four principles by which we live and work:

- Integrity – being respectful and honest with ourselves, our colleagues, our clients, our partners, our suppliers and shareholders and other stakeholders.
- Accountability - committing to what we are responsible for.
- Innovation - continually adapting and evolving for the future.
- Delivery - amplifying our ability to deliver to drive our reputation and credibility.

Underpinning these Principles is the safety of our people. Ensuring our people return safely to their families is the most important thing we do each day, alongside our clients, partners, suppliers and communities.

Our mission and principles are disclosed on our website and promoted to our people as a key part of our culture.

CODE OF CONDUCT

The Code of Conduct (Code) outlines the standards of behaviour required from all Directors, senior executives and employees of CIMIC Group, regardless of role or location, and provides a framework to guide a person’s decisions and actions. The Code promotes an organisational culture that enables our people to respond appropriately in a variety of situations and to be accountable for their decisions. It is a requirement for all employees to receive regular training in respect of the Code. The Code is available on our website at: www.cimic.com.au/en/our-group/governance/policies. The Ethics, Compliance and Sustainability Committee receives the quarterly Ethical Matters Report consolidating any material matters that have been reported to the Business Conduct Representative across the Group or through the Ethics Line.

WHISTLEBLOWER POLICY

A standalone Whistleblower Policy was created during FY19 in compliance with changes to the Corporations Act concerning laws protecting whistleblowers. The Policy manages whistleblower disclosures and provides clarity around how the Group supports and protects whistleblowers when a disclosure is made. An awareness and education program has been rolled out to ensure all employees are informed of the changes and to ensure that all supervisors understand their obligations under the Whistleblower Policy. The Whistleblower Policy is available on our website at: www.cimic.com.au/en/our-group/governance/policies. As mentioned above, the Ethics, Compliance and Sustainability Committee receives the Ethical Matters Report consolidating any material matters that have been reported to the Business Conduct Representative across the Group or through the Ethics Line.

ANTI-BRIBERY AND CORRUPTION POLICY

CIMIC Group prohibits, and has zero tolerance for, all forms of bribery and corruption and is committed to the prevention, detection and initiatives to eliminate bribery and corruption in accordance with the Code. The Anti-Bribery and Corruption Policy is published on the Group Governance System (internal site) and applies to CIMIC and its Operating Companies. The policy explains the terms of bribery, facilitation payments and corruption. The Policy also outlines accountability, maintaining internal control systems and the reporting process. As mentioned above, the Ethics, Compliance and Sustainability Committee receives the Ethical Matters Report consolidating any material matters that have been reported to the Business Conduct Representative across the Group or through the Ethics Line.

CONTINUOUS DISCLOSURE

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules.

In order to comply with these obligations, the Board has adopted a Market Disclosure and Communications Framework, which is available on our website at: www.cimic.com.au/en/our-group/governance/policies. This Framework was updated during the period.

We also have a Continuous Disclosure Committee which meets as required and has specific responsibilities regarding the disclosure of information concerning CIMIC that a reasonable person would expect to have a material effect on the price or value of CIMIC's securities.

Our Framework details the matters specifically reserved to the Board for disclosure to the ASX and those matters which may be considered by either the Board or the Continuous Disclosure Committee.

The Board receives copies of all material market announcements following the release to the ASX.

All analyst and investor presentations are released to the ASX ahead of any presentation.

DIVERSITY & SOCIAL INCLUSION

The CIMIC Group is committed to cultivating an inclusive workplace of fairness and equity which fosters the unique skills and talent of our people. The Group strongly supports diversity in all forms and recognises that:

- diverse and inclusive teams promote innovation, performance and productivity;
- these advantages are strongest when our workforces reflect the diverse communities in which we work; and
- these diverse communities provide a valuable source of talent.

The CIMIC Group's commitment to Diversity and Social Inclusion (D&SI) is set out in our policy and in our Code which can be viewed on our website at: www.cimic.com.au/en/our-group/governance/policies.

We have prioritised five strategic objectives to ensure we leverage the diverse contributions of our people. These five strategic objectives form the basis of CIMIC's D&SI strategy.

1. Gender Equality	Promote equal opportunity for women in the CIMIC Group including remuneration, attraction, retention and promotion
2. Indigenous Participation	Value and recognise Indigenous peoples, nations and cultures and create equitable opportunity for participation in employment and business supply chains
3. National Inclusion	Invest in local employment, leadership development and succession planning to ensure the future of work is reflective of the communities in which we operate
4. Workplace Culture	Embed and progress a socially inclusive workplace through the elimination of discrimination, bias, harassment and violence in the workplace
5. Accountable	Lead and advocate for a diverse and inclusive culture with a focus on leadership to set expectations, drive and be accountable for progress

The Board recognises diversity in all forms and in terms of its composition and that of its Committees, the Board's objective is to have an appropriate mix of expertise and experience to effectively discharge its corporate governance and oversight responsibilities. The Board continually assesses the mix of skill requirements and experience required of its Directors considering the needs of the Group, and firmly acknowledges that increased gender diversity is an important consideration in Board composition decisions.

CIMIC's Diversity and Social Inclusion Council sets the Group's D&SI measurable objectives and progress against these objectives are reported to the CIMIC Ethics, Compliance and Sustainability Committee. Although CIMIC does not fully comply with Recommendation 1.5 of the ASX Principles and Recommendations, our D&I initiatives, progress and achievements are discussed in the Sustainability Report and published annually in CIMIC's Workplace Gender Equality Agency Report, available at: www.cimic.com.au/diversity-and-inclusion.

RESPECTING THE RIGHTS OF SHAREHOLDERS

CIMIC endeavours to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications and its website, CIMIC aims to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Group's intrinsic value and to meet its obligations under the ASX's continuous disclosure regime.

CIMIC has an investor relations program which includes:

- providing information about the Company and its governance to investors via its website;
- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- webcasting or making available on CIMIC's website, audio recordings and/or transcripts of important shareholder events such as the AGM and CEO presentations;
- sending and receiving shareholder communications electronically, both from CIMIC and our share registry;
- engaging in a program of scheduled interactions with institutional investors, sell-side and buy-side analysts, shareholder associations and proxy advisers;
- promoting two-way interaction with shareholders, by supporting shareholder participation in the AGM including encouraging shareholders to send their questions to the Company prior to the AGM and responding to their questions and feedback;
- all resolutions at shareholder meetings are decided by a poll rather than a show of hands; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Group.

Our Group Policy for Shareholder Communications is available on our website at: www.cimic.com.au/en/our-group/governance/policies.