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CIM.AX - CIMIC Group Ltd Annual Shareholders Meeting

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## CORPORATE PARTICIPANTS

**Juan Santamaria** *CIMIC Group Limited - CEO, MD & Executive Chairman*

**Kathryn Dianne Spargo** *CIMIC Group Limited - Independent Non-Executive Director*

**Peter-Wilhelm Sassenfeld** *CIMIC Group Limited - Non-Executive Director*

**Russell Langtry Chenu** *CIMIC Group Limited - Independent Non-Executive Director*

## PRESENTATION

**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

(presentation)

Good morning, ladies and gentlemen, and welcome to the 2021 Annual General Meeting, the 60th meeting of CIMIC. My name is Juan Santamaria. This is my first AGM with you in the capacity as your Executive Chairman, a position that I'm pleased and [humbled] the field. And I would like to welcome all of you here today and those online.

On behalf of CIMIC Group, I would like to acknowledge the traditional custodians of the land on which we are hosting today's event in Sydney, the Gadigal people of the Eora Nation. I pay my respects to the elders, past, present and emerging, and extend my respect to all Aboriginal and Torres Strait Islander people joining us today.

As we have a quorum, I declare the meeting open. The poll is also now open as you can vote at any time until I declare the poll closed at the end of the meeting. As we become more accustomed with the realities of COVID-19 and its challenges, we have, once again, adopted our AGM today in order to meet with you in a way that ensures everyone's safety and wellbeing. All shareholders have been given the opportunity to meet either in person or to participate online. Our online shareholders can view a live webcast of the meeting, ask questions and vote in real time. A replay of our AGM will be also made available on our website following the meeting.

For those shareholders in attendance here today, I would like to go over some housekeeping. As a courtesy to others, could I please ask you to make sure that your mobile phones are switched to silent. If there's an emergency, we will all need to leave through the emergency exits, which are located at the back of this ballroom and behind me to my left and right.

Now let me introduce my fellow directors. To my left is David Robinson; next to David is Kate Spargo. Next to Kate is Bob Seidler, Alternate Director for José-Luis del Valle Pérez. To my right is Louise Griffiths. And finally, we have Russell Chenu.

Due to restrictions on international travel, Peter Sassenfeld, Pedro López Jiménez and José-Luis del Valle Pérez were unable to travel to Sydney to attend this AGM, but have joined the meeting through audio/video conferencing. Jason Thorne from Deloitte, our external auditor, is hosting attendance and will be available to answer any questions you might have.

Also sitting in the audience today are members of the executive team.

I would like now to provide an outline of the question-and-answer session. Shareholders may direct questions to be in person or online about the operations and management of CIMIC or to CIMIC's auditor about the content of the auditor's report and the conduct of the audit for the 2020 financial year.

For those in attendance today, you're also invited to submit relevant questions if you have not already done so during registration. You can deliver questions to the table at the back of the room during the meeting. For those shareholders attending online, when I open the Q&A session, a Q&A icon will appear at the top of your app. (Operator Instructions) While time may not permit me to address all questions, I will try to address the more frequently raised shareholders' questions during the Q&A session. The Q&A session will commence following my address to shareholders. Only

shareholders, their attorneys, proxies and authorized company representatives are entitled to participate at this meeting. You may now comment with your written and online questions in relation to each of the resolutions.

I will now present my address to the shareholders. I would like to begin my comments by recognizing the extraordinary efforts of our people in 2020. As shown in our opening video today, everything we achieved happens because of dedication of our people. I also acknowledge the enduring partnership that links our people, suppliers, partners, clients and shareholders. This partnership has supported our navigation of COVID-19's challenges in 2020 and continues today.

Our people's fortitude and our stakeholders' commitment have kept our construction sites, mines and essential services operating. Our people stayed safe and employed, and we sustained work for our suppliers and subcontractors. This has supported our communities and generated much needed economic activity. Thank you all for your contribution.

We ended 2020 with positive results in profit, revenue and cash generation, but more importantly, a confident outlook for 2021. Our integrated capabilities, financial strength, our public-private partnership expertise underpin our strategy. We're well positioned to capture opportunities in infrastructure, services and resources arising from the expenditure across our markets, including from government stimulus.

The Australian government's economic recovery plan includes substantial investments in infrastructure construction. Spending on major projects in Australia is expected to average around \$30 billion per year for the coming years. In services, the significant volume of assets and the trend to outsourcing increases opportunities for our end-to-end operations and maintenance capability. The outsourced maintenance services market in Australia is expected to grow 12% in the 5 years to 2025, outpacing the growth of the overall maintenance market.

In resources, the group's mining and mineral processing businesses are exposed to commodities that are expected to continue to play a major role in supporting the economy. Over the next 2 years, export volumes of Australian major commodities are expected to grow by between 4% and 9%. The fact that we are a reliable partner further strengthens our position. We have unmatched track record for major projects and PPPs, a demonstration of our ability to effectively develop, invest in, deliver and manage assets.

This year, our key priorities are largely unchanged. These are protecting the health and safety of our people and communities, delivering projects that meet our clients' needs and boost the economy and generating sustainable return for shareholders. We continue to progress our core activities of construction, mining and mineral processing, services and PPPs. We're closely managing capital expenditure and working capital, and we continue to pursue growth opportunities in our core markets.

The Board and I recognize the recent share price performance and the frustration of many of you. Our focus continues to winning new work, delivering successful projects and generating cash-backed profits from which we can remunerate shareholders. By doing these things well, and by continuing to reward shareholders via dividends, we expect the intrinsic value of the company to be reflected in our share price.

Turning first to our 2020 performance. The past year, once again, showed our diversified business model is resilient and enables us to adapt to market changes. Despite the challenges of the pandemic, we achieved positive results.

Revenue was \$11.4 billion with COVID causing a temporary delay in the award of new projects and slowdown of revenues across our activities. We delivered statutory net profit after tax of \$620 million, with an underlying NPAT of \$601 million. Our statutory margins remained solid at 10.3% for earnings before interest and tax, 8.7% for profit before tax and 5.4% for NPAT.

An important milestone for 2020 was the completion of the sale of 50% of Thiess. This allowed us to capitalize on Thiess' strong performance and positive outlook while retaining a strategic interest in the sector. Thiess continues to be core to our business. Co-ownership is functioning seamlessly, and we and our partner are very much aligned in operational decisions and growing the business. The sale generated a post-tax gain of \$1.4 billion. Net cash proceeds were \$2.1 billion, which enables us to strengthen our balance sheet, reduce debt and pursue future growth opportunities.

Ventia also completed the acquisition of Broadspectrum in 2020, forming one of the largest infrastructure services companies in Australia and New Zealand. With a positive industry outlook and given the expanded size of the business, we continue assessing our strategic options for investment in Ventia.

In 2020, one-off post-tax impacts included an \$805 million noncash loss on the Gorgon Jetty arbitration. Other items of \$613 million related to COVID, project settlements, provisions, property business write-downs and oil and gas vessel impairments.

An update on some other matters which are ongoing with the business, like CPB's involvement in the new Royal Adelaide Hospital, the West Gate Tunnel Victoria and UGL's project, the Ichthys Combined Cycle Power Plant.

After delivering the new Royal Adelaide Hospital, which has been used by the people of South Australia for the past 3.5 years, CPB and its partner are pursuing an arbitration process to recover the final amount outstanding. At the West Gate Tunnel, CPB and its partner, John Holland, are contracted to provide works for Transurban and the State of Victoria. A dispute has emerged between the parties due to several factors, but mainly due to soil contamination. CPB and the parties are engaged in a process to seek to resolve the matter.

As previously advised, UGL and its consortium partner, Jacob and GE, are in arbitration with JKC Australia LNG in relation to the dispute under the contract for the Combined Cycle Power Plant at Ichthys project. The arbitration is expected to be finalized during the course of next year with a decision thereafter. We're also pursuing amicable resolutions of these matters.

In February 2021, we also signed a sale agreement for our BICC investment. The sale is subject to satisfaction of conditions present and obtaining all the necessary approvals. The financial impact of the transaction was already included in our 2019 financial statements.

Cash flow from operating activities pre factoring was \$579 million, supported by project performances. Overall, our strong liquidity was boosted by proceeds from the 50% of Thiess sale, and we finished the year with net cash of \$190 million.

We reduced our supply chain finance balance by \$707 million year-on-year from \$851 million to \$144 million. And we also reduced our factoring by \$985 million to \$976 million to operational, I mean, that was mainly due to operational reductions in the Thiess deconsolidation.

Greensill was one of our range of parties supplying these products, but its circumstances have no impact on CIMIC.

As of December, we had \$4.2 billion in cash and available banking lines.

Our strong credit rating was confirmed by Moody's and Standard & Poor's as investment grade after the 50% sale of Thiess, and we are committed to maintaining an investment-grade credit rating.

We declared a final dividend of \$0.60 per share at a payout ratio of 62% of the second half of NPAT. This is a return to our historical payout ratio of 60% to 65% of NPAT. The dividend is payable on the 5th of July and is franked at 20% with Conduit Foreign Income at 80%.

Our decision to suspend interim 2020 dividend was based on the need to strike a balance between rewarding shareholders and maintaining a strong balance sheet, which supports growth and returns into the future. Whilst we are still progressing through the year, we're confident about the outlook, and it is our intention to continue rewarding our shareholders.

During this year, we also returned \$281 million of cash to shareholders through our share buyback. Demonstrating our corporate responsibility, we are voluntarily deciding to return \$20 million of JobKeeper wage subsidies to the Federal Government. JobKeeper, as you know, had been received by a limited number of our smaller eligible subsidiaries impacted by COVID. The payments were used as intended to support employment across affected entities. Our decision illustrates that, as the largest contractor in Australia, we're willing to play a role in the economic recovery agenda.

We are proud of our significant distribution to job creation and national prosperity. Our activities support the employment of tens of thousands of employees nationwide, plus job creation for many, many more employees of suppliers and subcontractors.

As Australia's largest infrastructure construction and services company, we regularly tender for government projects and understand the significance of maintaining our business reputation with governments and the public at large.

Our work in hand included \$7.4 billion of new work awarded and an additional \$3.1 billion from Ventia's acquisition of Broadspectrum in 2020. At \$30.1 billion, work in hand is equivalent to approximately 2 years' worth of revenue, providing a positive outlook.

I'm pleased to have the opportunity today to recognize leaders who have shaped our business and passed on an enduring legacy. Firstly, our thanks go to former Executive Chairman, Marcelino Fernández Verdes. As CEO from 2014 to 2016 and Executive Chairman until 2020, Marcelino reshaped our group to be a family of industry-leading businesses. This provides a unique advantage and a strong platform for building our future.

Alternate Directors, Adolfo Valderas and Ángel Muriel also retired from their positions. Both have been great champions of discipline, accountability and collaboration. As a former CEO of our company, Adolfo was integral to driving our transformation to a more unified and operationally efficient group. As a result, we're stronger and a more resilient organization. Ángel, a former CFO, was central to the successful acquisition of Sedgman and UGL and the establishing of Pacific Partnerships as well as other major strategic initiatives.

Today, our diverse capabilities and provision of integrated solutions are unmatched. On behalf of the Board, I extend my thanks to Marcelino, Adolfo and Ángel for their contributions over many years.

Following Marcelino's retirement, I was pleased to accept the Board's nomination as Executive Chairman in addition to my position as CEO and Managing Director.

We continue to promote from within, and I'm pleased to introduce you to Emilio Grande, who's in the audience today. In January, we announced Emilio's appointment as Chief Financial Officer. Emilio's involvement with key initiatives across the group has given him deep knowledge of our operations. He was formerly CIMIC's Deputy CFO and, more recently, CFO of UGL. Emilio succeeded Stefan Camphausen, in the audience today as well, who made a significant contribution, having a key role in the successful completion of the sale of 50% of Thiess and the growth of Pacific Partnerships. I extend my thanks to Stefan for his achievements and many years of commitment.

So let's look now to our current operations. CIMIC Group is Australasia's foremost contractor in infrastructure, services and resources. The scale and diversity of our projects and operations in multiple sectors is nothing short of impressive. Engineering and technology expertise, integrated offering and reliability are our main competitive advantage. On every project, we bring a consistent approach to safety, cost, quality, innovation, community and environment to achieve sustainable outcomes.

In transport, CPB is the nation's leading contractor having delivered 410 kilometers of roads and more than 86.5 kilometers of rail only since 2018 as well as more than 350 kilometers of next-generation tunnels only in recent years.

Our most recent projects delivered or being delivered include: The WestConnex network in Sydney, covering the M4, M8 and Rozelle interchange expansions; Sydney Metro Northwest rail and City & Southwest, Cross River Rail in Brisbane; MetroNet in Perth; the Mackay Ring Road and Logan Enhancement projects in Queensland; Port Wakefield to Port Augusta Regional Project Alliance in South Australia; the Tseung Kwan O - Lam Tin Tunnel project in Hong Kong; and the North-South Transportation Corridor in Singapore, just to name a few.

Today, we are operating 23 road headers and 7 tunnel boring machines, and we continue to deliver some of the region's most important transport projects.

In rail manufacturing and systems integration, UGL is Australia's only manufacturer and maintainer of heavy locomotives. It is also a major integrator of rail systems, providing critical operational signaling and other support system for essential transport networks relied upon across the country. It is worth mentioning that UGL has been responsible for the systems integration associated with 66 kilometers of Sydney Metro from Tallawong

Station to Bankstown Station as well as integration on Melbourne Metro as part the Rail Systems Alliance and the systems associated with the Cross River Rail in Brisbane.

Today, UGL is preparing for the first passenger service of the New Intercity Fleet in New South Wales and is mobilizing for the operations and maintenance of the Regional Rail project in Dubbo, supported by CPB and Pacific.

In aviation, we're recently undertaking work in both Sydney and Brisbane. CPB delivered Brisbane Airport's new parallel runway, one of the largest aviation projects undertaken in Australia, ahead of time in 2020. And we do have earthworks underway for the new Western Sydney International Airport.

In defense, we have provided significant contracts and services across major army, air force and naval bases throughout Australia. CPB delivers some of Australia's most complex navy, army and air force infrastructure projects, including at HMAS Albatross, Point Wilson and RAAF Bases Pearce and Williamtown.

UGL is one of only a handful of Australian contractors prequalified to provide major warship refit and repair services for the Royal Australian Navy, and is delivering major maintenance and upgrade projects on ANZAC Class Frigates and Navy's largest warships.

In water, CPB has delivered more than 100 dams and reservoir structures, and UGL has delivered more than 50 water projects. Included in this is essential works at Paradise Dam in Queensland and major capital works on Tasmania's water infrastructure.

In health, we're a major force in the development of Australia's infrastructure. CPB is currently delivering major hospitals upgrades in Nepean, Campbelltown, Wagga Wagga and Coffs Harbour, which come only on the back of its delivery of 53 health projects over the last years.

Our infrastructure projects are frequently delivered by a combination of UGL, CPB, EIC and Pacific Partnerships, providing an integrated offering that distinguishes us in the market.

Pacific has continued to increase its portfolio, and through its investments, has made possible more than \$16 billion of projects, including Royal Adelaide Hospital, Canberra Light Rail and Waikeria Corrections and Treatment Facility.

In the resources, power and LNG sectors, our companies are delivering innovative and cost-effective pit to port and life cycle solutions, adding value and winning repeat business with long-term clients. UGL is currently completing maintenance and turnaround works for clients at more than 85% of the LNG capacity in Australia. It is the leading provider of these services in the country.

In energy, UGL designed, built and commissioned high-voltage substations and 300 kilometers of transmission lines, connecting the Prominent Hill Mine to the South Australia electricity grid just recently.

In renewables, UGL has completed 9 major solar farms in recent times and is presently working on 2 utility scale Tesla batteries.

Thiess has commodity mining expertise throughout the world. It is currently delivering 26 projects across 7 countries and have moved 1.6 billion tonnes of material in the last 12 months.

And in minerals processing, Sedgman is behind the delivery of hundreds of processing projects. The annual total of raw material feed tonnes processed across Sedgman sites is now about 37.5 million.

All of this success continues to be recognized by ongoing work from our clients. UGL was recently awarded a 10-year agreement to operate and maintain rail infrastructure across 2,300 kilometers for the Country Regional Network in New South Wales, delivering revenue of more than \$1.5 billion. UGL and CPB are the preferred contractors to deliver CopperString 2.0, a high-voltage transmission network, across 1,000 kilometers in Queensland, expected to deliver \$1.7 billion in revenue.

Thiess was awarded a contract extension to continue work at Lake Vermont in Queensland, delivering \$2.5 billion in revenue. But the most important outcome of all this experience is yet to come.

On the back of these major projects, governments have announced numerous stimulus packages in our markets. More than \$500 billion of tenders relevant to us are to be bid and/or awarded in 2021 and beyond, including \$130 billion for PPS.

Our aggregate repeat client rate has been more than 80% over the past 5 years, as we've consistently secured new contracts at progressive stages of major projects. Many of the major packages expected in the year ahead come on the back of our work on earlier phases of the projects. This means we're ready to go with a proven track record, experienced teams and existing equipment.

Major upcoming projects include: The M6 Stage 1; Sydney Metro West, Western Sydney Airport Station Boxes and Tunneling; Warringah Freeway Upgrade; Western Harbour Tunnel; and the Greater Sydney Region 8 Bus Contract in New South Wales; the North East Link PPP and the Suburban Rail Loop Early Works in Victoria; the BMA mine extensions in Queensland; the Metronet Byford Rail Extension; and the Winu Copper Mine in Western Australia; Auckland Rail Franchise in New Zealand; the T3 Copper-Silver Project in Botswana; and the relocation of the Shatin Sewage Treatment Works to caverns in Hong Kong.

Our tendering priority is to price appropriately for the risks and we are prepared to accept. This enables us to deliver solutions for our clients on time and on budget, and achieve, more importantly, returns to our shareholders.

The health and safety of our teams in the delivery of this work is paramount. Our goal is to eliminate fatalities and serious harm and reduce all other injuries.

We do have a mature safety system with proven practical tools. We work to build understanding of the hazards in our workplaces and the controls we use to mitigate them. We encourage our people to speak up and get involved. We continually measure our performance. And we're always striving to make our workplace safer.

Let me show with you some recent examples of our teams, meeting challenges and delivering outstanding safety outcomes. CPB and Broad have developed new safety technology to make working at height safer. Both companies now require mobile elevated working platforms to be fitted with a secondary safety system to mitigate the risk of crush and entrapment incidents.

Leighton Asia developed technology to mitigate the risk of workers being struck by moving forklifts. The perimeter warning device has been adopted by all of our projects in Hong Kong.

UGL is trialing a hands-free camera, which enables those on site to share their prospective operations with remote specialists and hold safety conversations in real time.

In a Thiess first, artificial intelligence is being used to predict the likelihood of mobile asset component failures, improving operator safety and asset reliability.

All our teams are working effectively within our COVID protocols. Since the outbreak, our response has been to follow all relevant public health orders and act with an abundance of caution. Implementing controls, serving knowledge and quickly collecting and assessing reliable data has been vital as our controls are tailored to its project and location. They have included modifying the layout of our sites, maintaining social distance, increased cleaning, health declarations and upgrading accommodation facilities.

Amongst our employees and contractors, there were 648 positive cases of COVID in 2020. Since then, we have had a further 340 cases to the end of last month. Most of these had a limited direct impact on our people and workplaces.

We will pause now here.

In January this year, we marked the 1-year anniversary of a tragic death of one of our colleagues at the Curragh Mine in Queensland. Today, we take this moment to again pay our respects. We extend our profound sympathies to his family, friends and teammates for their loss.

Our safety effort must be relentless and must continually improve. This year, we're introducing a range of new key performance indicators that guide leaders to proactively engage with our teams on critical risk controls. These KPIs are lead indicators. They drive safety conversation and generate proactive behaviors and actions that can prevent significant incidents.

Now some comments on sustainability. Embedding sustainability into how we operate enables us to grow revenue, reduce costs, mitigate risk and deliver projects with the future of our communities and environment in mind.

To give you just a couple of examples. CPB and our partners on the Sydney Metro City & Southwest were awarded Major Project of the Year at the International Tunnelling Association Awards, recognizing the team's sustainability performance, which created a legacy of skills for thousands of people. This is indicative of our commitment to creating education, employment and enterprise opportunities for local and Aboriginal and Torres Strait Islander people.

Outside of Australia, our training and talent programs developed local leaders and graduates to ensure our future workforce is reflective of the countries in which we operate. Local participation in our international workforce stands at 92%.

We continue to be recognized for high performance in sustainability. In 2020 and 2021, this included acknowledgment by S&P Global, the DJSI Australia Index, the FTSE4Good Index Series and the Australian Council of Superannuation Investors.

To meet our sustainability goals for our people, we are committed to valuing diversity and building an inclusive workplace. We want our team members to have every opportunity to reach their potential.

In 2020, 18,000 employees completed the code of conduct training. And almost 10,000 undertook face-to-face equal employment opportunity, discrimination, antibullying and harassment training.

On International Women's Day, we announced our new global parental leave policy. The policy extends the amount of paid leave and partner pay offered to our people upon the birth, stillbirth or adoption of a child. These initiatives make our business stronger by advancing equality, retaining and attracting high-performing people and increasing our diversity of skills and experience.

As well as driving sustainability, we continue to invest innovation to improve our efficiency and the solutions we deliver. In conjunction with ACS and HOCHTIEF, while working with a global IT industry and network of technology partners, research centers like ASTRI in Hong Kong, and universities such as MIT in the U.S., the University of Darmstadt in Germany, and Sydney University here in Australia to develop our innovation capability. Examples include the use of blockchain technology in the development of a subcontractor management portal. We're using artificial intelligence and drones to manage quality and measure performance. We're using digital technology, autonomous vehicles and camera vision to improve safety and productivity. And we're increasingly recycling materials, such as concrete, steel, timber and bitumen and using low-emission concrete and bitumen to reduce our environmental footprint.

Looking to the year ahead. For 2021, we reiterate our guidance that we provided in February, for NPAT to be in the range of \$400 million to \$430 million, subject to market conditions. It represents an 8% to 16% increase in 2020 pro forma underlying NPAT. We remain committed to rewarding shareholders through a consistent dividend payout ratio of 60% to 65% of our NPAT.

The significant role of infrastructure in the economic recovery from the pandemic also supports a positive outlook, and we respectfully value the opportunity to contribute to this important work. Our positive outlook and competitive advantage are built on our track record of providing engineering-led, whole-of-life solutions that deliver quality assets and services. And it means we are positioned well in the short, medium and long term.

We will update you with our first quarter results on the 30th of April. We're seeing opportunities starting to come to the market, and we're well positioned in our sectors.

We continue to focus on having the best people, systems, technology and equipment in place to deliver outstanding projects. We are known as a reliable partner, trusted for integrity and for the standards we apply. For this reason, the value partnership we have with our stakeholders continues, and our company confidently evolves.

I would like to thank you for your continued support, and I look forward to updating you further throughout the year.

I will now open the Q&A session by responding to questions from the shareholders sent in advance of this meeting.

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## QUESTIONS AND ANSWERS

**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

So the first question we received in advance of the meeting is the following. What is the situation in respect to you exiting the Middle East? How much has/will it cost? And when will you be clear of this issue?

So as we did announce on 15th of February 2021, we announced the share purchase agreement for the sale of our investment in the Middle East. And this sale covers all the investments of CIMIC in the Middle East. The completion is subject to some condition precedence and obtaining all the necessary approvals. But in terms of the cost, I confirm that there's no change from any previous announced position.

I'll go now to the next question. How do you propose to reverse the share price? And this is a question that has come more than once.

So I'm going to start saying that I do understand the concern and frustration of the shareholders, and I do share it. But I'm going to give some context first. Why is the share price down? So the share price is down for a few reasons: first one is the Middle East; the second one is Gorgon; the third one is COVID; fourth one is Hong Kong; and the fifth one is the perception around Greensill.

So let's go through each one of those. The Middle East came at the back of a deterioration that was made evident through the [strategic] review. Another iteration in the Middle East was coming for a lot of different circumstances. The geopolitical situation that the Middle East was facing, where it was Qatar, Yemen, Iran, et cetera; oil prices going down; lack of liquidity in the market; and a series of other reasons. So the decision had to be made, and that decision cost \$1.8 billion post-tax loss.

The second was the Gorgon arbitration resolution that cost an \$805 million post-tax impact. Then we get into COVID. COVID was a very, very hard thing to face, especially internationally.

A lot of our projects internationally were temporarily suspended. In Botswana, in Mongolia, all the productivities in Indonesia were down by 50%. Our productivities in South America in our mines were down significantly. Same thing in Alberta, Canada. Our franchises that we operate in Sydney and Melbourne that pretty much face risk of users taking the public transport were significantly affected. New Zealand was closed for 1 month. And Australia's productivities were down significantly because at that stage, we're trying to manage the crisis, and those things were not priced in our projects.

And then if we add all of these with oil and prices, all that contributed to a lot of the clients in Australia delaying a lot of the shutdowns and maintenance services, which affected UGL significantly. For 2 years, we didn't have the licenses in Hong Kong. So we couldn't be and we couldn't win jobs. And there has been a perception, which, in my opinion, was not justified in the media about our exposure to Greensill. So I would like to reiterate that there's no impact to Greensill.

So putting all this in context, we still made \$600 million of underlying NPAT. If that's not resilience, I don't know what the definition of the resilience. But there's one common thing to all of these things. All of these in our back. All of this is behind. So now we can focus on what we know, which is our performance. And I can assure that we're the best performers in this country. And on the back of that, we're going to build our future and our growth.

I'll move now to the next question. Why hasn't the share buyback started again?

Well, when we -- when we talk about share buyback, we need to consider the way we do allocate capital. And obviously, we do look at the entire set of capital allocation opportunities. And there's a lot of decisions that come to that. There's an influence, obviously, of the market conditions. But also, there's an analysis that we need to take into account when looking at the balance sheet and how we best position to secure some of these major projects with our clients. So we will continue to analyze all these conditions, and that will form the basis for conclusions regarding what to do when it comes to share buyback.

I'll move to the next one. Is it the intention of the holding company to make a takeover offer to minority shareholder of the company? What is the Board's policy on this issue viewed from the perspective of minorities?

Unfortunately, I believe that this is a question for HOCHTIEF, not for CIMIC, so I won't be able to answer.

I will now move to the next one. When are you going to pay shareholder dividend as nothing was paid for all of 2020?

As I mentioned before, the final dividend declared of \$0.60 per share for 2020, franked at 20%, we paid on 5th of July of 2021. And this represents a 62% payout ratio on the second half of the year. But as you can see, our return to normal payout ratio of 60% to 65% of NPAT will continue, at least that's our intention.

I'll move to the next one. Can the executive team provide a clear mandate to shareholders that executive team is working to be long-term shareholder value?

Yes, of course. I can assure everyone that the Board and executive team are totally committed to creating long-term shareholder value, and we are confident. And hopefully, you all got a sense of that through the presentation.

I will now take questions from the floor. (Operator Instructions) This will then put you in a list of names that I can see in front of me. Once registered, please remain in your seat. Your microphone will turn on when you reach the front of the queue. When I call out your name, please ask your question. (Operator Instructions) We have submitted your prudent questions, there is no need to use your handset.

Do you have a microphone?

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### Unidentified Shareholder

That's okay. I've got a loud voice. My name is [Natasha Lee], I'm a shareholder. Thank you, Mr. Chairman. So there was this question about fulfilling materials, particularly global timber. Does that have any material (inaudible) on CIMIC's operations? What steps have you taken to ensure the continuity of supply to (inaudible)?

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### Juan Santamaria - CIMIC Group Limited - CEO, MD & Executive Chairman

Sure. So typically, timber is associated to more residential work. We don't have a lot of exposure to timber. Our exposure is much more to concrete steel and other heavy construction. So we are not concerned about a potential impact.

Having said that, we prominently analyze all the supply of all the materials, not only because of some of the situations going on, but also the international exposure and COVID. And we have done a lot of work to make sure that our supply chain continues, obviously, when it comes to the amount of materials that we use. But again, answering your question, our exposure to timber is well covered in this case.

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**Unidentified Shareholder**

Was timber and other materials, but particularly timber basically (inaudible)...

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Yes.

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**Unidentified Shareholder**

Okay. My other question was following the sale of Thiess, you're holding quite a bit in cash. But I'll also note that your liabilities have increased proportionately. Would it -- if you don't have any immediate intention for those cash holdings, would it make more sense to reduce your long-term liabilities on the assumption that even though interest rates overall are fairly low, the cost of holding debtors would be higher than any interest you earn on cash?

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Yes, thank you. I mean there's always a balance like when it comes to capital allocation. And we need to have a balance between how much we do hold on payables, how much we do hold on long-term liabilities and short-term liabilities. But also right now, we are in a very unique situation where we're going to face all these projects. So it's a balance between rewarding shareholders, moving the allocation of capital in the different areas of the liabilities in the balance sheet. And obviously making sure that we do strengthen the balance sheet.

There's another component, which is when we are in a situation of COVID, we always promote having the right liquidity in the bank. And that's just good practice. We believe that COVID is being left behind. We want to be cautious when we address guidance, when we address balance sheet because we never know if there's going to be any unexpected situation. But right now, we believe that we do have the right balance. But of course, we need to be efficient.

The same thing comes when we're thinking about what do we do between the balance of factoring versus long-term financial liabilities and short term. What is the best capital allocation? And we are doing some analysis at this stage about all of that. So the result of all the analysis and all this balance will be reflected throughout the year.

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**Unidentified Shareholder**

And I note that as far as the directors' holdings of CIMIC, I know that many of you have very large holdings in the parent company, but the overall holding in the CIMIC shareholding is relatively small. Now shareholders expect the directors to have a degree of skin in the game. So what is your policy towards having a higher level of CIMIC holdings to better reflect the shareholders' interest?

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

I mean, we do not have any specific policy around this matter, and we are not enforcing directors to have any share. We do encourage, but we don't enforce. So at this stage, we don't have any policy. Having said that, we don't believe that by not enforcing that policy, that is going to be reflected in any way in the performance of the organization or not converging the interests between directors, management and the shareholders.

### Unidentified Shareholder

Just the last question is, the proportion of representation on your Board, particularly the gender split, is relatively low, given that 40% female participation is considered to be -- would be standard, and companies which have a higher level of diversity on the Board have been shown to perform or outperform those which don't. Do you have a policy? Or do you intend to improve the diversity on the Board in the future?

### Juan Santamaria - CIMIC Group Limited - CEO, MD & Executive Chairman

So I mean, as you saw in the presentation, diversity for us is not only a nice to have, but it's an obligation. And we want to make sure that we are a diverse organization at all levels, not only in the Board, but also throughout the business. And if you look at our numbers, I do think that they do reflect this reality.

So let me give you an example. This year, we had -- 35% of our graduates were female. And if you look at the industry and you look at our presentation in -- at that young age of female, the percent that is engineering, mining and construction is much, much lower. So that gives you a sense of the effort that we're doing. But also when you look at diversity in general, we've gone through a construction and mining to represent that across the business of 13.2% or around 13.2%, excuse if I don't have the accurate figures with me. And when it comes to management, it's close to 14% with a huge improvement versus previous years, and we're going to continue improving.

When it comes to the Board, we do have the right presentation of female. Are we looking forward to expand that? Yes. But I'm sure you understand the complexity and the responsibility behind the directors. So that's an ongoing analysis.

Any other question? Okay. Louise is telling me that there are more online questions coming. So I'm going to go through them.

Mr. [Miles Edmund] sent us the following question that I'm going to read aloud. CIMIC continues to win large amounts of work. However, the share price keeps on decreasing. Are you aware of targeted shorting attacks on the company's share price? Or any reason why the share price is being suppressed?

So I mean, I think that I have addressed my view about the share price performance before. What I would say in this case is the market outlook is amazing, and it's very, very promising. However, it's being avoided at the time of some of the one-offs that I mentioned in the past, but also some of these perceptions that continue coming in like the Greensill situation that I mentioned before or some fear -- the -- some of the new work continues to delay. So I mean, all what I can do is to give confidence regarding this. And I'm pretty sure that once all this positive outlook starts to materialize, things will come back to normal.

The shorting balance is public info. So I don't think -- I mean, I'm not aware of any targeted attacks, but when it comes to the [short] positions, that -- I mean, it's public information available to anyone that wants to look at it.

There's another question for Mr. [Stephen David Main]. For 7 years, since the Spanish Board group of CIMIC, you have not taken Investor Relations seriously. Now there's a Chairman of -- the new Executive Chairman doing the round of investors and proxy advisers. Why the change of tune?

I mean all that I can say is that we do appreciate the importance of our shareholders. I do and we do acknowledge the importance of transparency. And I just look forward to continue the engagement in the future.

Let's see if there's any other question. Mr. Stephen David Main again. Thank you. We are in this period with Transurban and the Victoria Supreme Court over the -- \$6.7 billion West Gate Tunnel project which has blown out by billions in a couple of years. Is it correct we are also in dispute with our Chinese-owned partner on the construction job, John Holland?

So I mean we have a very good relationship with all the stakeholders, including John Holland. We do not have any dispute with John Holland on the job. Regarding the rest of the project, I mean, we do not comment individually on a project or obviously any dispute. That remains confidential.

Or what I can say is that I'm confident that the 3 parties are doing all the efforts to resolve this in an amicable manner. But thank you for your question.

Let's see if there's any question. Mr. Stephen David Main . Mere reports suggested that we had pulled out all the bidding for the \$15 billion North East Link project in Melbourne. The [NCB] won the majorly works contract, and were now bidding for the main job. Is this because the Victoria government has agreed to take on more project risk?

I mean this is a question for Victoria government. I mean, I cannot talk on their behalf. I'm very respectful for government. All that I can say is that we continue to pursue projects that fit our risk profile. And we are very careful on how we manage. Thank you.

Again, from Mr. Stephen David Main . Who would we partner with in our bid for the \$15 billion North East Link project in Melbourne? And is our dispute with the Victorian government or these (inaudible) -- this worth \$6.7 billion West Gate Tunnel project going to inhibit our chances of winning this contract? Are we confident of winning? And please tell us more about how the tender is being structured. Is the \$8 billion contract for Australia's longest tunnel being offered separately?

So I will need to ask, because at this stage, the tender is confidential. I will be more than happy to give an update on that and even follow specific questions in more detail once all the information in the tender is made public. So if you excuse me, but all -- what I can say is that we look at each projects in its own right. And again, happy to follow-up on this one in the future.

Mr. Stephen David Main . Why did we voluntarily hand back \$20 million worth of JobKeeper revenue? Was it legal for us to claim this subsidy? So why didn't we follow the lead of most our listed ASX companies and keep it? If everyone else was -- [were taking] JobKeeper, why didn't we maximize our benefit, too? Please tell us more about how the decision was made to return this \$20 million in cash to the federal government.

So let me provide some some context. CIMIC is formed by a lot of operating companies and its small subsidiaries inside these operating companies. A lot of these small subsidiaries were requesting JobKeeper. And when the time came to consolidate all the accounts, we realized the amount of JobKeeper that had been claimed from the government, and that was by the end of 2020. Once we got to the Board, we did analyze. And 2 things came to our attention. The first one is the value of JobKeeper. The second one is the fact that we do a lot of work for government, the federal government and the states, and it was the request from government that all organizations acted in a responsible way. And we do believe that we are, I mean, a leader contractor in this market, and we play a major role when it comes to leadership and championing the best for the community. So we just do a corporate citizenship decision.

Mr. [Miles Cody]. What are you most worried about? What keeps you awake at night with respect to the operations of CIMIC?

Safety. Our best assets of our organization is our people. That's what we have. So my only worry is to make sure that we keep all of them safe.

Mr. Stephen David Main . Please explain the full history of our relationship with the collapsed Greensill group? Why did we get so involved with them? And when did we end this relationship? What are the standard payment terms for our suppliers across Australia at the moment?

Let me give some background. I mean first of all, Greensill is one of a lot of partners and suppliers. So we will do work on a variety of suppliers when it comes to working capital instruments. As you saw last year, we did -- we did reduce the balance significantly. And the reduction in the balance was just based in some of the proper capital allocation, and we continue to analyze that. And I did touch on that before.

Last year, there were some questions about how the supply financing works and factoring, and there were a lot of speculation in the media about the product. And the product pretty much allows subcontractors to be paid within the right days. We always pay according to our contracts, but more importantly, reflecting the Security of Payment Act of Australia. So we apply the minimum of both. But in some cases, those conditions are hard to be met by our small suppliers. And that's why the supply financing instrument came in to allow those suppliers in those circumstances where Security of Payment Act or the clients were paid in a period of time that it was too much for them, that product allows them to be paid immediately.

There was some debate, whether small business companies had to be paid within 30 days without the need of using this product. We did listen, we did analyze, and we did make the commitment to pay them within 30 days at UGL, and that has already been implemented.

All that I can say is that the payment terms are diverse, and we would need to go on a one-on-one cases. But again, let me reiterate that we have no impact to the Greensill circumstance.

Mr. Stephen David Main , I think it's going be better to get together over a coffee to go through all of these. CIMIC's former CFO, Peter Gregg, was acquitted on an appeal last September in relation to criminal convictions. What support did CIMIC provide to its former CFO during his 4-year ordeal with ASIC and the Courts? Did our insurance policies covered some or all of his legal expenses once the convictions were overturned?

And unfortunately, as much as I would like to answer, it's a confidential matter, and this has to do with a personal case so I have to be very respectful. The most important thing in this case is that everything went well for Peter, and we are very comfortable with that.

Mr. Stephen David Main . Madrid-based ACS is dominant CIMIC shareholder with a 77.7% stake. Apart from the new CIMIC Chairman, how many Spanish-speaking full-time CIMIC executives do we currently have seconded to the Australian operations? Is there a Spanish-speaking faction at CIMIC? How are the cultural sensitivities managed?

I mean, in this case, I must say that we do have executives and -- with kind of diverse backgrounds, and that's something we're very proud. All the executives are appointed based on merit and no shareholder involvement in appointments. What I can say is that at CIMIC, there's 3 of us, and that's pretty much it in the entire CIMIC.

There's a new question from the [Rod Nishi] family. The share price has tanked 30% in 6 weeks. Your explanations do not stand up.

So I mean, all what I can say is that I do understand the frustration, and we're going to work -- continue working to capitalize on opportunities. Looking at the share price in the last -- in the recent days, you would need to think about, in addition to all the things that I explained, overall context in the stock market, you need to understand that we need to continue giving good news and some of the big projects have got delayed. But we are confident they will come. So we just need to be a little bit patient. So this is about good news, and it's about the future and making sure that we outweigh any perception in the market.

Mr. [Karan Biorlag]. Hi, Juan, can Board please provide confidence that all the losses are captured as shareholders? As shareholders, we are very annoyed the way CIMIC has performed in the last few years.

All I can say is that I reiterate what I just said. But yes, I mean, we've gone through all the one-offs and we did explain through the presentation. So hopefully, it's enough. The most important thing is our commitment to -- I mean to work -- to capitalize on all the future opportunities.

Question from Mr. Karan Biorlag . Hi, Juan, assuming it's trading significantly below value, can we please get an update on share buyback program? Is Board planning any special dividends?

So at this stage, I need to refer to what I just explained. We continue to analyze all the options, but there's no decision at this stage.

Mr. Stephen David Main . Thank you for an excellent AGM address, Mr. Chairman, and for reading out and answering all of my online questions in full without any editing or censorship. This is commendable transparency. Could you

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of the AGM available on the CIMIC website, along with the full VDR chief of the meeting?

Yes, thank you. We'll consider your request. But thanks a lot for your words.

Mr. Stephen David Main . Could we please hear from one of the independent directors, preferably the lead independent, if we have one, on how the Board believes the new CIMIC Chairman is performing?

Can I get back to your previous question? Why do we choose to concentrate so much power in the hands of one person?

Contrary to the best practice corporate governance, can just -- Juan just be the CEO with one of the nonexecutive directors acting as Chair?

So I'm going to refer to one of the independent directors, but I would like also to answer the question, if I may, Steve. There's 3 main committees in this organization. The ethics, safety and sustainability; the audit and risk; and the remuneration. Everything I do, everything we do goes through those committees. And those committees are chaired by independent directors. So I know that there's always a recommendation to have a Chairman and the CEO independent. But all what I can say is that we have the independent directors involved in this way, making sure that, that independency is preserved. But having said that, Russell, Kate, would you like to answer?

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**Kathryn Dianne Spargo** - *CIMIC Group Limited - Independent Non-Executive Director*

Yes. Perhaps if I could go first. That's an awkward question, isn't it, for you, Juan? But good morning, everyone. I'm very pleased to have a chance to give a view on that. I have to say that I struggle to find a harder working CEO and Chairman. And I appreciate that the role is combined, which is perhaps a little unusual in the Australian context, but I think that Juan's comment about the committees each being chaired by independent directors is a great check and balance on that.

I feel incredibly confident about Juan's ability. I don't think he gets much sleep, I have to say. He covers an awful lot of ground, and I'm absolutely delighted with the way that he is going about some of the issues that we've got and the way he's going about looking at the future. And I feel very confident that the Board, including the independent directors, all the directors, are very involved and informed about the various issues inside the company. So I applaud Juan's effort.

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Thank you, Kate.

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**Russell Langtry Chenu** - *CIMIC Group Limited - Independent Non-Executive Director*

Thanks, Kate, and thanks, Juan. Good morning, shareholders. I do concur with all of Kate's comments, but I'd add a couple of other things. One is that most of the issues and all of the material issues that we've been dealing with in the past 18 months or so, have a very, very long history. They predate my joining the Board in 2014 and for most of the other people who are associated with the company. So it's very challenging because Juan, for example, has been leading those -- the resolution of those matters.

He doesn't have himself a personal history with them. But one thing I have noticed about his conduct is that he's a terrific listener. He is wide open to advice from people. And that's a great thing, given all the challenges that he's had in running the day-to-day business as well as trying to resolve legacy issues. I consider him to be an incredibly well-rounded person as a human being, but more importantly for CIMIC as a Chief Executive and as a Chairman. So he has our full support. I think he's doing an amazingly good job, and he's very, very versatile in terms of his skill set.

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Thank you, Russell. So I think that this is the last question. Thank you so much, everyone, to attend. So the Q&A session concludes. And I mean turning now to the business of the meeting.

So the Notice of this Meeting has been distributed to shareholders and has been taken as read. As advised in the Notice of Meeting, all resolutions being put to shareholders today will be decided by a poll. Details on how proxy votes will be cast are also set out in the Notice of Meeting. Standard proxy procedures will apply for this meeting. Any undirected proxies given to me as Chairman or any director will be voted in favor of our resolutions. Any undirected proxies given to you by shareholders will automatically be cast as directed when the poll is closed. As Executive Chairman,

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in accordance with the directions provided, and these votes will be taken into account in calculating the final results that are released to the ASX following the meeting.

If a shareholder has appointed a proxy and directed the proxy holder how to vote, but the proxy holder has not attended today's meeting or fails to vote, those proxies will be transferred to me as Chairman. Those of you in attendance are entitled to vote today will have been given a plastic smartcard and a voting handset when you registered this morning. If you haven't already done so, please insert your smartcard into the top of the handset with the chip at the bottom and facing towards you. A welcome message will appear on screen.

As the poll has been opened, the list of resolutions will appear on the screen of the handset. Use the scroll wheel to highlight a resolution you wish to vote on and then press the green square. Press the green square button to see the voting options. To vote for the resolution, press 1; to vote against the resolution, press 2. If you wish to abstain from voting on the resolution, press 3. Press the green square button to move to the next resolution or the red triangle button to return to the full list of resolutions.

For those of you attending online, please select the voting icon at the top of the screen. You will then see the resolutions presented to you. Simply select the direction in which you would like to cast your vote. The selected option will change color. Your selection will be sent immediately, and you can change your mind or cancel your vote any time before the poll is closed. Once the poll has closed, the results will be displayed on the screen showing the combination of votes received before the meeting as well as the votes cast here today and the proxies received prior to the meeting.

The first item of business is to receive financial reports and reports to the directors and auditors for the financial year ended 31 December 2020. No vote is required on this agenda item. As we have already addressed questions from the shareholders in relation to the first item of business, which is to receive the financial report and reports of directors and auditor for the financial year ended 31 December 2020, I will move to item 2.

The second item of the business is the adoption of the remuneration report for the 2020 financial year. The remuneration report sets out the remuneration policies of the company. The vote on the remuneration report is advisory only and is nonbinding. I will now put this resolution to the meeting.

(Voting)

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**Juan Santamaria** - CIMIC Group Limited - CEO, MD & Executive Chairman

The total value direct and proxy votes received for resolution 2 are shown on the screen. So basically, 95.82% for the resolution.

The next 3 items of business relate to the reelection of directors. Item 3.1 relates to the reelection of Russell Chenu as a Director of the company. Russell has served as a Director since 2014 and is the Chairman of the Audit and Risk Committee. He's also a member of the Ethics, Compliance and Sustainability Committee and the Remuneration Nomination Committee. I will now ask Russel to address the meeting.

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**Russell Langtry Chenu** - CIMIC Group Limited - Independent Non-Executive Director

Thanks, Juan, and hello, fellow shareholders. As Juan said, I joined the Board 7 years ago. I'm a trained accountant, but with a broader financial background than just accountancy. In my experience, and I guess, for that reason, I have been chairing the Audit Committee since I became involved

with CIMIC. I have a long background in the building and construction materials industry and also, to a lesser extent, in engineering. So I consider that the experience that I've had in those industries and segments has actually enabled me to contribute meaningfully to CIMIC's business.

In addition, I have worked overseas for 12 years and lived overseas for that period of time, often with overlaps in the sorts of markets in which CIMIC has its businesses. And having an appreciation of the business practices and the cultures of Asia, Europe and America, which are the areas I worked in, also, in my view, enables me to contribute to CIMIC meaningfully. I continue to have involvement with building materials companies, mostly in the residential space. But I think the fact that I have exposure to in those industries, which are sourcing materials and logistics, which is in a different stage of the supply chain from CIMIC does enable me to bring insights relating to -- or to my experience based in those businesses.

So I put myself forward for a further term of service to CIMIC. And I very much hope that I'm able to continue to work with CIMIC's management team and my colleague directors based on shareholder support. Thank you. And thanks, Juan. Return to you.

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Thank you, Russell. I will now put this resolution to the meeting.

(Voting)

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

The total valid direct and proxy votes received for resolution 3.1 are shown on the screen. For the resolution, 99.75%.

Item 3.2 is for the reelection of Peter Sassenfeld as a Director of the company. Peter is joining the meeting from Germany. Peter joined the CIMIC Board as a Nonexecutive Director of the company in 2011 and is a member of the Audit and Risk Committee. I will now ask Peter to address the meeting.

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**Peter-Wilhelm Sassenfeld** - *CIMIC Group Limited - Non-Executive Director*

Yes. Thank you very much, Juan, and good morning to all of you in Sydney. I'm really sorry that I can't be physically in Sydney due to the actual pandemic restrictions. I hope that you guys are all safe and well in Australia.

My name is Peter Sassenfeld, and I'm the Chief Financial Officer of HOCHTIEF AG since 2011 and also a CIMIC Board member since 2011. My responsibilities at HOCHTIEF AG are accounting, taxes, controlling, mergers and acquisitions, insurance and investor relations. I'm also the Chief Financial Officer of the European operational division of HOCHTIEF.

It's a great pleasure and honor to me to be a member of the Board serving CIMIC, and I look forward to hopefully getting the opportunity to continue the good cooperation with management and my fellow Board members for the benefit of CIMIC and its shareholders in future. Thank you very much, Juan.

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Thank you, Peter. I will now put this resolution to the meeting. The total valid direct and proxy votes received for resolution 3.2 are shown on the screen. For the resolution, 94.53%.

Item 3.3 is for the reelection of Ms. Kathryn Spargo as a Director of the company. Kate was appointed as a Nonexecutive Director of the company in 2017. Kate is a Chair of CIMIC's Ethics, Compliance and Sustainability Committee and the Remuneration and Nomination Committee. She is also a member of the Audit and Risk Committee.

I will now ask Kate to address the meeting.

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**Kathryn Dianne Spargo** - *CIMIC Group Limited - Independent Non-Executive Director*

Thank you very much, Juan, and good morning, again, everyone. I'm very pleased to be renominated today for reelection to the Board as an Independent Director. As Juan has said, I've been on the Board now for 3 years. And that has given me an opportunity to see a range of the operations of the business. We've seen a terrific slide show this morning, I guess, as we've been hearing from Juan about the operations of the business and think it really demonstrates just the amazing -- he called it impressive, but I'd call it the amazing activities and projects that this company is involved with. And it's given me also an opportunity to see the enormous capability that this company actually has to deliver.

I've got a particular focus on ethics, health and safety, sustainability, and compliance and remuneration. These have been areas that I've worked in for

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became a director of companies, and more recently, as a director of companies, and I chair the 2 committees that cover those areas. To me, I think that the culture of an organization, I know a lot of people say this, but I do genuinely believe the culture of an organization is absolutely critical to delivery. Everything about a company really is determined by its culture and that's about how people treat each other, how we treat our clients, how we treat our investors.

And so I'm very pleased to have an opportunity to really focus on the culture that we have here at CIMIC because I do think it's fundamental to delivery of value to shareholders. I think companies with strong cultures attract the right people to work for them. They attract the right customers and clients and the right suppliers. And they also attract, of course, the best investors who want to be associated with the company.

So I look forward to working again for the company for the next term of my directorship, and I do thank you very much for your support.

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

Thank you, Kate. I will now put this resolution to the meeting.

(Voting)

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**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

The total valid proxies received for resolution 3.3 are shown on the screen. For the resolution, 99.42%.

Item 4 is to amend the constitution of the company with immediate effect. Item 4 is a special resolution, which requires the approval of 75% or more of all votes cast by shareholders present and eligible to vote. An explanation of the proposed changes to our constitution are outlined in the Notice of Meeting and explanatory notes.

In summary, the Board is seeking to amend the constitution for 2 main reasons. First is to provide greater flexibility for and clarity around the use of technology when holding general meetings within the limit set out in the Corporation Act, including fully virtual meetings in circumstances when the need may arise. The second reason is to remove the ambiguity concerning a director's ability to sign a written resolution in counterpart or electronically.

I will now put this resolution to the meeting.

(Voting)

**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

The total valid proxies received for resolution 4 are shown on the screen. For the resolution, 98.35%.

As we are nearing the end of the meeting, I will be closing the poll shortly. So please enter your votes for all resolutions if you haven't already done so. I will allow some time for it now.

(Voting)

**Juan Santamaria** - *CIMIC Group Limited - CEO, MD & Executive Chairman*

I declare that the poll is now closed. An indicative tally of all votes cast at this AGM with respect to 4 resolutions will shortly appear on the screen.

Based on these indicative results, all resolutions have passed. I would like to congratulate Russell, Peter and Kate on the reelection. The results of the polls taken at today's meeting will be formally confirmed by Computershare, our share registry, after the conclusion of this meeting and will then be advised to ASX.

I now declare the meeting closed. As mentioned previously, a replay of this AGM will be uploaded to our website towards the end of the day today. On behalf of the Board, I would like to thank each of you for your attendance here today as well as those attending online. Please stay safe and healthy. Thank you.

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