

Audit and Risk Committee Charter

Worley Limited “Worley”



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1. Role

The primary role of the Audit and Risk Committee (“the Committee”) is to assist the Board of Worley Limited (“Worley”) in assessing the effectiveness of the control environment in the Worley Group (“Worley” or “the Company”) in the areas of operational and financial and non-financial risk. In doing so, it is the responsibility of the Committee to maintain free and open communications between the Committee, the external auditor, the Internal Audit function and the management of the Company.

2. Membership of the Committee

The Committee will be comprised of at least three (3) members and be comprised solely of non-executive directors with the majority of the directors being independent directors. The Board will appoint the Chair of the Committee, who must be an independent director and is not the Chair of the Board.

The Board may appoint additional directors to the Committee or remove and replace members of the Committee by resolution.

Members of management must not be appointed members of the Committee. Non-committee members, including the external auditor and representatives of the external auditor and other advisors, may attend meetings of the Committee at the invitation of the Committee Chair, who will have regard to potential conflicts of interest when making invitations. All non-executive directors have a standing invitation to attend all the Committee meetings but only Committee members are required to attend. The CEO, or any other attendee, may not participate in deliberations of the Committee where the matter could affect his or her position or where he or she has a personal interest in the matter.

The members of the Committee will between them have sufficient knowledge, expertise and understanding of the Company’s industry to be able to discharge the Committee’s responsibilities effectively.

3. Administrative matters

It is intended that the Committee will meet at least four times a year at a time coincident with Board meetings. The Committee will meet as often as Committee members deem necessary in order to fulfil their role. The Committee will meet in private session at least annually to assess management’s effectiveness.

The Committee or an individual member may seek independent advice, at the Company’s expense, where the Committee or the individual member considers such advice necessary or appropriate.

A notice of each meeting confirming the date, time, venue together with the agenda and Committee papers shall be forwarded to each member of the Committee (with a copy to all Board Members) five working days prior to the date of the meeting. Any member may, and the Group Company Secretary must, convene a meeting of the Committee upon a member’s request.

The Group Company Secretary (or their delegate) will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into the Committee's minute book maintained for that purpose and will be open at all times for inspection by any director, provided that no conflict of interest exists.

A quorum will comprise any two Committee members. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair for that meeting.

Meetings and proceedings of the Committee are governed by the provisions of the Worley Limited Constitution regulating meetings and proceedings of the Board.

4. Reporting

The Committee Chair will provide a report at the next Board meeting. The minutes and agenda of the prior Committee meeting will be accessible to all directors. All directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

The Committee will consider if any material matters arising out of the Committee meeting should be advised to any other committee and, if so, will ensure this occurs.

Where matters come to the Committee's attention that are likely to be relevant to risk-adjusted remuneration outcomes, the Committee will refer that information to the Nominations Committee or People and Remuneration Committee or other committee of the Board (as appropriate for the persons in each Committee's remit).

5. Responsibilities and functions

Overview:

The Committee's role is to assist the Board in reviewing financial reporting and the appropriate application of accounting policies. The Committee shall also assist the Board in the identification and management of financial and non-financial risk, and review of the internal control policies and the Company's procedures for the identification, assessment, reporting and management of risks. The Committee will make recommendations to improve the effectiveness of internal control systems and risk management policies and procedures.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.

The Committee or an individual member may seek independent advice, at the Company's expense, where the Committee or the individual member considers such advice necessary or appropriate.

The Committee may obtain information from and consult with the CEO or other internal management resources, as it considers appropriate.

The Committee will be responsible for:

External audit:

- making recommendations to the Board about the external auditor, including establishing the process for the identification of suitable candidates and for their selection and appointment to the role of the external auditor;
- monitoring the length of service of the external audit engagement partner for the purposes of rotation, including establishing the process for the selection and appointment of a replacement audit engagement partner;
- approving the terms of the contract with the external auditor including the audit fees;
- approving and monitoring the nature and quantum of non-audit services provided by the external auditor and providing advice to the Board as to whether the provision of non-audit services is compatible with the general standard of independence and why those non-audit services do not compromise auditor independence;
- evaluating the performance and independence of the external auditor; and
- reviewing and approving the annual audit plan.

Internal audit:

- approving the appointment or removal of the Head of Internal Audit;
- recommending to the People and Remuneration Committee the performance targets for the Head of Internal Audit;
- ensuring a direct reporting line from the Head of Internal Audit to the Committee Chair and to the CEO (with reporting to the Chief Financial Officer only for the purposes of internal administration and procedural matters);
- monitoring the independence of the Internal Audit function;
- overseeing the effectiveness of the Company's internal controls;
- evaluating and assessing management's responsiveness to the internal auditor's findings and recommendations;
- approving the terms of reference of the Internal Audit function and annual programme; and
- evaluating the performance, resourcing, objectivity and effectiveness of Internal Audit programmes.

Financial reporting:

- assisting the Board in determining the reliability, integrity and appropriateness of accounting policies, financial reporting and disclosure practices;
- monitoring and reviewing compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- assessing the adequacy and clarity of presentation of financial information to shareholders;
- reviewing financial reports and making recommendations to the Board for adoption, taking into account the statements by the Chief Executive Officer and the Chief Financial Officer as to the truth and fairness of the financial statements and their compliance with applicable accounting standards and secondly, as to whether the statements are founded on a sound system of risk management and internal control, which is operating effectively;
- establishing procedures for the receipt, retention and treatment of complaints received by the

Company regarding external accounting, internal accounting controls and auditing matters; and

- reviewing the financial statements having regard to decisions requiring a major element of judgement and the extent to which the financial statements are affected by any unusual transactions.

Risk Management and Compliance:

- assisting the Board to satisfy itself that Worley has in place an appropriate framework for the identification, assurance and management of financial and non-financial risk, and reviewing public disclosures in relation to risk;
- annually reviewing the risk management framework, including the internal control policies and the procedures for the identification, assessment, reporting and management of risk, to satisfy itself that the risk management framework continues to be sound and that the company is operating with due regard to the risk appetite set by the Board;
- making recommendations to the Board in relation to changes that should be made to the company's risk management framework or to the risk appetite set by the Board;
- monitoring management's performance against the company's risk management framework, including whether it is operating within the risk appetite set by the Board;
- overseeing compliance with the company's tax obligations, review and assess the tax governance framework and review and assess any material claims or issues in relation to the company's tax obligations;
- receiving reports from internal audit on its reviews of the adequacy of the company's processes for managing risk;
- receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- receiving recommendations from the Health, Safety and Sustainability Committee on the effectiveness of the Group's resources and processes for identifying and managing health, safety, and sustainability risks, and the Group's climate-change approach and associated disclosures;
- overseeing compliance with laws and regulations including tax and stock exchange requirements;
- monitoring that there are effective and efficient procedures for managing, reporting and responding to risks and events;
- reviewing disclosures about risk in the company's periodic reporting documents, including the operating and financial review;
- receiving corporate legal reports in relation to legal compliance, in particular corporate laws and the ASX Listing Rules;
- reviewing Group codes and policies related to the Committee's scope of responsibility and recommending these to the Board for approval;
- reviewing any material incident involving fraud or a break-down in the company's risk controls and the "lessons learned" and overseeing investigations of allegations of conflicts of interest, fraud or malfeasance;
- reviewing the Group's business continuity plans;
- receiving information regarding material breaches of the Code of Conduct and material incidents reported under Worley's Whistleblower Policy and Anti-bribery and Corruption Policy;

- reviewing and making recommendations to the Board regarding the Company's insurance program; and
- reviewing the processes used to verify the integrity of any material periodic corporate report that the company releases to the market that is not audited or reviewed by the external auditor.

6. Relationship with the external auditor

The Committee will ensure that the partner managing the audit for the external auditor is changed within a period of five years or such other period permitted or required by law.

The Committee will monitor the independence, authority and effectiveness of the external auditor and will maintain open lines of communication between the auditor and the Board.

The Committee will have full and unfettered access to the external auditor and will be entitled to meet with the auditor without management present. The Committee will meet with the external auditor at least semi-annually without management present and will otherwise have free and unfettered access to the external auditor.

The Committee will require the external auditor to:

- submit a formal written statement delineating all responsibilities and work completed by the auditor;
- report to the Committee on any significant matters raised with management; and
- prepare and consider any report or other disclosures to be included in the Company's annual report or other communications to shareholders on the relationship between the external auditor and the Company.

7. Authority

The Committee is authorised:

1. to seek any information, it requires from any employee of the Company and from the external auditor in order to perform its duties;
2. to obtain, at the Company's expense, external legal or other professional advice on any matters within its Charter; and
3. to approve accounting policies and procedures and auditing methodology. Issues of material importance however will be referred to the Board with the Committee's recommendation.

8. Review

The Board will annually review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary, the Committee may recommend to the Board amendments to the Charter to alter the responsibilities, functions or membership of the Committee.