

## Policy on Independence of Directors

### Contents

1	<b>BACKGROUND</b> .....	1
2	<b>PURPOSE</b> .....	1
3	<b>ASSESSMENT OF INDEPENDENCE</b> .....	1
4	<b>RELATIONSHIPS TO BE CONSIDERED BY THE BOARD WHEN ASSESSING INDEPENDENCE</b> .....	2
5	<b>DISCLOSURE</b> .....	3
6	<b>ADDITIONAL INFORMATION</b> .....	3

### 1 BACKGROUND

Woodside is committed to meeting the standards of corporate governance expected of a major Australian listed public company. Those standards currently require that a majority of the members of the Board (including the Chairman) are independent and that a majority of Board committee members are similarly independent.

This policy has been developed with reference to the commentary on independence in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (ASX Principles)*.

The independence of Directors of Woodside will be assessed by the Board pursuant to this policy and, as described below, the Board will have discretion to determine if a Director is independent.

### 2 PURPOSE

The purpose of this Policy Statement is to:

- (a) describe how the Board will assess the independence of each Director;
- (b) identify the information that will be collected from each Director to make the assessment of independence; and
- (c) outline the disclosure to shareholders of the assessment of independence of Directors, including the disclosure of any interests, positions or relationships that may be perceived to affect the independence or objectivity of a Director.

### 3 ASSESSMENT OF INDEPENDENCE

The Board will assess the independence of Directors with reference to the definition of an independent director contained in the ASX Principles, namely:

*“An independent director is a director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than those of an individual security holder or other party.”*

## 4 RELATIONSHIPS TO BE CONSIDERED BY THE BOARD WHEN ASSESSING INDEPENDENCE

Generally, all facts and circumstances will be considered in determining the independence of a Director. It is not possible to provide explicitly for all circumstances that will indicate a conflict of interest or a material relationship, nor is it possible to pre-determine whether such circumstances will be assessed for certain as likely to affect Directors' independent exercise of judgement.

In assessing independence, the Board will take into consideration those relationships that the ASX Principles consider may affect the independent status of a Director. These are where a Director:

- (a) is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (b) is, represents, or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder;
- (c) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (d) is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or another group member, or an officer of, or otherwise associated with, someone with such a relationship;
- (e) has close personal ties with any person who falls within any of the categories described above; or
- (f) has been a Director of the Company for such a period that his or her independence from management and substantial shareholders may have been compromised, (together, **Independence Factors**).

Where a director falls within one or more of the Independence Factors, the Board will rule the director as not independent unless it is clear the interest, position or relationship in question is not material and will not interfere with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

For the avoidance of doubt,

- in relation to item (d) in the above list of Independence Factors, the test of whether a relationship or business is material will be based on the nature of the relationship or business and on the circumstances and activities of the Director having regard to the Independence Factors referred to above. Materiality will be considered from the perspective of the Company and its group members, the persons or organisations with which the Director has an affiliation and from the perspective of the Director; and
- in relation to item (e) in the above list of Independence Factors, 'personal ties' may be based on family, friendship or other social or business connections.

Materiality thresholds will be considered by the Board from time to time for inclusion in this Policy. The Board considers that:

- a material customer is a customer of the Company or member of the group which accounts for more than 2% of the Company's consolidated gross revenue, and
- a supplier is material if the Company or a group member accounts for more than 2% of the supplier's consolidated gross revenue.

If one or more of these thresholds is exceeded, the Board then focuses on whether or not in their view that impacts materially on the Director's independent exercise of judgement.

Directors will update the Board with any new information in relation to interests or relationships relevant to independence. Personal ties and cross directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed by Directors

to the Board. The Board will assess the independence of Directors annually and will reassess determinations of independence when any new interests or relationships are disclosed by a Director.

A Director may be assessed by the Board to be independent even though one or more of the relationships referred to above exists. The Board reserves its right to make such an assessment and disclose it as described in paragraph 5.

## **5 DISCLOSURE**

The Board will make the following disclosure to shareholders in the Woodside Annual Report:

- (a) independent and non-independent Directors will be identified and the basis of the assessment of independence will be stated;
- (b) an assessment of independence for a Director who has one or more of the relationships referred to above will be specifically explained;
- (c) material interests, positions or relationships and other business of each Director will be described (whether or not falling within the categories listed above). This will include details of any relationships or circumstances which the Board believes do not affect independence but which could be perceived as influencing the Director's judgement, objectivity or ability to act in the best interests of the Company; and
- (d) materiality thresholds adopted by the Board to assist in the assessment and determination of independence.

Independent and non-independent directors standing for re-election will also be identified in the Notice of Annual General Meeting.

If the Board's assessment of a Director's independence changes, that change will be disclosed immediately through an ASX announcement.

## **6 ADDITIONAL INFORMATION**

Any questions arising from the Company's policy on Independence of Directors may be directed to the Company Secretary.

*Revised by the Woodside Petroleum Ltd. Board on 6 December 2019.*