

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of WorleyParsons Limited (Company) and the entities it controlled (Group or consolidated entity) at the end of, or during, the year ended 30 June 2016.

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Group consisted of providing engineering design and project delivery services, including providing maintenance, reliability support services and advisory services to the following sectors:

- Hydrocarbons;
- Minerals, Metals & Chemicals; and
- Infrastructure.

DIRECTORS

The following persons were directors of the Company during the financial year. All were directors for the full financial year. All remain directors at the date of this report.

John Grill (Chairman)

Ron McNeilly (Deputy Chairman and Lead Independent Director)

Larry Benke

Jagjeet Bindra

Erich Fraunschiel

John M Green

Christopher Haynes

Catherine Livingstone

Wang Xiao Bin

Andrew Wood (Chief Executive Officer)

DIRECTORS' MEETINGS

The number of Board and standing Board Committee meetings held during the financial year and the number of meetings attended by each of the Company's directors is set out below:

DIRECTORS	BOARD		AUDIT AND RISK COMMITTEE		NOMINATIONS COMMITTEE		REMUNERATION COMMITTEE		HEALTH, SAFETY AND ENVIRONMENT COMMITTEE	
	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED
John Grill	8	8			6	6	9	9	6	6
Ron McNeilly	8	8	6	6	6	6	9	9	6	6
Larry Benke	8	7	6	6	6	6			6	6
Jagjeet Bindra	8	8			6	6	8	8	4	4
Erich Fraunschiel	8	8	6	6	6	6				
John M Green	8	8			6	6	9	9		
Christopher Haynes	8	8			6	6			6	6
Catherine Livingstone	8	8	6	4	6	5				
Wang Xiao Bin	8	7	6	5	6	5				
Andrew Wood	8	8								

In addition to those meetings, four special purpose Board Committee meetings were held during the financial year. The Board also met informally during the financial year by way of a Board briefing on seven occasions.

All non-executive directors who are not members of the standing Board Committees are invited to, and generally attend, the standing Board Committee meetings.

The independent non-executive directors met separately on six occasions, during the financial year.

DIRECTORS' NUMBER OF SHARES AND PERFORMANCE RIGHTS

As at the date of this report, the relevant interests of the directors in the shares and performance rights of the Company were:

DIRECTORS	NUMBER OF SHARES	NUMBER OF PERFORMANCE RIGHTS
John Grill	25,372,173	–
Ron McNeilly	418,984	–
Larry Benke	1,133,383	–
Jagjeet Bindra	35,650	–
Erich Fraunschiel	198,755	–
John M Green	891,869	–
Christopher Haynes	11,945	–
Catherine Livingstone	13,000	–
Wang Xiao Bin	11,000	–
Andrew Wood	849,065	467,476

Further details in relation to the rights issued by the Company are set out in the Remuneration Report and notes 14(C) and 32 to the financial statements.

DIVIDENDS – WORLEYPARSONS LIMITED

Details of dividends paid in respect of the current financial year and previous financial year are as follows:

	2016 \$'M	2015 \$'M
Final ordinary dividend for 2015 of 22.0 cents per ordinary share paid on 30 September 2015 (unfranked)	54.4	–
Interim ordinary dividend for 2015 of 34.0 cents per ordinary share paid on 2 April 2015 (2.7 cents franked)	–	84.1
Final ordinary dividend for 2014 of 51.0 cents per ordinary share paid on 30 September 2014 (10.5 cents franked)	–	125.7
Total dividends paid	54.4	209.8

Since the end of the financial year, the directors have resolved not to pay a dividend (2015: 22.0 cents per share, unfranked).

REVIEW OF OPERATIONS

A detailed review of the Group's operations for the financial year and the results of those operations is contained in the Operating and Financial Review, which is incorporated into, and forms part of, this Directors' Report. A summary of the consolidated revenue and results in respect of the current financial year and previous financial year are as follows:

	CONSOLIDATED	
	2016 \$'M	2015 \$'M
Revenue and other income	7,790.1	8,757.5
Depreciation	(25.1)	(24.6)
Amortization	(65.0)	(85.4)
Write down of investment in equity accounted associate	(12.1)	–
Impairment of goodwill	–	(198.6)
Earnings before interest and tax (EBIT)	128.9	87.1
Net interest expense	(60.0)	(55.4)
Profit before income tax expense	68.9	31.7
Income tax expense	(20.3)	(70.7)
Statutory profit/(loss) after income tax expense	48.6	(39.0)
Non-controlling interests	25.1	15.9
Statutory profit/(loss) after income tax expense attributable to members of WorleyParsons Limited:	23.5	(54.9)
Add: Staff restructuring costs	76.8	38.3
Add: Onerous lease contracts	86.4	20.2
Add: Other restructuring costs	4.6	3.8
Add: Onerous engineering software licenses	14.3	–
Add: Write-down of investment in equity accounted associates	12.1	–
Add: Impairment of goodwill	–	198.6
Add: Arkutun-Dagi project settlement costs	–	70.0
Add: Tax arising on reorganization of business in China	–	5.9
Less: Certain functional currency related foreign exchange gains	(15.9)	–
Less: Net gain on revaluation of investments previously accounted for as joint operations	(4.5)	–
Less: Tax on Arkutun-Dagi settlement costs	–	(21.0)
Less: Net tax expense on staff and other restructuring costs, onerous lease contracts, onerous engineering software licences and certain functional currency related foreign exchange gains	(44.2)	(17.8)
Underlying profit after income tax expense attributable to members of WorleyParsons Limited¹	153.1	243.1

¹ The directors consider underlying profit information is important to understand the sustainable performance of the Company by excluding selected significant items. The underlying profit for FY2015 has been restated to include staff restructuring costs, onerous lease contracts and other restructuring costs for comparability with the current year's presentation.

	CONSOLIDATED	
	2016 \$'M	2015 \$'M
Revenue and other income	7,790.1	8,757.5
Less procurement revenue at nil margin (including share of revenue from associates)	(2,226.4)	(2,038.0)
Add: share of revenue from associates	342.5	514.6
Less: net gain on revaluation of investments previously accounted for as joint operations	(4.5)	–
Less: interest income	(8.8)	(6.6)
Aggregated revenue²	5,892.9	7,227.5

	AGGREGATED REVENUE		EBIT		EBIT MARGIN	
	2016 \$'M	2015 \$'M	2016 \$'M	2015 \$'M	2016 %	2015 %
Services	3,436.5	4,336.2	252.0	341.9	7.3	7.9
Major Projects	1,281.4	1,610.4	109.1	128.0	8.5	7.9
<i>Improve</i>	519.3	579.6	23.4	27.3	4.5	4.7
Advisian	655.7	701.3	44.3	52.7	6.8	7.5
Global support costs ³	5,892.9	7,227.5	428.8	549.9	7.3	7.6
Interest and tax for associates			(98.6)	(103.4)		
Amortization of acquired intangible assets			(8.3)	(6.7)		
			(19.2)	(21.8)		
Underlying EBIT¹			302.7	418.0	5.1	5.8

Aggregated revenue was \$5,892.9 million, a decrease of 18.5% on the prior financial year. Underlying EBIT of \$302.7 million, was down 27.6% from the prior financial year result of \$418.0 million.

The underlying EBIT margin on aggregated revenue for the Group, decreased to 5.1% compared with 5.8% in 2015. After tax, the members of WorleyParsons Limited earned an underlying net margin, on aggregated revenue of 2.6%, compared to the 2015 net margin of 3.4%.

The underlying effective tax rate 26.6% compared with 28.6% in 2015.

The Group retains a strong cash position of \$373.1 million (2015: \$381.9 million) with gearing (net debt/net debt plus total equity) at financial year end of 29.2% (2015: 28.0%).

Operating cash inflow for the period was \$192.0 million, compared to \$251.3 million in 2015. Cash outflow from investing activities was \$79.9 million (2015: \$188.9 million).

² Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates less procurement revenue at nil margin, interest income and net gain on revaluation of investments previously accounted for as joint operations. The directors of the Company believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

³ Excluding global support related restructuring costs (refer note 3 to the financial statements).

EARNINGS/(LOSS) PER SHARE

	2016 CENTS	2015 CENTS
Basic earnings/(loss) per share	9.5	(22.2)
Diluted earnings/(loss) per share	9.5	(22.2)

Underlying basic earnings per share was 61.8 cents per share, a decrease of 37.2% from the previous financial year result of 98.4 cents per share.

Underlying basic earnings per share is determined by dividing the underlying profit attributable to members of WorleyParsons Limited (as set out on page 26) by the weighted average number of ordinary shares outstanding as at 30 June 2016 (as set out in note 16 to the financial statements).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Effective 1 July 2015, the Group established its advisory and consulting business, Advisian, as an additional business line. As a result, the business operations are managed and reported by the following business lines: Services, Major Projects, *Improve* and Advisian. Changes in business lines reporting also included, among other changes, the Group's Canadian construction and fabrication business Cord now being reported as a part of Major Projects. In addition, during FY2016, a fully-costed information technology model was introduced which resulted in transition of selected costs from global support costs to each of the operating business lines. This represents a change to the operating segments reported in the previous corresponding period. The previously reported segment results for the year ended 30 June 2015 have been restated to be comparable with the revised segmentation approach as required by AASB 8 *Operating Segments*.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the directors have resolved not to pay a final dividend (2015: 22.0 cents per share, unfranked).

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The likely developments in the Group's operations in future financial years and the expected results of those operations are set out in section 3 of the Operating and Financial Review on page 22.

ENVIRONMENTAL REGULATION

In the majority of the Group's business operations, it does not have responsibility for obtaining environmental licenses. The Group typically assists its customers, who usually own or operate plant and equipment, with the management of their environmental responsibilities, rather than having those responsibilities itself. However, the Group has environmental responsibilities in terms of compliance with environmental controls and in exercising reasonable care and skill in its design, construction management, operation and supervising activities. The risks associated with environmental issues are managed through the Group's risk management and quality assurance systems.

It is the Group's policy to comply with all environmental regulations applicable to it and to the work it carries out. The Company confirms, for the purposes of section 299(1)(f) of the *Corporations Act 2001* (Act) that it is not aware of any breaches by the Group of any environmental regulations under the laws of the Commonwealth of Australia, or of a State or Territory of Australia.

NON-AUDIT SERVICES

During the financial year, Ernst & Young, the Group's auditor, performed certain other services in addition to its statutory audit duties. Total fees for non-audit services provided by the auditor amounted to \$931,622.

The Board has adopted a policy governing the provision of non-audit services by the auditor. The Board has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Act. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Act for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, including reviewing and auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Act is as follows:



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of WorleyParsons Limited

As lead auditor for the audit of WorleyParsons Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WorleyParsons Limited and the entities it controlled during the financial year.


Ernst & Young


S J Ferguson
Partner
24 August 2016

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2016 may be accessed from the Company's website at <http://www.worleyparsons.com/InvestorRelations/Pages/CorporateGovernance.aspx>.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

JOHN GRILL AO BSC, BENG (HONS), HON DENG (SYDNEY)
 CHAIRMAN AND NON-EXECUTIVE DIRECTOR – CHIEF EXECUTIVE OFFICER AND DIRECTOR FROM LISTING IN NOVEMBER 2002 UNTIL OCTOBER 2012 AND DIRECTOR OF THE COMPANY BEFORE LISTING AND ITS PREDECESSOR ENTITIES FROM 1971
 COUNTRY OF RESIDENCE – AUSTRALIA

John is Chairman of the Board and Chairman of the Nominations Committee and a member of the Remuneration Committee and Health, Safety and Environment Committee. He has over 40 years' experience in the resources and energy industry, starting his career with Esso Australia. In 1971, he became Chief Executive of Wholohan Grill and Partners, the entity that ultimately became WorleyParsons Limited. This specialized consulting practice acquired the business of Worley Engineering Pty Limited in Australia in 1987. It listed on the Australian Securities Exchange (ASX) in 2002 as Worley Group Limited following a restructuring of that company. In 2004, Worley Group Limited acquired Parsons E&C Corporation, a United States-based global project services company, and changed its name to WorleyParsons Limited. The Group then acquired the Colt Group in Canada in 2007, substantially increasing its capability in the upstream and downstream components of oil sands. John has personal expertise in every aspect of project delivery in the resources and energy industry. He has strong relationships with the Group's major customers and was closely involved at board level with the Group's joint ventures. John was awarded an honorary doctorate by The University of Sydney in 2010 in recognition of his contribution to the engineering profession. He was appointed an Officer of the Order of Australia in 2014 for distinguished service to engineering and to business, to the minerals, energy and power supply industries and as a supporter of advanced education and training. John is Chairman of Neuroscience Research Australia.

RON MCNEILLY BCOM, MBA, FCPA, FAICD
 DEPUTY CHAIRMAN AND LEAD INDEPENDENT DIRECTOR – DIRECTOR SINCE LISTING IN NOVEMBER 2002
 COUNTRY OF RESIDENCE – AUSTRALIA

Ron is Deputy Chairman and Lead Independent Director of the Board and was previously Chairman of the Board. He is a member of the Audit and Risk Committee, Nominations Committee, Remuneration Committee and Health, Safety and Environment Committee. Ron has over 30 years' experience in the resources industry. He joined BHP Billiton Limited in 1962 and held positions with that company including executive director and President BHP Minerals, Chief Operating Officer, Executive General Manager and Chief Executive Officer BHP Steel, General Manager Transport, General Manager Long Products Division and General Manager Whyalla Works. Ron is a former Chairman of Ausmelt Limited and Melbourne Business School Limited and a former Deputy Chairman of BlueScope Steel Limited (previously BHP Steel). He is a former director of Alumina Limited, BHP and BHP Billiton, QCT Resources and Tubemakers of Australia.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
BlueScope Steel Limited	Deputy Chairman and non-executive director	10 May 2002	7 April 2015

LARRY BENKE BSC ENG (HONS)
 NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2010
 COUNTRY OF RESIDENCE – CANADA

Larry joined the Board as a non-executive director on 1 July 2010 and is a member of the Audit and Risk Committee, Nominations Committee and Health, Safety and Environment Committee. Larry has extensive experience in the engineering and construction industries including roles in engineering design, project management and general management including President/CEO of the Colt Group and Managing

Director of WorleyParsons Canada until his retirement in 2010. He successfully led Colt through a period of substantial growth and expansion which continued with the integration of the company into the Group's Canada business. Larry is Chairman of Next Hydrogen, a manufacturer of advanced electrolyzers for hydrogen production. He is a director of the board of The Calgary Airport Authority, a not-for-profit responsible for the operation and development of the Calgary International Airport. He is also a director of Cervus Equipment Corporation, a Toronto Stock Exchange listed company in the business of acquiring and operating agricultural, transportation and construction equipment dealerships. Larry graduated from the University of Alberta in 1973 with a Bachelor of Science in Electrical Engineering (Honors).

JAGJEET BINDRA BTECH (CHEME), MS (CHEME), MBA (HONS)
 NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2015
 COUNTRY OF RESIDENCE – UNITED STATES

Jagjeet (Jeet) was appointed to the Board on 1 July 2015. He is Chairman of the Remuneration Committee and a member of the Nominations Committee and Health, Safety and Environment Committee. Jeet has over 35 years' experience in the global resources and energy industry including 32 years in senior leadership roles within the Chevron Group of Companies, retiring from Chevron as President of Chevron Global Manufacturing in 2009. The breadth of his executive experience extends into oil and gas, chemicals, refinery engineering and operations, design and construction, project management, engineering technology and strategic and business planning. He also has extensive public company board experience and is currently a member of the board of Edison International/Southern California Edison Company and LyondellBasell Industries N.V., both publicly listed companies on the New York Stock Exchange. He was formerly Managing Director and Chief Executive Officer of Caltex Australia Limited and a director of Broadpectrum Limited, both publicly listed companies on the ASX at the time. Jeet is a chemical engineering graduate of the Indian Institute of Technology in Kanpur, India and holds a Master of Science degree in Chemical Engineering from the University of Washington and an MBA degree from Saint Mary's College of California.

ERICH FRAUNSCHIEL BCOM (HONS), FCPA, FAICD
 NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE MARCH 2003
 COUNTRY OF RESIDENCE – AUSTRALIA

Erich is Chairman of the Audit and Risk Committee and a member of the Nominations Committee. He is Chairman of BWP Management Limited, the responsible entity of the BWP Trust, an Australian real estate investment trust listed on the ASX. Erich's early business career was in the petroleum marketing and management consulting industries. In 1981, he joined the Australian Industry Development Corporation where he was involved in project lending, investment banking and venture capital investment. In 1984, he joined Wesfarmers to start the company's projects and business development function. In 1988, he became General Manager of Wesfarmers' Commercial Division and from 1992 until his retirement in July 2002, was an executive director and Chief Financial Officer of Wesfarmers. Since 2002, he has served as a non-executive director on the boards of several listed and unlisted companies.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
BWP Trust	Non-executive director	1 February 2015	n/a
	Chairman	2 December 2015	n/a

JOHN M GREEN BJURIS/LLB, FAICD, SFFIN

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE LISTING IN NOVEMBER 2002

COUNTRY OF RESIDENCE – AUSTRALIA

John is a member of the Nominations Committee and Remuneration Committee. He is a company director, a business writer and a novelist. John is Deputy Chairman of QBE Insurance Group Limited and a non-executive director of The Centre for Independent Studies. John is co-founder of book publisher, Pantera Press. He was previously an investment banker at Macquarie Bank, as an executive director. His career before banking was in law, including as a partner at two major law firms.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
QBE Insurance Group Limited	Deputy Chairman and non-executive director	1 March 2010	n/a

CHRISTOPHER HAYNES OBE FRENG, BSC (HONS), DPHIL, CENG, FIMECHE, FIE AUST

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JANUARY 2012

COUNTRY OF RESIDENCE – UNITED KINGDOM

Chris was appointed to the Board effective 1 January 2012. He is Chairman of the Health, Safety and Environment Committee and a member of the Nominations Committee. He is a non-executive director of Woodside Petroleum Limited and Honorary President of the Energy Industries Council, UK. His appointment followed a 39 year career with the Shell Group of Companies and their affiliates. He has lived in a large number of countries, working in the oil and gas exploration and production, LNG and chemicals businesses, primarily in project development and delivery and in operations. Chris was seconded to Woodside from 1999 to 2002, where he was General Manager of the North West Shelf Venture and was subsequently Managing Director of Shell's operations in Syria and of Nigeria LNG Limited. In 2008, Chris assumed responsibility for the delivery of Shell's major upstream projects worldwide. He retired from Shell in August 2011. Chris graduated from the University of Manchester with a Bachelor of Science with Honors in Mechanical Engineering and obtained a Doctor of Philosophy degree in Applied Sciences from the University of Sussex. He is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers in the United Kingdom and also a Fellow of the Institution of Engineers, Australia. Chris was appointed to the Order of the British Empire in June 2009 for his services to the British oil and gas industry in Nigeria.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Woodside Petroleum Limited	Non-executive director	1 June 2011	n/a

CATHERINE LIVINGSTONE AO BA (HONS), HON DBUS (MACQUARIE), HON DSC (MURDOCH), HON DBUS (UTS), HON DSC (UOW), HON DLITT (SYD), FCA, FAICD, FTSE

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2007

COUNTRY OF RESIDENCE – AUSTRALIA

Catherine joined the Board on 1 July 2007 and is a member of the Audit and Risk Committee and Nominations Committee. She is a director of the Commonwealth Bank of Australia, Saluda Medical Pty Limited and the George Institute for Global Health. Catherine is also the President of the Business Council of Australia and the President of the Australian Museum Trust. She was Chairman of Telstra Corporation Limited from May 2009 to April 2016 and of CSIRO from 2001 to 2006. Catherine has also served on the boards of Macquarie Bank Limited, Macquarie Group Limited, Goodman Fielder Limited and Rural Press Limited. She was the Managing Director of Cochlear Limited from 1994 to 2000, taking it through to an initial public offer in 1995. In 2003, Catherine was

awarded the Centenary Medal for service to Australian Society in Business Leadership and in 2008 she was appointed an Officer of the Order of Australia for service to the development of Australian science, technology and innovation policies to the business sector. She has a Bachelor of Arts (Honors) in Accounting, is a Chartered Accountant and was the Eisenhower Fellow for Australia in 1999.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Commonwealth Bank of Australia	Non-executive director	1 March 2016	n/a
Telstra Corporation Limited	Non-executive director	30 November 2000	27 April 2016
	Chairman	8 May 2009	27 April 2016
Macquarie Group Limited	Non-executive director	30 August 2007	25 July 2013
Macquarie Bank Limited	Non-executive director	19 November 2003	25 July 2013

WANG XIAO BIN BCOM, CPA, GDIP APPLIED FINANCE AND INVESTMENT

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2011

COUNTRY OF RESIDENCE – HONG KONG, CHINA

Xiao Bin was appointed to the Board on 1 December 2011 and is a member of the Audit and Risk Committee and Nominations Committee. She is based in Hong Kong and is an executive director and Chief Financial Officer of China Resources Power Holdings Company Limited. Prior to joining China Resources Power in July 2003, she was a Director of Corporate Finance at ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the Asia Pacific region. Xiao Bin worked for Price Waterhouse in Australia in the Audit and Business Advisory Division for five years before joining ING. She is a member of CPA Australia and holds a graduate diploma in Applied Finance and Investment from the Securities Institute of Australia (now Finsia) and a Bachelor of Commerce from Murdoch University in Australia.

ANDREW WOOD BENG, GDIP FIN MGMT, GDIP LAB RELATIONS, FIE AUST

CHIEF EXECUTIVE OFFICER – EXECUTIVE DIRECTOR SINCE OCTOBER 2012

COUNTRY OF RESIDENCE – AUSTRALIA

Andrew was appointed as Chief Executive Officer effective 23 October 2012. With a tenure of over 22 years with the Group, and over 35 years' experience in the resources and energy industry, Andrew has extensive knowledge across the Group. His previous roles include Group Managing Director – Finance/CFO responsible for Group-wide direction and support to the business functions of finance, information management, internal procurement and communications, legal and risk; Managing Director for the Australia/New Zealand region; and Managing Director of Mergers and Acquisitions, overseeing 15 business acquisitions including Parsons E&C Corporation in November 2004 and the Colt Group in March 2007. He was also responsible for the Group's early expansion into Thailand and the Middle East, Canada and Chile in his capacity as Managing Director for International Operations. Andrew holds a Bachelor of Engineering and graduate diplomas in Financial Management and Labour Management Relations. He is a Fellow of the Institution of Engineers, Australia.

DIRECTORS' REPORT CONTINUED

PETER JANU BEC, LLB, CA, FGIA

COMPANY SECRETARY AND GENERAL COUNSEL CORPORATE – APPOINTED OCTOBER 2008

Peter joined WorleyParsons in 2008 in his current role. He is responsible for corporate governance for the Board, and the senior executive team. He is also responsible for legal and governance matters relevant to the listed entity, its capital structure, and its regulatory obligations. Peter's specific group accountabilities include continuous disclosure, trade sanctions and compliance with anti-bribery laws. Peter has a background in corporate taxation, project finance, legal, governance and company secretary roles. He has previously worked in the professional services, investment banking, and construction and mining services sectors. Peter holds degrees in Law and Economics from The University of Sydney and is a Chartered Accountant and a Fellow of the Governance Institute of Australia.

INDEMNITIES AND INSURANCE

Under the Company's Constitution, the Company indemnifies each current and former officer of the Group against certain liabilities and costs incurred by them as an officer of the Group. The Company also indemnifies each current and former officer of the Group against certain liabilities and costs incurred when the officer acts as an officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity. Neither indemnity extends to liabilities or costs from which the Company is prohibited from indemnifying current or former officers under the Act.

In addition, the Company has entered into Deeds of Access, Indemnity and Insurance with certain officers of the Group. Under those deeds, the Company agrees (among other things) to:

- indemnify the officer to the extent permitted by law and the Company's Constitution;
- maintain a directors' and officers' insurance policy; and
- provide officers with access to Board papers.

The Company maintains a directors' and officers' insurance policy that, subject to certain exemptions, provides insurance cover to former and current officers of the Group. During the financial year, the Company paid insurance premiums to insure those officers of the Group. The contracts of insurance prohibit the disclosure of the amounts of premiums paid and the nature of the liability covered.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial /Directors' Reports) issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts referred to in this report have been rounded off to the nearest hundred thousand dollars in accordance with that Instrument and amounts less than \$50,000 that have been rounded down are represented in this report by 0.0.