REMUNERATION REPORT

The Company's directors present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* (Act) for the Company and the consolidated entity for financial year 2016 (FY2016). The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Act. This Remuneration Report forms part of the Directors' Report.

LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders

As the new Chairman of the Remuneration Committee, I am pleased to present the WorleyParsons Remuneration Report for the financial year ended 30 June 2016.

I would like to reaffirm that the Remuneration Committee is guided by the Company beliefs which aim to pay our executives competitively and based upon their contribution to the success of the business. This is explained further on page 34.

To provide shareholders with a clearer picture of our approach to remuneration and an improved reading experience, we have made a number of changes to our Remuneration Report this year, including the introduction of a new section in the report which contains key shareholder questions and answers, on pages 32-33.

KEY MANAGEMENT PERSONNEL CHANGES IN FY2016

There were a number of changes to Key Management Personnel (KMP) positions during the year, through new hire, internal promotion and retirement. These are detailed in section 1 of the report.

REMUNERATION OUTCOMES IN FY2016

Challenging conditions during FY2016 resulted in a decision being made to make no payment of short term incentives through the cash portion of the Combined Incentive to Executives. A grant of Share Price Performance Rights (SPPRs) was made during the year following the introduction of changes to the equity portion of the Combined Incentive Plan. The SPPRs provide Executives with a clear goal to increase the Company's share price, increase motivation and retention of Executives and ensure we remain competitive in our remuneration practices. The outcome of the performance hurdles for the Long Term Incentive (LTI) Plan once again resulted in nil vesting as neither of the two equally-weighted hurdles achieved the minimum performance requirements.

REMUNERATION FOR FY2017

A review of Executive pay was completed, with particular attention given to the at risk component within the pay mix and alignment with our external peers. We have made no increases in Executives' Fixed Pay for FY2017. The Chief Executive Officer (CEO) has opted to retain his lower Fixed Pay following his request to reduce this by 10% from 1 July 2015.

For the fifth year, no changes were made to Non-Executive Directors' fees for FY2017. The Chairman has agreed to forgo his fee for FY2017.

The LTI Plan has not achieved the required performance hurdles for the last four years, this demonstrates the alignment of our Executive remuneration outcomes with shareholder returns. During FY2017, we will review the LTI Plan for FY2018 to ensure that it will motivate our Executives to deliver value to our shareholders over the long term. For FY2017, the LTI Plan will retain the relative Total Shareholder Return (TSR) hurdle as 50% of the FY2017 grant with a revision to the comparator group to reflect the Company's current global competitors (see page 39). Given the importance of delivery of the Company's Realize our future strategy and the role that Executives will play in leading its implementation, the remaining 50% of the FY2017 grant will be subject to strategic performance hurdles. These performance hurdles will be subject to the achievement of cost reduction and net debt to EBITDA targets measured at the end of FY2018, both of which are key to the delivery of the strategy. A further two year restriction period will apply on the shares following the measurement of the targets. Details of performance against the targets will be disclosed retrospectively due to the commercially sensitive nature of the targets.

Lastly, I would like to highlight the change in composition of the Remuneration Committee from August 2016, so that it comprises myself, John Grill and Christopher Haynes. My thanks to Ron McNeilly for his contribution as Remuneration Committee member and John Green for his leadership as Chairman of the Remuneration Committee.

We hope that you will find the new format of the Remuneration Report useful, and welcome the views of shareholders on any of the items discussed within the report.

Kind regards

Jeet Bindra

Chairman, Remuneration Committee

THE REMUNERATION REPORT IS PRESENTED IN FIVE SECTIONS:

1. REMUNERATION IN BRIEF

KEY SHAREHOLDER QUESTIONS

QUESTION	ANSWER	DETAILS
How is performance reflected in the remuneration of Executives in FY2016?	The outcomes of Executives' remuneration for FY2016, reflect the financial results of the Company: • zero Fixed Pay increases; • zero cash payments through the Combined Incentive Plan; and • nil vesting outcomes for LTI.	See page 40
Have any changes been made to the remuneration of the Non-Executive Directors (NEDs)?	For the fifth consecutive year, there have been no increases to Non-Executive Director annual fees. In addition, Mr Grill agreed to a further temporary decrease in his Chairman fee for FY2016 and has waived his fee for FY2017.	See page 43
What changes have been made to remuneration components during FY2016?	As detailed in the 2015 Remuneration Report, we made amendments to the Combined Incentive Plan for FY2016 in order to increase our competitiveness in our remuneration versus that of our peers while retaining short term cash incentives and medium term deferred equity. We have sought to drive a performance culture through an increase in our incentives for outperformance and build the equity interests of our Executives to be in alignment with our shareholders' interests. The cash portion of the Combined Incentive focuses on the achievement of financial and non-financial Key Performance Indicators (KPIs). The equity portion provides greater certainty of growth in Executive shareholdings through the SPPRs, with vesting outcomes linked to share price.	See page 37
Are there provisions in place for clawback of incentives?	Yes, the Company maintains a Clawback/Malus provision within both the Combined Incentive Plan and the LTI Plan.	See page 36
Are there minimum shareholding requirements in place for the KMP?	Yes, Executives must retain equity delivered via incentive plans until they hold shares equivalent in value to two times Fixed Pay (four times Fixed Pay for the CEO) and must subsequently maintain that multiple. NEDs are required to build a holding equivalent in value to their annual fee. The minimum shareholding requirements are assessed each year.	See pages 36, 43 and 46
FIXED PAY		
Has Executives' Fixed Pay been reviewed in FY2016?	Yes, a review was completed during FY2016 which resulted in no increases to Fixed Pay for our Executives during the year. We are comfortable that the Executives remain competitive against the external market. It should also be noted that the CEO requested a 10% reduction in his Fixed Pay from 1 July 2015 and this will continue into FY2017.	See page 36

COMBINED INCENTIVE PLAN		
How is the Combined Incentive Plan delivered to Executives?	The Combined Incentive Plan is delivered in both cash (two thirds) and equity (one third). The cash portion is linked to the achievement of KPIs. The equity portion is provided as an annual allocation of equity through SPPRs.	See page 37
How do the Share Price Performance Rights (SPPRs) work?	The equity portion of the Combined Incentive Plan is an annual grant of performance rights with a two year performance period. The number of actual shares the performance rights convert into depends upon the share price at the end of the performance period. A share price lower than 50% of the original grant price will result in zero SPPRs vesting; should the share price more than double the original grant price, a maximum of 200% of the number of rights will vest. In between half and double, the rights vest on a proportionate basis. SPPRs provide strong alignment to shareholders' interests and use share price as the performance hurdle. It will motivate our Executives to take action that results in enhanced shareholder return.	See page 38
What were the Combined Incentive Plan outcomes this year?	The FY2016 financial outcomes have resulted in zero cash payments being made to the Executives under the cash component of the Combined Incentive Plan. SPPRs have been granted during FY2016, in accordance with the equity portion of the Combined Incentive Plan, which remain subject to the share price performance condition until the end of the two year vesting period. The amount granted is calculated as one third of the Executive's Combined Incentive target.	See page 37
LTI PLAN		
How has the LTI Plan performed this year?	As a result of not achieving the required minimum, there will be zero vesting of the LTI awards.	See page 41
What are the performance hurdles for the LTI Plan?	There are two equally-weighted performance hurdles for the LTI Plan, relative Total Shareholder Return (TSR) and Earnings Per Share (EPS).	See page 39
How long is the performance period for the LTI Plan?	The performance period is four years.	See page 39
Does the LTI Plan allow for retesting?	No, there is no retesting of the LTI for Executives.	See page 41
Does an Executive receive dividends on the unvested LTI?	No, there are no dividends paid on the unvested LTI.	See page 40
Have there been any changes to the LTI Plan this year?	No changes have occurred for existing LTI grants.	See page 39
Are there any LTI Plan changes planned for FY2017?	Yes, following a review of the existing comparator group for our relative TSR performance hurdle (50% of the grant), future grants will have a slightly varied comparator group aligned to our current competitive landscape. The focus of Executives on the delivery of the Company's 'Realize our future' strategy and leading the change will be achieved through the provision of strategic performance rights (50% of the grant). These performance hurdles will be subject to the achievement of cost reduction and net debt to EBITDA targets measured at the end of FY2018, both of which are key to the delivery of the strategy. A further two year restriction period will apply on the shares following the measurement of the targets. Details of performance against the targets will be disclosed retrospectively due to the commercially sensitive nature of the targets. During FY2017, we will review the LTI Plan performance hurdles for FY2018 grants to ensure the motivational value of this portion of our Executives' remuneration is effective into the future.	See page 39

KMP COVERED IN THIS REPORT

Set out below is a list of the Executives of the Company whose remuneration details are outlined in this Remuneration Report. Except where noted, these Executives were employed for all of FY2016 in the positions noted below. The use of the term "Executives" throughout this report refers to the Executives listed. These Executives in addition to the NEDs listed on page 43 of the Annual Report, comprised the KMP of the Company for FY2016, as defined under the Accounting Standards.

NAME	POSITION	COUNTRY OF RESIDENCE	KMP DURATION
Andrew Wood	Chief Executive Officer	Australia	
Filippo Abba	Group Managing Director – *Improve* and Major Projects	United Kingdom	
Robert (Chris) Ashton	Regional Managing Director – Europe, Africa & Middle East	United States	1 January 2016 (commenced)
Dennis Finn	Group Managing Director/Chief Executive Officer, Advisian	United Kingdom	1 July 2015 (commenced)
Thomas Honan	Group Managing Director Finance/CFO	Australia	1 December 2015 (commenced)
Denis Lucey	Regional Managing Director – Asia Pacific	Indonesia	1 January 2016 (commenced)
Christopher Parker[1]	Regional Managing Director – Americas	United States	1 January 2016 (commenced)
Simon Holt[2]	Chief Financial Officer	Australia	1 December 2015 (ceased)
David Steele[3]	Group Managing Director – Services	Australia	1 January 2016 (ceased)

1 Mr Parker was KMP for FY2015, ceased to be KMP on 30 June 2015 and was reinstated on 1 January 2016.
2 Mr Holt ceased to be KMP on 1 December 2015 and ceased employment on 11 February 2016.
3 Mr Steele ceased to be KMP on 1 January 2016 when he moved to another role prior to his retirement on 30 June 2016.

2. REMUNERATION GOVERNANCE FRAMEWORK

GUIDING REMUNERATION PRINCIPLES

The guiding principles for executive remuneration are driven from the Company beliefs. The beliefs guide our actions, making it clear what we are accountable for and how we achieve success:

COMPANY BELIEFS

- DELIVER WHAT WE PROMISE
- ZERO HARM
- PRUDENTLY CONTAIN COST AND ELIMINATE WASTE
- BUILD ENDURING CUSTOMER RELATIONSHIPS
- DEVELOP AND REWARD TEAMS WHO DELIVER ON CUSTOMER EXPECTATIONS

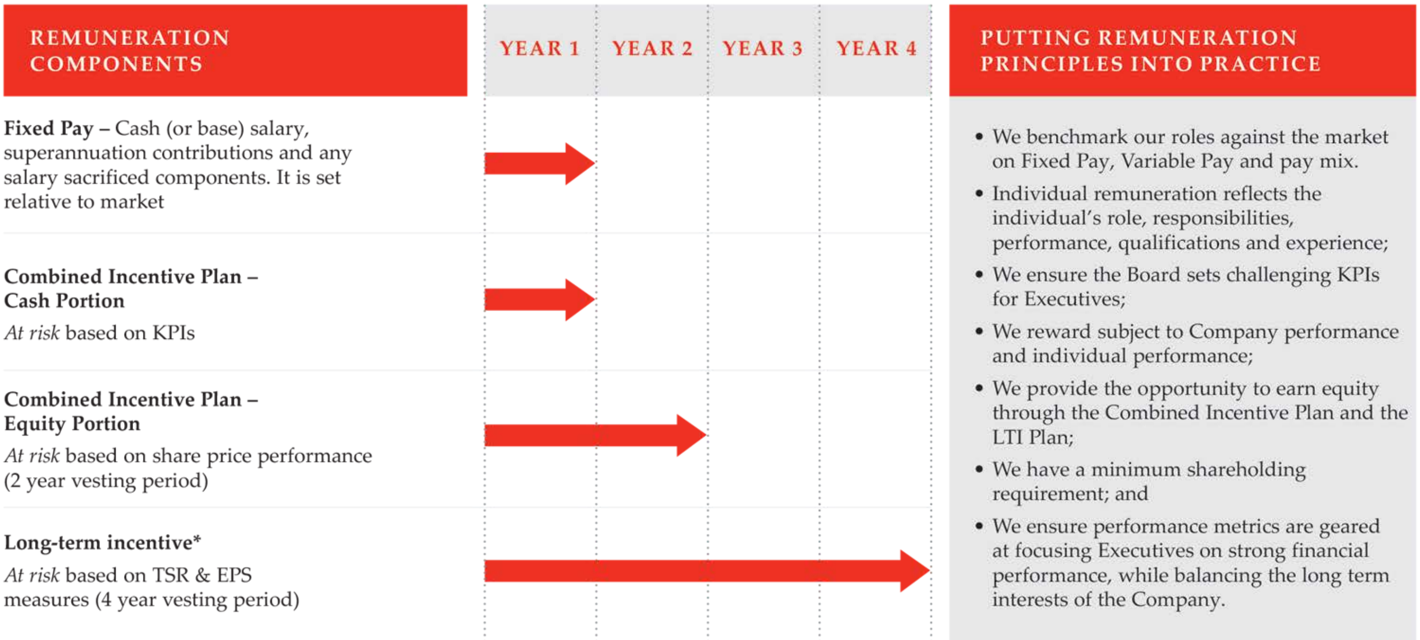
EXECUTIVE REMUNERATION PRINCIPLES

These principles drive the behaviors and results to help us achieve our strategy and vision

- Provide a fair level of reward in order to retain and attract high caliber employees
- Build a culture of achievement by providing a transparent link between reward and performance
- Build long term employee commitment through continued WorleyParsons share ownership
- Promote mutually beneficial outcomes by aligning employee, customer and shareholder interests
- Support the expectations of the Diversity and Inclusion Policy

EXECUTIVE REMUNERATION STRUCTURE

Executive remuneration is structured to recognise an individual's role, responsibilities, qualifications and experience as well as to drive performance over the short and long term. The proportion of variable pay is reflective of an Executive's ability to influence Company performance through their role. The diagram below provides a high level overview of the various remuneration components, timing for their delivery and their link to the remuneration principles:



* Excludes Dennis Finn (refer page 40).

REMUNERATION DECISION MAKING

Remuneration decision making within the Company follows set processes through which various stakeholders are involved; these include:

Board

- ensures remuneration policies and structures are competitive, fair, and aligned with the long term interests of the Company;
- sets and approves remuneration structures; and
- approves NED, CEO and other Executive remuneration quantum;

Nominations Committee

- reviews and assesses the CEO's performance; and
- advises the Board on the CEO's remuneration, including amount, structure and applicable performance targets;

Remuneration Committee

- assists/advises the Board in relation to remuneration structuring and policies, NED remuneration, performance assessment and remuneration for Executives, and where required, engaging independent advisors for advice on remuneration structure and quantum for Executives, including the CEO, and NEDs.

Management

The CEO recommends pay increases and incentive outcomes for the Executives, other than the CEO. At the request of the Nominations and/or Remuneration Committees, management:

- provides information relevant to remuneration decisions; and
- where appropriate, liaises with independent advisors to assist the Nominations and/or Remuneration Committees with factual information (subject to prior Board approval of the provider).

All remuneration decisions relating to Executives are made by the Board. However, where appropriate, management is included in Committee and Board discussions.

External Market Data and External Consultants

Market data is sourced from published reports and independent surveys. Where required, external consultants are engaged by the Board and Committees to provide advice or information. Any advice or recommendations provided by external consultants are used as a guide. They are not a substitute for the Board and Committee decision-making process. There were no remuneration recommendations made by consultants in relation to KMP in FY2016.

Benchmarking of total remuneration and remuneration mix for Executives during FY2016 was performed by Aon Hewitt, an independent research and advisory remuneration consulting firm. This advice was used as a guide, and was not a substitute for thorough consideration of all of the issues by the Remuneration Committee. The cost of advice and assistance by Aon Hewitt for the Executives is not material for either party. Aon Hewitt was engaged by and reported to the Chairman of the Remuneration Committee. The Board is therefore satisfied that the information provided by Aon Hewitt was free from undue influence by members of the Executive group to whom the remuneration benchmark information related.

Frederic W. Cook, an independent remuneration consulting firm, was engaged to provide commentary and analytical support on the collation of industry peer group data, no advice was provided. The cost of the support was not material for either party.

Orient Capital calculated the TSR for the purpose of vesting LTI. The amount paid to Orient Capital for TSR reporting is not material for either party.

EXECUTIVE MINIMUM SHAREHOLDING REQUIREMENT

The Executive minimum shareholding requirement applies to Executives to reinforce the Company's objective of aligning their interests with the interests of shareholders, and to foster an increased focus on building long term shareholder value.

To satisfy the requirement, Executives must retain equity delivered via incentive plans until they hold shares equivalent in value to two times Fixed Pay (four times Fixed Pay for the CEO) and must subsequently maintain that multiple.

Compliance with the requirement is assessed as at 30 June each year. The table on page 46 provides a summary of the position of each Executive against the requirement as at 30 June 2016.

In addition, under the Company's Securities Dealing Policy, directors and Executives are not permitted to hedge unvested performance rights or shares that count towards an Executive's minimum holding requirement. This ensures that Executives cannot "limit the risk" associated with these instruments and are subject to the same impacts from fluctuations in the share price as all other shareholders.

CLAWBACK (MALUS) PROVISION

The Company maintains a Clawback provision within the Combined Incentive Plan and the LTI Plan.

If in the Board's opinion, an employee:

- acts fraudulently or dishonestly;
- is in breach of their obligations to the Company or another Group company; or
- received awards based on financial accounts which are later restated,

the Board may determine that unvested performance rights lapse; this is also known as a Malus provision. The Board may also deem any vested but unexercised performance rights to have lapsed. Additionally, the Board may seek to recover shares received from exercised rights.

CESSATION OF EMPLOYMENT AND CHANGE OF CONTROL

Where an Executive leaves the Group, the Board may exercise its discretion and allow a portion of any unvested rights to remain in the plan. Rights will subsequently vest and be exercised in the ordinary course, having regard to such factors as the Board determines relevant. Such factors would include performance against applicable performance hurdles, as well as the performance and contribution that the relevant Executive has made. Generally, the Board only exercises discretion in special circumstances, such as retirement.

In the event of a change of control of the Company (e.g. where a third party unconditionally acquires more than 50% of the issued share capital of the Company), the Board will exercise its discretion to determine whether any or all unvested rights vest, having regard to pro-rata performance against applicable performance hurdles up to the date of the change of control.

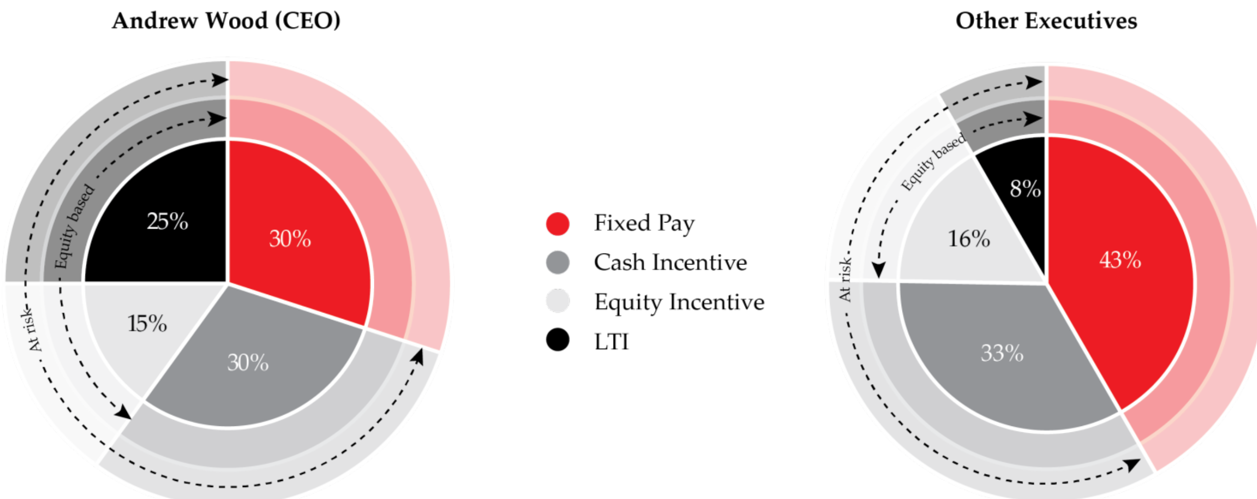
3. EXECUTIVE REMUNERATION IN DETAIL

REMUNERATION MIX FOR EXECUTIVES

The targeted mix of remuneration components shown in the graph below refers to the incentive that would be payable if all performance conditions are satisfied and assumes vesting of the Combined Incentive Plan, comprised of a cash and equity incentive and LTI awards at 100%. Allowances and benefits are for specific purposes and are excluded in determining the mix. Actual incentive remuneration paid to the Executives can vary for individuals depending on the extent that they meet or exceed performance requirements.

Further details in relation to the Company's incentive arrangements, the performance conditions imposed and the outcomes of those arrangements (based on the Company's performance over FY2016 and prior years), are set out on page 40 under the Combined Incentive Plan and LTI Plan outcome sections.

Targeted pay mix for Executives



AT RISK REMUNERATION

By linking pay to performance via incentive plans, the Company focuses on total reward and provides motivation to Executives to achieve outcomes beyond the standard expected in the normal course of ongoing employment. The elements of remuneration that are at risk are the Combined Incentive Plan and the LTI Plan. The following tables provide details on each of the Plans.

COMBINED INCENTIVE PLAN

The Combined Incentive Plan for Executives is made up of two thirds cash (Cash Incentive) and one third equity (Equity Incentive). The minimum potential value of the Combined Incentive Plan is zero where applicable hurdles have not been met. To be eligible for an incentive payment, generally participants must have been employed for at least three months of the financial year and remain in employment at the date of payment/vesting. Outlined below is a detailed summary of the Cash and Equity Incentive components:

Cash Incentive (two thirds of target incentive)	
Performance targets are set and measured through both financial and non-financial KPIs. These KPIs are agreed at the beginning of the financial year and the Board retains rigorous oversight, to ensure they retain sufficient stretch, and appropriate thresholds.	
Gate opener[1]	Individual thresholds will apply for each KPI to provide the Executive's line of sight over achieving their targets. Financial KPIs require achievement above 80% of budget (such as Group NPAT or business line EBIT) for the sliding scale to start to apply – 5% awarded for each 1% achieved above 80%, capped at 200% (at 120% achievement against budget).
Maximum payout[1]	Maximum payout of 150% of target incentive.
Incentive delivery and payment timing	Payment of the award will be made as a gross cash amount at the end of the performance period.
KPI weighting for FY2016	CEO – 60% financial/40% non-financial. Other Executives – Either 50% financial/50% non-financial or 60% financial/40% non-financial.

Cash Incentive (two thirds of target incentive)	
KPI details for FY2016 - chosen due to their direct link to the Company's priorities for the period, and in alignment with the best interests of shareholders	**Financial** **Group NPAT** - Group NPAT is based upon audited financial statements to ensure the performance assessment for financial KPIs is aligned with business performance and the creation of value for shareholders. The results are adjusted at Board discretion, to exclude abnormal items. **Business line financial targets** - Financial goals specific to the business line e.g. Earnings Before Interest and Tax (EBIT). **Cash collection** - Cash collection is measured via days sales outstanding. **Non-financial** **Health, safety and environment performance** - Reduction in the number of reportable incidents and the demonstration of personal and visible leadership in support of the Company's goal of Zero Harm. **Successful implementation of the business plan and/or strategic priorities for the business line** - Targeted business growth, customer retention, customer satisfaction and acquisition (the specific goals for Executives relating to strategic imperatives are considered commercially sensitive to disclose).
Performance and forfeiture conditions (including Malus)	The KPIs listed above were chosen in alignment with the key strategic areas of focus for the Company, and are rewarded after they have been achieved as determined by the Board. Refer the Clawback (Malus) provision - see page 36.

1 Variation for Dennis Finn - The Advisian EBIT results are measured against the target and used as a multiplier that applies to the incentive payout calculation. Achievement must be greater than 50%, otherwise the multiplier, and therefore the incentive payment is zero; between 51% and 75% achievement, the multiplier increases linearly; and above 75% (up to 200%), the multiplier is equivalent to the achievement percentage. The overall payment is subject to a maximum of 200% of target. This incentive plan arrangement reflects the higher leveraged model typical in professional services and focuses the Advisian business line as it grows into a world-class global advisory business.

Equity Incentive (one third of target incentive)

The performance rights provided through the Equity Incentive are called Share Price Performance Rights (SPPRs). SPPRs are granted annually as performance rights. The vesting period for the SPPRs is two years. The number of rights is determined by dividing the dollar value of the award achieved by the face value of shares. The grant price for the FY2016 allocation of SPPRs was $7.46, based on 10 day volume weighted average price following the release of the FY2015 results.

Gate opener	The threshold relates to the share price at the end of the performance period. If the closing share price is half or less than half the opening share price, the SPPRs lapse.
Maximum payout	The maximum number of SPPRs that convert to shares is double the original amount that was granted.
Incentive delivery and payment timing	If the share price doubles (or more than doubles) over the two year performance period, the rights convert into twice the number of shares. If the share price halves (or more than halves), the rights do not convert into any shares and they lapse. In between double and half the share price, the rights vest on a proportionate basis.
Performance and forfeiture conditions (including Malus)	The Executive must maintain a satisfactory performance rating during the performance period. See 'Incentive delivery and payment timing' above for the additional share price performance conditions. Should the accounts be restated during the performance period or where an employee has acted fraudulently or dishonestly or is in breach of their obligations to the Company, the award may be forfeited.
Dividends	Not applicable, no dividends are payable on unvested rights.
Examples The four examples are based on a notional grant of 1,000 SPPRs with a notional WorleyParsons share price of $8.00 at the time the SPPRs are issued i.e. a notional value of $8,000.	In two years' time: Scenario 1: The opening share price rises to $20.00 (i.e. more than doubles). The 1,000 SPPRs convert to 2,000 shares and their total value = $40,000. The Executive's incentive has delivered a $40,000 reward (in shares) i.e. $32,000 above the notional $8,000 value at the time of issue. Scenario 2: The opening share price rises to $12.00. The 1,000 SPPRs convert to 1,000 x ($12/$8) = 1,500 shares and their total value = $18,000. The Executive's incentive has delivered an $18,000 reward (in shares) i.e. $10,000 above the notional $8,000 value at the time of issue. Scenario 3: The opening share price falls to $6.00. The 1,000 SPPRs convert to 1,000 x ($6/$8) = 750 shares and their total value = $4,500. The Executive's incentive has delivered a $4,500 reward (in shares) i.e. $3,500 below the notional $8,000 value at the time of issue. Scenario 4: The opening share price halves or more; then the SPPRs lapse and no shares are issued.

SPPRs were not granted in FY2016 for the Executives who commenced in their roles after the grant of SPPRs was made in October 2015.

LONG TERM INCENTIVE PLAN

The provision of LTI is currently assessed through two equally weighted, independent performance targets (TSR and EPS) that align an Executive's interests with shareholder returns while driving long term Company performance.

LTI grants are delivered to Executives as rights that are issued under the WorleyParsons Performance Rights Plan. After vesting, each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option). The number of rights issued is based on the Executive's target LTI with reference to the underlying share price when the rights are issued. Rights vest and are automatically exercised (unless an Executive elects otherwise) after a four year vesting period, subject to defined performance hurdles being satisfied. Where rights cannot be readily issued in certain overseas jurisdictions due to differing securities laws and taxation treatments, the LTI Plan rules ensure a participant can still be rewarded for their contribution, while catering for the local restrictions on the issue of securities.

Relative Total Shareholder Return (TSR) - 50% of potential LTI

The TSR measure represents the change in the value of the Company's share price over a period, including reinvested dividends, expressed as a percentage of the opening value of the shares. Relative TSR has been chosen as a performance hurdle because, in the opinion of the Board, it provides the most direct measure of shareholder return and reflects an investor's choice to invest in this company or direct competitors.

Executives will only derive value from the TSR component of the LTI Plan if the Company's TSR performance is at least at the median of the companies in the peer comparison group over a four year period. Executives are not provided an opportunity to retest under the TSR measure.

The vesting schedule of the rights subject to the relative TSR hurdle is as follows:

RELATIVE TSR PERCENTILE RANKING	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET
Less than 50th percentile	0%
At 50th percentile	25%
Greater than the 50th percentile but less than the 75th percentile	Pro-rated vesting between 25% and 50%
At 75th percentile or greater	50% (i.e. maximum available under the plan)

For LTI grants made since FY2013, the comparator group comprises the companies shown below:

AECOM, Aker Solutions, AMEC Foster Wheeler, Arcadis, Atkins, Balfour Beatty, Cardno, Chicago Bridge & Iron Company, CIMIC, Downer EDI, Fluor Corporation, Fugro, Jacobs Engineering Group, JGC Corporation, KBR, McDermott International, Monadelphous Group, SNC Lavalin, , Saipem, Serco Group, Stantec, Technip, Tecnicas Reunidas, Tetra Tech, UGL and Wood Group. The Board has discretion to adjust the comparator group to take into account events including, but not limited to, takeovers or mergers that might occur during the performance period.

For LTI grants in FY2017, the comparator group will include a revised list of companies that were identified by the Board as having similar business profiles and with which the Company competes for capital and executive talent, these include: AECOM, Aker Solutions, AMEC Foster Wheeler, Arcadis, Fluor Corporation, Fugro, Jacobs Engineering Group, JGC Corporation, KBR, Petrofac, SNC Lavalin, Stantec, Tetra Tech, Wood Group and WSP Global.

Earnings Per Share (EPS) - 50% of potential LTI

Basic EPS is determined by dividing the Group NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year. Growth in EPS will be measured by comparing the EPS in the financial year immediately preceding the issue and the EPS in the measurement year. EPS has been chosen as a performance hurdle because it provides a clear line of sight between Executive performance and Company performance. It is also a well-recognized and understood measure of performance both within and outside the organization. The Group NPAT may be adjusted by the Board, where appropriate, to better reflect operating performance.

Executives will only derive value from the EPS component of the grants made in FY2016 if the Company achieves average compound growth in EPS of at least 4% per annum above the increase in the Consumer Price Index (CPI) over the four year performance period.

The vesting schedule of the rights subject to the EPS hurdle is as follows:

AVERAGE COMPOUND GROWTH IN EPS OVER THE PERFORMANCE PERIOD	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET
Less than 4% p.a. above the increase in CPI	0%
4% p.a. above the increase in CPI	25%
More than 4% p.a. above the increase in CPI but less than 8% p.a. above the increase in CPI	Pro-rated vesting between 25% and 50%
8% p.a. or greater above the increase in CPI	50% (i.e. maximum available under the plan)

For LTI grants in FY2017, the EPS hurdle will be replaced with a strategic performance hurdle, see page 33.

A review of the LTI Plan performance hurdles will occur for future grants to ensure it continues to motivate our Executives into the future.

Rights granted under the LTI Plan carry no voting or dividend entitlements. In addition, other than in relation to bonus issues and capital reorganizations (when the number of rights may be adjusted by the Board in accordance with the Australian Securities Exchange (ASX) Listing Rules, so as to ensure no advantage or disadvantage to the Executive), the rights carry no entitlement to participate in new share issues made by the Company. The Board has determined that the number of securities issued to Executives and all other participants under the Company's equity plans should be capped at 5% of the issued share capital of the Company over a five year time horizon. Currently, the number of securities issued and held pursuant to the equity plans represents 2.01% of the Company's issued share capital (FY2015: 1.71%).

With the exception of Dennis Finn who has a varied pay mix more aligned with professional services, all current Executives are able to receive rights through the LTI Plan. Details of the rights granted to Executives as the LTI component of their remuneration in FY2016 are outlined on page 47.

Exercise of rights and allocation of shares

To the extent that the performance hurdles have been satisfied, rights are automatically exercised (unless an Executive elects otherwise) and participants acquire shares in the Company at a nil exercise price.

Shares allocated to participants upon exercise of rights rank equally with all other ordinary shares on issue. Participants will have unencumbered ownership of the shares, subject to compliance with the Company's Securities Dealing Policy and minimum shareholding requirement.

COMPANY PERFORMANCE OVER A FIVE YEAR PERIOD

The table below contains a snapshot of the Company's performance against annual financial KPIs and shows how the Company's performance has impacted on remuneration outcomes for Executives under the Company's incentive programs.

The remuneration arrangements for Executives ensure that remuneration outcomes are lower when the Company's performance does not justify large awards, and higher when Company performance is strong. As demonstrated by the table, Combined Incentive and LTI Plan outcomes have moved in line with the Company's performance against relevant key metrics:

	FINANCIAL YEAR ENDED 30 JUNE	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	ANNUALIZED GROWTH OVER FIVE YEARS
	Closing share price ($)	28.24	25.10	19.49	17.41	10.41	7.20	(23.9%)
	Dividends paid[1] (cents per share)	86.0	91.0	92.5	85.0	56.0	-	(100.0%)
TSR portion of LTI	1 year TSR for the Company (%)	37.4	(6.8)	(19.6)	(6.8)	(36.4)	(30.2)	
	1 year TSR for median of peer group (%)	40.8	(21.9)	21.6	1.4	(23.6)	(4.0)	
	Vesting outcome of LTI (%)	**nil**	**70**	**nil**	**nil**	**nil**	**nil**	
EPS portion of LTI	Underlying EPS (cents per share)[2]	121.5	140.6	130.8	106.8	98.4	61.8	(12.6%)
	Vesting outcome of LTI (%)	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	
Combined Incentive[3]	Underlying NPAT ($'m)[4]	298.5	345.6	322.1	263.4	243.1	153.1	(12.5%)
	Average % of maximum Combined Incentive awarded to Executives (%)	**27.1**	**47.0**	**nil**	**nil**	**nil**	**nil**	
	Share price used for SPPR grant ($)[5]	**-**	**-**	**-**	**-**	**-**	**$7.46**	

1 No final dividend for FY2016.
2 Underlying EPS, which in the Board's opinion reflects the Company's operating results, has been used to calculate the outcomes.
3 The Combined Incentive Plan was introduced in FY2013; previously, this was the Short Term Incentive Plan.
4 Group NPAT was considered to reflect the Company's operating results for FY2013 and has been used to calculate the remuneration outcomes for that financial year. For all other financial periods represented in this table, underlying NPAT has been used to calculate the remuneration outcomes. Underlying NPAT excludes impairment of goodwill, net gain on revaluation of investments previously accounted for as equity accounted associates and joint operations, restructuring costs (net of tax), write off of investments accounted for as equity accounted associates and other adjustments at the Board discretion, being the difference between reported Group NPAT and underlying NPAT.
5 The first grant of SPPRs was made during FY2016 to Executives, calculated as one third of their Combined Incentive target. See page 47 for further details.

REMUNERATION OUTCOMES IN FY2016

COMBINED INCENTIVE PLAN OUTCOMES

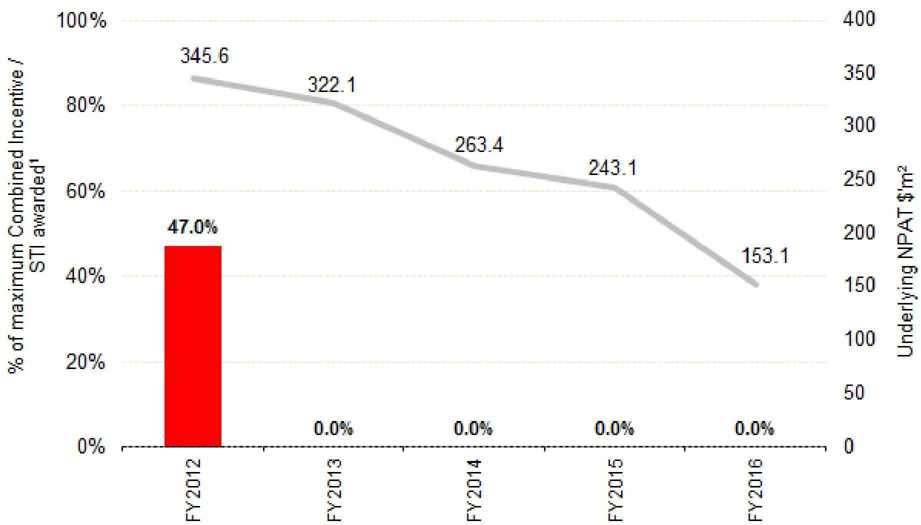
As outlined in the description of the Combined Incentive Plan on pages 37-38, reward outcomes for Executives are linked to performance against annual financial and non-financial KPIs for the cash component.

In the five year table above and the following graph, the Company performance is compared to variable pay outcomes for each 12 month period.

Based on the Company's financial performance and performance against individual KPIs, there were no resulting payments for the Cash Incentive portion of the Combined Incentive Plan for FY2016 as detailed in the table on page 44. Details of the grant of SPPRs are provided on page 47.

The graph below illustrates the average Combined Incentive as a percentage of maximum awarded to Executives over each of the past five years compared to underlying NPAT. It demonstrates Executives have not been rewarded during this difficult period:

Average % of maximum Combined Incentive awarded to Executives compared to underlying NPAT



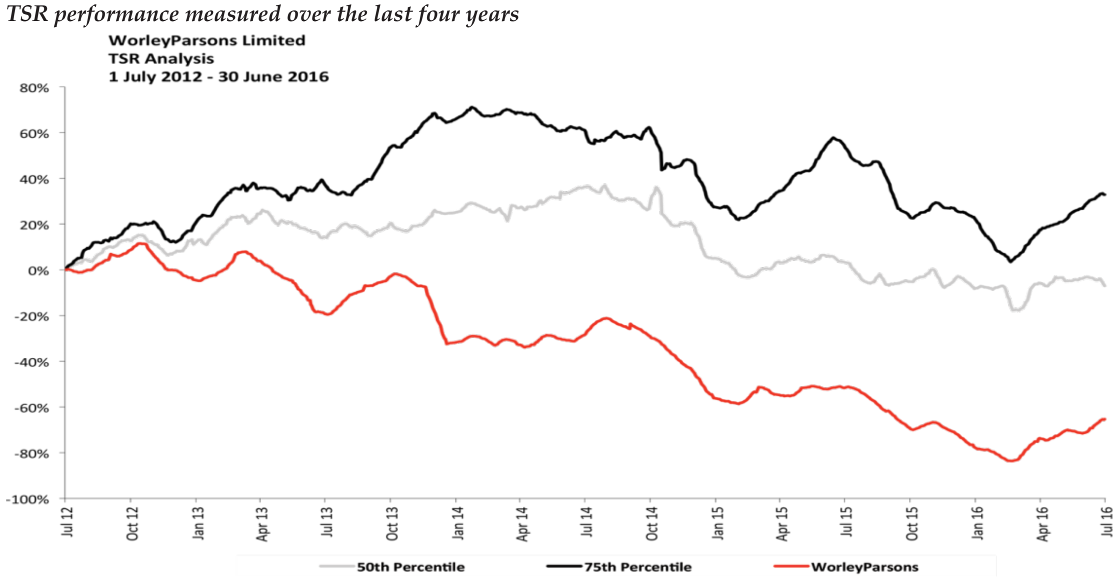
1 The average Combined Incentive as a percentage of maximum for any financial year relates to amounts paid in the September following that financial year end.
2 Underlying NPAT figures are used for this graph, in 2013 these are the same as reported Group NPAT figures.

SPPRs granted during FY2016 will be displayed in the above graph upon vesting, should this occur.

LTI PLAN OUTCOMES

The graph below tracks the Company's TSR over the last four years against the median TSR of the peer comparison group used for the LTI Plan:

TSR performance measured over the last four years



This graph illustrates that growth in the Company's TSR was below median, which has resulted in a nil vesting for Executives for TSR related LTI granted in FY2013. As vesting was not achieved, the TSR performance rights will lapse on 30 September 2016. Over the same four year period, the Company's EPS growth was below the minimum required to trigger vesting against the EPS performance hurdle for LTI granted in FY2013. EPS performance rights will lapse on 30 September 2016. No retest applies to either measure.

The LTI Plan has not achieved the required performance hurdles for the last four years, demonstrating the alignment of our Executive remuneration outcomes with shareholder returns. It is important that we are able to continue to motivate our Executives to deliver value to our shareholders over the long term and we will review the LTI Plan during FY2017 to ensure that we continue to use the most appropriate performance hurdles.

Summary of vested rights

The table below shows the recent history of vesting of Executives' equity grants:

GRANT	PERFORMANCE PERIOD	TSR PERCENTILE ACHIEVED[1]	RETESTED TSR PERCENTILE ACHIEVED[2]	CHANGE IN EPS ACHIEVED[3]	% OF TOTAL LTI GRANT VESTED/EXERCISED	VESTING DATE	VALUE PER RIGHT VESTED/EXERCISED[4] $
FY2011	01 Jul 10 – 30 Jun 13	lowest	lowest	3.3%	0%	30 Sep 13	n/a
FY2012	01 Jul 11 – 30 Jun 14	lowest	lowest	(4.2%)	0%	30 Sep 14	n/a
FY2013	01 Jul 12 – 30 Jun 15	8th	n/a	(17.0%)	0%	30 Sep 15	n/a
FY2013[5]	01 Jul 12 – 30 Jun 16	11th	n/a	(18.6%)	0%	30 Sep 16	n/a

1 Represents the Company's relative TSR ranking over the performance period compared to the relative comparator group.
2 Represents the Company's retested relative TSR ranking over a four year performance period compared to the relative comparator group.
3 Change in EPS achieved is calculated as the compound annual growth rate of EPS over the performance period.
4 This amount is based on the volume weighted average price of the Company's shares for the 10 trading days following the annual results announcement for the year in which the rights vest (as there is no exercise price payable in respect of equity or cash settled rights).
5 In FY2013 Andrew Wood was granted LTI with a four year vesting period, details provided on page 47.

EMPLOYMENT ARRANGEMENTS

The key aspects of Executive contracts are outlined below:

	CONTRACT DURATION	NON-COMPETE CLAUSES	NOTICE PERIODS[1]
EXECUTIVE DIRECTOR			
Andrew Wood	Unlimited	12 months	12 months
GROUP EXECUTIVES			
Filippo Abba	Unlimited	12 months	6 months
Robert (Chris) Ashton	Unlimited	12 months	6 months
Dennis Finn	Unlimited	12 months	6 months
Thomas Honan	Unlimited	12 months	6 months
Denis Lucey	Unlimited	12 months	6 months
Christopher Parker	Unlimited	12 months	6 months

1 Notice period required to be given by the KMP to the Group is the same as the notice period required to be given by the Group to the KMP upon termination of employment.

The contracts include the components of remuneration which are to be paid to Executives, and provide for an annual review, but do not prescribe how remuneration levels are to be modified from year to year.

In the event of termination, all Executives are generally entitled to receive their statutory leave entitlements. In relation to incentive plans upon termination, where an Executive resigns, the Combined Incentive is paid only if the Executive is employed on the date of payment (which is subsequent to the performance year).

In accordance with the plan rules, the Board retains discretion on the treatment of both vested and unvested equity in all instances of separation as outlined in the Combined Incentive Plan and the LTI Plan details on page 36. In exercising such discretion, this is typically on a pro-rata basis and subject to the original performance requirements and timing.

At the October 2013 Annual General Meeting (AGM), the Board sought and received approval from shareholders, where discretion was applied for the retention of LTI following cessation of employment for the value of LTI to be disregarded when calculating the relevant participant's cap for the purpose of section 200F(2)(b) or section 200G(1)(c) of the Act.

Mr Holt ceased to be KMP from 1 December 2015 when Mr Honan commenced in the expanded role of Group Managing Director Finance/CFO. Mr Holt received a payment upon the cessation of his employment on 11 February 2016, reported on page 44. In accordance with the LTI Plan rules a pro-rata portion of his unvested performance rights was approved by the Board in December 2015, and the pro-rated unvested equity will remain in place subject to the original time and performance hurdles.

The Company did not pay sign-on payments to Executives during FY2016.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

NON-EXECUTIVE DIRECTORS

This section outlines the remuneration arrangements in place for the Company's Non-Executive Directors (NEDs). All directors held office for the whole of FY2016, except where otherwise stated. The NEDs for FY2016 are listed below:

NAME	POSITION	COUNTRY OF RESIDENCE
John Grill	Chairman	Australia
Ron McNeilly	Deputy Chairman and Lead Independent Director	Australia
Larry Benke	Director	Canada
Jagjeet Bindra	Director	United States
Erich Fraunschiel	Director	Australia
John M Green	Director	Australia
Christopher Haynes	Director	United Kingdom
Catherine Livingstone	Director	Australia
Wang Xiao Bin	Director	Hong Kong, China

GUIDING PRINCIPLES

The principles of fairness and shareholder alignment are reflected through the Company's commitment to setting NED fees at a level which remains market competitive, while ensuring they reflect the caliber of directors required to address the significant strategic and operational challenges faced by the Company, domestically and abroad.

For the fifth consecutive year, there will be no increase in annual fees for NEDs in FY2017. The aggregate amount of fees (which include Board and Committee fees) that may be paid to NEDs in any year is capped at the level approved by shareholders. The current maximum aggregate amount of $3.25 million per annum was approved by shareholders at the 2012 AGM. Of the aggregate annual fee pool, 76% ($2.47 million) was utilized during FY2016 (69% ($2.23 million) for FY2015). NEDs do not receive performance related payments.

REMUNERATION STRUCTURE

Board and Committee fees

Board and Committee fees for FY2016 and FY2017 are set out below. These amounts are inclusive of superannuation contributions made on behalf of NEDs in accordance with the Company's statutory obligations.

ROLE	FY2016 ANNUAL FEES
Chairman[1,2]	$520,000
Deputy Chairman and Lead Independent Director[1]	$312,000
Other NED	$194,000
Chairman of Audit and Risk Committee	$47,000
Member of Audit and Risk Committee	$26,000
Chairman of Remuneration Committee	$37,000
Member of Remuneration Committee	$21,000
Chairman of Health, Safety and Environment Committee	$30,000
Member of Health, Safety and Environment Committee	$12,000
Chairman/Member of Nominations Committee	nil

1 The Chairman of the Board and Deputy Chairman and Lead Independent Director do not receive additional fees for Committees of which they may be a member.
2 Mr Grill requested a temporary reduction in his Chairman fee of $520,000 per annum in both FY2015 (reduced to $460,000) and FY2016 (reduced to $395,053).

Other benefits

NEDs are eligible to receive travel allowances of $5,000 per trip for additional time incurred on overseas business related travel including attendance at Board meetings and site visits. These payments are made within the NED fee pool. NEDs are also entitled to be reimbursed for all business related expenses, including travel, incurred in the discharge of their obligations. The Company does not pay retirement benefits to NEDs, except where required by legislation. From time to time, the Board may determine special fees for additional duties undertaken by directors. No such fees were paid in FY2016.

REMUNERATION OUTCOMES

The remuneration outcomes of the NEDs for FY2016 and FY2015 are set out in the Remuneration Tables section of the report, on page 49.

NED INTERESTS IN SHARES AND PERFORMANCE RIGHTS

The NED beneficial interests in shares and performance rights of the Company as at 30 June 2016 is detailed in the Remuneration Tables section of the report, on page 49. The service and performance criteria for the rights are discussed in the LTI Plan section on page 39.

NED minimum shareholding requirement

A minimum shareholding requirement exists to provide alignment between director and shareholder interests. Each NED must build a holding of the Company's ordinary shares equivalent in value to that director's annual fee. NEDs are expected to comply with this requirement within their first full term of three years as a director. For the purpose of this test, the value of shares is calculated using the number of shares held at 30 June 2016 multiplied by the five day volume weighted average price of the Company's shares up to and including 30 June 2016 ($7.06) or purchase price if higher. All NEDs currently comply with the minimum shareholding requirement.

5. REMUNERATION TABLES

STATUTORY REMUNERATION OUTCOMES

Executive remuneration is detailed in the following table in accordance with accounting standards.

Accounting standards require the value of equity based payments to be amortized over the relevant period of performance (or vesting period). The value of equity based payments awarded during the year is determined as a percentage of Fixed Pay that the Company aims to deliver. This can be found in the Equity Incentive and LTI columns under the remuneration awarded section of Actual Remuneration Outcomes on page 45. The full value that was received during the year is determined as the number of performance rights vested times the share price at the end of the performance period. This can be found under the remuneration received section of Actual Remuneration Outcomes on page 45.

		SHORT TERM EMPLOYEE BENEFITS				POST-EMPLOYMENT BENEFITS	OTHER LONG TERM BENEFITS	TERMINATION BENEFITS	SHARE BASED PAYMENTS					
		CASH SALARY $	CASH INCENTIVE[1] $	OTHER BENEFITS[2] $	TOTAL SHORT TERM CASH AND BENEFITS $	SUPERANNUATION $	LONG SERVICE LEAVE $	TERMINATION BENEFITS[3] $	EQUITY INCENTIVE[4] $	LTI EQUITY SETTLED[4] $	TOTAL REMUNERATION IN ACCORDANCE WITH ACCOUNTING STANDARDS $	SHARE BASED PAYMENTS % OF TOTAL REMUNERATION	VARIABLE PAY % OF TOTAL REMUNERATION	% OF MAXIMUM STI AWARD FORFEITED
EXECUTIVE DIRECTOR														
Andrew Wood	FY2016	1,435,238	-	9,533	**1,444,771**	19,307	24,112	-	147,591	140,765	**1,776,546**	16.2%	16.2%	100.0%
	FY2015	1,581,217	-	15,978	**1,597,195**	18,783	26,523	-	-	237,085	**1,879,586**	12.6%	12.6%	100.0%
GROUP EXECUTIVES														
Filippo Abba	FY2016	661,610	-	643,656	**1,305,266**	52,631	-	-	54,697	424,359	**1,836,953**	26.1%	26.1%	100.0%
	FY2015	153,147	-	164,415	**317,562**	6,126	-	-	-	135,695	**459,383**	29.5%	29.5%	N/A
Robert (Chris) Ashton[5]	FY2016	299,410	-	188,593	**488,003**	6,245	-	-	18,192	10,286	**522,726**	5.4%	5.4%	100.0%
Dennis Finn	FY2016	1,225,831	-	455,171	**1,681,002**	-	-	-	190,947	-	**1,871,949**	10.2%	10.2%	100.0%
Thomas Honan[6]	FY2016	542,094	-	895	**542,989**	16,945	9,147	-	-	-	**569,081**	-	-	100.0%
Denis Lucey[5]	FY2016	356,457	-	238,748	**595,205**	8,017	-	-	-	10,099	**613,321**	1.6%	1.6%	100.0%
Chris Parker[5]	FY2016	322,657	-	14,525	**337,182**	14,892	-	-	-	24,681	**376,755**	6.6%	6.6%	100.0%
	FY2015	563,704	-	13,067	**576,771**	17,231	-	-	-	65,756	**659,758**	10.0%	10.0%	100.0%
FORMER GROUP EXECUTIVES														
Simon Holt[7]	FY2016	254,682	-	9,482	**264,164**	13,196	80,210	522,770	2,972	(21,080)	**862,232**	(2.1%)	(2.1%)	100.0%
	FY2015	531,217	-	14,804	**546,021**	18,783	9,117	-	-	76,038	**649,959**	11.7%	11.7%	100.0%
David Steele[8]	FY2016	449,849	-	209,893	**659,742**	10,536	7,460	-	6,858	(164,823)	**519,773**	(30.4%)	(30.4%)	100.0%
	FY2015	881,217	-	97,616	**978,833**	18,783	14,919	-	-	63,367	**1,075,902**	5.9%	5.9%	100.0%
Randy Karren[9]	FY2015	459,525	-	7,903	**467,428**	11,716	-	-	-	50,983	**530,127**	9.6%	9.6%	100.0%
Ian Wilkinson[9]	FY2015	365,282	-	8,595	**373,877**	12,895	5,984	-	-	69,109	**461,865**	15.0%	15.0%	100.0%
Total remuneration	**FY2016**	**5,547,828**	**-**	**1,770,496**	**7,318,324**	**141,769**	**120,929**	**522,770**	**421,257**	**424,287**	**8,949,336**			
	FY2015	**4,535,309**	**-**	**322,378**	**4,857,687**	**104,317**	**56,543**	**-**	**-**	**698,033**	**5,716,580**			

1 The amount relates to the Cash Incentive portion of the Combined Incentive Plan.
2 This includes assignment uplifts, market adjustments and non-monetary benefits which include benefits such as expatriate benefits (i.e. housing, home leave etc. applicable to Mr Abba, Mr Ashton, Mr Finn, Mr Lucey and Mr Steele), health insurance, car parking, company cars or car allowances, fringe benefits tax, tax advisory services and life insurance. In some cases, these are at the election of the Executives i.e. they are salary sacrificed.
3 The amount includes a payment in lieu of notice, salary received during the transition period and a separation payment.
4 This remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments is determined based on the fair value at grant date and is expensed progressively over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that individual Executives may ultimately realize should the equity instruments vest.
5 Remuneration is disclosed to the extent that it relates to Mr Ashton's, Mr Lucey's and Mr Parker's employment in the capacity of an Executive, which commenced on 1 January 2016.
6 Remuneration is disclosed to the extent that it relates to Mr Honan's employment in the capacity of an Executive, which commenced on 1 December 2015.
7 Remuneration is disclosed to the extent that it relates to Mr Holt's employment in the capacity of an Executive, which ceased on 1 December 2015. The Board exercised its discretion to allow him to retain a pro-rata portion of unvested equity subject to the original time and performance hurdles.
8 Mr Steele ceased to be an Executive on 1 January 2016 and retired from the Company effective 30 June 2016. The Board exercised its discretion to allow him to retain a pro-rata portion of unvested equity subject to the original time and performance hurdles with the exception of the FY2016 SPPR allocation which will be measured at the original vest date against the share price at the end of the 2016 performance period.
9 Remuneration is disclosed to the extent that it relates to Mr Karren's and Mr Wilkinson's employment in the capacity of an Executive, which ceased on 31 March 2015 and 6 February 2015 respectively. Share based payments are disclosed to the extent they relate to their employment in the capacity of an Executive.

ACTUAL REMUNERATION OUTCOMES

The table below shows actual remuneration awarded during the year and actual remuneration received during the year. This is separate to the Executive remuneration details in accordance with the Accounting Standards per page 44.

		AWARDED AND RECEIVED DURING REPORTING PERIOD		AWARDED DURING REPORTING PERIOD DEFERRED FOR FUTURE PERIODS[2]			RECEIVED DURING REPORTING PERIOD DEFERRED FROM PREVIOUS PERIODS[3]		
		SHORT TERM CASH AND BENEFITS $	OTHER BENEFITS[1] $	EQUITY INCENTIVE $	LTI $	TOTAL REMUNERATION AWARDED DURING REPORTING PERIOD $	EQUITY INCENTIVE $	LTI $	TOTAL REMUNERATION RECEIVED DURING REPORTING PERIOD $
EXECUTIVE DIRECTORS									
Andrew Wood	FY2016	1,444,771	43,419	727,271	1,236,356	**3,451,817**	-	-	**1,488,190**
	FY2015	1,597,195	45,306	-	1,360,011	**3,002,512**	-	-	**1,642,501**
GROUP EXECUTIVES									
Filippo Abba	FY2016	1,305,266	52,631	204,188	424,187	**1,986,272**	-	163,187	**1,521,084**
	FY2015	317,562	6,126	-	1,067,531	**1,391,219**	-	-	**323,688**
Robert (Chris) Ashton[4]	FY2016	488,003	6,245	153,868	-	**648,116**	-	-	**494,248**
Dennis Finn	FY2016	1,681,002	-	1,042,188	-	**2,723,190**	-	-	**1,681,002**
Thomas Honan[5]	FY2016	542,989	26,092	-	-	**569,081**	-	-	**569,081**
Denis Lucey[4]	FY2016	595,205	8,017	-	-	**603,222**	-	-	**603,222**
Chris Parker[4]	FY2016	337,182	14,892	-	-	**352,074**	-	-	**352,074**
	FY2015	576,771	17,231	-	369,039	**963,041**	-	33,968	**627,970**
FORMER GROUP EXECUTIVES									
Simon Holt[6]	FY2016	264,164	616,176	138,898	219,996	**1,239,234**	26,130	-	**906,470**
	FY2015	546,021	27,900	-	220,002	**793,923**	-	29,585	**603,506**
David Steele[7]	FY2016	659,742	17,996	269,999	674,999	**1,622,736**	-	-	**677,738**
	FY2015	978,833	33,702	-	675,005	**1,687,540**	-	-	**1,012,535**
Randy Karren[8]	FY2015	467,428	11,716	-	238,858	**718,002**	-	63,282	**542,426**
Ian Wilkinson[8]	FY2015	373,877	18,879	-	443,925	**836,681**	-	56,932	**449,688**
Total remuneration	**FY2016**	**7,318,324**	**785,468**	**2,536,412**	**2,555,538**	**13,195,742**	**26,130**	**163,187**	**8,293,109**
	FY2015	**4,857,687**	**160,860**	**-**	**4,374,371**	**9,392,918**	**-**	**183,767**	**5,202,314**

1 This is the total of superannuation received and long service leave benefits accrued during the reporting period.
2 Remuneration awarded during the reporting period but deferred for future periods includes equity awards granted under the Combined Incentive Plan and LTI Plan which may vest and become available to Executives in future periods. A grant value based on Fixed Pay (as defined on page 35) multiplied by the incentive plan payout percentage approved by the Board has been included; this is not indicative of the benefit (if any) that individual Executives may ultimately realize should the equity instruments vest.
3 Remuneration received in reporting period from previous periods includes equity awards granted under the incentive plans in previous years which vested during reporting period. The Equity Incentive and LTI value reflects the actual value realized by the Executive.
4 Remuneration is disclosed to the extent that it relates to Mr Ashton's, Mr Lucey's and Mr Parker's employment in the capacity of an Executive, which commenced on 1 January 2016.
5 Remuneration is disclosed to the extent that it relates to Mr Honan's employment in the capacity of an Executive, which commenced on 1 December 2015.
6 Remuneration is disclosed to the extent that it relates to Mr Holt's employment in the capacity of an Executive, which ceased on 1 December 2015. The amount provided under 'Other Benefits' includes termination benefits amount shown on page 44. The Board exercised its discretion to allow him to retain a pro-rata portion of unvested equity subject to the original time and performance hurdles.
7 Mr Steele ceased to be an Executive on 1 January 2016 and retired from the Company effective 30 June 2016. The Board exercised its discretion to allow him to retain a pro-rata portion of unvested equity subject to the original time and performance hurdles with the exception of the FY2016 SPPR allocation which will be measured at the original vest date against the share price at the end of the 2016 performance period.
8 Remuneration is disclosed to the extent that it relates to Mr Karren's and Mr Wilkinson's employment in the capacity of an Executive, which ceased on 31 March 2015 and 6 February 2015 respectively. Share based payments are disclosed to the extent they relate to their employment in the capacity of an Executive.

EXECUTIVE MINIMUM SHAREHOLDING REQUIREMENT

Compliance with the requirement is assessed as at 30 June each year. The table below provides a summary of the position of each Executive against the requirement as at 30 June 2016:

	WEIGHTED NUMBER OF SHARES HELD AT 30 JUNE 2016[1]	VALUE OF SHARES HELD AT 30 JUNE 2016[2] $	ANNUAL FIXED PAY AT 30 JUNE 2016[3] $	PERCENTAGE OF MINIMUM REQUIREMENT ACHIEVED
EXECUTIVE DIRECTOR				
Andrew Wood[4]	1,090,303	7,697,539	1,600,000	>100%
GROUP EXECUTIVES				
Filippo Abba	88,121	789,406	626,578	63%
Robert (Chris) Ashton	23,554	193,485	582,135	17%
Dennis Finn	71,776	521,093	1,160,924	22%
Thomas Honan	10,000	70,600	950,000	4%
Denis Lucey	106,741	778,210	698,517	56%
Christopher Parker	18,747	237,150	636,312	19%

1 Includes shares held in the Company plus a 50% weighting of unvested performance rights provided on page 47.
2 Calculated as the weighted number of shares held at 30 June 2016 multiplied by the volume weighted average price of the Company's shares for the five trading days up to and including 30 June 2016 ($7.06) or the price at which performance rights were allocated.
3 The Australian dollar equivalent of annual Fixed Pay as at 30 June 2016.
4 Effective 1 July 2015, Mr Wood elected to reduce his Fixed Pay by 10%. The minimum shareholding requirement will be held against the higher Fixed Pay amount.

EXECUTIVE INTERESTS IN SHARES AND PERFORMANCE RIGHTS

Executives' beneficial interests in shares and performance rights granted as at 30 June 2016 are detailed in the table below. The service and performance criteria for the rights are discussed in the Combined Incentive Plan and LTI Plan sections on pages 38 and 39.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

	TYPE	BALANCE AT 1 JULY 2015	GRANTED PERFORMANCE RIGHTS	ON EXERCISE OF PERFORMANCE RIGHTS	CHANGE IN STATUS	OTHER TRANSACTIONS[1]	BALANCE AT 30 JUNE 2016
EXECUTIVE DIRECTOR							
Andrew Wood	Shares	856,565	n/a	-	-	-	856,565
	Rights	211,226	270,472	-	-	(14,222)	467,476
GROUP EXECUTIVES							
Filippo Abba	Shares	-	n/a	26,641	-	(14,104)	12,537
	Rights	91,256	86,553	(26,641)	-	-	151,168
Robert (Chris) Ashton[2]	Shares	-	n/a	-	10,255	-	10,255
	Rights	-	-	-	26,598	-	26,598
Dennis Finn	Shares	-	n/a	-	-	-	-
	Rights	-	143,552	-	-	-	143,552
Thomas Honan[3]	Shares	-	n/a	-	-	10,000	10,000
	Rights	-	-	-	-	-	-
Denis Lucey[2]	Shares	-	n/a	-	104,088	-	104,088
	Rights	-	-	-	5,306	-	5,306
Christopher Parker[4]	Shares	-	n/a	-	7,455	-	7,455
	Rights	-	-	-	22,585	-	22,585
FORMER GROUP EXECUTIVES							
Simon Holt[5]	Shares	8,329	n/a	4,337	(12,666)	-	-
	Rights	26,065	49,435	(4,337)	(21,457)	(49,706)	-
David Steele[5]	Shares	126,079	n/a	-	(126,079)	-	-
	Rights	110,566	130,165	-	(214,769)	(25,962)	-
Total	**Shares**	**990,973**	**n/a**	**30,978**	**(16,947)**	**(4,104)**	**1,000,900**
	Rights	**439,113**	**680,177**	**(30,978)**	**(181,737)**	**(89,890)**	**816,685**

1 Where the Company incurs overseas withholding tax obligations due to the vesting of the Executives' performance rights, a sufficient number of the shares that the Executive otherwise would have retained following vesting of their performance rights will be relinquished in order to enable the Company to meet its withholding tax obligations.
2 Mr Ashton and Mr Lucey commenced in the role as an Executive effective 1 January 2016.
3 Mr Honan commenced in the role as an Executive effective 1 December 2015.
4 Mr Parker was KMP for FY2015, ceased to be KMP on 30 June 2015 and was reinstated on 1 January 2016.
5 Mr Holt and Mr Steele ceased to be an Executive effective 1 December 2015 and 1 January 2016 respectively.

Details of vested and outstanding rights over the last five years - full details of prior year equity grants are set out in the remuneration report for the relevant year.

	PLAN	DATE OF GRANT	NUMBER OF RIGHTS GRANTED[1]	FAIR VALUE PER RIGHT OF (AT GRANT DATE)[2] $	FAIR VALUE OF GRANT (AT GRANT DATE)[3] $	VESTING DATE/ FIRST EXERCISE DATE	EXPIRY DATE	NUMBER OF RIGHTS VESTED	VALUE OF RIGHTS VESTED[4] $	NUMBER OF RIGHTS EXERCISED	VALUE OF RIGHTS EXERCISED[4] $	NUMBER OF RIGHTS LAPSED[5]	VALUE OF RIGHTS LAPSED[6] $	% OF RIGHTS LAPSED
EXECUTIVE DIRECTOR														
Andrew Wood	LTI	30 Oct 15	170,297	3.69	628,396	30 Sep 19	28 Oct 22	-	-	-	-	-	-	-
		30 Oct 14	83,232	8.62	717,460	30 Sep 18	30 Oct 21	-	-	-	-	-	-	-
		24 Oct 13	60,688	13.59	824,750	30 Sep 17	24 Oct 20	-	-	-	-	-	-	-
		23 Oct 12	53,084	15.76	836,604	30 Sep 16	18 Oct 19	-	-	-	-	-	-	-
		17 Oct 11	14,222	17.69	251,587	30 Sep 15	17 Oct 18	-	-	-	-	14,222	251,587	100.0%
	SPPR	30 Oct 15	100,175	4.42	442,774	31 Oct 17	28 Oct 22	-	-	-	-	-	-	-
	Deferred Equity STI	01 Oct 12	2,947	27.70	81,632	30 Jun 13	30 Jun 19	2,947	57,741	2,947	57,741	-	-	-
		01 Oct 12	2,947	27.70	81,632	30 Jun 14	30 Jun 19	2,947	50,606	2,947	50,606	-	-	-
GROUP EXECUTIVES														
Filippo Abba[7]	LTI	30 Oct 15	58,428	3.69	215,599	30 Sep 19	28 Oct 22	-	-	-	-	-	-	-
		01 Apr 15	11,333	5.37	60,858	30 Sep 18	01 Apr 22	-	-	-	-	-	-	-
		01 Apr 15	26,641	7.82	208,333	30 Sep 17	01 Apr 22	-	-	-	-	-	-	-
		01 Apr 15	26,641	8.40	223,784	30 Sep 16	01 Apr 22	-	-	-	-	-	-	-
		01 Apr 15	26,641	9.02	240,302	30 Sep 15	01 Apr 22	26,641	198,742	26,641	198,742	-	-	-
	SPPR	30 Oct 15	28,125	4.42	124,313	30 Sep 17	28 Oct 22	-	-	-	-	-	-	-
Robert (Chris) Ashton[8]	Combined Incentive	30 Oct 15	21,194	5.15	109,149	30 Sep 18	28 Oct 22	-	-	-	-	-	-	-
		30 Oct 14	5,404	11.42	61,714	30 Sep 17	30 Oct 21	-	-	-	-	-	-	-
	Equity	08 Feb 13	4,720	17.25	81,420	30 Sep 15	18 Oct 19	4,720	35,211	4,720	35,211	-	-	-
		17 Oct 11	3,736	19.14	71,507	30 Sep 14	17 Oct 18	3,736	61,046	3,736	61,046	-	-	-
	Deferred Equity STI	01 Oct 12	1,442	27.70	39,943	30 Jun 13	30 Jun 19	1,442	28,254	1,442	28,254	-	-	-
		01 Oct 12	1,442	27.70	39,943	30 Jun 14	30 Jun 19	1,442	24,762	1,442	24,762	-	-	-
Dennis Finn[8]	Combined Incentive	30 Oct 15	62,492	5.15	321,834	30 Sep 18	28 Oct 22	-	-	-	-	-	-	-
	SPPR	30 Oct 15	81,060	4.42	358,285	30 Sep 17	28 Oct 22	-	-	-	-	-	-	-
Denis Lucey[8]	Combined Incentive	08 Feb 13	4,901	17.25	84,542	30 Sep 15	18 Oct 19	4,901	36,561	4,901	36,561	-	-	-
	Equity	17 Oct 11	5,244	19.14	100,370	30 Sep 14	17 Oct 18	5,244	85,687	5,244	85,687	-	-	-
	Deferred Equity STI	01 Oct 12	1,485	27.70	41,135	30 Jun 13	30 Jun 19	1,485	29,096	1,485	29,096	-	-	-
		01 Oct 12	1,484	27.70	41,107	30 Jun 14	30 Jun 19	1,484	25,483	1,484	25,483	-	-	-
Christopher Parker[8]	LTI	30 Oct 14	18,522	8.62	159,660	30 Sep 18	30 Oct 21	-	-	-	-	-	-	-
	Combined Incentive	30 Oct 14	4,063	11.42	46,399	30 Sep 17	30 Oct 21	-	-	-	-	-	-	-
	Equity	08 Feb 13	4,310	17.25	74,348	30 Sep 15	18 Oct 19	4,310	30,810	4,310	30,810	-	-	-
		17 Oct 11	3,263	19.14	62,454	30 Sep 14	17 Oct 18	3,263	53,317	3,263	53,317	-	-	-
FORMER GROUP EXECUTIVES														
Simon Holt[9]	LTI	30 Oct 15	30,303	3.69	111,818	30 Sep 19	28 Oct 22	-	-	-	-	25,615	86,784	84.5%
		30 Oct 14	13,464	8.62	116,060	30 Sep 18	30 Oct 21	-	-	-	-	8,018	27,165	59.6%
		24 Oct 13	8,264	13.59	112,308	30 Sep 17	24 Oct 20	-	-	-	-	2,856	9,676	34.6%
		08 Feb 13	4,337	17.25	74,813	30 Sep 15	18 Oct 19	4,337	32,354	4,337	32,354	-	-	-
		17 Oct 11	2,842	19.14	54,396	30 Sep 14	17 Oct 18	2,842	46,438	2,842	46,438	-	-	-
	SPPR	30 Oct 15	19,132	4.42	84,563	30 Sep 17	28 Oct 22	-	-	-	-	13,217	44,780	69.1%
	Deferred Equity STI	01 Oct 12	1,436	27.70	39,777	30 Jun 13	30 Jun 19	1,436	28,136	1,436	28,136	-	-	-
		01 Oct 12	1,435	27.70	39,750	30 Jun 14	30 Jun 19	1,435	24,642	1,435	24,642	-	-	-
David Steele[9]	LTI	30 Oct 15	92,975	3.69	343,078	30 Sep 19	28 Oct 22	-	-	-	-	69,683	504,120	74.9%
		30 Oct 14	41,310	8.62	356,092	30 Sep 18	30 Oct 21	-	-	-	-	20,640	149,320	50.0%
		24 Oct 13	30,120	13.59	409,331	30 Sep 17	24 Oct 20	-	-	-	-	30,120	217,902	100.0%
		08 Feb 13	13,174	15.39	202,748	30 Sep 16	18 Oct 19	-	-	-	-	13,174	95,307	100.0%
		08 Feb 13	13,173	15.13	199,307	30 Sep 15	18 Oct 19	-	-	-	-	13,173	95,300	100.0%
		17 Oct 11	12,789	17.69	226,237	30 Sep 15	17 Oct 18	-	-	-	-	12,789	92,522	100.0%
	SPPR	30 Oct 15	37,190	4.42	164,380	30 Sep 17	28 Oct 22	-	-	-	-	18,570	134,344	49.9%
	Deferred Equity STI	01 Oct 12	2,615	27.70	72,436	30 Jun 13	30 Jun 19	2,615	51,236	2,615	51,236	-	-	-
		01 Oct 12	2,615	27.70	72,436	30 Jun 14	30 Jun 19	2,615	44,905	2,615	44,905	-	-	-
Randy Karren[11]	LTI	30 Oct 14	14,618	8.62	126,007	30 Sep 18	30 Oct 21	-	-	-	-	11,876	115,135	81.2%
		24 Oct 13	11,102	13.59	150,876	30 Sep 17	24 Oct 20	-	-	-	-	6,246	60,554	56.3%
		08 Feb 13	4,566	15.39	70,271	30 Sep 16	18 Oct 19	-	-	-	-	1,428	13,844	31.3%
		08 Feb 13	4,565	15.13	69,068	30 Sep 15	18 Oct 19	-	-	-	-	3,684	55,739	100.0%
	Equity	17 Oct 11	6,079	19.14	116,352	30 Sep 14	17 Oct 18	6,079	99,331	6,079	99,331	-	-	-
	Deferred Equity STI	01 Oct 12	2,261	27.70	62,630	30 Jun 13	30 Jun 19	2,261	44,300	2,261	44,300	-	-	-
		01 Oct 12	2,261	27.70	62,630	30 Jun 14	30 Jun 19	2,261	38,826	2,261	38,826	-	-	-

	PLAN	DATE OF GRANT	NUMBER OF RIGHTS GRANTED[1]	FAIR VALUE PER RIGHT OF (AT GRANT DATE)[2] $	FAIR VALUE OF GRANT (AT GRANT DATE)[3] $	VESTING DATE/ FIRST EXERCISE DATE	EXPIRY DATE	NUMBER OF RIGHTS VESTED	VALUE OF RIGHTS VESTED[4] $	NUMBER OF RIGHTS EXERCISED	VALUE OF RIGHTS EXERCISED[4] $	NUMBER OF RIGHTS LAPSED[5]	VALUE OF RIGHTS LAPSED[6] $	% OF RIGHTS LAPSED
Randy Karren	Employee Share	15 May 14	9	16.57	149	15 May 17	15 May 17	-	-	-	-	9	87	100.0%
	Purchase Plan[10]	15 May 13	40	24.05	962	15 May 16	15 May 16	-	-	-	-	40	388	100.0%
Ian Wilkinson[8]	LTI	30 Oct 14	22,032	8.62	189,916	30 Sep 18	30 Oct 21	-	-	-	-	-	-	-
		30 Oct 14	5,136	11.42	58,653	30 Sep 17	30 Oct 21	-	-	-	-	-	-	-
	Equity	08 Feb 13	5,746	17.25	99,119	30 Sep 15	18 Oct 19	5,746	42,865	5,746	42,865	-	-	-
		17 Oct 11	5,469	19.14	104,677	30 Sep 14	17 Oct 18	5,469	89,363	5,469	89,363	-	-	-
	Deferred Equity STI	01 Oct 12	1,686	27.70	46,702	30 Jun 14	30 Jun 19	1,686	28,952	1,686	28,952	-	-	-
NON-EXECUTIVE DIRECTOR - EARNED WHILE AN EXECUTIVE														
John Grill[11]	LTI	17 Oct 11	17,811	17.69	315,077	30 Sep 15	17 Oct 18	-	-	-	-	17,811	315,077	100.0%
	Deferred Equity STI	01 Oct 12	12,178	27.70	337,331	30 Jun 13	30 Jun 19	12,178	238,605	12,178	238,605	-	-	-
		01 Oct 12	12,178	27.70	337,331	30 Jun 14	30 Jun 19	12,178	209,121	12,178	209,121	-	-	-

1 The service and performance criteria for the rights are discussed in the LTI Plan section on page 39. Each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option). Where rights were granted prior to commencement as Executives, the service and performance criteria are aligned with those discussed in the Combined Incentive Plan section in the 2015 Remuneration Report.

2 Fair value per right at grant date is independently determined using an appropriate option pricing model in accordance with AASB 2 *Share-based Payment* that takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. This amount represents the actual cost to the Company. We have used a Monte Carlo simulation model to value the relative TSR rights and SPPRs and a Black-Scholes model to value the EPS rights, other cash settled rights and other equity settled rights.

3 Total fair value at grant is calculated by multiplying the fair value per right by the number of rights granted. This does not represent the actual value the Executive will derive from the grant, which will depend on the achievement of performance hurdles measured over the vesting period. The maximum value of the rights granted has been estimated based on the fair value per right. The minimum total value of the rights granted, if the applicable performance hurdles are not met, is nil.

4 This amount is based on the volume weighted average price of the Company's shares for the five or 10 trading days following the annual results announcement for the year in which the rights vest (as there is no exercise price payable in respect of equity or cash settled rights) or following the end of the relevant financial year, as applicable.

5 The number of rights lapsed represents rights lapsed due to performance hurdles not being met and/or rights lapsed on cessation of employment.

6 Based on the measurement of the relevant performance hurdles, this total value may be an accumulation of values for rights lapsed over multiple periods.

7 The performance rights granted to Mr Abba in April 2015, as disclosed in the 2015 Remuneration Report, were structured with specific targets related to his personal performance and the ongoing performance of the *Improve* business line.

8 The value of the rights issues to Mr Ashton, Mr Finn, Mr Lucey, Mr Parker and Mr Wilkinson are disclosed on page 44 to the extent that they were granted during their term as an Executive. Mr Ashton, Mr Finn, Mr Parker and Mr Wilkinson were granted rights in the Combined Incentive Plan prior to them becoming KMP.

9 Mr Holt's and Mr Steele's employment in the capacity of an Executive ceased on 1 December 2015 and 1 January 2016 respectively. Rights lapsed have been valued based on the volume weighted average price of the Company's shares for the 10 trading days up to and including their cessation dates.

10 The fair value at grant for matching bonus entitlements under the Employee Share Purchase Plan is calculated as the weighted average market price over the plan year.

11 Mr Grill and Mr Karren received rights as part of their employment with the Company prior to their retirement effective 23 October 2012 and 31 March 2015 respectively. Board approval was received for retention of a pro-rated number of rights under the original terms of the grant including performance measures and vesting dates. This is consistent with the Company's practice in relation to unvested LTI held by retiring employees. Full details are disclosed on page 36. Rights lapsed on Mr Grill's and Mr Karren's retirement have been valued based on the volume weighted average price of the Company's shares for the five or 10 trading days up to and including their retirement dates.

All vested rights are exercisable. There are no vested and unexercisable rights.

NON-EXECUTIVE DIRECTOR - REMUNERATION OUTCOMES

Remuneration of the NEDs for FY2016 and FY2015 is set out below:

	SHORT TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE BASED PAYMENT	
	FEES $	TRAVEL ALLOWANCES $	SUPERANNUATION[1] $	EQUITY INCENTIVE STI/CASH SETTLED $	TOTAL $
John Grill					
FY2016	378,439	-	16,614	-	395,053
FY2015	441,217	5,000	18,783	-	465,000
Ron McNeilly					
FY2016	292,693	15,000	19,307	-	327,000
FY2015	293,217	-	18,783	-	312,000
Larry Benke					
FY2016	232,000	30,000	-	-	262,000
FY2015	232,000	30,000	-	-	262,000
Jagjeet Bindra					
FY2016	225,500	25,000	-	-	250,500
Erich Fraunschiel					
FY2016	221,808	20,000	19,192	-	261,000
FY2015	222,342	5,000	18,658	-	246,000
John M Green					
FY2016	203,511	20,000	18,689	-	242,200
FY2015	212,282	-	18,718	-	231,000
Christopher Haynes					
FY2016	224,000	25,000	-	-	249,000
FY2015	224,000	30,000	-	-	254,000
Catherine Livingstone					
FY2016	201,390	20,000	18,610	-	240,000
FY2015	201,726	-	18,274	-	220,000
Wang Xiao Bin					
FY2016	201,390	25,000	18,610	-	245,000
FY2015	201,726	20,000	18,274	-	240,000
Total remuneration					
FY2016	**2,180,731**	**180,000**	**111,022**	**-**	**2,471,753**
FY2015	**2,028,510**	**90,000**	**111,490**	**-**	**2,230,000**

1 Superannuation contributions are made on behalf of the NEDs in accordance with the Company's statutory superannuation obligations. In some cases, the amounts in this table are lower than the annualized superannuation guarantee cap (Cap). The legislation requires the Cap to apply quarterly. The lower amount results from those quarters in which only one payment was made and it is lower than the quarterly Cap.

NON-EXECUTIVE DIRECTOR INTERESTS IN SHARES AND PERFORMANCE RIGHTS

NED beneficial interests in shares and performance rights of the Company as at 30 June 2016 are detailed in the below table. The service and performance criteria for the rights are discussed in the LTI Plan section on page 39.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

	TYPE	BALANCE AT 1 JULY 2015	CHANGE IN STATUS	OTHER TRANSACTIONS	BALANCE AT 30 JUNE 2016
John Grill, AO[1]	Shares	25,372,173	-	-	25,372,173
	Rights	17,811	-	(17,811)	-
Ron McNeilly	Shares	442,564	-	-	442,564
Larry Benke[2]	Shares	1,133,383	-	-	1,133,383
Jagjeet Bindra	Shares	-	19,000	16,650	35,650
Erich Fraunschiel	Shares	198,755	-	-	198,755
John M Green	Shares	891,869	-	-	891,869
Christopher Haynes, OBE	Shares	11,945	-	-	11,945
Catherine Livingstone, AO	Shares	13,000	-	-	13,000
Wang Xiao Bin	Shares	11,000	-	-	11,000

1 Mr Grill received rights as part of his employment with the Company prior to his retirement effective 23 October 2012. In 2011, shareholders approved that Mr Grill's performance rights should be cash settled.

2 Mr Benke received exchangeable shares as part of the Colt Group consideration upon acquisition in 2007.

6. GLOSSARY OF TERMS

TERMS USED IN THE REMUNERATION REPORT

Clawback (Malus) – provides the Board with discretion on the treatment of equity awards where an employee has acted fraudulently or dishonestly, is in breach of that employee's obligations to the Company, or has received awards based on financial accounts which are later restated.

Combined Incentive Plan – a variable component of total remuneration. Two thirds of the incentive value is paid as cash subject to the achievement of annually set KPIs and one third is an annual allocation of performance rights deferred as an equity award subject to a two year service, performance and share price hurdle.

Earnings Per Share (EPS) – determined by dividing the Group NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year.

Executive – as detailed on page 34, Executives include both Executive Directors and Group Executives and have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Group Net Profit After Tax (NPAT) – is the net profit earned by the Group after deducting all expenses including interest, depreciation and tax. From time to time, in determining outcomes under the incentive plans, the Board may use its discretion to apply the underlying NPAT which in the Board's opinion reflects the Company's operating results.

Key Management Personnel (KMP) – those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. KMP comprise Executives and Non-Executive Directors and are detailed on pages 34 and 43.

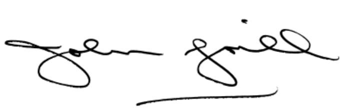
Key Performance Indicators (KPIs) – performance targets agreed at the start of each financial year under the Combined Incentive Plan. KPIs include both financial and non-financial metrics, examples of which are detailed on page 38.

Long Term Incentive (LTI) Plan – a variable component of total remuneration. Performance rights are granted to Executives under the LTI Plan and will vest and become available for exercise after four years, subject to Company achievement against prescribed long term performance requirements.

Non-Executive Director (NED) – as detailed on page 43, directors of the entity have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Total Shareholder Return (TSR) – provides a measure of the change in the value of the Company's share price over a period, including reinvested dividends, expressed as a percentage of the opening value of the shares.

This Directors' Report (including Remuneration Report) is made in accordance with a resolution of the directors.



JOHN GRILL AO
Chairman
Sydney, 24 August 2016