

DIRECTORS' REPORT CONTINUED

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 – <i>Improve</i> 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.

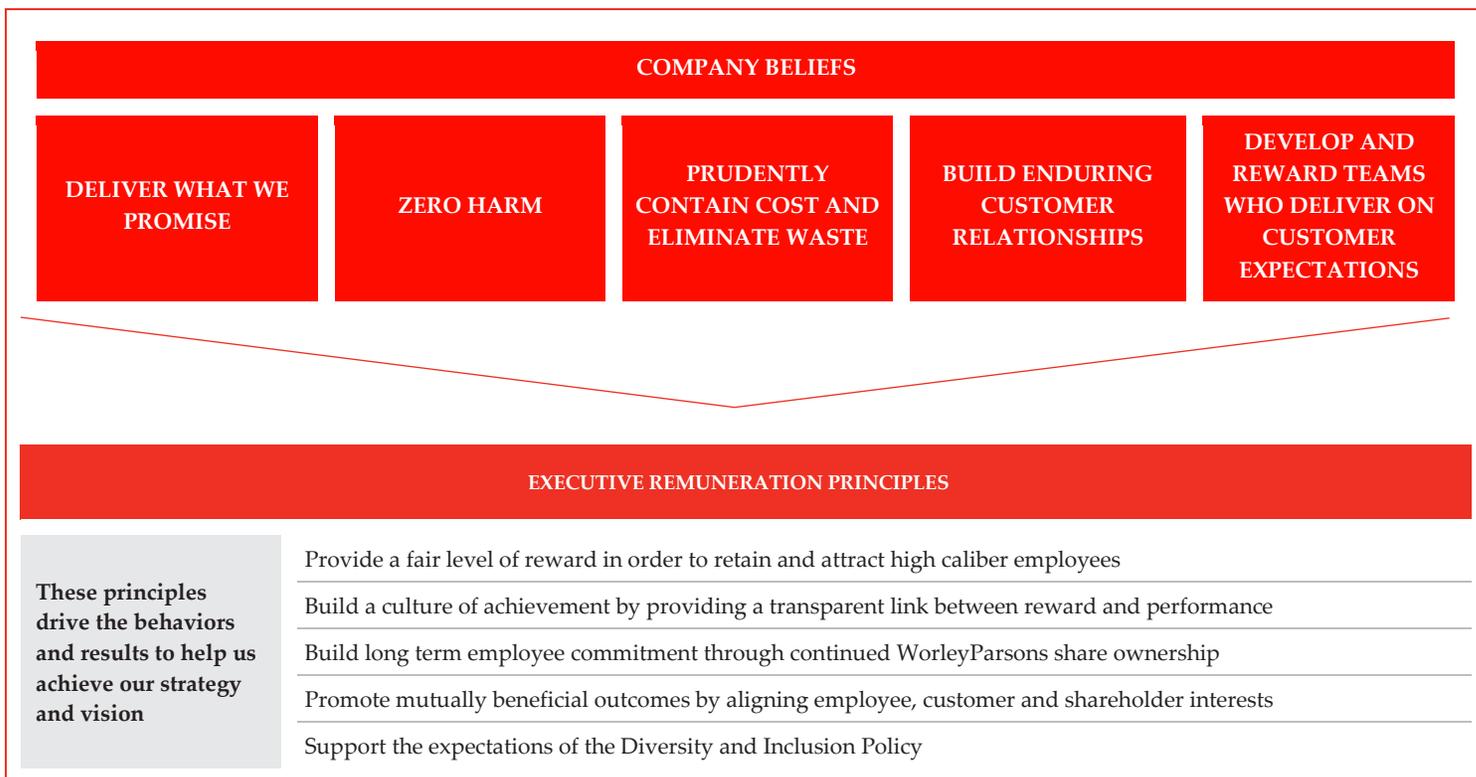
² Mr Holt ceased to be KMP on 1 December 2015 and ceased employment on 11 February 2016.

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

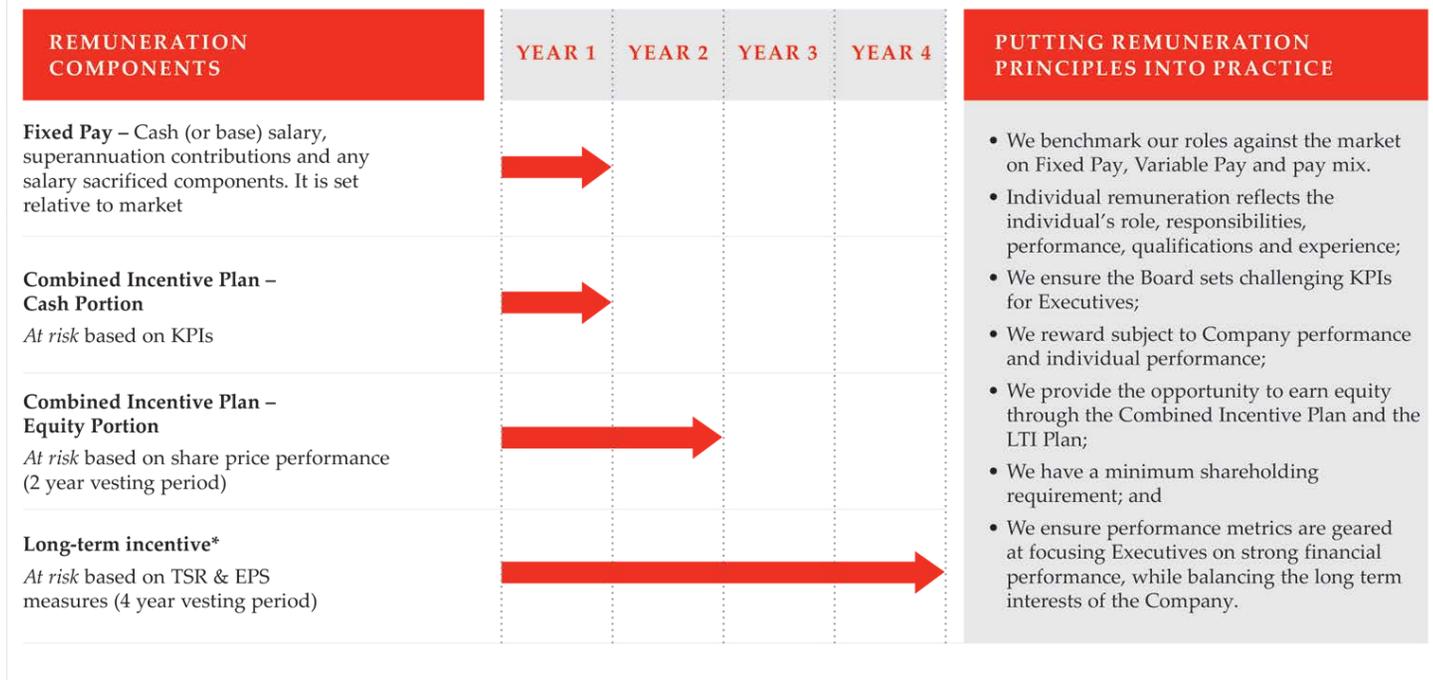
GUIDING REMUNERATION PRINCIPLES

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:



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.

DIRECTORS' REPORT CONTINUED

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.