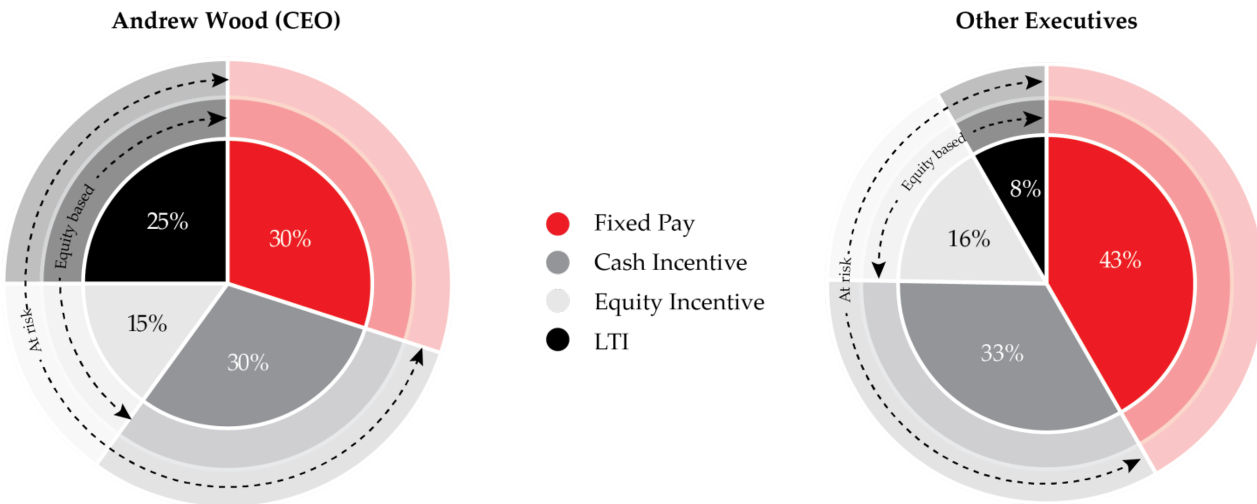
3. EXECUTIVE REMUNERATION IN DETAIL

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

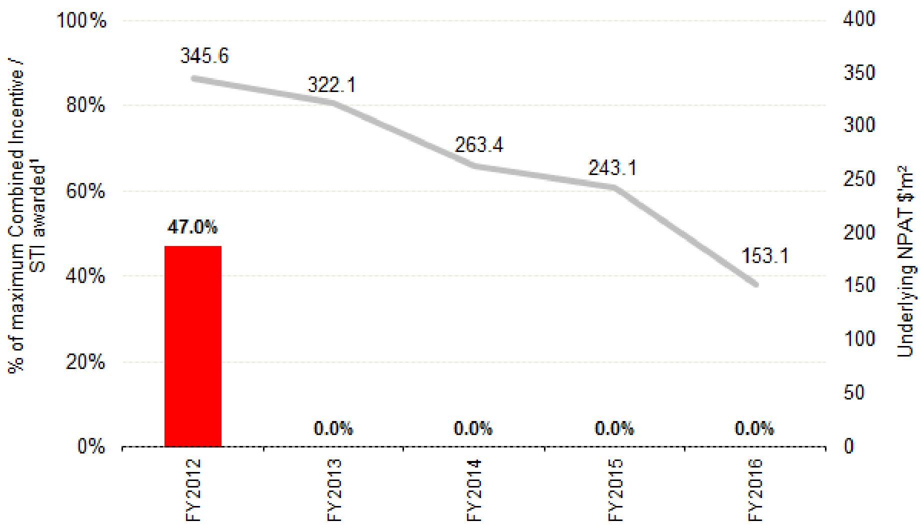
As outlined in the description of the Combined Incentive Plan on pages 37-38, reward outcomes for Executives are linked to performance against annual financial and non-financial KPIs for the cash component.

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



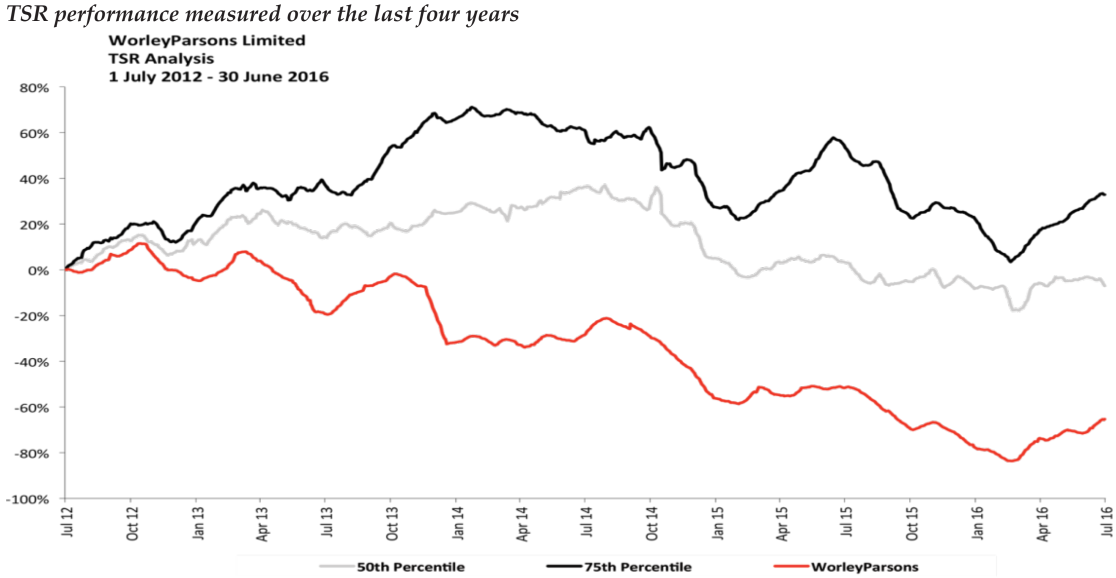
1 The average Combined Incentive as a percentage of maximum for any financial year relates to amounts paid in the September following that financial year end.
2 Underlying NPAT figures are used for this graph, in 2013 these are the same as reported Group NPAT figures.

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.

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.