

# Directors' Report

## THE DIRECTORS PRESENT THEIR REPORT ON THE CONSOLIDATED ENTITY CONSISTING OF WORLEYPARSONS LIMITED (COMPANY) AND THE ENTITIES IT CONTROLLED (GROUP OR CONSOLIDATED ENTITY) AT THE END OF, OR DURING, THE YEAR ENDED 30 JUNE 2018.

### PRINCIPAL ACTIVITIES

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

- Hydrocarbons - the extraction and processing of oil and gas;
- Minerals, Metals & Chemicals - the extraction and processing of mineral resources and the manufacture of chemicals; and
- Infrastructure - projects related to water, the environment, transport, ports and site remediation and decommissioning; and all forms of power generation, transmission and distribution.

### DIRECTORS

The following persons were directors of the Company during the financial year and, unless otherwise noted, all were directors for the full financial year and until the date of this report:

- John Grill (Chairman)
- Erich Fraunschiel (Lead Independent Director from 28 October 2017)
- Ron McNeilly (Deputy Chairman and Lead Independent Director until retirement on 27 October 2017)
- Jagjeet Bindra (resigned on 15 December 2017)
- Tom Gorman (appointed on 18 December 2017)
- Christopher Haynes
- Catherine Livingstone
- Anne Templeman-Jones (appointed on 1 November 2017)
- Wang Xiao Bin
- Andrew Wood (Chief Executive Officer)

### DIRECTORS' MEETINGS

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

| DIRECTORS             | BOARD                          |                 | AUDIT AND RISK COMMITTEE     |                 | NOMINATIONS COMMITTEE        |                 | REMUNERATION COMMITTEE       |                 | HEALTH, SAFETY AND ENVIRONMENT COMMITTEE |                 |
|-----------------------|--------------------------------|-----------------|------------------------------|-----------------|------------------------------|-----------------|------------------------------|-----------------|--|-----------------|
|                       | MEETINGS HELD WHILE A DIRECTOR | NUMBER ATTENDED | MEETINGS HELD WHILE A MEMBER | NUMBER ATTENDED | MEETINGS HELD WHILE A MEMBER | NUMBER ATTENDED | MEETINGS HELD WHILE A MEMBER | NUMBER ATTENDED | MEETINGS HELD WHILE A MEMBER             | NUMBER ATTENDED |
|                       | John Grill                     | 10              | 10                           |                 |                              | 6               | 6                            | 6               | 6  | 6               |
| Erich Fraunschiel     | 10                             | 10              | 6                            | 6               | 6                            | 6               |                              |                 |  |                 |
| Ron McNeilly*         | 5                              | 5               | 2                            | 2               | 2                            | 2               |                              |                 | 2  | 2               |
| Jagjeet Bindra**      | 5                              | 5               |                              |                 | 2                            | 2               | 2                            | 2               | 2  | 2               |
| Tom Gorman            | 5                              | 5               |                              |                 | 3                            | 3               | 4                            | 4               | 4  | 4               |
| Christopher Haynes    | 10                             | 10              |                              |                 | 6                            | 6               | 6                            | 6               | 6  | 6               |
| Catherine Livingstone | 10                             | 9               | 6                            | 6               | 6                            | 6               |                              |                 |  |                 |
| Anne Templeman-Jones  | 5                              | 5               | 4                            | 4               | 4                            | 4               |                              |                 |  |                 |
| Wang Xiao Bin         | 10                             | 10              | 6                            | 6               | 6                            | 6               |                              |                 |  |                 |
| Andrew Wood           | 10                             | 10              |                              |                 |                              |                 |                              |                 |  |                 |

\* Ron McNeilly retired on 27 October 2017.

\*\* Jagjeet Bindra resigned on 15 December 2017.

In addition to those meetings, special purpose Board Committee meetings and briefings were held during the financial year. The Board also attended regular Board briefings during the financial year.

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

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

### DIRECTORS' SHARES AND PERFORMANCE RIGHTS

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

| DIRECTORS             | NUMBER OF SHARES | NUMBER OF PERFORMANCE RIGHTS |
|-----------------------|------------------|------------------------------|
| John Grill            | 27,909,392       | –                            |
| Erich Fraunschiel     | 218,631          | –                            |
| Tom Gorman            | 13,500           | –                            |
| Christopher Haynes    | 13,139           | –                            |
| Catherine Livingstone | 14,302           | –                            |
| Anne Templeman-Jones  | 2,250            | –                            |
| Wang Xiao Bin         | 11,000           | –                            |
| Andrew Wood           | 1,091,043        | 642,305                      |

Further details in relation to the rights issued by the Company are set out in the Remuneration Report and notes 15 and 16 to the financial statements.

## DIVIDENDS – WORLEYPARSONS LIMITED

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

|  | 2018<br>\$'M | 2017<br>\$'M |
|--|--------------|--------------|
| Final dividend for the full year 2018 of 15.0 cents per ordinary share to be paid on 24 September 2018 (unfranked) | 41.1         | –            |
| Interim ordinary dividend for half year 2018 of 10.0 cents per ordinary share paid on 26 March 2018 (unfranked)    | 27.3         | –            |
| Total dividends paid / to be paid  | 68.4         | –            |

Since the end of the financial year, the directors have resolved to pay a final dividend of 15.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2017: 0 cents per share). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of \$41.1 million is not recognized as a liability as at 30 June 2018.

## REVIEW OF OPERATIONS

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

|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2018<br>\$'M | 2017<br>\$'M |
| Revenue and other income   | 4,835.8      | 5,220.6      |
| Depreciation   | (18.1)       | (18.0)       |
| Amortization   | (49.9)       | (62.8)       |
| Write down of investment in equity accounted associates  | –            | (1.3)        |
| Earnings before interest and tax (EBIT)  | 263.8        | 129.6        |
| Net interest expense   | (58.4)       | (68.8)       |
| Profit before income tax expense   | 205.4        | 60.8         |
| Income tax expense   | (129.7)      | (4.6)        |
| Statutory profit after income tax expense  | 75.7         | 56.2         |
| Non-controlling interests  | 13.5         | 22.7         |
| <b>Statutory profit after income tax expense attributable to members of WorleyParsons Limited</b>              | <b>62.2</b>  | <b>33.5</b>  |
| Staff restructuring costs  | –            | 59.2         |
| Onerous lease costs  | 12.2         | 24.2         |
| Other restructuring costs  | 14.2         | 38.9         |
| Acquisition costs  | 5.9          | –            |
| Impairment of associate intangibles  | 2.7          | 2.3          |
| Onerous engineering software licenses  | –            | 3.2          |
| Net loss on the sale of assets held for sale   | –            | 0.4          |
| Net tax expense on restructuring costs   | (7.5)        | (38.5)       |
| Tax from changes in US tax legislation   | 81.7         | –            |
| <b>Underlying profit after income tax expense attributable to members of WorleyParsons Limited<sup>1</sup></b> | <b>171.4</b> | <b>123.2</b> |

<sup>1</sup> The directors consider that underlying profit information, which excludes significant non-recurring items, is important in order to understand the sustainable performance of the Company.

|  | CONSOLIDATED   |                |
|--|----------------|----------------|
|  | 2018<br>\$'M   | 2017<br>\$'M   |
| Revenue and other income   | 4,835.8        | 5,220.6        |
| Less: Procurement revenue at nil margin (including share of revenue from associates) | (94.4)         | (826.2)        |
| Less: Pass-through revenue at nil margin   | (157.3)        | (229.0)        |
| Add: Share of revenue from associates  | 170.6          | 218.7          |
| Less: Interest income  | (5.5)          | (7.1)          |
| <b>Aggregated revenue<sup>2</sup></b>  | <b>4,749.2</b> | <b>4,377.0</b> |

|  | AGGREGATED REVENUE |              | EBIT         |              | EBIT MARGIN |            |
|--|--------------------|--------------|--------------|--------------|-------------|------------|
|  | 2018<br>\$'M       | 2017<br>\$'M | 2018<br>\$'M | 2017<br>\$'M | 2018<br>%   | 2017<br>%  |
| Services                                   | 2,391.3            | 2,681.1      | 236.2        | 242.8        | 9.9         | 9.1        |
| Major Projects and Integrated Solutions    | 1,837.9            | 1,213.4      | 172.2        | 119.5        | 9.4         | 9.8        |
| Advisian                                   | 520.0              | 482.5        | 17.7         | 12.5         | 3.4         | 2.6        |
|  | 4,749.2            | 4,377.0      | 426.1        | 374.8        | 9.0         | 8.6        |
| Global support costs <sup>3</sup>          |                    |              | (110.7)      | (96.7)       |             |            |
| Interest and tax for associates            |                    |              | (2.4)        | (3.5)        |             |            |
| Amortization of acquired intangible assets |                    |              | (14.2)       | (16.8)       |             |            |
| <b>Underlying EBIT<sup>1</sup></b>         |                    |              | <b>298.8</b> | <b>257.8</b> | <b>6.3</b>  | <b>5.9</b> |

Aggregated revenue was \$4,749.2 million, an increase of 8.5% on the prior financial year. Underlying EBIT of \$298.8 million was up 15.9% from the prior financial year result of \$257.8 million.

The underlying EBIT margin on aggregated revenue for the Group, increased to 6.3% compared with 5.9% in 2017. After tax, the members of WorleyParsons Limited earned an underlying profit, on aggregated revenue of 3.6%, compared to the 2017 profit of 2.8%.

The underlying effective tax rate of 23.1% compared with 22.8% in 2017.

The Group retains a strong cash position of \$277.9 million (2017: \$244.3 million) with gearing (net debt/net debt plus total equity) at financial year end of 23.0% (2017: 29.1%).

Operating cash inflow for the period was \$259.7 million, compared to \$78.9 million in 2017. Cash outflow from investing activities was \$399.1 million (2017: \$62.5 million).

<sup>2</sup> Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The directors of the Company believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

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

**EARNINGS PER SHARE**

|                            | 2018  | 2017                    |
|----------------------------|-------|-------------------------|
|                            | CENTS | CENTS                   |
|                            |       | (restated) <sup>1</sup> |
| Basic earnings per share   | 23.3  | 13.4                    |
| Diluted earnings per share | 23.1  | 13.3                    |

Underlying basic earnings per share was 64.3 cents, an increase of 30.7% from the previous financial year result of 49.2 cents<sup>1</sup>.

Underlying basic earnings per share is determined by dividing the underlying profit attributable to members of WorleyParsons Limited (as set out on page 35) by the weighted average number of ordinary shares outstanding during the financial year (as set out in note 17 to the financial statements).

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

On 27 October 2017, the Group acquired 100% of the voting shares of AFW UK Oil & Gas Limited and its controlled entities (referred to as UK Integrated Solutions) for cash consideration of \$384.3 million. With operations in the UK North Sea, UK Integrated Solutions is a leading Maintenance, Modifications and Operations (MMO) service provider in the UK oil and gas sector. The acquisition provides the Group with a robust entry into the UK North Sea and supports the Group's global MMO strategy.

During the period, the Group raised \$322.0 million through a 1 for 10 fully underwritten non-renounceable rights offer for ordinary fully paid shares in WorleyParsons Limited and incurred of \$6.3 million of equity raising costs.

In December 2017, the Group refinanced its US\$620 million syndicated debt facility that was due to expire in August 2018. The new arrangement consists of a US\$700 million multi-currency facility. The new debt structure provides the Group with additional flexibility and liquidity to meet its working capital and strategic growth requirements. The new financing facility matures in December 2020.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

Since the end of the financial year, the directors have resolved to pay a final dividend of 15.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2017: 0 cents per share). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of \$41.1 million is not recognized as a liability as at 30 June 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

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

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The likely developments in the Group's operations in future financial years and the expected results of those operations are set out in section 3 of the Operating and Financial Review on page 31.

**ENVIRONMENTAL REGULATION**

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

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

**NON-AUDIT SERVICES**

During the financial year, Ernst & Young, the Group's auditor, performed certain other services in addition to its statutory audit duties. Total fees for non-audit services provided by the auditor amounted to \$391,212.

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

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

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



**Auditor's Independence Declaration to the Directors of WorleyParsons Limited**

As lead auditor for the audit of WorleyParsons Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

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

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

*Ernst & Young*  
Ernst & Young

*S J Ferguson*  
S J Ferguson  
Partner  
22 August 2018

<sup>1</sup> In accordance with accounting standards, earnings per share were adjusted to reflect the equity raising during the period as disclosed in note 17 to the financial statements.

## ROUNDING OF AMOUNTS

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

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2018 may be accessed from the Company's website at <http://www.worleyparsons.com/InvestorRelations/Pages/CorporateGovernance.aspx>.

## INFORMATION ON DIRECTORS AND GROUP COMPANY SECRETARY

### JOHN GRILL AO BSC, BENG (HONS), HON DENG (SYDNEY)

*CHAIRMAN AND NON-EXECUTIVE DIRECTOR – CHIEF EXECUTIVE OFFICER AND DIRECTOR FROM LISTING IN NOVEMBER 2002 UNTIL OCTOBER 2012 AND DIRECTOR OF THE COMPANY BEFORE LISTING AND ITS PREDECESSOR ENTITIES FROM 1971*

*COUNTRY OF RESIDENCE – AUSTRALIA*

John is Chairman of the Board and Chairman of the Nominations Committee and a member of the Remuneration Committee and Health, Safety and Environment Committee. He has over 40 years' experience in the resources and energy industry, starting his career with Esso Australia. In 1971, he became Chief Executive of Wholohan Grill and Partners, the entity that ultimately became WorleyParsons Limited. This specialized consulting practice acquired the business of Worley Engineering Pty Limited in Australia in 1987. It listed on the Australian Securities Exchange (ASX) in 2002 as Worley Group Limited following a restructuring of that company. In 2004, Worley Group Limited acquired Parsons E&C Corporation, a United States-based global project services company, and changed its name to WorleyParsons Limited. The Group then acquired the Colt Group in Canada in 2007, substantially increasing its capability in the upstream and downstream components of oil sands.

John has personal expertise in every aspect of project delivery in the resources and energy industry. He has strong relationships with the Group's major customers and was closely involved at board level with the Group's joint ventures.

John was awarded an honorary doctorate by The University of Sydney in 2010 in recognition of his contribution to the engineering profession. He was appointed an Officer of the Order of Australia in 2014 for distinguished service to engineering and to business, to the minerals, energy and power supply industries and as a supporter of advanced education and training. John is Chairman of the Growth Centres Advisory Committee for the Department of Industry, Innovation and Science and Chairman of the Mindgardens Alliance, a partnership between the Black Dog Institute, Neuroscience Research Australia (NeuRA), South Eastern Sydney Local Health District (SESLHD) and the University of New South Wales.

### ERICH FRAUNSCHIEL BCOM (HONS), FCPA, FAICD

*LEAD INDEPENDENT DIRECTOR AND NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE MARCH 2003*

*COUNTRY OF RESIDENCE – AUSTRALIA*

Erich is Lead Independent Director of the Board and a member of the Audit and Risk Committee and Nominations Committee. He is Chairman of BWP Management Limited, the responsible entity of the BWP Trust, an Australian real estate investment trust listed on the ASX. Erich's early business career was in the petroleum marketing and management consulting industries. In 1981, he joined the Australian Industry Development Corporation where he was involved in project lending, investment banking and venture capital investment. In 1984, he joined Wesfarmers to start the company's projects and business development function. In 1988, he became General Manager

of Wesfarmers' Commercial Division and from 1992 until his retirement in July 2002, was an executive director and Chief Financial Officer of Wesfarmers. Since 2002, he has served as a non-executive director on the boards of several listed and unlisted companies.

## Australian listed company directorships

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

### TOM GORMAN BA (ECONOMICS AND INTERNATIONAL RELATIONS), MBA (DISTINCTION) (HARVARD)

*NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2017*

*COUNTRY OF RESIDENCE – UNITED STATES OF AMERICA*

Tom was appointed to the Board effective 18 December 2017. He is Chairman of the Remuneration Committee and a member of the Health, Safety and Environment Committee and Nominations Committee. His appointment follows a 30-year career in executive positions at Ford Motor Company and Brambles Limited. He retired as CEO of Brambles in February 2017. He has worked in multiple functions including finance, operations, logistics, marketing, and business development and has lived and worked in the United States, England, France and Australia. He is a director of High Resolves, an Australian-based non-profit focused on middle school education. Tom graduated, cum laude, from Tufts University with degrees in Economics and International Relations and obtained an MBA, with distinction, from the Harvard Business School.

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

*NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JANUARY 2012*

*COUNTRY OF RESIDENCE – UNITED KINGDOM*

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

## Australian listed company directorships

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

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

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2007

COUNTRY OF RESIDENCE – AUSTRALIA

Catherine joined the Board on 1 July 2007 and is a member of the Audit and Risk Committee and Nominations Committee. She is Chairman of Commonwealth Bank of Australia and a director of Saluda Medical Pty Limited, the Australian Ballet and is the Chancellor of University of Technology, Sydney. Catherine was the President of the Business Council of Australia from 2014 to 2016 and the Chairman of Telstra Corporation Limited from May 2009 to April 2016 and of CSIRO from 2001 to 2006. She has also served on the boards of Macquarie Bank Limited, Macquarie Group Limited, Goodman Fielder Limited and Rural Press Limited. Catherine was the Managing Director of Cochlear Limited from 1994 to 2000. She has a Bachelor of Arts (Honors) in Accounting, is a Chartered Accountant and was the Eisenhower Fellow for Australia in 1999.

**Australian listed company directorships**

| LISTED COMPANY NAME            | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|--------------------------------|------------------------|----------------------|-------------------|
| Commonwealth Bank of Australia | Non-executive director | 1 March 2016         | n/a               |
|                                | Chairman               | 1 January 2017       | n/a               |
| Telstra Corporation Limited    | Non-executive director | 30 November 2000     | 27 April 2016     |
|                                | Chairman               | 8 May 2009           | 27 April 2016     |

**ANNE TEMPLEMAN-JONES BCOM, MRM, EMBA, CA, FAICD**

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE NOVEMBER 2017

COUNTRY OF RESIDENCE – AUSTRALIA

Anne was appointed to the Board on 1 November 2017 and is Chairman of the Audit and Risk Committee and a member of the Nominations Committee. Anne is a non-executive director of Commonwealth Bank of Australia, GUD Holdings Limited and The Citadel Group Limited. She previously served as a non-executive director of HT&E Limited, Cuscal Limited, HBF Health Limited, Pioneer Credit Limited, TAL Superannuation Fund, Notre Dame University and the McCusker Foundation for Alzheimers Research. Anne has executive experience in institutional and commercial banking, wealth management and insurance, strategy and risk, having previously held a number of senior executive roles in Switzerland and Australia with PricewaterhouseCoopers, the Bank of Singapore (OCBC Bank), ANZ and Westpac. Anne has a Masters in Risk Management from The University of New South Wales, an Executive MBA from the AGSM, The University of New South Wales and a Bachelor of Commerce from the University of Western Australia. Anne is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

**Australian listed company directorships**

| LISTED COMPANY NAME                              | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|--|------------------------|----------------------|-------------------|
| Commonwealth Bank of Australia                   | Non-executive director | 5 March 2018         | n/a               |
| The Citadel Group Limited                        | Non-executive director | 8 September 2017     | n/a               |
| GUD Holdings Limited                             | Non-executive director | 1 August 2015        | n/a               |
| HT&E Limited (formerly APN News & Media Limited) | Non-executive director | 20 May 2013          | 14 April 2018     |

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

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2011

COUNTRY OF RESIDENCE – HONG KONG, CHINA

Xiao Bin was appointed to the Board on 1 December 2011 and is a member of the Audit and Risk Committee and Nominations Committee. She is based in Hong Kong and is an executive director and Chief Financial Officer of China Resources Power Holdings Company Limited. Prior to joining China

Resources Power in July 2003, she was a Director of Corporate Finance at ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the Asia Pacific region. Xiao Bin worked for PricewaterhouseCoopers in Australia in the Audit and Business Advisory Division for five years before joining ING. She is a member of CPA Australia and holds a graduate diploma in Applied Finance and Investment from the Securities Institute of Australia (now FINSIA) and a Bachelor of Commerce from Murdoch University in Australia.

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

CHIEF EXECUTIVE OFFICER – EXECUTIVE DIRECTOR SINCE OCTOBER 2012

COUNTRY OF RESIDENCE – AUSTRALIA

Andrew was appointed as Chief Executive Officer effective 23 October 2012. With a tenure of over 24 years with the Group, and over 35 years' experience in the resources and energy industry, Andrew has extensive knowledge across the Group. His previous roles include Group Managing Director – Finance/CFO responsible for Group-wide direction and support to the business functions of finance, information management, internal procurement and communications, legal and risk; Managing Director for the Australia/New Zealand region; and Managing Director of Mergers and Acquisitions, overseeing 15 business acquisitions including Parsons E&C Corporation in November 2004 and the Colt Group in March 2007. He was also responsible for the Group's early expansion into Thailand and the Middle East, Canada and Chile in his capacity as Managing Director for International Operations. Andrew holds a Bachelor of Engineering and graduate diplomas in Financial Management and Labour Management Relations. He is a Fellow of the Institution of Engineers, Australia.

**NUALA O'LEARY LLB, BA**

GROUP COMPANY SECRETARY – APPOINTED AUGUST 2016

COUNTRY OF RESIDENCE – AUSTRALIA

Nuala joined the Group in 2002. She is responsible for corporate governance for the Board and the Group Leadership Team and governance matters relevant to the listed entity, its capital structure, and its regulatory obligations. Nuala's specific Group accountabilities include continuous disclosure. Nuala has a background in corporate litigation, legal, governance and company secretary roles. She has previously worked in private legal practice. Nuala holds degrees in Law and Arts from The University of Sydney and a graduate diploma of Applied Corporate Governance. Nuala is a Solicitor of the Supreme Court of NSW.

**INDEMNITIES AND INSURANCE**

Under the Company's Constitution, the Company indemnifies each current and former officer of the Group against certain liabilities and costs incurred by them as an officer of the Group. The Company also indemnifies each current and former officer of the Group against certain liabilities and costs incurred when the officer acts as an officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity. Neither indemnity extends to liabilities or costs from which the Company is prohibited from indemnifying current or former officers under the Act. In addition, the Company has entered into Deeds of Access, Indemnity and Insurance with certain officers of the Group. Under those deeds, the Company agrees (among other things) to:

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

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