

**EMPLOYMENT ARRANGEMENTS**

The key aspects of Executive contracts are outlined below:

NAME	CONTRACT DURATION	NON-COMPETE CLAUSES	NOTICE PERIODS <sup>1</sup>
<b>EXECUTIVE DIRECTOR</b>			
Andrew Wood	Unlimited	12 months	12 months
<b>GROUP EXECUTIVES</b>			
Robert (Chris) Ashton	Unlimited	12 months	6 months
Thomas Honan	Unlimited	12 months	6 months
Adrian Smith	Unlimited	12 months	6 months

<sup>1</sup> Notice period, whether given by the Executive or the Group is the same.

The Executive's contracts include the components of remuneration which are to be paid. They 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 variable pay plans upon termination, where an Executive resigns, the cash portion of the variable pay is paid only if the Executive is employed on the date of payment (which is after 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 on page 49. In exercising such discretion, this is typically on a pro-rata basis and subject to the original performance requirements and timing.

At the 2016 Annual General Meeting, the Board sought and received approval from shareholders, where discretion was applied for the retention of long term equity following cessation of employment for the value of long term equity to be disregarded when calculating the relevant participant's cap for the purposes of section 200F(2)(b) or 200G(1)(c) of the Act.

Mr Finn ceased to be KMP of WorleyParsons from 30 September 2017 after he resigned from the Company. All his unvested equity lapsed when his employment ended.

The Company did not provide any sign-on or separation payments to Executives during FY2018.

**3. NON-EXECUTIVE DIRECTOR REMUNERATION**

This section outlines the remuneration arrangements in place for the Company's NEDs. All NEDs held office for the whole of FY2018, unless otherwise stated on page 40.

**GUIDING PRINCIPLES**

The principles of fairness and shareholder alignment are reflected through the Company setting NED fees at a level that is market competitive, and that reflects the caliber of directors the Company requires for it to adequately address the significant strategic and operational challenges it faces, domestically and abroad.

In FY2018, Directors' fees remained constant. They have now been at the same amount for seven years in a row. There will be no increase in annual fees for NEDs in FY2019.

The aggregate amount of fees (which include Board and Committee fees) that the Company may pay to NEDs in any year is capped at the level approved by shareholders. The current maximum aggregate amount is \$3.25 million per annum. Shareholders approved that amount at the 2012 Annual General Meeting. Of the aggregate annual fee pool, 68% (\$2.09 million) was paid during FY2018 (for FY2017, this was 53% or \$1.73 million). NEDs are paid fees for services on the Board and its Committees. The directors do not receive any performance related incentives such as options or rights to shares, and no retirement benefits are provided to NEDs other than superannuation contributions.

**REMUNERATION STRUCTURE BOARD AND COMMITTEE FEES**

Board and Committee fees for FY2017 and FY2018 are set out below. These amounts include superannuation contributions made on behalf of NEDs in accordance with the Company's statutory obligations.

ROLE	COMMITTEE			REMUNERATION
	BOARD	AUDIT AND RISK	HSE	
Chairman <sup>1</sup>	\$520,000 <sup>2</sup>	\$47,000	\$30,000	\$37,000
Deputy Chairman <sup>3</sup>	\$312,000			
Member	\$194,000	\$26,000	\$12,000	\$21,000
Chairman/Member of Nominations Committee or Lead Independent Director	nil	nil	nil	nil

<sup>1</sup> The Chairman of the Board does not receive additional Board membership fees or fees for Committees of which he may be a member. The Chairman of a Committee does not receive additional membership fees for that Committee.

<sup>2</sup> Mr Grill requested a temporary reduction in his Chairman fee of \$520,000 per annum in FY2016 (reduced to \$395,053) and elected to receive no fees for his role in both FY2017 and FY2018.

<sup>3</sup> The Deputy Chairman does not receive additional fees for Committees of which they may be a member. The role is currently vacant.

**Other benefits**

NEDs are eligible for travel allowances of \$5,000 a trip for additional time incurred on overseas business related travel including attendance at Board meetings and site visits. These payments are made from 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, unless 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 FY2018.

**REMUNERATION OUTCOMES**

The remuneration outcomes of the NEDs for FY2018 and FY2017 are set out in the Remuneration Tables section of the report, on page 54.

**NON-EXECUTIVE DIRECTOR INTERESTS IN SHARES**

The NED beneficial interests in shares of the Company as at 30 June 2018 are detailed in the Remuneration Tables section of the report, on page 54.

**NED minimum shareholding requirement**

A minimum shareholding requirement for NEDs exists to align director and shareholder interests. Each NED must build a holding of the Company's ordinary shares equivalent in value to their annual fee. NEDs are expected to comply with this requirement within their first full term of three years as a director. For the purposes of this test, the value of shares is calculated using the number of shares held at 30 June 2018 multiplied by the five day volume weighted average price of the Company's shares up to and including 30 June 2018 (\$17.47) or purchase price if higher.