



# WorleyParsons

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27 October 2009

Manager, Company Announcements Office  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**WORLEYPARSONS LIMITED (WOR)  
ANNUAL GENERAL MEETING 2009**

Please find attached the addresses to be presented at today's Annual General Meeting by our Chairman – Mr Ron McNeilly, Chief Executive Officer – Mr John Grill and Remuneration Committee Chairman – Mr John Green.

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# WorleyParsons

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27 October 2009

## 2009 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

**Ladies and gentlemen, on behalf of my fellow directors, I am pleased to welcome you here today. Thank you for taking the time to attend, and for your continuing support of WorleyParsons.**

Like most other global companies, WorleyParsons had to deal with an extraordinarily volatile and challenging operating environment during the 2009 financial year.

Particularly concerning was the climate of international uncertainty driven by concern that the global financial system itself would simply prove inadequate to meet the challenge.

We faced a situation that required clear thinking and quick action as the Board and management sought to position the company to best deal with an operating environment unlike anything we had previously experienced.

It is pleasing to note that in such a climate WorleyParsons' financial performance in 2009 was strong and that, some of the largest contracts in our corporate history were won during the year.

The pleasing financial performance during the year is testament to the fact that we have a sound, well structured and well managed business.

### **Diversity and speed of response**

There are a number of factors that combine to underpin this resilience. These include:

- the diversity and scale of the business, both in terms of sector, geography, and client base;
- the actions of management to respond to changing economic circumstances;
- the culture that has been developed within WorleyParsons which is entrepreneurial while also adhering to robust risk management principles; and



- a remuneration structure that reinforces these cultural aspects of entrepreneurship coupled with risk management.

We operate across numerous sectors, in many diverse locations and economies, on many different types of projects. When one country or sector is down, other economies or sectors – like the Middle East this year – experience solid growth. So while we had a tough year in Australia and Canada, this was more than offset by strong conditions in other parts of the business.

The WorleyParsons' leadership team put in place a number of measures to respond to the Global Financial Crisis. I do not claim that as a Board and management team, we saw with absolute clarity the scale of what was coming – few did. However, the fact that the management team took early and decisive action, scaling back costs and positioning the company in advance of the deteriorating global economy, has been an important factor in the Company's performance during the year. Also importantly, in managing the direction of the business there is a strong central focus on our finances and risk, including the types of business we will and won't do. Entering the more challenging economic times with a general bias against taking on excessive risk but keeping a strong balance sheet has served shareholders well. As a result, we did not need to raise capital during a period when it would have been very expensive for shareholders to do so.

## **Safety**

Regardless of economic or market conditions, WorleyParsons places the highest importance on safety throughout the Group. Our safety performance compares very favourably with international best practice and has continued to improve this year.

Our focus in the 2009 year has been on implementation of new safety systems, with a particular focus on extending our safety commitment to the many contractors we engage with in many parts of the world.



## People

The company's performance this year is again testament to the skill and professionalism of our people. This has been a hugely challenging period for many of the WorleyParsons people, particularly for those in locations most affected by the economic downturn. The need for the company to remain competitive in each market in which it operates has required us to reduce our overall personnel numbers in some regions, and additionally in some areas, has led to overall reductions in remuneration.

However, despite the extremely difficult economic overlay, our people have responded to the many challenges presented by remaining focussed on generating results for our clients. On behalf of the Board, and our shareholders, I would like to thank each and every one of our employees and contractors for their tireless efforts over this time.

I would also like to note the company's Audit Partner Jeff Chamberlain of Ernst & Young has decided to leave E&Y to travel overseas and so resigns as the company's Audit Partner at the conclusion of today's Annual General Meeting.

We have enjoyed a 3 year association with Jeff whose contribution to the audit process has been invaluable. He has brought a high level of rigour and discipline to our processes in this area and greatly assisted in the development of appropriate reporting procedures.

I would also like to take the opportunity to welcome Paul Flynn who is our new Audit Partner at E&Y and is also in attendance today.

## Financial results

Now briefly, an overview of the 2009 financial results.

The 2009 result was another record for WorleyParsons with a full year net profit after tax of \$390.5 million, an increase of 13.6% on 2008.

The result was earned on aggregated revenue of \$6,225.1 million, an increase of 27.0% on the previous period. EBITDA was \$693.2 million, up 18.1% on the prior



corresponding period. Basic earnings per share were 161.1 cents, an increase of 13.0% on the prior 12 months.

The result was underpinned by a strengthened balance sheet, with operating cash flow of \$546.4 million, compared with \$198.8 million in 2008. We achieved a reduction in average cost of debt to 5.5% and increased total debt facilities of \$1.376 billion. Our gearing (which is net debt to net debt plus equity) was reduced to 25.5%.

The company's strong financial performance was achieved without the need to raise additional equity during the year and our strong cash performance is reflected in a very sound balance sheet. We remain well positioned to pursue growth opportunities that may arise.

In keeping with our prudent approach, the refinancing of syndicated debt facilities was brought forward to February when the company increased and refinanced its core debt facilities with a new US\$300m syndicated multi- currency term and revolving facility.

As you would be aware, the Board declared a final dividend of 55 cents per share (fully franked) taking the total dividend for the year to 93 cents per share – an increase of 8.8% on 2008.

## **Major business developments**

WorleyParsons was awarded a number of key contracts during the period, several of which are among the largest in the company's history. Shortly I will hand over to John Grill who will give you an overview of these key projects.

Importantly, the full impact of these new contracts will largely be realised in future years.

However, in the shorter term, our results continue to be impacted by the deferral of a number of projects, mainly in the Minerals & Metals sector and in the Canadian oil sands sector.



The diversity and complexity of the projects WorleyParsons undertakes is impressive, and you can see full details of many of these projects, including the new mega-projects, in the annual review of operations, or alternatively, on the company's website.

## **Governance**

*WorleyParsons* places considerable importance on the maintenance of a robust corporate governance structure and supporting processes. This is regularly reviewed and updated with reference to best practice.

We regularly undertake detailed risk reviews and analyse Board and management processes across all aspects of the business. A company Code of Conduct procedure has been developed and is regularly reviewed, so that all Directors, employees and contractors are aware of their responsibilities and obligations in this regard.

## **Outlook**

As at the end of the first quarter of fiscal 2010, the uncertain conditions experienced in some markets in fiscal 2009 remain, with the effects of extensive project deferrals and delays largely continuing into the new financial year. Much of this impact has been offset with ongoing management of costs. However, the strong appreciation of the Australian dollar has had a negative impact on the translation of foreign currency earnings. Consequently, at the end of the first quarter we are performing below our expectations. We expect this trend to continue in the second quarter.

At this stage we are projecting a more significant weighting of earnings to the second half of the financial year, but with our first half year result predicted to be well below that of the corresponding period last year. If today's currency rates (October 27, 2009) were to reflect the average translation rate of foreign currency earnings for the remainder of the financial year, the expected net profit impact for the full year would be in the order of \$35 to \$40 million. This impact would be additional to the modest reduction in net profit predicted in our August outlook statement.



We are confident that our medium and long-term prospects remain strong based on our competitive position and our financial capacity. The company continues to evaluate opportunities for new business growth that would add to our existing capabilities and provide value for our shareholders.

## **Conclusion**

Finally, I would like to express my gratitude on behalf of the Board to John Grill, to management and to all WorleyParsons staff for their commitment, teamwork and professionalism during the year.

I would also like to extend thanks to my fellow directors for their significant collective and individual contributions.

Also I would like to thank our shareholders for their ongoing support of the company.

I will now hand you over to our CEO, John Grill, to bring you up to date on some of the new business details and projects.

Thank you.



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## 2009 ANNUAL GENERAL MEETING CHIEF EXECUTIVE OFFICER'S ADDRESS

**Good afternoon ladies and gentlemen. Welcome and thank you all for coming today.**

### **Introduction**

The 2009 financial year has been a particularly challenging one for nearly all companies navigating the complexities of the global financial crisis. For WorleyParsons, the year has been characterised by four key themes: ensuring the business was well positioned to withstand the global recession; the underlying value of diversity; consolidating our position in the mega-projects market; and building on our EcoNomics™ sustainability work.

WorleyParsons' overall strong performance for the year, particularly considering the backdrop against which it was achieved, underscores the real value of the diversity of our business. The WorleyParsons business model derives much of its strength and resilience from this diversity – in terms of the sectors we service; our client base and the geographies in which we operate.

### **Safety Performance**

Safety remains our number one priority, right across the Group. While progress this year in the area of safety performance has been good, this remains a major focus for our business.

WorleyParsons applies the US OSHA (United States Occupational Safety and Health Administration) reporting requirements for Total Recordable Case Frequency Rate (TRCFR) and Lost Workday Case Frequency Rate (LWCFR). Group-wide safety performance as reported under OSHA was a TRCFR of 0.11 for the 2009 financial year, an improved performance against the 0.14 reported in the 2008 financial year. Our LWCFR rate was 0.02, which is in line with the performance for the previous year.

**EcoNomics™**



Vehicular accidents, both work and non work related, remain a particular concern in relation to fatalities or major injuries.

Last year we announced a new safety initiative focused on ensuring our own people and the many contractors with whom we work share our goal of Zero Harm. We are currently implementing management systems to support this initiative. During the year we received several safety-related awards and achieved a number of safety performance contract milestones.

## **Global Financial Crisis**

A major focus of 2009 has obviously been managing the potential impact of the global financial crisis on our business. Fortunately we were in a strong position before the financial crisis hit. The management team moved quickly and effectively before, and in response to, the crisis, and as a result, the business performed well although significant challenges remain.

In response to the shift in market conditions in some markets – primarily Australia and Canada—we scaled back costs and in some cases, where appropriate, reduced our workforce in line with demand to position the company effectively for the volatile and challenging conditions. I will say a little more on this later.

## **Mega Projects**

On the positive side, 2009 saw us consolidate our position among the top tier firms in mega-projects – defined as having an installed capital value of greater than US \$1 billion.

We are currently involved in approximately 60 such projects, a testament to our staff, the world-class systems we have developed, and our demonstrated experience in the harsh and remote climates where these projects are usually located. WorleyParsons is now a member of an elite group of companies with the skills and experience to win and manage these kinds of complex projects, at a time when their number, size and complexity continue to grow.



## **Mega-project contract awards:**

Some of the mega-projects we secured this year include:

- The Kashagan full field development in the Caspian Sea where we are performing front end engineering and design work - this project is associated with one of the largest oil discoveries in the last decade
- The SAMREF clean fuels project in Saudi Arabia where we are performing reimbursable EPC services
- The Taccamol integrated chemical complex in Abu Dhabi where we are providing engineering and management services.
- Exxon Mobil's LNG development in Papua New Guinea for which we are providing support services
- The first Egyptian nuclear power plant for which we are providing consultancy services to support its delivery

## **Long-term asset services contracts**

The Group's performance continues to be underpinned by our extensive long term asset services contracts (which we refer to as *Improve*) base, which has proven to be an area of resilience. While long term contracting is not as high profile as mega-projects, it provides long term stability and quality to our earnings base.

Our *Improve* business is primarily focussed on the provision of project services to operating plants in the hydrocarbons, power and minerals and metals sectors.

In the last financial year we secured 23 new *Improve* contracts and renewed 9. We provide engineering and project services to more than 150 customers around the world through these contracts and we continue to invest in our people, systems and processes.



## EcoNomics™

A primary differentiator is EcoNomics™, our effort in supporting customers to identify profitable solutions to sustainability. Renewable energy, water, carbon management, nuclear energy, emissions and energy-use reduction provide some of the greatest opportunities to our business in the long term.

As professional service providers, we no longer simply respond to governments and industry – through EcoNomics™ we are now leading the way in shaping a more sustainable future.

We are the first in our peer group to fully embed and integrate sustainability into our core business and project management processes, under the EcoNomics™ mandate. This work continued in 2009, becoming ever more relevant as governments and companies around the world recognise the need for change.

Our investment in all areas of sustainability continues to be well received by customers, leading to numerous projects and opportunities with a significant EcoNomics™ component. A range of EcoNomics™ tools are used by customers across the world to address issues such as renewable energy, water and carbon management.

## People

In February this year we foreshadowed reductions in personnel numbers in Canada and Australia and we have subsequently reduced our staff numbers in those regions. These changes, while difficult, have been necessary to meet the requirements of our clients and to ensure we remain competitive in each market

Our personnel numbers have now stabilised at approximately 29,000 and it is pleasing to note an increasing requirement for future hires.

The efforts of the entire WorleyParsons team, in remaining focussed while adapting to the new and volatile market conditions, have been exceptional. I would like to thank each and every one of our people today, for their continued hard work on behalf of our clients.



## Overview of Business segment performance

Ron has already taken you through the topline financial result. I will now take you through the performance of the customer sector groups.

### Hydrocarbons

Hydrocarbons remains the largest contributor to the WorleyParsons business, generating 76% of the Group's revenue in the 2009 financial year.

The Hydrocarbons business reported aggregated revenue of \$4,749.1 million for the 12 months to 30 June 2009, representing an increase of 31% from the previous corresponding period.

In a restrained hydrocarbons market, WorleyParsons' capability in Program Management, Gas and LNG, long-term collaborative service agreements and new field developments (both onshore and offshore) were consistently recognised by customers as attractive.

Providing services to the LNG sector continues to be a growing part of our business in various locations in the Middle East, Asia and Australia.

Significant workloads in the past year have been associated with:

- Shell's Albian Sands project in Canada
- Woodside's Pluto LNG development in Western Australia
- Woodside's North Rankin 2 development
- Petrobras' Comperj petrochemical complex in Brazil
- Saudi Aramco's Ras Taruna oil refinery expansion in Saudi Arabia
- Exxon Mobil's Singapore Parallel Train project



Key contract awards included:

- ConocoPhillips's Jasmine gas- condensate field, which is our first major North Sea project
- Front end engineering for Husky Oil's Liwan 3 development off shore China – the country's first deepwater discovery and development
- TransCanada's Keystone pipeline expansion across Canada and USA that links Alberta's oil sands with the Texas refining region
- Front end engineering and design for ExxonMobil's Point Thomson gas development on the North Slope of Alaska
- Separate front end engineering assignments for the gas treatment plant and pipeline associated with the proposed Alaskan gas development.
- Front end engineering for Polimerica's Jose Olephins complex in Venezuela

## **Power**

The Power business reported aggregated revenue of \$547.7 million, an increase of 17% on the previous corresponding period. Segment EBITDA was \$66.5 million with a reported segment margin of 12.1% .

The economic crisis has affected both demand and capital availability in the Power sector. Uncertainties around fuel choice and cost, technology selection, carbon policy and fuel security remain significant issues for our customers. However, we are continuing to see opportunities for growth in the sector. The governments of the United States and Australia have provided early direction of their energy policies, showing increased support for growth in renewable technology and advanced coal.

The market continues to seek clarity in underpinning fundamentals, such as energy policy, carbon pricing and emissions trading. This year we experienced significant success in the emerging new build nuclear power market. On the back of our role



supporting the development of the 2000 megawatt Belene facility in Bulgaria, we were awarded similar contracts in Egypt & Armenia. These projects typically run to a 10 year timetable. In addition, our capability in renewables which include solar, advanced coal, biomass and wind continues to grow strongly.

Contract awards within the power business include:

- Power plant upgrade and infrastructure projects across the United States, Saudi Arabia, Singapore, Canada and Peru
- Coal fired power plants in Vietnam and Canada
- Owners' engineering roles for plants in Canada, United States, Bulgaria, Mexico and Vietnam

## **Minerals & Metals**

Our Minerals & Metals business increased aggregated revenue by 25% during the period to \$589.2 million. Segment EBITDA was \$85.6 million with a reported segment margin of 14.5%.

Despite the rapid slowdown in a number of markets in the second half of 2009, the result was supported by a strong first half and ongoing major project work in the Middle East.

Our continuing role on EMAL, the world's largest single site aluminium smelter in Abu Dhabi, has been supported by eight offices.

Our role as PMC contractor on the Ma'aden Phosphate project in Saudi Arabia continued in 2009. As a result of experience gained on this project we were commissioned to support major project developments for EgyPhos in Egypt, Legend Phosphate in Australia and Foskor's project in South Africa.

We were pleased to be awarded contracts for:

- Facilities integration at Southern Peru Copper's Tia Maria Copper Mine in Peru



- Execution planning and EPCM services for a Vale iron ore project in Brazil
- Lead Smelter pre-feasibility study for Nystar Port Pirie in Australia
- Major coal expansion study for Sasol, South Africa
- Front end engineering for a proposed new alumina refinery in Saudi Arabia

In response to the change in market conditions many producers shifted their near term focus to improvement and optimization of existing assets, providing a solid base of work in the Improve sector. Over the past twelve months we have secured the following long term Improve contracts:

- Goro Nickel in New Caledonia
- Kazakhmys in Kazakhstan
- OZ Minerals in Australia

## **Infrastructure & Environment**

The Infrastructure & Environment business delivered aggregated revenue for the year of \$367.6 million, an increase of 7% from the \$342.6 million reported in 2008. Segment EBITDA was \$35.0 million with a margin of 9.5%. The Infrastructure & Environment sector has been affected by the contraction in the resources sector, however, major projects with secured funding are continuing.

Our mega-projects systems are now very well established, and our experience in the harsh and remote climates that often host mega-projects is proven.

WorleyParsons' "Pit to Port" program management offering, which consolidates and resolves the complex infrastructure requirements to bring product from mine to the wharf via a rail link, has been well supported by customers. Our rail capability is also becoming increasingly international.

## **Conclusion**

As I mentioned earlier, we are currently involved in numerous multi-billion dollar projects. We are also actively tracking a large number of potential new mega-projects and



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anticipate a significant pool of new work will be released as the global economy recovers translating into new capital investments in our markets.

While the rate of new project development is likely to be subdued in 2010, early phase study and feasibility work should position WorleyParsons strongly when these projects recommence. We are also encouraged by the continuing spend in the *Improve*, brownfield asset services sector.

In conclusion, I would like to reassure you that WorleyParsons has proven extremely resilient through this tumultuous economic climate.

The business is in solid financial health and is well positioned for long-term growth.

Thank you.



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27 October 2009

## 2009 ANNUAL GENERAL MEETING REMUNERATION COMMITTEE CHAIRMAN'S ADDRESS

**Good afternoon, ladies and gentlemen. My name is John Green and I am the Chairman of the Board's Remuneration Committee.**

### **Introductory remarks**

My task today is to discuss with you the remuneration aspects that feed into WorleyParsons' performance and its culture, in particular our Remuneration Report and the changes we introduced during the 2009 financial year as well as further changes we will introduce for the 2010 financial year.

Each year we try to make our Remuneration Report to you as shareholder-friendly, informative and transparent as we can.

As to our overall remuneration approach, your company always strives for an approach that fits the company's stage of development as well as the external environment. As we have grown, our basic remuneration structure has remained much the same but we have changed some features when we have thought it prudent, and we will continue to do that. But when we do, we always do it with a strong eye to our shareholders' interests and trying to ensure that rewards are appropriate when measured against performance.

### **Overview of Executive reward structure**

I'll now deal with how we've continued to apply a shareholder perspective to Executive reward, and later in my address I will deal with how we apply it to our Non-Executive Directors.

As I mentioned last year, and as set out in our Remuneration Report, there are two key components to our executive reward structure: fixed pay and variable pay.

Fixed pay is what you'd expect: fixed salary, superannuation and the like.



Variable pay is pay at risk, and it is made up of two components:

- cash-based short-term incentives, which we design to motivate strong annual performance; plus,
- an equity-based incentive, which we design to motivate longer-term performance and drive stronger shareholder and executive alignment.,.

In setting reward levels for the 2009 financial year, and reviewing our remuneration policy, it was our objective to strike a balance in incentivising and rewarding executives—that was business as usual for us—but also, because of the dramatic changes in the global economic climate, to exercise appropriate restraint. This is evidenced by the decisions we made during the year. I believe we struck the right balance.

## **Fixed pay**

On fixed pay, our intention is always to set remuneration that is fair and competitive. With operations in 37 countries, with the bulk of our operations outside Australia, WorleyParsons is truly an enterprise with a global span. When benchmarking remuneration for our global senior executives we therefore have to consider not only the Australian environment but also our international peers, the firms we compete with day-in and day-out for people, for clients and for projects.

In general we set the fixed pay levels for executives so that they are on average at the market median. When variable reward, i.e. short and long term incentives, is also taken into account, our overall pay positioning ranges up to the 75<sup>th</sup> percentile, depending on a combination of individual and company performance.

Even though our executives' fixed pay is in the middle of the pack, not at the top, many of our senior management have voluntarily taken fixed pay cuts going into 2010 in line with your Board's view that your company should exercise greater restraint in the current business environment:

- Your CEO has taken a 15% reduction in fixed pay from 1 September 2009; and



- All executive directors, and the two regional directors whose regions have been particularly affected by the changing global conditions have taken a 10% reduction in fixed pay.

## Short-term incentives

I'll now turn to variable pay, and first, the short-term incentive component.

Payments under the Short Term Incentive (STI) plan require executives to deliver on Key Performance Indicators, or KPIs. As you would expect, the KPIs vary executive-by-executive and year-by-year, depending on their specific businesses' goals and challenges, as well as the external environment they face. For 2009, not only did the KPIs relate to earnings and strategic issues such as safety and succession, but where appropriate, we added specific KPIs for cash collection. That is similar for 2010.

In 2009, STI payments under the short-term incentive plan delivered executives proportionately lower payments than in past years. In prior years, they have generally received around 90% of the maximum reward payable. For the 2009 year just completed, the STI payments were on average only 53% of the maximum possible award. Even though our executives performed very well for shareholders, our aspirations were even higher.

One significant change we are making for the KPIs we are setting for 2010 is we are now placing stronger emphasis for regional heads on *Group* profit rather than their *regional* profit so as to more strongly drive global as opposed to regional behaviour.

When I spoke to you last year I said we were considering introducing a mandatory deferral of a portion of STI payments to reflect our increased emphasis on extending short-term decision-making horizons. We did indeed bring this in as part of the 2009 STI plan for the CEO and all members of the CEO's Committee. Under the STI plan, executives are now able to earn up to an additional 60% of their target STI if they deliver exceptional performance. If any of those exceptional awards are made, we will defer their payment until a further 12 months after the end of the performance period. At that later time, the Board will review the performance conditions that resulted in the additional STI award. If



the Board determines that the basis on which it made the award was erroneous, then the deferred component is forfeited.

## **Long-term incentives**

Now let me refer to our long-term incentives directed to driving sustainable long-term growth in shareholder value. We aim to achieve this by encouraging our key executives to build significant personal exposure to WorleyParsons shares so there is a better alignment between shareholders and management.

Under the Long-Term Incentive (LTI) plan executives receive grants of performance rights. These rights entitle executives to receive shares in the Company if the Company achieves performance hurdles we measure over a three- or four-year period.

The Board believes that the two hurdles which must be satisfied before these shares can be awarded – relative Total Shareholder Return (or TSR) and Earnings Per Share (or EPS) – currently remain appropriate for your company. There is more detail about these in the Remuneration Report.

## **Minimum Executive Shareholding Requirement**

We have recently bolstered this longer-term focus by introducing a minimum executive shareholding requirement. Its purpose is to complement the LTI performance rights equity incentive by ensuring that our key executives will build and continue to hold significant levels of equity for as long as they work for us, helping further to drive alignment with shareholders interests over the long term.

This requirement is that within six years of being appointed to the CEO's Committee, an executive must build a holding of WorleyParsons' shares equivalent to twice their fixed remuneration. For the CEO, the requirement is four times his fixed remuneration.

As at 30 June, all of your executive directors and most of the other executives mentioned in the Remuneration Report already complied with this requirement, apart from two who have three more years to do so. You can see their shareholdings on page 67 of the Annual Report.



## Non-Executive Directors

Your Board feels that a prudent approach is not limited to executives but also extends to your Board, so please let me mention how we've applied a shareholder perspective to your non-executive directors.

First, similar to our executives, we have introduced a minimum shareholding requirement for your non-executive directors.

Until this year, share ownership by non-executive directors was encouraged through our non-executive director's share plan. Under that plan, all your non-executive directors were obliged to spend a minimum 25% of our annual directors' fees to purchase WorleyParsons' shares and we did so.

Unfortunately, proposed legislative changes on share plans by the Australian Government means the non-executive director share plan is to be closed for the purposes of new purchases.

But since your Board believes it is important we continue to encourage strong alignment between our shareholders and your directors, we have introduced this new requirement in its place.

Under this requirement, within a non-executive director's first full term of three years, the director must build a minimum holding of WorleyParsons shares equivalent in value to that director's annual director's fee.

The new requirement goes even further. Similar to the new minimum shareholding requirement for our senior executives, a non-executive director must continue to hold these shares for so long as that director remains on your board.

All your current non-executive directors already hold satisfy this requirement. You can see our individual holdings as at June 30 on page 67 of the Annual Report.



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Now to non-executive directors' fees.

Once again, we have frozen our directors' fees at July 2007 levels. FY2010 is the third successive year in which your non-executive directors will be paid the same amounts.

Finally, let me assure you that your Board is committed to maintaining high standards in relation to executive pay, remuneration design and transparent disclosure. We believe that our reward strategy strongly positions your company to retain, attract and motivate the talent we need to work successfully for all of our shareholders, but we will continue to refine it to make sure we do that as best we can.