

DIRECTORS' REPORT CONTINUED

EXECUTIVE INTERESTS IN SHARES AND PERFORMANCE RIGHTS

Executives' beneficial interests in shares and performance rights granted as at 30 June 2014 are detailed in the below table. The service and performance criteria for the rights are discussed in the Combined Incentive Plan and LTI Plan sections on pages 65 and 66.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

| | TYPE | BALANCE AT 1 JULY 2013 | GRANTED PERFORMANCE RIGHTS | ON EXERCISE OF PERFORMANCE RIGHTS | CHANGE IN STATUS | OTHER TRANSACTIONS | BALANCE AT 30 JUNE 2014 |
|---------------------------------|---------------|---------------------------|-------------------------------|--------------------------------------|------------------|-----------------------|----------------------------|
| EXECUTIVE DIRECTOR | | | | | | | |
| Andrew Wood | Shares | 835,671 | n/a | 2,947 | - | - | 838,618 |
| | Rights | 108,067 | 60,688 | (2,947) | - | (10,154) | 155,654 |
| GROUP EXECUTIVES | | | | | | | |
| Simon Holt | Shares | 4,052 | n/a | 1,435 | - | - | 5,487 |
| | Rights | 11,882 | 8,264 | (1,435) | - | (1,307) | 17,404 |
| Randy Karren ¹ | Shares | 76,195 | n/a | 2,261 | - | (836) | 77,620 |
| | Rights | 28,489 | 11,111 | (2,261) | - | (3,486) | 33,853 |
| Christopher Parker ² | Shares | - | n/a | - | 1,977 | - | 1,977 |
| | Rights | 9,394 | - | - | - | - | 9,394 |
| David Steele | Shares | 119,264 | n/a | 2,615 | - | - | 121,879 |
| | Rights | 66,326 | 30,120 | (2,615) | - | (6,419) | 87,412 |
| Ian Wilkinson ² | Shares | - | n/a | 1,686 | 67,852 | - | 69,538 |
| | Rights | 15,703 | - | (1,686) | - | - | 14,017 |
| FORMER GROUP EXECUTIVES | | | | | | | |
| Barry Bloch ³ | Shares | 2,030 | n/a | 2,029 | (4,059) | - | - |
| | Rights | 23,329 | 12,656 | (2,029) | (33,956) | - | - |
| Stuart Bradie ⁴ | Shares | 28,921 | n/a | 2,557 | (31,478) | - | - |
| | Rights | 88,054 | 40,322 | (2,557) | (125,819) | - | - |
| Iain Ross ³ | Shares | 457,060 | n/a | 1,952 | (459,012) | - | - |
| | Rights | 78,946 | 35,110 | (1,952) | (112,104) | - | - |
| Grand total | Shares | 1,523,193 | n/a | 17,482 | (424,720) | (836) | 1,115,119 |
| | Rights | 430,190 | 198,271 | (17,482) | (271,879) | (21,366) | 317,734 |

1 Mr Karren received exchangeable shares as part of the Colt Group consideration.

2 Mr Parker and Mr Wilkinson commenced in the role as Executive effective 1 May 2014.

3 Mr Bloch and Mr Ross ceased in the role as Executive effective 1 May 2014.

4 Mr Bradie ceased in the role as Executive on 8 April 2014; his rights lapsed on leaving the Company on 30 May 2014.

EMPLOYMENT ARRANGEMENTS

The key aspects of Executive contracts are outlined below:

| | CONTRACT DURATION | NON-COMPETE CLAUSES | NOTICE PERIODS |
|---------------------------|----------------------|------------------------|----------------|
| EXECUTIVE DIRECTOR | | | |
| Andrew Wood | Unlimited | 12 months | 12 months |
| GROUP EXECUTIVES | | | |
| Simon Holt | Unlimited | 12 months | 6 months |
| Randy Karren | Unlimited | 12 months | 6 months |
| Christopher Parker | Unlimited | 12 months | 6 months |
| David Steele | Unlimited | 12 months | 6 months |
| Ian Wilkinson | Unlimited | 12 months | 6 months |

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 pages 65 and 66. 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 purposes of section 200F(2)(b) or section 200G(1)(c) of the Act.

The Company did not pay sign-on payments to any Executives during FY2014.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

NON-EXECUTIVE DIRECTORS

This section outlines the remuneration arrangements in place for the Company's Non-Executive Directors (NEDs). All directors held office for the whole of FY2014, except where otherwise stated. The NEDs for FY2014 are listed below:

| NAME | POSITION | COUNTRY OF RESIDENCE |
|------------------------|--|----------------------|
| John Grill | Chairman | Australia |
| Ron McNeilly | Deputy Chairman and Lead Independent Director | Australia |
| Larry Benke | Director | Canada |
| Erich Fraunschiel | Director | Australia |
| John M Green | Director | Australia |
| Christopher Haynes | Director | United Kingdom |
| Catherine Livingstone | Director | Australia |
| JB McNeil ¹ | Director | United States |
| Wang Xiao Bin | Director | Hong Kong |

1 Mr McNeil retired as a director on 3 April 2014.

REMUNERATION POLICY

The principles of fairness and shareholder alignment are reflected through the Company's commitment to setting NED fees at a level which remains market competitive, while ensuring they reflect the caliber of directors required to address the significant strategic and operational challenges faced by the Company, domestically and abroad.

For the third consecutive year, there will be no increase in fees for NEDs in FY2015.

The aggregate amount of fees (which include Board and Committee fees) that may be paid to NEDs in any year is capped at the level approved by shareholders. The current maximum aggregate amount of \$3.25 million per annum was approved by shareholders at the 2012 AGM. Of the aggregate annual fee pool, 76% (\$2.47 million) was utilized during FY2014 (72% (\$2.355 million) for FY2013). NEDs do not receive performance related payments.

REMUNERATION STRUCTURE

Board and Committee fees

Board and Committee fees for FY2014 and FY2015 are set out below. These amounts are inclusive of superannuation contributions made on behalf of NEDs in accordance with the Company's statutory obligations.

In FY2014, Mr Grill agreed to a temporary decrease in the Chairman fee from \$520,000 to \$460,000 per annum. This will apply for FY2014 and FY2015.

| ROLE | FY2014 AND FY2015 ANNUAL FEES |
|--|-------------------------------|
| Chairman ¹ | \$460,000 |
| Deputy Chairman and Lead Independent Director ¹ | \$312,000 |
| Other NED | \$194,000 |
| Chairman of Audit and Risk Committee | \$47,000 |
| Member of Audit and Risk Committee | \$26,000 |
| Chairman of Remuneration Committee | \$37,000 |
| Member of Remuneration Committee | \$21,000 |
| Chairman of Health, Safety and Environment Committee | \$30,000 |
| Member of Health, Safety and Environment Committee | \$12,000 |
| Chairman/Member of Nominations Committee | nil |

¹ The Chairman of the Board and Deputy Chairman and Lead Independent Director do not receive additional fees for Committees, of which they may be a member.

Other benefits

NEDs are eligible to receive travel allowances of \$5,000 for attendance at overseas meetings. 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, except 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 FY2014.

REMUNERATION OUTCOMES

Remuneration of the NEDs for FY2014 and FY2013 is set out below:

| | SHORT TERM EMPLOYEE BENEFITS | | POST-EMPLOYMENT BENEFITS | SHARE BASED PAYMENT | TOTAL \$ |
|------------------------------|------------------------------|----------------------|---------------------------------|--|------------------|
| | FEES \$ | TRAVEL ALLOWANCES \$ | SUPER-ANNUATION ¹ \$ | EQUITY INCENTIVE STI/ CASH SETTLED ⁴ \$ | |
| John Grill | | | | | |
| FY2014 | 442,216 | 5,000 | 17,775 | 32,881 | 497,872 |
| FY2013 ² | 167,840 | 5,000 | 5,490 | - | 178,330 |
| Ron McNeilly | | | | | |
| FY2014 | 294,260 | 5,000 | 17,734 | - | 316,994 |
| FY2013 | 434,188 | 10,000 | 16,470 | - | 460,658 |
| Larry Benke | | | | | |
| FY2014 | 212,102 | 25,000 | - | - | 237,102 |
| FY2013 | 204,125 | 25,000 | - | - | 229,125 |
| Erich Fraunschiel | | | | | |
| FY2014 | 224,264 | 5,000 | 16,732 | - | 245,996 |
| FY2013 | 224,526 | 10,000 | 16,470 | - | 250,996 |
| John M Green | | | | | |
| FY2014 | 214,405 | 5,000 | 16,591 | - | 235,996 |
| FY2013 | 214,526 | 10,000 | 16,470 | - | 240,996 |
| Christopher Haynes | | | | | |
| FY2014 | 223,996 | 30,000 | - | - | 253,996 |
| FY2013 | 219,318 | 30,000 | - | - | 249,318 |
| Catherine Livingstone | | | | | |
| FY2014 | 203,560 | 5,000 | 16,436 | - | 224,996 |
| FY2013 | 203,526 | 10,000 | 16,470 | - | 229,996 |
| JB McNeil³ | | | | | |
| FY2014 | 182,600 | 20,000 | - | - | 202,600 |
| FY2013 | 240,995 | 25,000 | - | - | 265,995 |
| Wang Xiao Bin | | | | | |
| FY2014 | 203,560 | 35,000 | 16,436 | - | 254,996 |
| FY2013 | 203,526 | 30,000 | 16,470 | - | 249,996 |
| Total remuneration | | | | | |
| FY2014 | 2,200,963 | 135,000 | 101,704 | 32,881 | 2,470,548 |
| FY2013 | 2,112,570 | 155,000 | 87,840 | - | 2,355,410 |

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). Currently NEDs are paid every second month and the legislation requires the Cap to apply quarterly. The lower amount results from those quarters in which only one payment is made and it is lower than the quarterly cap.

² Mr Grill commenced as a NED and Chairman on 1 March 2013.

³ Mr McNeil retired as a director on 3 April 2014.

⁴ Mr Grill received Deferred Equity STI Rights in 2012 which half of which vested after 12 months and half after 24 months. The plan provided dividend equivalent payments and they have not previously been disclosed.

NED INTERESTS IN SHARES AND PERFORMANCE RIGHTS

NED beneficial interests in shares and performance rights of the Company as at 30 June 2014 are detailed in the below table. The service and performance criteria for the rights are discussed in the LTI Plan section on page 66.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

| | TYPE | BALANCE AT 1 JULY 2013 | ON EXERCISE OF PERFORMANCE RIGHTS | OTHER TRANSACTIONS | BALANCE AT 30 JUNE 2014 |
|--------------------------|--------|---------------------------|--------------------------------------|-----------------------|----------------------------|
| John Grill ¹ | Shares | 25,372,173 | - | - | 25,372,173 |
| | Rights | 95,471 | (12,178) | (21,443) | 61,850 |
| Ron McNeilly | Shares | 401,064 | - | - | 401,064 |
| Larry Benke ² | Shares | 1,133,383 | - | - | 1,133,383 |
| Erich Fraunschiel | Shares | 168,755 | - | - | 168,755 |
| John M Green | Shares | 891,869 | - | - | 891,869 |
| Christopher Haynes | Shares | 6,055 | - | 5,890 | 11,945 |
| Catherine Livingstone | Shares | 13,000 | - | - | 13,000 |
| JB McNeil ³ | Shares | 10,800 | - | - | N/A |
| 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 on 23 October 2012. In 2011, shareholders approved that Mr Grill's performance rights should be cash settled.

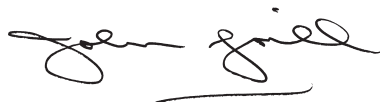
2 Mr Benke received exchangeable shares as part of the Colt consideration upon acquisition in 2007.

3 Mr McNeil's balance at 30 June 2014 is not disclosed as he resigned on 3 April 2014 and is no longer a director.

NED minimum shareholding requirement

A minimum shareholding requirement exists to provide alignment between director and shareholder interests. Each NED must build a holding of the Company's ordinary shares equivalent to that director's annual fee. NEDs are expected to comply with this requirement within their first full term of three years as a director. All NEDs comply with the minimum shareholding requirement.

This Directors' Report (including Remuneration Report) is made in accordance with a resolution of the directors.



JOHN GRILL AO

Chairman

Sydney, 27 August 2014