

We provide the following four examples to help your understanding of how the SPPRs will work. Two examples are where the share price rises, and two where it falls. 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 to the executive 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.

The Board has introduced SPPRs because they bring the Company closer to the remuneration practices of our global peers with higher weightings to performance-related pay. They:

- provide our Executives with a clear goal – the increase in the Company's share price – more closely aligning their interests with those of shareholders;
- have the potential to be a stronger executive incentive than the deferred equity component of prior years;
- replace the previous Group NPAT threshold (or "gate-opener") with a threshold relating to share price, giving Executives stronger shareholder alignment, while at the same time protecting shareholders on the downside by the reward cutting out if the share price halves. This cut out is not typically a feature of this type of award in other companies, but we believe it strikes a better balance between rewarding effort and requiring minimum short term outcomes which is more appropriate to current circumstances. Such a balance is important given the changes that the Company is currently making to seek to better position itself for future growth and the need to ensure executive motivation and retention during this time; and
- have the potential to increase executive shareholding "skin in the game" and shareholder alignment because, as SPPRs convert into shares in the Company, executives will be required to hold the shares to comply with the Company's minimum shareholding requirement.

I wish to reaffirm to shareholders that the Board is resolute in its focus on appropriate remuneration for our people and ensuring we strike the right balances between short term performance and attracting and retaining the caliber of people we need to execute our strategy to "Realize our future".

Kind regards



JOHN M GREEN
Chairman, Remuneration Committee

2. REMUNERATION GOVERNANCE FRAMEWORK

GUIDING REMUNERATION PRINCIPLES

The guiding principles that underpin the Company's remuneration arrangements for Executives are driven from the Company beliefs. These beliefs guide our actions, making it clear what we are accountable for and how we achieve success:

DELIVER WHAT WE PROMISE	ZERO HARM	PRUDENTLY CONTAIN COST AND ELIMINATE WASTE	BUILD ENDURING CUSTOMER RELATIONSHIPS	DEVELOP AND REWARD TEAMS WHO DELIVER ON CUSTOMER EXPECTATIONS
The Executive remuneration principles drive the behaviors and results to help us achieve our strategy and vision:				
<ul style="list-style-type: none"> • provide a fair level of reward in order to retain and attract high caliber employees; • build a culture of achievement by providing a transparent link between reward and performance; • build long term employee commitment through continued WorleyParsons share ownership; • promote mutually beneficial outcomes by aligning employee, customer and shareholder interests; and • support the expectations of the Diversity and Inclusion Policy. 				
Putting the remuneration principles into practice, we:				
<ul style="list-style-type: none"> • benchmark our roles against roles in the market. We benchmark fixed pay, variable pay and pay mix. Individual remuneration reflects the individual's role, responsibilities, performance, qualifications and experience; • ensure the Board sets KPIs for Executives; • reward subject to Company performance and individual performance; • provide the opportunity to earn equity through the LTI Plan and the Combined Incentive Plan; • have a minimum shareholding requirement; and • ensure performance metrics are geared at focusing Executives on strong financial performance, while balancing long term interests of the Company. 				

REMUNERATION DECISIONS

The diagram below illustrates the process by which remuneration decisions are made within the Company, and explains the roles played by various stakeholders who are involved in setting remuneration:

