

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM) of shareholders of WDS Limited (the Company) will be held at the offices of the Company's independent auditor, Grant Thornton, Level 17, 383 Kent Street, Sydney on

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Tuesday, 28 October 2008 commencing  
at 2:30pm (Sydney time).



ABN 66 121 517 860

# Notice of 2008 Annual General Meeting.

WDS Limited ABN 66 121 517 860

Notice is given that the Annual General Meeting (AGM) of shareholders of WDS Limited (the Company) will be held at the offices of the Company's independent auditor, Grant Thornton, Level 17, 383 Kent Street, Sydney on Tuesday, 28 October 2008 commencing at 2:30pm (Sydney time).

## A. Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2008.

Unless the Company's Share Registry has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. All shareholders can view the Annual Report, which contains the Financial Report for the year ended 30 June 2008 on the website of the Company ([www.wdslimited.com.au](http://www.wdslimited.com.au)), under "Investor Relations" and then "Reports & Meetings".

## B. Questions and Comments

Following the consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

## C. Items for Approval

### 1. Re-election of James McDonald

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

*"That James McDonald, who retires in accordance with clause 20.1 of the Company's Constitution, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company."*

### 2. Re-election of Ross Rolfe AO

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

*"That Ross Rolfe, who retires in accordance with clause 19.5 of the Company's Constitution, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company."*

### 3. Remuneration Report

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

*"That, the Company's Remuneration Report for the financial year ended 30 June 2008 (set out in the Directors' Report) is adopted."*

### 4. Ratification of Shares Issued (Ackroyd)

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the Company ratifies the issue of 614,400 shares to the trustees of the Ackroyd Investment Trust, an entity associated with Ackroyd Engineering Services Pty Ltd (AES) vendor, Rohan Ackroyd, on 12 June 2008, on the terms described in the Explanatory Statement which form part of this Notice of Meeting."*

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by persons, and their associates, who participated in the share issue to the trustees of the Ackroyd Investment Trust.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **5. Ratification of Shares Issued (Placement)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the Company ratifies the issue of 8,750,000 shares to institutional investors at \$2.00 per share on 17 July 2008 on the terms described in the Explanatory Statement which forms part of this Notice of Meeting."*

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by persons or entities who participated in the institutional placement undertaken in July 2008, and their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **6. Grant of Performance Rights to Gareth Mann under the WDS Limited Deferred Share and Deferred Incentive Plan**

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*"That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Mr Gareth Mann, Group Managing Director, of 143,698 Performance Rights for nil financial consideration which, subject to the achievement of performance conditions, may convert to ordinary shares in the capital of WDS Limited on a one-for-one basis, under the WDS Limited Deferred Share and Deferred Incentive Plan, on the terms described in the Explanatory Statement which form part of this Notice of Meeting."*

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 6 by any Director of the Company and their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **7. Grant of Performance Rights to Michael Jones under the WDS Limited Deferred Share and Deferred Incentive Plan**

To consider and, if thought fit, pass the following resolution as an ordinary resolution of shareholders of the Company:


*"That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Mr Michael Jones, Director – Sustainability and Risk Management, of 95,875 Performance Rights for nil financial consideration which, subject to the achievement of performance conditions, may convert to ordinary shares in the capital of WDS Limited on a one-for-one basis, under the WDS Limited Deferred Share and Deferred Incentive Plan, on the terms described in the Explanatory Statement which forms part of this Notice of Meeting."*

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by any Director of the Company and their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



**Janine Rolfe**  
Company Secretary

11 September 2008

# Notice of 2008 Annual General Meeting.

WDS Limited ABN 66 121 517 860

## Entitlement to Attend and Vote

In accordance with Reg 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on Sunday, 26 October 2008 will be entitled to attend and vote at the Meeting as a shareholder.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

## Voting by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* to exercise its powers as proxy at the Meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 2:30pm (Sydney time) on Sunday, 26 October 2008. Proxies must be received before that time by one of the following methods:

### Online:

Log onto the website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), "Proxy Voting" and follow the instructions. You will need to put your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), details and postcode.

### By post:

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

### By facsimile:

In Australia (02) 9287 0309  
From outside Australia +61 2 9287 0309

### By delivery:

Link Market Services Limited  
Level 12, 680 George Street  
Sydney South NSW 2000

## Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 2:30pm (Sydney time) on Sunday, 26 October 2008 being 48 hours before AGM.

## Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the *Corporations Act 2001*. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

## Shareholder Questions

If you wish a question to be put to the Chairman of the Meeting or Auditor and you are not able to attend the AGM, please email your question to the Company Secretary at [jrolfe@wdslimited.com.au](mailto:jrolfe@wdslimited.com.au).

To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00pm (Sydney time), on Tuesday, 21 October 2008.

# Explanatory Notes.

This Explanatory Statement has been prepared for the information of shareholders of the Company (Shareholders) in relation to the business to be conducted at the Company's 2008 Annual General Meeting (AGM).

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the resolutions.

All of the resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

## Ordinary Business

### Resolution 1: Re-Election of James McDonald

WDS Chairman James (Jim) McDonald retires by rotation and, being eligible, offers himself for re-election as a Director. Mr McDonald is an Independent Non-Executive Director.

Jim was the founding chief executive officer and subsequently managing director of Australian Pipeline Trust Limited (Trust), a position he occupied from the IPO of the Trust in June 2000 until his retirement in July 2005.

Jim's industry experience includes board memberships of the Australian Gas Association and the Australian Council for Infrastructure Development, and many years of involvement with the Australian Pipeline Industry Association Limited (APIA), where he served as president, treasurer and board member. Jim has been awarded Life Membership of APIA.

Jim's major board experience includes chairmanship of Vortex Pipes and directorships of PearlStreet Limited and Hastings Funds Management Limited (responsible entity of several listed trusts). Jim is also a Fellow of the Australian Institute of Company Directors.

Jim is Chairman of the WDS Health Safety Environment & Community Committee and the Remuneration & Nomination Committee. He is also a member of the Audit & Risk Management Committee.

The Directors, with Mr McDonald abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

### Resolution 2: Re-Election of Ross Rolfe AO

Ross Rolfe was appointed by the Directors as an Independent Non-Executive Director on 14 July 2008, pursuant to clause 19.4 of the Company's Constitution, which allows the Board to appoint a Director to fill a casual vacancy.

Ross Rolfe retires, as required by clause 19.5 of the Constitution and, being eligible, offers himself for re-election as a Director.

Ross Rolfe has more than 15 years of experience in the Australian energy and infrastructure industries in both senior management and strategic roles. Ross has held a range of chief executive officer positions in the Queensland Government and in industry over the last decade. Ross is currently Acting Chief Executive of Babcock & Brown Power.

Prior to his appointment at Babcock & Brown, Ross held the positions of Director General – Department of the Premier and Cabinet, Director General – Department of State Development and Director General – Department of Environment & Heritage. Ross also held the position of Co-ordinator General in Queensland for six years. In this role, Ross was responsible for the delivery of the South Queensland Regional Infrastructure Plan and the design and implementation of the Water Grid. Ross was also the chief executive officer of Stanwell Corporation, one of Queensland's largest energy generation companies.

Ross' major board experience includes chairmanships of Queensland Manufacturing Institute and i.lab Technology Incubator and directorships of the Queensland Low Emissions Technology Centre, Emu Downs Wind Farm, Queensland Resources Council, Queensland Institute of Molecular Bioscience, Australia Institute for Commercialisation, South Bank Corporation and Great Barrier Reef Marine Park Authority.

Ross is a member of the Great Barrier Reef Park Authority, the University of Queensland Senate and the National Board of Infrastructure Partnerships Australia.

Ross is Chairman of WDS' Corporate Strategy & Business Development Committee and a Member of WDS' Audit & Risk Management Committee and Remuneration & Nomination Committee.

The Directors, with Mr Rolfe abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

# Explanatory Notes.

## **Resolution 3: Remuneration Report**

Section 250R(2) of the *Corporations Act 2001* requires shareholders to vote on an advisory resolution that the Remuneration Report (the Report) be adopted.

The Report details the remuneration policy for the Company and reports the remuneration arrangements for Key Management Personnel (identified for the purposes of the Accounting Standards) and other WDS employees. The Report is available from page 35 in the Company's Annual Report. The Report can also be viewed in the "Investor Relations" section of the Company's website ([www.wdslimited.com.au](http://www.wdslimited.com.au)).

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Report.

The Directors recommend Shareholders vote in favour of this advisory resolution.

## **Resolution 4: Ratification of Shares issued**

Under ASX Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of Listing Rule 7.1.

Accordingly, Resolution 4 is seeking ratification for 614,400 shares which were issued on 12 June 2008 (without Shareholder approval). The share issue was part consideration for the acquisition of 80% of the equity in Ackroyd Engineering Services Pty Ltd (AES) announced to the ASX on 3 March 2008.

AES provide fabrication and site services to the petrochemical and the water processing industries. Their head office is in Tweed Heads with a fabrication workshop in Kingston, Brisbane, where the main activity is pipe spooling and high pressure welding. Site services include the mechanical installation of equipment such as gas compressors, turbines and water treatment plants. AES provide crews for long term construction projects and in times of plant shutdowns and when maintenance workers are required. AES are currently operating on a number of sites in Brisbane and South-East Queensland.

The issue of these shares was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting that Shareholders ratify the issue of the shares the subject of Resolution 4 for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- 614,400 shares were issued in total.
- The shares were issued at \$2.50 per share (being a five day value weighted average price up to and including the date of execution of the share purchase agreement between the vendors and WDS Limited).
- The shares are ordinary fully paid shares.
- The shares were issued on 12 June 2008 and will be held subject to a voluntary escrow period for 12 months from date of issue (until 12 June 2009).
- The shares were allotted to The Ackroyd Investment Trust, an entity associated with AES vendor, Rohan Ackroyd.
- No funds were raised as the shares were issued as part payment of the consideration by the Company in acquiring 80% of the equity in AES.
- A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting.

The Directors recommend Shareholders vote in favour of this Resolution.

## **Resolution 5: Ratification of Shares issued**

Under ASX Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of Listing Rule 7.1.

Accordingly, Resolution 5 is seeking ratification for 8,750,000 shares which were issued on 17 July 2008 (without Shareholder approval). The shares were issued following an institutional placement which was announced to the ASX on 10 July 2008. The funds raised have been used to fund the acquisition of Delco Australia (Delco) and its related bodies corporate. The acquisition of Delco will provide WDS shareholders with further exposure to Australia's energy sector, in particular the emerging Coal Seam Gas (CSG) sector in Queensland.

Delco was established in 1976 and provides Engineering, Procurement and Construction Management services to the CSG market in the Bowen and Surat Basins including gas compression and processing facilities. On an Australia-wide basis they also carry out pipeline construction predominantly in the oil and gas sector.

The acquisition of Delco supports WDS' goal to grow operations around the key energy and resource markets in New South Wales and Queensland and will further diversify and expand WDS' business. Importantly, Delco provides access to additional human resources in a tight labour market, bringing 100 employees, casual staff and contractors. Delco currently has a number of contracts in place with major Australian CSG companies.

The issue of these shares was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting that Shareholders ratify the issue of the shares the subject of Resolution 5 for the purpose of ASX Listing Rule 7.4, so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- 8,750,000 shares were issued in total.
- The shares were issued at \$2.00 per share (being the placement price following a bookbuild with institutional investors).
- The shares are ordinary fully paid shares.
- The shares were issued on 17 July 2008.
- The shares were allotted to institutional investors following a placement.
- Funds raised were \$17,500,000, and represents part of the consideration for the acquisition of Delco.
- A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

#### **Resolutions 6 and 7: Grant of Performance Rights to Gareth Mann and Michael Jones under the WDS Limited Deferred Share and Deferred Incentive Plan**

Resolutions 6 and 7 seek Shareholder approval to issue Performance Rights to two Executive Directors, Gareth Mann and Michael Jones under the terms and conditions of the WDS Limited Deferred Share and Deferred Incentive Plan (Plan) which were approved at the Company's 2007 AGM and the rules of the 2009 Executive Award.

#### **WDS Remuneration Philosophy: General**

##### **Background**

As described in the 2007 Notice of AGM and the 2008 Remuneration Report, the Board believes that appropriately designed equity based plans are an important component of the Group's remuneration arrangements. Such plans are a key tool to allow the Group to attract and retain talented directors and employees and ensure the interests of directors and employees are aligned with those of Shareholders in creating long-term Shareholder value.

Having regard to the 'tight' labour conditions and in order to attract and retain talented executives and provide a long-term incentive which continues to align executives with the Group's strategies, a second flexible equity-based plan was established to allow the Board to grant different types of performance-based awards depending upon the prevailing circumstances. The Plan was designed with maximum flexibility to deliver different securities from time-to-time (depending on the participant base) with performance conditions commensurate with the Company's key business drivers at the time of award.

The Company's first two annual long term incentive awards were made under its option plan.

For FY2009, there are three distinct equity awards measured over the medium and long-terms. Each are described in turn:

##### **Performance Rights**

Having regard to both WDS' internal and exogenous prevailing circumstances, the Board has decided, as a change from prior awards, to grant performance rights under the FY2009 Executive Award for the following reasons:

- the grant of performance rights is in accordance with acceptable market practice;
- the grant of performance rights can have a minimal dilutionary effect on the issued share capital of the Company;
- the grant of performance rights can reward executives for their performance; and
- vested performance rights can create real value to executives, which when granted with transparent and robust performance conditions, which contain stretch elements, mean that real Shareholder value is also created.

Further details about the FY2009 Executive Award are set out later in this Explanatory Memorandum.

# Explanatory Notes.

## Deferred Shares

Under the FY2009 Employee Award, key staff will be allocated deferred shares (against KPI performance for the year) with a tenure based performance condition requiring the participant to remain employed with the WDS Group over 12 and 24 month time frames as follows:

Time	Performance Shares to Vest
Grant Date + 1 years	30%
Grant Date + 2 years	70%

This time scale recognises the objective to retain employees who are vital to the business with a modest medium-term incentive.

## Restricted Shares

So as to encourage employee share ownership at all levels through the business, under the 2008/09 ESOP Awards, all employees will be invited to salary sacrifice up to A\$1,000 worth of WDS shares.

## Details about the grant of Performance Rights to the Executive Directors under the FY2009 Executive Award

How was the number of Performance Rights determined?

As published in the Company's 2008 Remuneration Report, the target total reward mix for FY2009 with respect to the Group Managing Director and his direct reports is as follows:

	Total Fixed Remuneration	STI % of TFR	LTI % of TFR
Group Managing Director & Direct Reports	100	50	40

In order to determine the total number of rights issued the 'remuneration value' attributable to the LTI component (40% LTI above) is divided by a number (the divisor) which is intended to represent the value of the rights. In deriving this divisor number the Company considered contemporary market practices. However, observable market practices suggest that there is no one dominant measure employed by ASX listed entities. The two common measures used are in fact extremes. The Company's research suggests that some entities employ a fair valuation (calculated with

a Black-Scholes methodology or derivative, thereof) to determine the 'divisor of the remuneration value' (divisor) commonly called the "Fair Value" calculation and used for statutory reporting purposes, whilst other entities use a value weighted average share price (VWAP) to arrive at the divisor.

Having regard to the overriding objective which is to create shareholder wealth through executive managements' performance in this instance, the Board has resolved that the most sensible divisor for the Company to employ at this stage is the *mid-way point* between the respective fair valuation and 20 trading day VWAP immediately preceding to the Base Date (1 July 2008). Specific details are as follows:

- fair valuation (calculated from Black-Scholes/Monte-Carlo simulation methodology): \$0.506.
- 20 trading day VWAP up to and including 30 June 2008: \$2.6989.
- *Therefore the mid-way point is \$1.60 (2 dpl) (divisor)*

Therefore, the 40% {LTI Remuneration Value} of the Executives' Total Fixed Remuneration is divided by \$1.60 to determine the number of Performance Rights to be granted.

The Company continues to review its remuneration practices against industry standards and with the assistance of independent consultants.

The Board wishes to grant Performance Rights to Michael Jones and Gareth Mann determined by the above methodology as follows:

**Gareth Mann, Group Managing Director (Resolution 6)**  
143,698 Performance Rights, which may convert on a one-for-one basis to ordinary shares upon achievement of Vesting Conditions (described on following page).

**Michael Jones, Director – Sustainability & Risk Management (Resolution 7)**  
95,875 Performance Rights, which may convert on a one-for-one basis to ordinary shares upon achievement of Vesting Conditions (described on following page).

## Vesting Conditions

The first limb of the vesting conditions for the FY2009 Executive Award to Members of the WDS Senior Management Team and other key executives (the participant

group include the Executive Directors, Mr Gareth Mann and Mr Michael Jones) will be a dual test of Earnings Per Share (EPS) and Relative Total Shareholder Return (RTSR) (Vesting Conditions). The Board considered it appropriate to have a dual test since:

- an EPS component rewards achievement against a target (Board approved Annual Plan). This target is within management’s influence, thereby focusing executives on the Company’s key business drivers; while
- a RTSR component provides both an additional challenging test (where reward is only delivered for ‘out-performing’ a target) plus transparency for external stakeholders.

The Board believes that the dual tests, if achieved, will demonstrably aid the creation of shareholder value.

Each Vesting Condition is weighted evenly and vesting details as follows:

Earnings per Share Target (50%)		Relative Total Shareholder Return Target (50%)	
EPS Growth above Target*	Rights to be Granted	TSR Growth above Target**	Rights to be Granted
< 5% above target	Nil	Up to 50th percentile	Nil
5% above target	50%	At 50.1th percentile	50%
>5% (<10%) above target	An additional 10% for each 1% increment	Between > 50th and 75th percentile	1% for each 1 percentile increase
10% or more than target	100%	>75th percentile	100%

\* Target is current year board approved Business Plan (or adjusted Business plan if acquisitions or disposals occur during the period).

\*\* Target is constituents of S&P/ASX All Ordinaries Index excluding those entities that have a Global Industry Classification Standard (GICS) sector number 4010 “Banks”, 4020 “Asset Management and Custody”, and 4030 “Insurance” and 4040 “REITs” as displayed on the WDS website under [www.wdslimited.com.au/Investors/CorporateGovernance](http://www.wdslimited.com.au/Investors/CorporateGovernance).

The second limb of the performance conditions will be continued employment with the Company (weighted evenly) as set out below. This time scale recognises the need to also incentivise top tier management in the medium-term (and acknowledges the tight labour conditions) as well achieves the longer-term objective of retaining these key individuals.

Time	Available Performance Rights to Vest
Base Date + 2 years	33.33%
Base Date + 3 years	33.33%
Base Date + 4 years	33.34%

The Base Date will be 1 July each year.

In accordance with sound corporate governance principles, there will be no re-test function for any awards, instead each target has a ‘cliff vesting’.

### Legislative Requirements

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolutions 6 and 7 respectively:

- Mr Gareth Mann is the Group Managing Director and is an Executive Director of the Company.
- Mr Michael Jones is the Director – Sustainability and Risk Management and is an Executive Director of the Company.
- Mr Mann will be granted 143,698 Performance Rights for nil financial consideration which, subject to the achievement of performance conditions, may convert to ordinary shares in the capital of WDS Limited on a one-for-one basis. As such up to 143,698 ordinary shares may be allotted to Mr Mann upon the conversion of vested Performance Rights, for nil financial consideration. Any shares allotted to Mr Mann may be acquired on market or issued by WDS.
- Mr Jones will be granted 95,875 Performance Rights for nil financial consideration which, subject to the achievement of performance conditions, may convert to ordinary shares in the capital of WDS Limited on a one-for-one basis. As such up to 95,875 ordinary shares may be allotted to Mr Jones upon the conversion of vested Performance Rights, for nil financial consideration. Any shares allotted to Mr Jones may be acquired on market or issued by WDS.
- As this is the first allocation of securities under the Plan, for the purposes of ASX Listing Rule 10.15.4, no person referred to in Listing Rule 10.14 has received any securities under the Plan.
- The Terms and Conditions of the Plan provide that any Director is eligible to participate in particular awards. With respect to the FY2009 Executive Award, the only Directors who are eligible for participation are the Executive Directors, Mr Gareth Mann and Mr Michael Jones. With respect to the Non-Executive Directors, WDS' current policy is that Non-Executive Directors are required to sacrifice at least 10% of their fees to acquire WDS shares. These shares are acquired on-market at the prevailing market price. The share acquisitions could be made under Plan, however, to date, the acquisitions have not been made under the Plan. Otherwise, WDS policy does not permit its Non-Executive Directors to participate in any equity incentive plans.
- The Performance Rights will be granted under the terms and conditions of the Plan, approved at the Company's 2007 AGM and under the rules of the FY2009 Executive Award.
- A Voting Exclusion Statement is set out under Resolutions 6 and 7 in the Notice of Meeting.
- There is no loan attaching to the offer under the Plan.
- Details of any securities issued under the 2009 Executive Award will be published in WDS' future annual remuneration reports, including that approval for this issue of securities was obtained under Listing Rule 10.14.
- The Company will allocate the Performance Rights within a week after the Annual General Meeting.



