



UGL Limited  
ABN: 85 009 180 287  
Level 10  
40 Miller Street  
North Sydney NSW 2060  
Australia  
Telephone: +61 2 9492 8888  
Facsimile: +61 2 9492 8844

[www.ugllimited.com](http://www.ugllimited.com)

**TO:** ASX Market Announcements

---

**FROM:** Dennis Mentzines

**DATE:** 10 October 2012

---

**PAGES :** 16 (inclusive)

---

**SUBJECT:** 2012 AGM Documents

---

Attached is a copy of the following documents which are being sent to shareholders today:

1. Notice of Meeting for the 2012 Annual General Meeting;
2. Proxy Form for the 2012 Annual General Meeting; and
3. Letter from the Chairman.

Yours faithfully



Dennis Mentzines  
**Company Secretary**

# Notice of Annual General Meeting

---

UGL Limited

ACN 009 180 287

Notice is given that the annual general meeting (AGM) of shareholders of UGL Limited (Company or UGL) will be held as follows:

**Time:** 2:00pm  
**Date:** Tuesday 13 November 2012  
**Place:** Sheraton on the Park  
Hyde Park Room  
Level 2, 161 Elizabeth Street  
Sydney NSW 2000



PLEASE READ THIS NOTICE AND EXPLANATORY NOTES CAREFULLY

A PROXY FORM IS ENCLOSED

If you are unable to attend the AGM please complete and return the Proxy Form in accordance with the specified instructions.

# AGENDA

## BUSINESS OF THE MEETING

### 1. Financial, Directors' and Auditor's Reports

To receive and consider the financial report, the directors' report and the auditor's report for the year ended 30 June 2012.

### 2. Re-Election of Mr Guy Cowan as a Director

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

"That Guy Cowan, being a director of the Company who retires by rotation pursuant to Rule 8.1(e)(2) of the Company's Constitution and, being eligible, be re-elected as a director of the Company."

### 3. Election of Mr Robert Denham as a Director

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

"That Robert Denham, being a director of the Company appointed since the last Annual General Meeting who retires pursuant to Rule 8.1(e)(1) of the Company's Constitution and, being eligible, be elected as a director of the Company."

### 4. Election of Dr Raymond Ch'ien as a Director

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

"That Raymond Ch'ien, being a director of the Company appointed since the last Annual General Meeting who retires pursuant to Rule 8.1(e)(1) of the Company's Constitution and, being eligible, be elected as a director of the Company."

### 5. Election of Dr Douglas McTaggart as a Director

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

"That Douglas McTaggart, being a director of the Company appointed since the last Annual General Meeting who retires pursuant to Rule 8.1(e)(1) of the Company's Constitution and, being eligible, be elected as a director of the Company."

### 6. Approval of previous issue of options

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

"That the issue of 746,935 options over fully paid ordinary shares in the Company under the Australian and United States of America Employee Share Option Plans, the details of which are set out in the Explanatory Notes included in this Notice of Meeting, be approved for all purposes (including ASX Listing Rule 7.4)."

### 7. Remuneration Report

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

"That the Remuneration Report set out in the annual report of the Company for the year ended 30 June 2012 be adopted."

***Please note that the vote on this resolution is advisory only, and does not bind the Company or its directors. However, if at least 25% of votes cast on this resolution are against the resolution, then the Spill Meeting Resolution below will become effective.***

### 8. Spill Meeting

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

"That, subject to and conditional on at least 25% of the votes cast on resolution 7 being cast against the adoption of the Remuneration Report:

- (1) an extraordinary general meeting of the Company (the 'Spill Meeting') be held within 90 days of the passing of this resolution;
- (2) all of the Non-Executive Directors in office when the resolution to make the Directors' Report for the financial year ended 30 June 2012 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (3) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."

## NOTES ON VOTING

### 1. Eligibility

You will be eligible to vote if you are registered as a holder of UGL shares at 7.00pm (Sydney time) on Sunday, 11 November 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### 2. Voting information

You can vote in either of two ways:

- attend the meeting and vote in person or, if you are a corporate shareholder, by corporate representative voting for you; or
- appoint a proxy to attend and vote for you, using the enclosed proxy form.

### 3. Voting in person

If you attend the meeting, please bring your personalised proxy form with you. We ask that you arrive at the venue at least 15 minutes prior to the time designated for the meeting so that we may check your security holding against our register of shareholders and note your attendance.

### 4. Voting by corporate representative

If a corporate shareholder plans to attend, it must appoint a person to act as its representative and the appointed person must bring appropriate written evidence of the appointment to the meeting signed under the corporation's common seal or in accordance with section 127 of the *Corporations Act 2001* (Cth) (*Corporations Act*).

### 5. Voting by proxy

If you do not intend to attend the meeting and are entitled to vote on the resolutions, you may select a representative to act as your proxy to attend and vote for you. A representative may be a natural person or a body corporate. A proxy need not be a shareholder of the Company.

Your proxy can be appointed in respect of some or all of your votes. If you are entitled to cast 2 or more votes at the meeting you may appoint 2 proxies, each to exercise a specified proportion or number of your votes. If you do not specify a proportion or number, each proxy may exercise half of your votes. An additional proxy form is available on request from Link Market Services Limited (the Company's share registry) if you wish to appoint 2 proxies.

Your proxy will also have the right to speak at the meeting and join in a demand for a poll.

You can use the attached proxy form to appoint a proxy. A reply paid envelope has also been included with the Notice of Meeting for return of the proxy form.

You may appoint the Chairman of the meeting as your proxy by nominating him in the proxy form. If you return your proxy form but do not nominate the identity of your proxy, the Chairman of the meeting will automatically be your proxy. If you return your proxy form but your nominated proxy does not attend the meeting, then your proxy will revert to the Chairman of the meeting. For resolutions determined

on a poll, if your nominated proxy is either not recorded as attending the meeting or does not vote on the resolution, the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution, subject to note 8, Voting Exclusions. The Chairman is required to vote any directed proxies that default to him in these circumstances as directed on the proxy appointment.

Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with the *Corporations Act*; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received prior to the commencement of the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

### 6. How will my proxy vote?

You can direct your proxy how to vote using the proxy form.

If you do not mark any of the boxes on a given item, your proxy may vote, or abstain from voting, as he or she chooses, except as set out in Note 8, Voting Exclusions.

If you mark the "abstain" box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll, and your vote will not be counted in computing the required majority on a poll.

If you mark more than one box on an item your vote on that item will be invalid.

### 7. Chairman's voting intentions

The Chairman of the Meeting intends to vote all available proxies in favour of each of the items of business in this Notice of Meeting with the exception of item 8 (Spill Meeting), in respect of which he will be voting against.

The Company encourages all shareholders who appoint proxies to direct their proxy on how to vote on each resolution. Please also refer to Note 8, Voting Exclusions below.

### 8. Voting exclusions

For all resolutions that are directly or indirectly related to the remuneration of a member of the Company's Key Management Personnel (KMP) (being resolutions in respect of items 6, 7 and 8 of this Notice of Meeting), the *Corporations Act* restricts KMP and their closely related parties from voting as proxies in certain circumstances. Closely related party is defined in the *Corporations Act* and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

In addition, the ASX Listing Rules apply voting restrictions to certain employees or directors and their associates in respect of item 6 of this Notice of Meeting.

The applicable voting exclusions are set out below.

#### *Item 6 (Approval of previous issue of options)*

The Company will disregard any votes cast on Item 6 by employees who participated in the issue of options for which approval is sought and any of their associates as well as any votes cast as proxy by a KMP or a KMP's closely related party, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form or, in the case of the Chairman of the meeting, where he has been expressly authorised to exercise the proxy.

#### *Items 7 and 8 (Remuneration Report and Board Spill Meeting Resolution)*

The Company will disregard any votes cast (in any capacity) on Items 7 and 8 by or on behalf of a KMP or a KMP's closely related party unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form or, in the case of the Chairman of the meeting, where he has been expressly authorised to exercise the proxy.

Accordingly, if you appoint a member of the KMP (other than the Chairman of the meeting) as your proxy, you should direct your proxy how to vote on items 6, 7 and 8 by ticking the relevant box next to each item on the proxy form, otherwise they will not be able to cast a vote as your proxy on those items. If you appoint the Chairman of the meeting as your proxy, you can authorise him to exercise your proxy even if you have not provided him with directions by ticking the 'Chairman's box' at Step 2 of the proxy form. As set out in section 7 above, the Chairman of the meeting will vote all available proxies 'for' items 2, 3, 4, 5, 6 and 7 and 'against' item 8.

If you do not direct the Chairman of the meeting how to vote and you do not authorise him to exercise your proxy on items 6, 7 and 8, the Chairman of the meeting will not be able to cast your votes on these items, and those votes will not be counted in computing the required majority on a poll.

## **9. Signing**

If the shareholder is a corporation, the proxy form must be signed under the corporation's common seal or in accordance with section 127 of the Corporations Act or under the hand of a duly authorised officer of the corporation.

A shareholder which is a corporation having a sole director/secretary must state that fact on the proxy form.

If the shareholder is a natural person, the proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. Where shares are jointly held, only one of the holders is required to sign the proxy form.

## **10. Authorised Officers**

If the proxy form is signed by an attorney or authorised person, a certified copy of the power of attorney or other document signed by or on behalf of the shareholder detailing the person's authority must be provided to the registry at the same time as providing the proxy form.

## **11. Timing**

For the appointment of a proxy to be effective, you must ensure that your proxy form (and a certified copy of the relevant authority) is received by the share registry not less than 48 hours before the time of the meeting (i.e. no later than 2.00pm (Sydney time) on Sunday, 11 November 2012) as follows:

- by mail to:  
UGL Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia; OR
- by lodging it online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). You will be taken to have signed your proxy form if you lodge in accordance with the instructions on the website; OR
- by facsimile to: +61 2 9287 0309; OR
- by hand delivery to:  
Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000.

A reply paid envelope is enclosed for the return of the proxy form by post.

By order of the Board  
Dated: 10 October 2012



Dennis Mentzines  
Company Secretary

# EXPLANATORY NOTES

## IMPORTANT NOTICE

The Explanatory Notes should be read in conjunction with, and form part of, the Notice of Meeting that the Explanatory Notes accompany.

### Item 1 - Financial report and shareholder questions

The financial report, directors' report and auditor's report for the year ended 30 June 2012 will be laid before the meeting. There is no requirement for shareholders to approve those reports. However, the Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's auditor, KPMG, questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the auditor's report and the conduct of the audit, may be submitted no later than 6 November 2012 to:

The Company Secretary  
UGL Limited  
Level 10, 40 Miller Street  
North Sydney NSW 2060

Facsimile: 61 2 9492 8844

Email: [companysecretary@ugllimited.com](mailto:companysecretary@ugllimited.com)

You may also submit questions via the Company's website, [www.ugllimited.com](http://www.ugllimited.com).

Questions in relation to the management of the Company will be collated and, during the meeting, the Chairman of the meeting will seek to address as many of the more frequently raised topics as possible.

The Chairman of the meeting will also give a representative of KPMG the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders. Copies of the questions and responses will be available at the meeting and posted on the Company's website.

### Items 2, 3, 4 & 5 - Election of directors

Mr Guy Cowan is a director of the Company who retires by rotation pursuant to Rule 8.1(e)(2) of the Company's Constitution, and being eligible, offers himself for re-election as a director of the Company.

Mr Robert Denham is a director of the Company appointed by the board since the last annual general meeting who retires pursuant to Rule 8.1(e)(1) of the Company's Constitution, and being eligible, offers himself for election as a director of the Company.

Dr Raymond Ch'ien is a director of the Company appointed by the board since the last annual general meeting who retires pursuant to Rule 8.1(e)(1) of the Company's Constitution, and being eligible, offers himself for election as a director of the Company.

Dr Douglas McTaggart is a director of the Company appointed by the board since the last annual general meeting who retires pursuant to Rule 8.1(e)(1) of the Company's Constitution, and being eligible, offers himself for election as a director of the Company.

Information on the experience, expertise, qualifications and term of office for Messrs Cowan, Denham, Ch'ien and McTaggart are set out in Annexure A.

Mr John Ingram, a director of the Company who retires by rotation pursuant to Rule 8.1(e)(2) of the Company's constitution, will not be offering himself for re-election as a director of the Company.

As previously announced, Mr Richard White resigned as a director of the Company on 4 September 2012.

The Board (excluding, as relevant, Mr Cowan, Mr Denham, Dr Ch'ien and Dr McTaggart) recommends to shareholders the re-election to the Board of Mr Cowan and the election to the Board of Messrs Denham, Ch'ien and McTaggart.

## Item 6 - Approval of previous issue of options

### *Approval Sought*

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue new securities representing more than 15% of its total ordinary shares during the preceding 12 month period without shareholder approval ("15% limit").

Under ASX Listing Rule 7.4, the Company may seek subsequent shareholder approval of specified issues of securities (including ordinary shares and options over ordinary shares) which were not in breach of Listing Rule 7.1 at the time they were made. If that approval is granted, such issues do not count toward the 15% limit.

The Company seeks shareholder approval of the issue of certain options made in November 2011 pursuant to two of its employee equity plans in order for the issue of these securities to be excluded from the 15% limit.

This is because the Board believes that it is in the best interests of the Company that it has an ability to issue up to a full 15% of the issued capital of the Company, so that the Company may take advantage of commercial opportunities that may arise in the course of the Company's activities, as and when those opportunities arise.

The Board unanimously recommends that shareholders vote in favour of Resolution 6.

### *Details of issue of options*

Listing Rule 7.5 requires that where shareholders are requested to provide subsequent approval to an issue of securities, that the shareholders be provided with certain information in relation to the securities issued.

The Company seeks the subsequent approval of shareholders in respect of the following options, all issued on 29 November 2011:

- 115,527 options over fully paid ordinary shares (**Options**) to executives and senior management under the terms of the United States of America Employee Share Option Plan (**USA Option Plan**); and
- 631,408 Options to executives and senior management under the terms of the Australian Employee Share Option Plan (**Australian Option Plan**).

The following information is provided in relation to the Options:

Number of Options issued and allotted	Issue price of Options	Terms of Options	Basis of allottee determination	Use or intended use of funds raised
746,935	Nil	The material terms of the Options are set out in Annexure B to these Explanatory Notes	Employees eligible to participate in the USA Option Plan and employees eligible to participate in the Australian Option Plan	Not applicable

The Options have been issued subject to performance hurdles consistent with the objective of aligning the interests of employees with shareholders and the long term vesting profile is consistent with the objective of retaining high performance executives and senior management.

## Item 7 - Remuneration Report

The remuneration report of the Company for the year ended 30 June 2012 is set out on pages 37 to 54 of the annual report to shareholders (**Remuneration Report**). A copy of the Remuneration Report is also available on the Company's website.

The Remuneration Report sets out UGL's remuneration arrangements for directors, including the Managing Director, and for senior executives.

The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about or make comments on the Remuneration Report at the meeting. In addition, the Corporations Act requires that shareholders be asked to vote on the Remuneration Report. In accordance with the Corporations Act, this vote is of an advisory nature only and does not bind the Company or its directors.

However, as explained below, the outcome of the vote may have consequences for the Company. In any event, the Board does take the outcome of the vote and discussion at the meeting into consideration when setting remuneration policy for future years.

### **Potential consequences flowing from the outcome of the vote**

Last year, under new laws on executive remuneration, the Company received a “strike” - this means that at least 25% of the votes cast on the resolution to adopt the 2011 Remuneration Report were cast against it.

Under the “two strikes rule”, if the Company receives a second strike, it is required to put a resolution to the meeting to determine whether the Company’s Non-Executive Directors (who were in office at the time the 2012 Remuneration Report was approved) will need to stand for re-election at a special meeting to be held within 90 days of the AGM.

As a result, this Notice of Meeting includes a “conditional” resolution (item 8). This resolution will be put to the meeting, but even if it is passed, it will only become effective if, on the basis of the formal results of the poll, it is evident that the Company has received a second strike. Further detail is included in the Explanatory Notes to Item 8.

### **Why should shareholders vote in favour of the Remuneration Report?**

To better understand the concerns that led to last year’s “first strike” and ensure the Board’s objectives were well communicated, the Board significantly increased its engagement with the Company’s key shareholders and stakeholder advisory groups during the preparation of the 2012 Remuneration Report. The Board has been careful to ensure that the Company’s remuneration strategies are appropriate for a complex and diverse global company focused on delivering sustainable value for shareholders. One of the conclusions from the engagement process was that it is the Company’s responsibility to better communicate the rationale and value of those strategies.

As a result, this year’s Remuneration Report has been developed to outline the value of the Company’s remuneration strategies in clearer and simpler terms, and to provide a more fulsome explanation of the link between remuneration outcomes and the delivery of set objectives which support the Company’s strategy. The report also provides better context in relation to some of the Company’s historical remuneration arrangements, including those agreed in 2009 with the Managing Director and CEO, who has overseen the Company’s transformation from a domestic company with market capitalisation of \$99 million, to a \$2.1 billion global company as at 10 August 2012.

The Board strongly believes that the Company’s past remuneration arrangements are reasonable and sound, and that their underlying rationale is now better explained in the Remuneration Report. The Board recognises that the Company’s future remuneration practices need to maintain their relevance and, where appropriate, reflect developments in market practice, and accordingly the Board has committed to:

- reflecting contemporary market practice in the remuneration arrangements of the successor to the current Managing Director and CEO; and
- ensuring that senior executives will not be entitled to receive dividends on future long term incentive awards.

The Board unanimously recommends to shareholders the adoption of the Remuneration Report.

### **Item 8 - Spill Meeting**

This is a conditional resolution. Even if it is passed, it will only become effective if, based on the formal results of the poll conducted on item 7, at least 25% of the votes cast on item 7 are against the adoption of the 2012 Remuneration Report and, accordingly, the Company has received a “second strike”.

If this resolution is passed, and becomes effective based upon the results of the poll on item 7, then it will be necessary for the Board to convene a further general meeting (“Spill Meeting”) of the Company within 90 days of the AGM in order to consider the composition of the Board. If the Company is required to hold a Spill Meeting, it will be held on 17 December 2012.

If a Spill Meeting is held, each Director (other than the Managing Director and CEO) who:

- held office at the date when the resolution to make the Directors’ Report for the financial year ended 30 June 2012 was passed; and
- continues in office at the date of the Spill Meeting,

will automatically vacate office at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that meeting.



Accordingly, even if Messrs Cowan and Denham are elected by shareholders at this year's AGM, they will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting. The other Directors who will cease to hold office if they are not re-elected at the Spill Meeting are:

- Trevor Rowe;
- Richard Humphry; and
- Kathryn Spargo.

As Richard White and John Ingram will have ceased being in office as a Director before the Spill Meeting, they will not be seeking re-election at the Spill Meeting. As Messrs Ch'ien and McTaggart were not Directors when the resolution to make the Directors' Report for the financial year ended 30 June 2012 was passed, they will not be subject to re-election at the Spill Meeting if they are elected at the AGM.

The Explanatory Notes to Item 7 contains further information relevant to this item of business.

The Board unanimously recommends that shareholders vote against Resolution 8.

# ANNEXURE A

Director	Term of office	Qualifications	External directorships	Experience & expertise	UGL Committee membership
<p>Guy M Cowan</p> <p>Age: 60</p> <p>Independent: Yes</p>	<p>Director since February 2009</p>	<p>Bachelor of Engineering (Hons) (University of Sussex, UK); Fellow of the Institute of Chartered Accountants in England and Wales</p>	<p><b>Current directorships of other listed entities and dates of office:</b></p> <p>Coffey International Ltd (Director since February 2012).</p> <p><b>Directorships of other listed entities over past 3 years:</b></p> <p>Raisama Limited (Director April 2010 until resignation in February 2012) and Ludowici Limited (Director November 2009 until resignation in July 2012).</p> <p><b>Other principal directorships and memberships:</b></p> <p>Director of Queensland Sugar Limited; Chairman of Beak and Johnston Limited.</p> <p><b>Former principal directorships and memberships:</b></p> <p>Director of various Fonterra subsidiaries and joint ventures, Director of Soprole SA (Chile), Director of Gold Oil PLC (UK) and alternate Director of Woodside Petroleum (1992 to 1994).</p>	<p>Mr Cowan has nine years' experience as a chartered accountant with PriceWaterhouse (now PricewaterhouseCoopers) and KPMG in addition to 23 years' international experience in commercial and finance roles with the Royal Dutch Shell Group in South America, Australia, Africa and Europe. Prior to February 2005, he was Chief Financial Officer of Shell Oil in the US. In February 2005, Mr Cowan joined the Fonterra Co-operative Group Limited, the New Zealand based exporter of dairy products accounting for more than one-third of the international dairy trade. At Fonterra, as Chief Financial Officer, his responsibilities included all aspects of foreign currency, interest rate and liquidity risk management as well as business planning, financial and performance reporting and mergers and acquisitions. Mr Cowan stepped down from his Fonterra role in February 2009.</p>	<p>Member of the Risk &amp; Audit Committee</p>
<p>Robert E Denham</p> <p>Age: 66</p> <p>Independent: Yes</p>	<p>Director since February 2012</p>	<p>BA (magna cum laude, University of Texas); MA Government (Harvard University); JD (magna cum laude, Harvard Law School)</p>	<p><b>Current directorships of other listed entities and dates of office:</b></p> <p>Chevron Corporation (Director: 2004 to date), Fomento Economico Mexicano, S.A. de CV (Director: 2001 to date), Oaktree Capital Group LLC (Director: 2007 to date) and The New York Times Company (Director: 2008 to date).</p> <p><b>Directorships of other listed entities over past 3 years:</b></p> <p>Alcatel-Lucent (Director: 2006-2009) and formerly Lucent Technologies (Director: 2002-2006) prior to its merger with Alcatel; Wesco Financial Corporation (Director: 2000 - 2011).</p> <p><b>Other principal directorships and memberships:</b></p> <p>Chairman of the Russell Sage Foundation, Director of the James Irvine Foundation, Trustee of the Good Samaritan Hospital in Los Angeles, public member of the Professional Ethics Executive Committee of the American Institute of Certified Public Accountants and partner in the US law firm of Munger, Tolles &amp; Olson LLP.</p>	<p>Mr Denham has more than thirty years' experience as a lawyer advising clients on strategic and financial issues. Mr Denham is a partner in the US law firm of Munger, Tolles &amp; Olson LLP, having re-joined the firm in 1998 after serving as the Chairman and CEO of Salomon Inc.. As Chairman and CEO of Salomon Inc, Mr Denham was responsible for the management of a financial services holding company whose principal businesses were investment banking and securities trading, commodities trading and oil refining.</p>	<p>Nil</p>

Director	Term of office	Qualifications	External directorships	Experience & expertise	UGL Committee membership
			<p><b>Former principal directorships and memberships:</b></p> <p>Chairman and CEO of Salomon Inc., Chairman of the John D. and Catherine T. MacArthur Foundation, Chairman and CEO of the Financial Accounting Foundation, Co-Chairman of the Capital Formation Subcouncil of the Competitiveness Policy Council, past member of the OECD Business Sector Advisory Group on Corporate Governance, and Presidential appointee to the APEC Business Advisory Council and the Bipartisan Commission on Entitlement and Tax Reform. Mr Denham also co-chaired the 2009 Conference Board Task Force on Executive Compensation.</p>		
<p>Raymond K F Ch'ien Age: 60 Independent: Yes</p>	<p>Director since September 2012</p>	<p>PhD in Economics</p>	<p><b>Current directorships of other listed entities and dates of office:</b></p> <p>Chairman of MTR Corporation Limited (member of the Board since 1998 and appointed Chairman in July 2003), Chairman of China.com Inc. (since November 1999) and Chairman of Hang Seng Bank Limited (appointed August 2007). Director of each of Convenience Retail Asia Limited (director since January 2001), The Wharf (Holdings) Limited (director since 2002), Swiss Re Ltd (director since February 2011 and he had been a director of its predecessor company, Swiss Reinsurance Company Limited, since April 2008) and China Resources Power Holdings Company Limited (director since April 2010).</p> <p><b>Directorships of other listed entities over past 3 years:</b></p> <p>CDC Corporation (Chairman from 31 January 1999 until 2 October 2011) and CDC Software Corporation (Director from 16 April 2009 until 22 January 2012).</p> <p><b>Other principal directorships and memberships:</b></p> <p>Director of The Hongkong and Shanghai Banking Corporation Limited and Hong Kong Mercantile Exchange Limited, a member of the Standing Committee of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and honorary president of the Federation of Hong Kong Industries.</p>	<p>Dr Ch'ien is based in Hong Kong and has extensive experience as a director of various listed public companies. He is Chairman of MTR Corporation Limited, Hang Seng Bank Limited and China.com Inc. and serves on the boards of The Hongkong and Shanghai Banking Corporation Limited, Convenience Retail Asia Limited, The Wharf (Holdings) Limited, Hong Kong Mercantile Exchange Limited, China Resources Power Holdings Company Limited and Swiss Re Limited. Dr. Ch'ien was non-executive Director of HSBC Holdings plc. from 1998 to 2007 and Group Managing Director of Lam Soon Hong Kong Group from 1984 to 1997.</p> <p>In public service, Dr. Ch'ien is a member of the Standing Committee of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and a member of the Committee on Real Estate Investment Trusts of the Securities and Futures Commission in Hong Kong. Dr. Ch'ien is an honorary President and past Chairman of the Federation of Hong Kong Industries. From 1992 to 1997, Dr. Ch'ien was a member of the Executive Council of Hong Kong, then under British Administration. He was appointed a member of the Executive Council of the Hong Kong SAR on July 1, 1997 and served until June 2002. Dr. Ch'ien was Chairman of the Hong</p>	<p>Nil</p>

Director	Term of office	Qualifications	External directorships	Experience & expertise	UGL Committee membership
			<p><b>Former principal directorships and memberships:</b></p> <p>Member of the Executive Council of Hong Kong, then under British Administration, from 1992 to 1997, member of the Executive Council of the Hong Kong SAR from 1 July 1997 to June 2002, non-executive director of Inchcape plc., a Hong Kong member of APEC Business Advisory Council, non-executive chairman of HSBC Private Equity (Asia) Limited, Chairman of CDC Corporation (until 2 October 2011), Director of CDC Software Corporation (until 22 January 2012), and Chairman of the Hong Kong/European Union Business Cooperation Committee (until 31 January 2012).</p>	<p>Kong/European Union Business Cooperation Committee from 2005 to January 2012. He was a Hong Kong member of the APEC Business Advisory Council from 2004 to 2009. Dr. Ch'ien was previously Chairman of the Advisory Committee on Corruption of the Independent Commission Against Corruption; The Hong Kong/Japan Business Cooperation Committee; the Industry and Technology Development Council and the Hong Kong Industrial Technology Centre Corporation Limited.</p> <p>Dr. Ch'ien was appointed a Justice of the Peace in 1993. He was made a Commander in the Most Excellent Order of the British Empire in 1994 and awarded the Gold Bauhinia Star medal in 1999. In 2008, Dr. Ch'ien was conferred the honour of Chevalier de l'Ordre du Merite Agricole of France.</p>	
<p>Douglas F McTaggart Age: 59 Independent: Yes</p>	<p>Director since September 2012</p>	<p>BEcon (Hons), MA, PhD, DUniv</p>	<p><b>Current directorships of other listed entities and dates of office:</b></p> <p>Suncorp Group Limited (Director since April 2012) and Telesso Technologies Limited (Director since November 2007)</p> <p><b>Directorships of other listed entities over past 3 years:</b></p> <p>Nil</p> <p><b>Other principal directorships and memberships:</b></p> <p>Councillor on the National Competition Council, a member of the Council of Australian Governments (COAG) Reform Council and a Commissioner to the Queensland Government Independent Commission of Audit.</p> <p><b>Former principal directorships and memberships:</b></p> <p>President of the Economic Society, Australia, member of the Australian Accounting Standards Board, Council Member of the Queensland University of Technology and Director (and past Chair) of the Investment &amp; Financial Services Association (IFSA).</p>	<p>Dr McTaggart was Chief Executive Officer of Queensland Investment Corporation ("QIC") for 14 years with broad experience in financial markets and funds management. He has also held various roles as an academic economist, finishing as Professor of Economics and Associate Dean at Bond University. Prior to joining QIC he was the Under Treasurer and Under Secretary of the Queensland Department of Treasury.</p>	<p>Nil</p>

## ANNEXURE B

The material terms and conditions of the Options referred to in Resolution 6 are set out below.

### 115,527 Options issued under the USA Option Plan

Issue Date	Exercise Price	Expiry Date	Vesting Date	Performance Hurdles
29 November 2011	\$11.49	31 December 2016	1 September 2015	<p>Half of the options are subject to a TSR performance condition, and the other half are subject to an EPS performance condition.</p> <p>1. TSR performance condition</p> <p>25% of the options will vest if the Company's total shareholder return ("TSR") as measured by the change in value of its cumulative index over the Performance Period is equal to or exceeds the median TSR of the Comparator Group over the same period. If the Company's TSR over the Performance Period exceeds the median TSR of the Comparator Group, a further 1% of the options (up to a maximum of a further 25%) will vest for every one percentile increase in the Company's position relative to the Comparator Group.</p> <p>2. EPS performance condition</p> <p>25% of the options will vest if compound annual earnings per share ("EPS") growth equals or exceeds 5% per annum over the Performance Period. A further 5% of the options (up to a maximum of a further 25%) will vest for each 1% that compound annual EPS growth exceeds 5% per annum over the Performance Period.</p> <p>The Performance Period is 1 July 2011 to 30 June 2015.</p> <p>The Comparator Group is the companies in the S&amp;P ASX 200 Industrials (sector) accumulation index (ASX code XNJAI) at the beginning of the Performance Period. The Board has the discretion to adjust the Comparator Group to take into account events including but not limited to takeovers, mergers or de-mergers that might occur during the Performance Period.</p>

### 631,408 Options issued under the Australian Option Plan

Issue Date	Exercise Price	Expiry Date	Vesting Date	Performance Hurdles
29 November 2011	\$11.49	31 December 2016	1 September 2015	<p>Half of the options are subject to a TSR performance condition, and the other half are subject to an EPS performance condition.</p> <p>1. TSR performance condition</p> <p>25% of the options will vest if the Company's total shareholder return ("TSR") as measured by the change in value of its cumulative index over the Performance Period is equal to or exceeds the median TSR of the Comparator Group over the same period. If the Company's TSR over the Performance Period exceeds the median TSR of the Comparator Group, a further 1% of the options (up to a maximum of a further 25%) will vest for every one percentile increase in the Company's position relative to the Comparator Group.</p> <p>2. EPS performance condition</p> <p>25% of the options will vest if compound annual earnings per share ("EPS") growth equals or exceeds 5% per annum over the Performance Period. A further 5% of the options (up to a maximum of a further 25%) will vest for each 1% that compound annual EPS growth exceeds 5% per annum over the Performance Period.</p> <p>The Performance Period is 1 July 2011 to 30 June 2015.</p> <p>The Comparator Group is the companies in the S&amp;P ASX 200 Industrials (sector) accumulation index (ASX code XNJAI) at the beginning of the Performance Period. The Board has the discretion to adjust the Comparator Group to take into account events including but not limited to takeovers, mergers or de-mergers that might occur during the Performance Period.</p>



By mail:  
UGL Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1800 200 296 Overseas: +61 2 8280 7796

## SHAREHOLDER VOTING FORM

I/We being a member(s) of UGL Limited and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf at the Annual General Meeting of the Company to be held at **2:00pm on Tuesday, 13 November 2012 at the Sheraton on the Park, Hyde Park Room, 161 Elizabeth Street, Sydney** and at any adjournment or postponement of that meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an

### STEP 2

### EXPRESS AUTHORISATION

**Important for items 6, 7 and 8 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default**

If you wish to give the Chairman specific voting directions on items 6, 7 and 8, you should mark the appropriate box opposite items 6, 7 and 8 (directing him to vote 'for', 'against' or to 'abstain' from voting). Alternatively, you can authorise the Chairman of the Meeting to vote as he sees fit by marking the box immediately below. If you do not mark the box below, and you have not otherwise directed your proxy how to vote on items 6, 7 and 8, the Chairman of the Meeting will not cast votes as your proxy on items 6, 7 and 8 and your votes will not be counted in computing the required majority if a poll is called on items 6, 7 and 8.

**Chairman authorised to exercise proxies on remuneration related resolutions (items 6, 7 and 8):** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of items 6, 7 and 8 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though items 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote all available proxies in favour of all items of business except item 8, where he will be voting against.

### STEP 3

### VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
<b>Resolution 2</b> Re-Election of Mr Guy Cowan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 6</b> Approval of previous issue of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Election of Mr Robert Denham as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 7</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Election of Dr Raymond Ch'ien as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 8</b> Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> Election of Dr Douglas McTaggart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### STEP 4

### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the meeting but does not vote on a poll on an item of business, the Chairman of the meeting will become your proxy in respect of that item. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses (except in relation to items 6, 7 and 8 where you have appointed a member of the key management personnel of the Company or one of their closely related parties as your proxy, in which case there are additional restrictions explained below). If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not

specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

- (b) return both forms together.

### Proxy voting by key management personnel

The key management personnel of the Company (which includes each of the Directors) will not be able to vote as your proxy on items 6, 7 and 8 unless you tell them how to vote or, if the Chairman of the Meeting is your proxy, you expressly authorise him to vote as he sees fit on items 6, 7 and 8 by ticking the box in step 2 of this form. If you intend to appoint a member of the key management personnel or one of their closely related parties (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on items 6, 7 and 8 otherwise they will not be able to cast a vote as your proxy on that item.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

### Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Sunday, 11 November 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



#### by mail:

UGL Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### by fax:

+61 2 9287 0309



#### by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**

# Chairman's Letter to Shareholders



Dear Shareholders

One of the primary responsibilities of the Board and senior management is to successfully deliver UGL's fundamental strategy of growing earnings over a sustained period of time to create value for our shareholders. UGL's approach to remuneration has been, and continues to be, aligned with our strategy and focus on creating shareholder value as demonstrated by our strong performance track record.

Over the last decade, UGL has achieved sustained earnings growth and delivered returns to our shareholders well in excess of the broader market. Underlying EPS has grown at a cumulative average growth rate of 16.1 per cent, from 22.7 cents per share to 101.3 cents per share. Our total return to shareholders has grown at a cumulative average growth rate of 19.9 per cent compared to 6.9 per cent for S&P/ASX 200.

Our growth over the last decade has been achieved by identifying and capturing unique market opportunities which have transformed UGL into a complex and diverse global company with operations in 52 countries and a workforce of over 56,000 people. Our unique business platform, while one of UGL's key strengths, has also become one of our key challenges. As a result of this challenge, our ability to attract, retain and reward high quality leaders is critical to our continued success. The Board is mindful of ensuring that our remuneration practices support this objective to the benefit of our shareholders.

At our Annual General Meeting last October, 30 per cent of the vote we received from shareholders did not support the 2011 Remuneration Report.

A number of concerns were raised by shareholders and stakeholder advisory groups in relation to our remuneration practices and the disclosure of our incentive arrangements.

To better understand these concerns and ensure the Board's objectives were well communicated, the Board significantly increased its engagement with our key shareholders and stakeholder advisory groups. Following this engagement process, we understand that:

- we need to continue to review our remuneration practices and disclosures in the context of stakeholder and market expectations;
- it is our responsibility to better communicate the rationale and value of our remuneration strategies to our key stakeholders; and
- we need to continue to engage with our stakeholders to better allay any concerns by explaining our objectives and how the remuneration outcomes each year relate to our performance and delivery of shareholder value.

With this in mind, our 2012 Remuneration Report (as set out on pages 37 – 54 of UGL's 2012 Annual Report) has been developed to outline the value of our remuneration strategies in what we hope are simple, clear terms and provide an explanation of the link between the remuneration outcomes against the delivery of set objectives which support our strategy.

The report also seeks to provide better context in relation to some of our historical remuneration arrangements, including those agreed with the Managing Director & CEO in 2009.

UGL remains focused on delivering sustainable value for our shareholders. Ensuring we maintain an executive remuneration framework which aligns with this objective continues to be a key priority for the Board. The Board recognises that it is our responsibility to maintain shareholder confidence in our leadership of UGL and our remuneration practices, and to this end we value your feedback and look forward to welcoming you to our 2012 AGM.

Trevor C Rowe AO  
Chairman

[www.ugllimited.com](http://www.ugllimited.com)

#### About UGL Limited

UGL Limited (ASX: UGL) is a global leader in outsourced engineering, property services and asset management and maintenance delivering essential services that sustain and enhance the environment in which we live. UGL comprises three business units including Engineering, Operations & Maintenance and Property providing services across the power, water, rail, resources, property, transport, communications and defence sectors. Headquartered in Sydney, Australia, UGL operates worldwide across 52 countries employing over 56,000 people. For more information, visit: [www.ugllimited.com](http://www.ugllimited.com) ABN 85 009 180 287

UGL Limited | ABN 85 009 180 287

Level 10, 40 Miller St | Locked Bag 903 | North Sydney NSW 2060 | Australia | Tel: +61 2 9492 8888 | Fax: +61 2 9492 8844