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**Share Registrar:**  
ASX Perpetual Registrars Limited,  
Level 8, 580 George Street,  
Sydney NSW 2000 Australia  
**Fax number (02) 8280 7646**

**Share Registrar's Postal Address:**  
ASX Perpetual Registrars Limited,  
Locked Bag A14,  
Sydney South Post Office,  
Sydney 1232

# Leighton Holdings Limited

ACN 004 482 982

## Notice of Annual General Meeting 2001

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### To: The Shareholders

Notice is hereby given that the Annual General Meeting of Leighton Holdings Limited will be held in the Grand Ballroom, The Westin Sydney, No.1 Martin Place, Sydney, New South Wales, on Thursday 8 November 2001 at 10.00am to transact the following:

### Business

1. To receive and consider the Financial Report and Reports of the Directors and Auditor for the year ended 30 June 2001.
2. To Elect Directors:
  - 2.1 H P Keitel retires by rotation in accordance with Clause 18 of the Company's Constitution and being eligible offers himself for re-election.
  - 2.2 D P Robinson retires by rotation in accordance with Clause 18 of the Company's Constitution and being eligible offers himself for re-election.
  - 2.3 J P Morschel was appointed a Non-Executive Director on 16 August 2001. In accordance with Clause 17.2 of the Company's Constitution Mr J P Morschel holds office until this meeting and being eligible offers himself for election.

### Information about the candidates appears on reverse.

3. (Resolution 3) To consider and if thought fit pass the following resolution as an ordinary resolution:

'THAT KPMG are hereby reappointed as the Company's Auditor.'

4. (Resolution 4) To consider and if thought fit pass the following resolution as an ordinary resolution:

'THAT approval is given for the Company to grant under the Leighton Executive Share Option Plan at any time before the Company's next Annual General Meeting 600,000 options to acquire shares in the Company to Mr W M King and 400,000 options to acquire shares in the Company to Mr D S Adamsas.'

5. (Resolution 5) To consider and if thought fit pass the following resolution as an ordinary resolution:

'THAT the maximum aggregate yearly sum which may be paid by the Company to its Non-Executive Directors as remuneration for their services be increased by \$350,000 from \$950,000 to \$1,300,000 with effect on and from 1 July 2001.'

**See the accompanying Explanatory Notes on reverse for further information concerning Resolutions 3, 4 and 5.**

By Order of the Board  
A.J. Moir, Secretary  
Sydney 2 October 2001

### Invitation

After the meeting all shareholders are invited to join the Directors for light refreshments.

### Proxies

1. A proxy form accompanies this notice. Additional proxy forms will be provided on request.
2. A shareholder entitled to attend and vote at the meeting may appoint up to 2 proxies to attend and vote for the shareholder. A shareholder may specify the proportion or number of votes that the proxy may exercise. If a shareholder appoints 2 proxies and does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
3. A proxy need not be a shareholder of the Company.
4. The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed either in accordance with section 127 of the Corporations Act 2001 or under the hand of a duly authorised officer or attorney.
5. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority) must be received at or sent by fax to the Company's Share Registrar, ASX Perpetual Registrars Limited, not later than 48 hours before the time for holding the meeting. See above for the fax number and address of the Share Registrar.

### Eligibility to Vote

1. For the purposes of the meeting, shares will be taken to be held by persons who are registered as members as at 7.00pm on 6 November 2001. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.
2. The Company will disregard (a) any votes cast on Resolution 4 by any Executive Director of the Company or by any associate of an Executive Director and (b) any votes cast on Resolution 5 by any Director of the Company or any associate of a Director. However the Company need not disregard a vote that is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if 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.

Resumes of the candidates for election to the office of Director are as follows:

**Dr. H.P. Keitel, (54)**  
Dr -Ing

A graduate in studies on civil engineering at Technical University: Stuttgart and on business administration and economics at Technical University Munich, Germany. A Non-Executive Director since 1992. Elected Deputy Chairman in November 1998. Joined HOCHTIEF AG in 1988 as Director to the Board responsible for international business. Became a member of the Board of Executive Directors in 1990 and was appointed Chairman of the Board of Executive Directors of HOCHTIEF AG in 1992. Other directorships include Pilkington plc, Ballast Nedam N.V. and the Turner Corporation. He is a member of several Supervisory Boards. A Director of HOCHTIEF Limited.

**D. P. Robinson, (45)**  
MComm, BEc, FCA

A graduate of the University of Sydney. A Non-Executive Director since 1990. Alternate Director from 1987 to December 1990. A chartered accountant and partner with the firm of Harveys Chartered Accountants in Sydney. Responsible for management services within that firm. Participates in construction industry affairs. A Director of HOCHTIEF Limited.

**J. P. Morschel, (58)**  
DipQS, FAIM

Appointed a Non-executive Director and a Deputy Chairman on 16 August 2001. Educated at Manly Boys' School and the University of NSW. Chairman CSR Limited. Director of Rio Tinto plc and Rio Tinto Limited, Cable & Wireless Optus Limited and Tenix Pty Limited. Patron of the Property Industry Foundation and a Trustee of the Art Gallery of NSW.

Formerly Chairman of Comalco Limited, Director of Westpac Banking Corporation and Managing Director of Lend Lease Corporation Limited.

## Explanatory Notes:

### Resolution 3

#### Re-Appointment of KPMG as the Company's Auditor

Following the increase in HOCHTIEF Limited's shareholding in the Company to 50.3% during the 2000/01 financial year the Company's Auditor, KPMG is required under Section 327 (15) of the Corporations Act 2001 to retire at this year's Annual General Meeting. However as is permitted by that same Section KPMG, being eligible, offer themselves for re-appointment as the Company Auditor.

Your Directors recommend that you vote in favour of Resolution 3.

### Resolution 4

#### Issue of options to the Company's two Executive Directors

Approval is sought for the Company to issue to each of the Company's present two Executive Directors, Mr W M King and Mr D S Adamsas, options over unissued ordinary shares in the Company. It is proposed that 600,000 options be issued to Mr W M King and 400,000 to Mr D S Adamsas. The options will be issued under the Leighton Executive Share Option Plan (LESOP) and may be granted at any time before the Company's 2002 Annual General Meeting.

A summary of the terms and conditions of LESOP is set out below. A copy of the Rules of the Plan, approved by shareholders at the Annual General Meeting in November 1998, which sets out the full terms of the Plan will be sent free of charge to a shareholder on request.

#### LESOP

The object of LESOP is to encourage greater interest on the part of Group Executives in the performance and success of the Group. This Plan allows the Company to offer selected Executives options over unissued ordinary shares in the Company subject to the following preconditions:

– Firstly, no offer may be made under the Plan unless, in the Company's financial year last occurring before the date of the offer, the Company's return on ordinary shareholders funds (calculated by reference to the

Company's financial statements for that financial year) was not less than the most recently published median return on ordinary shareholders funds for companies included in the ASX 100 Industrials Index.

– Secondly, no offer of options under LESOP may be made if the offer would cause the Company to breach the rolling 5 year 5% rule contained in the Rules of the Plan.

The options offered to and accepted by an Executive (Participant) are issued at no cost to the Participant. The options nevertheless will have an exercise price which is payable by the Participant on exercise of the options and which must not be less than the weighted average market price at which the Company's shares are traded on the ASX during the 1 week period up to and including the date of issue of the options.

The options have a 5 year exercise period except they automatically lapse before the expiry of that period on the occurrence of certain events specified in the Plan Rules including the Participant's termination of employment (other than on account of death, total and permanent disability, normal retirement age and certain other special circumstances mentioned in the Rules).

No option is exercisable before the second anniversary of its date of issue and not more than 50% of the options held by a Participant and having the same issue date may be exercised before the third anniversary of the date of issue.

**Performance hurdle:** no option is exercisable unless the percentage increase in the Company's total shareholder returns (ie, growth in share price plus dividends reinvested) during the 2 years before the proposed exercise of the options equals or exceeds the percentage increase in either the ASX All Industrials Accumulation Index or the ASX 100 Industrials Accumulation Index during the same 2 year period.

Shares issued to Participants following exercise of their options are to be listed on the ASX. Participants are not permitted to sell or transfer their options.

Under ASX Listing Rule 10.14 the issue of the options to the Executive Directors requires the approval of the Company's shareholders.

Since LESOP was approved by shareholders at the Company's Annual General Meeting held on 5 November 1998:

1. Mr D S Adamsas was issued 400,000 options over unissued shares in the Company on 5 August 1999 under LESOP. These options have an exercise price of \$5.84 per option.
2. Mr W M King was issued 600,000 options over unissued shares in the Company on 5 August 1999 under LESOP. These options have an exercise price of \$5.84 per option.

Except for the options detailed under items 1 and 2 above neither Mr W M King, Mr D S Adamsas nor any other Director of the Company, or any associate of a Director have been issued any options under LESOP since 5 November 1998.

The Non-Executive Directors recommend that you vote in favour of Resolution 4.

The Non-Executive Directors consider it appropriate that the two Executive Directors, in the interests of all shareholders, are properly motivated to maximise the value of the Company's shares. Accordingly the Non-Executive Directors recommend the passing of the resolution so that the Company may be permitted to continue to include options issued under LESOP as part of the total remuneration package for an Executive Director. None of the Non-Executive Directors has a personal interest in the outcome of the resolution.

The Executive Directors abstain from recommending the resolution to shareholders as they each have a personal interest in the outcome of the resolution.

### Resolution 5

#### Increase in the Maximum Limit of Non-Executive Directors' Fees

Shareholders last approved an increase in the maximum aggregate limit of the annual fees in 1998. Since that time the number of Non-Executive Directors has increased from nine to ten.

In the opinion of the Directors a strong and effective Board is one containing a balance of Executive and Non-Executive Directors.

An increase in the maximum aggregate limit from \$950,000 to \$1,300,000 per annum is considered necessary to allow the Company to maintain the flexibility to recruit and retain experienced and talented Non-Executive Directors recognising the additional responsibilities assumed by Directors under the Corporations Act and the increase in the Group's activities over recent years.

Mr MA (Tim) Besley, the Company's Chairman, will not vote as a shareholder. However, as proxy for members who have directed him to vote as he decides, he intends to vote those proxies in favour of Resolution 5.