

Additional Information on AGM Resolutions

Re-election of John Humphrey

Board skills

- Director since May 2001 who provides unparalleled board experience in Downer
- Partner in Mallesons, Stephen Jaques, specialising in mergers & acquisitions
- Chair of Downer's audit committee for over 6 years
- Instrumental in forcing management to recognise contractual issues
- Other public company directorships are with small cap companies:
 - Horizon Oil Limited – oil explorer
 - Wide Bay Australia Limited – regional building society
- Diligent attendance at board and committee meetings
 - 100% in 2010
 - 90% in 2009
 - 100% in 2008
- Considered an excellent director in the recent board performance review with good understanding of resources and industrial sectors across the region as well as balanced judgement in legal / commercial matters

John Humphrey is a partner in Mallesons Stephen Jaques ('Mallesons'). From time to time, Downer has engaged the services of Mallesons (without any involvement from John) and discloses the total fees paid to the firm in the Annual Report. A breakdown of fees paid over the past three years is as follows:

Nature of work	2008 \$'000	2009 \$'000	2010 \$'000
<i>Basic compliance:</i>			
Legal support and opinions for treasury and banking transactions.		101	144
Minor transactions for Downer divisions		26	
Director's expenses - reimbursement of travel expenses.	1	5	6
<i>Expertise Uniquely held by Mallesons:</i>			
Legal advice on CBD Metro tender. There were several bidders and two short listed consortia. Downer EDI's usual lawyers were servicing other consortia participants and Mallesons were the only suitable major law firm available to provide Downer with independent advice.			235
Legal advice on a potential acquisition. There were over seven bidders for this business and again Mallesons were the only major firm not committed to other parties available to give Downer independent advice. Downer was unsuccessful in being short-listed for the acquisition.			352
<i>Work for material board decisions</i>			
Legal advice on potential public company acquisition.		101	
Legal advice on takeover defence	179		
Total fees paid to Mallesons	180	233	737
Fees paid to Downer's two preferred service providers (note			
	\$11.8m	\$7.8m	\$8.9m

this does not represent all legal fees)			
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Re-election of Annabelle Chaplain

- Director since July 2008
- Risk management and public finance expertise gained over 20 years in senior roles in investment banking
- Extensive governance experience of critical infrastructure businesses
 - Formerly a director of SEQ Water for 10 years with nearly 4 years as Chairman
- No other public company directorships although a member of the Australian Government's Board of Taxation
- Chair of Downer's audit committee since July 2010
- Diligent attendance at board and committee meetings
 - 100% in 2010
 - 91% in 2009
- Considered an excellent director in the recent board performance review with special skills in risk evaluation and financing transactions

Vesting of Long-term incentives to Geoff Knox

Under the contract of employment between Downer EDI Limited and Mr Knox, upon termination by Downer, Mr Knox was entitled to 12 months' written notice or 12 months' payment in lieu of notice or a combination of both. Downer made a payment of 12 months' in lieu of notice to Mr Knox.

Legal advice was sought by the company on the impact that payments in lieu of notice has on entitlements under the company's long term incentive ('LTI') plans. The advice concluded that under the terms of the employment contract, employees are eligible for payment where they remain employed or but for the payment of salary in lieu of notice, would have been employed by the company at the vesting date. This is consistent with usual contractual practice that notice periods are considered as continued employment.

Accordingly, Mr Knox is entitled to vested shares that met performance requirements to 31 December 2009, but are due to vest on the basis of service during his notice period. This means that Mr Knox is entitled to 243,013 shares relating to the 2008 LTI scheme that met the performance hurdle at 31 December 2009 and will vest on 31 December 2010. This was 12% of the total shares that could have vested to Mr Knox for all outstanding LTI grants.

Mr Knox was also entitled to 172,712 shares under the 2009 LTI scheme that met the performance hurdle at 31 December 2009 however it was mutually agreed that these shares be forfeited along with all remaining provisionally qualified or unvested shares in the LTI scheme relating to the 2008, 2009 and 2010 LTI schemes (1,729,549 shares in total).

Bruce Crane
Company Secretary

15 October 2010