



**KBR, Inc.****KBR NYSE****Engineering / Construction**

Market Capitalization USD:

**\$3,563.15 mm****CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration. 
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: William P. Utt****Age: 55****CEO Since: 2006**

	2009	2010	2011
<b>Base Salary</b>	\$928,932	\$988,476	\$1,050,380
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$3,650,000	\$3,525,000	\$1,856,608
<b>Benefits and Perquisites</b>	\$652,871	\$631,847	\$611,082
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$5,231,803</b>	<b>\$5,145,323</b>	<b>\$3,518,070</b>
<b>Increase in Post-Retirement Benefits</b>	\$160,410	\$157,855	\$20,613
<b>Stock Option Awards</b>	\$660,681	\$1,250,011	\$1,250,009
<b>Stock Awards</b>	\$1,206,003	\$3,000,020	\$4,227,025
<b>TOTAL COMPENSATION</b>	<b>\$7,258,897</b>	<b>\$9,553,209</b>	<b>\$9,015,717</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$1,553,843	\$1,976,058	\$2,024,134
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$729,558
<b>Value Realized on Vesting of Stock</b>	\$968,271	\$1,500,930	\$3,655,860
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$968,271</b>	<b>\$1,500,930</b>	<b>\$4,385,418</b>

Proxy Date: 5 Apr 2012

Annual Meeting Date: 17 May 2012

Equity Reserves: 1.35%

Stock Option Run Rate: 0.43%

### Performance Comparison

■ S&P500 ■ Industry ■ KBR



### Peer Comparisons (TRBC) =Engineering / Construction

#### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>KBR</b>	<b>KBR, Inc.</b>	<b>\$7,258,897</b>	<b>\$9,553,209</b>	<b>\$9,015,717</b>	<b>\$3,563,149,008</b>
FLR	Fluor Corporation	\$10,006,619	\$9,870,571	\$9,741,057	\$8,090,708,541
JEC	Jacobs Engineering Group Inc.	\$4,674,603	\$6,378,250	\$5,860,331	\$4,118,641,519
PWR	Quanta Services, Inc.	\$3,283,296	\$2,776,586	\$1,487,227	\$3,970,919,091
CBI	Chicago Bridge & Iron Company N.V.	\$8,080,160	\$8,378,474	\$8,712,425	\$2,825,306,257
MDR	McDermott International, Inc.	\$8,615,311	\$7,187,111	\$5,400,780	\$2,525,530,634
FWLT	Foster Wheeler AG	\$3,011,530	\$2,275,314	\$9,908,632	\$2,452,399,012

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

#### Pay Peer Group

AECOM Technology Corporation, Foster Wheeler Ltd, The Shaw Group Inc., Chicago Bridge & Iron Company NV, Jacobs Engineering Group Inc., URS Corp, EMCOR Group, Inc., McDermott International, Inc., Fluor Corp., Quanta Services, Inc.

Diversified peers; Baker Hughes Inc., Borg Warner Inc., Cameron International Corporation, CH2M Hill Companies, Ltd., Chicago Bridge & Iron Company NV, Cooper Industries Ltd., Cummins Inc., Dover Corporation, Eaton Corporation, FMC Technologies Inc., Foster Wheeler Ltd, Goodrich Corporation, ITT Corporation, McDermott International, Inc., SAIC, Inc., Service Corp International, The Shaw Group Inc., Textron Inc., and Waste Management Inc.

#### Performance Peer Group

AECOM Technology Corp., Chicago Bridge & Iron Company NV, Chiyoda Corp., Fluor Corp., Foster Wheeler Ltd, Jacobs Engineering Group Inc., JGC Corp., Saipem, The Shaw Group Inc., Technip, Quanta Services, Inc., and URS Corp.

### COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Loren K. Carroll	Chairman	68	Male	5	Outside
John R. Huff	Member	66	Male	5	Outside
Linda Z. Cook	Member	53	Female	1	Outside
Richard J. Slater	Member	65	Male	6	Outside