

KBR, INC.
Form DEF 14A
April 02, 2018
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

KBR, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee
(Check the appropriate
box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration

Statement No.:

(3) Filing Party:

(4) Date Filed:

Notice
**of Annual Meeting of
Stockholders**

You are cordially invited to attend KBR's annual stockholders' meeting. Below is important information about the meeting, including how you can let your voice be heard through voting. Please review our Proxy, Annual Report and Sustainability Report at the websites noted below and read the voting Q&A on page 79.

By Order of the Board of Directors, **April 2,
2018**

Adam Kramer
Secretary

DATE AND TIME: Wednesday, May 16, 2018, 9:00 a.m. Central Daylight Time

LOCATION: The Texas Room, 601 Jefferson Street, Houston, Texas 77002

AGENDA

The Board of Directors asks that you consider and act upon the following matters:

1.
Elect as directors the nominees named in the attached proxy statement.
2.
Ratify the appointment of KPMG LLP as the independent registered public accounting firm to audit the consolidated financial statements for KBR as of and for the year ending December 31, 2018.
3.
Consider and act upon an advisory vote to approve the named executive officer compensation as described in the Compensation Discussion and Analysis herein.
4.
Approve the first amendment to the KBR, Inc. 2009 Employee Stock Purchase Plan, as amended and restated.
5.
Transact any other business that properly comes before the meeting or any adjournment or postponements of the meeting.

These items are fully described in the following pages, which are made a part of this Notice.

RECORD DATE

The Board of Directors has set Thursday, March 22, 2018, at the close of business, as the record date for the

determination of stockholders entitled to notice of and to vote at the meeting and at any adjournment or postponement of the meeting.

HOW TO VOTE

SHAREOWNER OF RECORD

(Shares held directly with KBR)

Via the Internet at www.proxyvote.com
Call toll-free (US/ Canada) at 1-800-690-6903
Mail your signed proxy card

BENEFICIAL OWNERS

(Shares held through a broker or bank)

Via the Internet at www.proxyvote.com, if your broker or bank participates in the proxy voting program provided by Broadridge Investor Communication Services
Call toll-free (US/ Canada) at 1-800-690-6903, if your broker or bank participates in the proxy voting program provided by Broadridge Investor Communication Services
Mail your signed voting instruction form

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Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. For more information about these topics, we encourage you to review the complete proxy statement prior to voting.

GOVERNANCE HIGHLIGHTS

We are committed to good corporate governance and to transparent communication with our stockholders and other stakeholders, which we believe is essential for the effectiveness of a dynamic corporate governance framework and for KBR’s long-term success.

PROACTIVE

- **Independent** Chairman of the Board
- **Refreshed** Board – recruited 3 directors and 2 directors retired over the past 3 years
- Significant **knowledge** of KBR’s industry and market including government services
- **Rotation** of 50% of all Board committee memberships and chairmen over the past 3 years

ACCOUNTABLE

- Annual director elections with **majority voting standards**
- Annual Board **governance review** including investor reviews and feedback
- Periodic independent director **meetings with investors**
- Downward **discretion** applied to the: (a) safety performance metrics of the 2016 and 2017 short-term incentive plans and (b) payout of the 2014 long-term incentive performance cash award with the performance period ending in 2016, resulting in a zero payout

INDEPENDENT

- **6 executive sessions** without management present
- Minimum of annual **Board visits** to KBR businesses or project sites
- **22 independent** Board committee meetings
- Annual **assessment** of Board leadership structure

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BUSINESS HIGHLIGHTS

Consistent Earnings Momentum Positions KBR for Long-Term Growth

KBR delivered strong results across all segments due to our focus on our customers and winning the right work while delivering smart, innovative and dependable results. In a challenging operating environment, we committed to staying the course and as a result we met or exceeded every financial goal set in our 2017 short-term incentive (“STI”) plan. We delivered on the strategy that our Chief Executive Officer (“CEO”) provided to our stockholders and positioned KBR for strong long-term growth with less risk and increased financial flexibility. Our drive and commitment to achieve Zero Harm in all KBR activities across the globe resulted in a remarkable decrease in our incident rate and Zero Harm Days in 2017 versus 2016.

KBR’s strong results reflect the progress we made in advancing our most important strategic priorities outlined below:

WINNING THE RIGHT WORK

We were awarded several key contracts:

- In Government Services providing support to Navy bases in Diego Garcia, Djibouti, Bahrain, Europe and the Arabian Peninsula.
- An engineering services five-year indefinite-delivery / indefinite-quantity contract to support more than 20 NASA exploration missions.
- A contract to provide licensing and basic engineering to revamp an ammonia plant- originally built by KBR- located in Russia.
- A guidance study contract for the Integrity Management Process of Tension Leg Platforms in the U.S. Gulf of Mexico.
- An EPC contract at the major gas developments in Algeria.
- A project management services contract for management of the FEED phase of one of the largest sour gas field projects in Abu Dhabi.

INTEGRATE AND GROW BUSINESSES

- The acquisitions of Wyle, Inc. (“Wyle”) and Honeywell Technology Solutions Inc. (“HTSI”) in the third quarter of 2016 (as discussed in Note 3 to our consolidated financial statements), moved KBR’s Government Services business into the highly technical and professional services industry for U.S. clients such as NASA, the Department of Defense and other federal agencies. As a result of these acquisitions, KBR experienced a significant increase in total revenue from contracts with the U.S. government in 2017 compared to 2016.
- During the 4th quarter we acquired Sigma Bravo Pty Ltd, a leading provider of high-end Information and Communication Technology services specializing in mission planning systems and solutions to the Australian Defence Force. The acquisition of Sigma Bravo represents KBR’s entry into classified work in Australia and is a

continued element of KBR's strategy to expand its global Government Services offerings.

- In the first quarter of 2018, we entered into a definitive agreement to purchase Stinger Ghaffarian Technologies, Inc. ("SGT"), a leading provider of technology solutions, engineering services, mission operations, and scientific and IT software solutions in the Government Services market. The addition of SGT solidifies our position as an established leader in human space exploration and opens up significant new opportunities in both civil and military space. The acquisition will also strengthen KBR's support for strategic clients and enhance our position for opportunities in the national security and commercial space markets. This strategic acquisition of SGT builds on previous acquisitions of Wyle and HTSI and will be an important accelerator to KBR's strategy to increase technology and mission capabilities.

STOCKHOLDER RETURN

- Due to our overall strong 2017 results, our 1-year total stockholder return ("TSR") was 21%, outpacing 100% of our TSR Peer Group, which comprised (in order of TSR ranking):

- | | |
|-----------------------------------|---|
| 1. KBR, Inc. | 6. AECOM Technology Corporation |
| 2. Jacobs Engineering Group, Inc. | 7. Fluor Corporation |
| 3. Emcor Group, Inc. | 8. TechnipFMC |
| 4. Quanta Services, Inc. | 9. McDermott International, Inc. |
| 5. Chiyoda Corporation | 10. Chicago Bridge & Iron Company, N.V. |

- Our TSR Peer Group is used to determine KBR's TSR performance ranking among its peers during the performance periods of our KBR Long-Term Performance Cash Awards.

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FINANCIAL HIGHLIGHTS

SIGNIFICANT INCREASE IN NET INCOME

		2017	2016
Revenue	2.3%	\$4,171 MM	\$4,268 MM
Net Income*	966.7%	\$442 MM	\$(51) MM

* Excluding net income attributable to non-controlling interests of negative \$8 million in 2017 and negative \$10 million in 2016.

INCREASING STOCKHOLDER RETURN AND SIGNIFICANT IMPROVEMENT OF SAFETY HOURS WORKED

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PAY FOR PERFORMANCE PHILOSOPHY

In 2017, we continued to focus on executing our strategy implemented in December 2014. Despite challenging global economic conditions in the energy industry, KBR delivered on its targets and took strategic actions to ensure long-term growth with a relatively low-risk profile. The link between pay and Company performance for the past three years is illustrated below and correlates closely with our earnings per share (“EPS”) and TSR over the same time period as indicated in the graphs on the prior page.

Changes made to Compensation Programs in 2017

The Compensation Committee oversees the design and administration of our compensation programs and evaluates this annually to improve the link between pay and Company performance. During the past year, the following changes were made to our compensation programs to improve the link:

- Increased STI plan EPS performance metric weighting from 25% to 40%.
- Decreased individual Key Performance Indicator (“KPI”) (formerly called Strategic Initiatives) weighting for the STI plan from 45% to 30%.
- Added more financially measurable metrics to the KPIs.
- Based the CEO’s KPIs for the STI plan solely on earnings before interest, tax, depreciation and amortization (“EBITDA”) targets.

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CHARITABLE GIVING – WE CARE ABOUT OUR KBR FAMILY

Parts of the United States continue to deal with the aftermath of Hurricane Harvey, which caused historic levels of flooding throughout the Gulf Coast. The Houston area was hit particularly hard, affecting many KBR employees, some of whom lost their vehicles and homes. At KBR, we value our people, and we take our responsibility seriously to support the communities where we live and work. To support our people, KBR donated \$500,000 to the KBR Disaster Relief Fund and granted two weeks of paid time off (“PTO”) to approximately 300 affected KBR employees to give them time to start rebuilding their lives. Our employees donated approximately \$81,000 and 2,200 hours of PTO to the KBR Disaster Relief Fund to assist their colleagues.

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ZERO HARM – A NORM AND NOT AN ANOMALY

Since the inception of Zero Harm in 2014, one of our fundamental beliefs is that Zero Harm is achievable. KBR's safety program incorporates three dynamic components: Zero Harm, 24/7 and Courage to Care. Our regional and business segment leadership hosts at a minimum biweekly teleconferences to discuss incidents and prevention measures, which are shared globally. The outcome of these meetings is presented in the Regional and Global Incident Review Board sessions. The inclusion of safety results in our short-term incentive plan and exercising downward discretion in the payout for any fatality during the year emphasizes the importance of safety for us. On our annual Zero Harm Day employees at all KBR offices and sites globally recognize improvements in our safety performance and reflect on the importance of being an incident free organization with demonstrations of personal and workplace safety practices. Since the Zero Harm program was implemented, safety incidents have declined by 50%, and we are proud to announce that KBR completed the month of February 2018 without a single recordable injury or illness globally. This milestone has been achieved through an all-day, every-day approach at work and at home, which has resulted in a culture of truly caring for not only ourselves but also others in a transparent interdependent work environment.

ASPIRE – INFLUENCING, LEADING AND LEARNING

KBR's ASPIRE group provides our employees with a platform with a mission to cultivate women leaders and promote gender diversity through a collaborative community for the benefit of all employees and KBR. At KBR we value and respect our people and we emphasize development of each person to reach his or her full potential. ASPIRE promotes this behavior through several interactive sessions led by female leadership, brown bag sessions, webinars, networking events, panel discussions and book club sessions. Each event hosts influential leaders from KBR and from the community sharing their perspective on gender diversity and equality. A periodic newsletter with inspirational leadership insights and upcoming events is shared with employees.

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INVESTOR DAY AT THE NEW YORK STOCK EXCHANGE

We rebranded our Government Services business segment as “KBRwyle” and officially shared the news during KBR’s Investor Day event at the New York Stock Exchange (“NYSE”) on May 11, 2017, which also marked the tenth anniversary of our initial public offering on the NYSE. We are proud of our KBRwyle history because, among other accomplishments, we have supported every astronaut who has gone to space with training programs, flight technology and equipment, nutrition and health-tracking, and all the other aspects that keep them alive while in space.

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Proxy Statement

General Information

The accompanying proxy is solicited by the Board of Directors of KBR, Inc. (“KBR,” the “Company,” “we” or “us”). By executing and returning the enclosed proxy or by following the enclosed voting instructions, you authorize the persons named in the proxy to represent you and vote your shares on the matters described in the Notice of Annual Meeting of Stockholders.

Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Admission to the meeting will be on a first-come, first-served basis and no guests will be admitted. Registration will begin at 8:00 a.m. CT, and the meeting will begin at 9:00 a.m. CT. Please note that you may be asked to present valid picture identification, such as a driver’s license or passport, when you check in at the registration desk.

If you hold your shares in “street name” (that is, through a broker or other nominee), you are required to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the meeting.

If you attend the meeting, you may vote in person. If you are not present, your shares can be voted only if you have followed the instructions for voting via the Internet or by telephone or returned a properly executed proxy, and in these cases, your shares will be voted as you specify. If no specification is made, the shares will be voted in accordance with the recommendations of the Board of Directors. You may revoke the authorization given in your proxy at any time before the shares are voted at the meeting.

The record date for determination of stockholders entitled to vote at the meeting is Thursday, March 22, 2018. KBR’s common stock, par value \$0.001, is the only class of capital stock that is outstanding. As of March 22, 2018, there were 140,571,869 shares of common stock outstanding. Each of the outstanding shares of common stock is entitled to one vote on each matter submitted to the stockholders for a vote at the meeting. A complete list of stockholders entitled to vote will be kept at our offices at the address specified below for ten days prior to, and will be available at the meeting.

Votes cast by proxy or in person at the meeting will be counted by the persons appointed by us to act as election inspectors for the meeting. Except as set forth below, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter will be the act of the stockholders. Except as set forth below, shares for which a holder has elected to abstain on a matter will count for purposes of determining the presence of a quorum and will have the effect of a vote against the matter.

Directors are elected by a majority of votes cast (the number of shares voted “for” a candidate must exceed the number of shares voted “against” the candidate). Shares present but not voting on the election of directors will be disregarded, except for quorum purposes, and will have no legal effect.

The election inspectors will treat shares held in street name that cannot be voted by a broker on specific matters in the absence of instructions from the beneficial owner of the shares, known as broker non-vote shares, as shares that are present and entitled to vote for purposes of determining the presence of a quorum. In determining the outcome of any matter for which the broker does not have discretionary authority to vote, however, those shares will not have any effect on that matter. Those shares may be entitled to vote on other matters for which brokers may exercise their own discretion.

The proxy solicitor, the election inspectors, and the tabulators of all proxies, ballots, and voting tabulations that identify stockholders are independent and are not employees of KBR.

This proxy statement, the form of proxy, and voting instructions are being made available to stockholders on or about April 2, 2018, at www.proxyvote.com. You may also request a printed copy of this proxy statement and the form of proxy by any of the following methods: (a) telephone at 1-800-579-1639; (b) Internet at www.proxyvote.com; or (c) e-mail at sendmaterial@proxyvote.com. Our Annual Report to Stockholders, including financial statements, for the fiscal year ended December 31, 2017, is being made available at the same time and by the same methods. The Annual Report is not to be considered as a part of the proxy solicitation material or as having been incorporated by reference.

Our principal executive office is located at 601 Jefferson Street, Suite 3400, Houston, Texas 77002 and our website address is www.kbr.com. Information contained on our website, including information referred to in this proxy statement, is not to be considered as part of the proxy solicitation material and is not incorporated into this proxy statement.

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ELECTION OF DIRECTORS

At our 2018 Annual Meeting of Stockholders, nine directors are to be elected to hold office until the 2019 Annual Meeting of Stockholders. All directors are elected annually, with each nominee standing for election to a one-year term. The members of our Board of Directors hold office until their successors are elected and qualified or until their earlier resignation or removal. The size of our Board of Directors is currently set at ten members. Mr. Curtiss has elected to retire and is not standing for re-election.

Each nominee has indicated his or her willingness to serve, if elected. If any of the nominees declines to serve or becomes unavailable for any reason, or if a vacancy occurs before the election, the proxies may be voted for such substitute nominee as we may designate. We have no reason to believe that any of the nominees will be unable to serve if elected. If a quorum is present, the nominees for director receiving the majority of votes will be elected directors.

OUR BOARD

A top priority of the Board and the Nominating and Corporate Governance Committee is ensuring that the Board of Directors is composed of directors who bring a variety of skills relevant to our business, provide expertise that is useful to KBR and complementary to the background and experience of other Board members, and effectively represent the long-term interests of our stockholders. Below is a summary of our Board of Directors qualifications.

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For additional information regarding the qualifications the Nominating and Corporate Governance Committee and the Board consider in the nomination process, see “Corporate Governance — Nominating and Corporate Governance Committee — Qualifications of Directors.”

The Board of Directors recommends that you vote FOR the election of all the director nominees listed below. Properly dated and signed proxies, and proxies properly submitted over the Internet and by telephone, will be so voted unless stockholders specify otherwise.

Directors are elected by a majority of votes cast (the number of shares voted “For” a candidate must exceed the number of shares voted “Against” the candidate). Shares present but not voting on the election of directors will be disregarded, except for quorum purposes, and will have no effect on the election of directors.

The following biographical information is furnished with respect to each of the director nominees for election at the meeting. The information includes age as of March 22, 2018, present position, if any, with KBR, period served as director, and other business experience during at least the past five years.

Nominees for Director – Term Ending 2018

Mark E. Baldwin

Director since: October 2014

Age: 64

Board Committees: Audit Committee (Chair) and Health, Safety, Security, Environment and Social Responsibility Committee

Other Public Company Boards: Nine Energy Service, Inc. (Audit Chair) and TETRA Technologies, Inc. (Audit Chair)

Key Qualifications and Skills:

Prior Business Experience

- Executive Vice President and Chief Financial Officer of Dresser-Rand Group, Inc.
- Executive Vice President, Chief Financial Officer, and Treasurer of Veritas DGC Inc.
- Operating Partner at First Reserve Corporation
- Executive Vice President and Chief Financial Officer for NextiraOne

- Chairman of the Board and Chief Executive Officer for Pentacon Inc.

- Variety of finance and operations positions with Keystone International Inc., including Treasurer, Chief Financial Officer, and President of the Industrial Valves and Controls Group

Education

- B.S. (Mechanical Engineering), Duke University

- M.B.A, Tulane University

- Graduate of the Stanford Executive Program

James R. Blackwell

Director since: August 2014

Age: 59

Board Committees: Compensation Committee and Nominating and Corporate Governance Committee

Other Public Company Boards: None

Current Memberships: Harbour Energy Ltd. (Director)

Previous Memberships: Center for Strategic and International Studies (“CSIS”) U.S.-Association of Southeast Asian Nations Strategy Commission (Commissioner); CSIS U.S.-China Policy Advisory Roundtable (Member); National Action Council for Minorities in Engineering, Inc. (Director); National Bureau of Asian Research (Director); and Saint Mary’s College of California (Trustee)

Key Qualifications and Skills:

Prior Business Experience

- Executive Vice President, Technology and Services for Chevron

- President, Chevron Asia Pacific Exploration and Production Company

- Various positions of increasing responsibility following start of career as an offshore roustabout for Gulf Oil

Education

- B.S. (Biology and Environmental Technology), University of Southern Mississippi
- M.S. (Petroleum Engineering), Tulane University
- Graduate of the Columbia Senior Executive Program

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Stuart J. B. Bradie

President and Chief Executive Officer for KBR, Inc. since: June 2014

Director since: October 2014

Age: 51

Board Committees: None (the CEO may not serve on any committees of the Board)

Other Public Company Boards: None

Key Qualifications and Skills:

Prior Business Experience

- Group Managing Director – Operations and Delivery for WorleyParsons
- Managing Director across Europe, Africa, Asia and the Middle East for WorleyParsons
- Managing Director for PT Kvaerner Indonesia
- Country Manager for Kvaerner Philippines
- Global experience across over 40 countries in the hydrocarbons, mining and chemicals, power and infrastructure sectors

Education

- B.S. (Mechanical Engineering), Aberdeen University
- M.B.A, Edinburgh Business School, Heriot Watt University

Loren K. Carroll

Chairman of the Board

Director since: April 2007

Age: 74

Other Public Company Boards: None

Previous Memberships: CGG (Audit) and Forest Oil Corporation (NCG Chair and Compensation)

Key Qualifications and Skills:

Prior Business Experience

- Independent Consultant and Business Advisor (current)
- President and Chief Executive Officer of M-I SWACO
- Executive Vice President and Chief Financial Officer of Smith International, Inc.
- Managing Partner with Arthur Andersen & Co.

Education

- B.S. (Accounting), California State University

Umberto della Sala

Director since: January 2015

Age: 69

Board Committees: Compensation Committee and Health, Safety, Security, Environment and Social Responsibility Committee

Other Public Company Boards: Trevi Finanziaria Industriale SPA

Current Memberships: Ansaldo Energia SPA (Director); Fondo FSI SGR (Industrial Partner); and Kedrion SPA (Director)

Previous Memberships: Ansaldo Energia SPA (Chairman); Foster Wheeler AG (Director); and Stork Technical

Services (Supervisory Board)

Key Qualifications and Skills:

Prior Business Experience

- President and Chief Operating Officer for Foster Wheeler AG
- Interim Chief Executive Officer for Foster Wheeler AG
- Various positions of increasing responsibility following start of career as process engineer of Foster Wheeler's environmental division

Education

- Laurea in Chemical Engineering from Politecnico di Milano

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General Lester L. Lyles, USAF (Ret.)

Director since: November 2007

Age: 71

Board Committees: Health, Safety, Security, Environment and Social Responsibility Committee (Chair) and Compensation Committee

Other Public Company Boards: General Dynamics Corporation (Audit)

Current Memberships: Battelle Memorial Institute (Director); NASA Advisory Council (Member); and United Services Automobile Association (Chair)

Previous Memberships: Defense Science Board in the Pentagon (Member); International Security Advisory Board at the U.S. Department of State (Member); Precision Castparts Corp. (Director); and President's Intelligence Advisory Board in the White House (Member)

Key Qualifications and Skills:

Prior Business Experience

- Independent Consultant (current)
- Retired Four-Star General of the U.S. Air Force
- Commander of the U.S. Air Force Materiel Command
- Vice Chief of Staff of the Headquarters of the U.S. Air Force
- Director of the Ballistic Missile Defense Organization
- Commander of the Space and Missile Systems Center

Education

- B.S. (Mechanical Engineering), Howard University
-

M.S. (Mechanical and Nuclear Engineering), Air Force Institute of Technology Program, New Mexico State University

- Defense Systems Management College, Fort Belvoir, Virginia
- Armed Forces Staff College, Norfolk, Virginia
- National War College, Fort Lesley J. McNair, Washington, D.C.
- National and International Security Management Course at Harvard University
- Honorary Doctor of Laws degrees from New Mexico State University and Urbana University
- Inducted into the National Academy of Engineering

General Wendy M. Masiello, USAF (Ret.)

Director since: August 2017

Age: 59

Board Committees: Audit Committee and Health, Safety, Security, Environment and Social Responsibility Committee

Other Public Company Boards: None

Current Memberships: National Contract Management Association (Board of Advisors) and Public Spend Forum (Board of Advisors)

Key Qualifications and Skills:

Prior Business Experience

- Independent Consultant (current)
- Retired Three-Star General of the U.S. Air Force
- Director of the Defense Contract Management Agency

- Deputy Assistant Secretary (Contracting), Office of the Assistant Secretary of the Air Force for Acquisition
- Program Executive Officer for the Air Force's \$30 billion Service Acquisition portfolio
- Deployment to Iraq to lead contracting support for military forces in Iraq and Afghanistan

Education

- B.B.A. (Marketing), Texas Tech University
- M.S. (Logistics Management), Air Force Institute of Technology
- Defense Systems Management College, Fort Belvoir, Virginia
- M.S. (National Resource Strategy), Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.
- Senior Acquisition Course, Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.
- Joint and Combined Warfighting School, Joint Forces Staff College, Norfolk, Virginia
- Harvard Kennedy School's Senior Managers in Government

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Jack B. Moore

Director since: January 2012

Age: 64

Board Committees: Compensation Committee (Chair) and Nominating and Corporate Governance Committee

Other Public Company Boards: Occidental Petroleum Corporation; ProPetro Holding Corp.; and Rowan Companies plc

Current Memberships: MAM (Director); United Way of Greater Houston (Executive Committee); and University of Houston System Board of Regents (Member)

Previous Memberships: American Petroleum Institute (Director); Cameron International Corporation (Chair); and University of Houston's Board of Visitors (Director)

Key Qualifications and Skills:

Prior Business Experience

- President and Chief Executive Officer for Cameron International Corporation
- President and Chief Operating Officer for Cameron International Corporation
- President, Western Hemisphere of Drilling & Production Systems group for Cameron International Corporation
- Vice President and General Manager, Western Hemisphere of Drilling & Production Systems group for Cameron International Corporation
- Various management positions at Baker Hughes Incorporated

Education

- B.B.A., University of Houston
- Graduate of the Advanced Management Program at Harvard Business School

Ann D. Pickard

Director since: December 2015

Age: 62

Board Committees: Audit Committee and Health, Safety, Security, Environment and Social Responsibility Committee

Other Public Company Boards: Woodside Petroleum Ltd. (Sustainability Chair)

Current Memberships: The University of Wyoming Foundation (Budget/Audit) and Chief Executive Women (Member)

Previous Memberships: Advisory Council of the Eurasia Foundation (Member); Catalyst (Board of Advisors); Global Agenda Council on the Arctic for the World Economic Forum (Member); and Westpac Banking Corporation (Director)

Key Qualifications and Skills:

Prior Business Experience

- Executive Vice President, Arctic for Royal Dutch Shell plc
- Executive Vice President, Exploration and Production for Royal Dutch Shell plc
- Country Chair, Australia for Royal Dutch Shell plc
- Regional Executive Vice President, Sub Saharan Africa for Royal Dutch Shell plc
- Director, Global Businesses and Strategy and a member of the Shell Gas & Power Executive Committee for Royal Dutch Shell plc
- 11-year tenure with Mobil prior to its merger with Exxon
- Significant business experience throughout South America, Australia, the countries of the former Soviet Union, the Middle East, and Africa

Education

- B.A., University of California San Diego

- M.A., University of Pennsylvania

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The Following Director with a Term Ending in 2018 is Retiring and Elected Not to Stand for Re-Election

Jeffrey E. Curtiss

Director since: November 2006

Age: 69

Board Committees: Nominating and Corporate Governance Committee (Chair) and Audit

Other Public Company Boards: None

Current Memberships: CFA Society of Houston (President)

Previous Memberships: Houston Chapter of Financial Executives International (Director)

Key Qualifications and Skills:

Prior Business Experience

- Private Investor (current)
- Senior Vice President and Chief Financial Officer of Service Corporation International
- Senior Vice President and Chief Financial Officer of Browning-Ferris Industries, Inc.

Education

- Law degrees from two universities
- CPA, Colorado
- CFA charterholder

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Security Ownership of Certain Beneficial Owners and Management

The table below sets forth certain information, as of March 15, 2018, regarding the beneficial ownership of KBR's common stock by persons known by KBR to beneficially own more than five percent of its outstanding common stock, each director or nominee, each of the named executive officers referenced in the Summary Compensation Table contained in this Proxy Statement, and all directors and executive officers as a group. Information regarding five percent stockholders in the table and footnotes is based on the most recent Statement on Schedule 13G or 13D or amendment thereto filed by each such person with the Securities and Exchange Commission (the "SEC"), except as otherwise known to KBR. To our knowledge, except as otherwise noted in the footnotes to this table or as provided by applicable community property laws, each individual has sole voting and investment power with respect to the shares of common stock listed in the second column below as beneficially owned by the individual.

Name and Address of Beneficial Owner ⁽¹⁾	Shares of KBR Common Stock Beneficially Owned		
	Number of ⁽²⁾ Shares		Percentage of Class
BlackRock, Inc. ⁽³⁾			
55 East 52nd Street, New York City, New York 10055	14,740,863	10.5	%
The Vanguard Group ⁽⁴⁾			
100 Vanguard Boulevard, Malvern, Pennsylvania 19355	12,766,260	9.11	%
FMR LLC ⁽⁵⁾			
245 Summer Street, Boston, Massachusetts 02210	10,900,979	7.771	%
Stuart J. B. Bradie ⁽⁶⁾⁽⁷⁾	324,056	*	
Brian K. Ferraioli ⁽⁶⁾	61,209	*	
K. Graham Hill ⁽⁶⁾⁽⁷⁾	70,714	*	
J. Jay Ibrahim ⁽⁶⁾⁽⁷⁾	53,892	*	
Farhan Mujib ⁽⁶⁾⁽⁷⁾	161,033	*	
Mark W. Sopp ⁽⁶⁾⁽⁷⁾	25,012	*	
Mark E. Baldwin ⁽⁶⁾⁽⁷⁾	28,329	*	
James R. Blackwell ⁽⁶⁾⁽⁷⁾	27,740	*	
Loren K. Carroll ⁽⁶⁾⁽⁷⁾	53,024	*	
Jeffrey E. Curtiss ⁽⁶⁾⁽⁷⁾	64,190	*	
Umberto della Sala ⁽⁶⁾⁽⁷⁾	22,551	*	
Lester L. Lyles ⁽⁶⁾⁽⁷⁾	43,599	*	
Wendy M. Masiello ⁽⁶⁾⁽⁷⁾	5,587	*	
Jack B. Moore ⁽⁶⁾⁽⁷⁾	34,043	*	
Ann D. Pickard ⁽⁶⁾⁽⁷⁾	20,810	*	
All directors and executive officers as a group (19 persons) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	1,096,372	*	

*

Less than one percent (1%).

(1)

The address of each of the named executive officers and directors is c/o KBR, Inc., 601 Jefferson Street, Suite 3400, Houston, Texas 77002.

(2)

Beneficial ownership means the sole or shared power to vote, or to direct the voting of, shares of KBR common stock, or investment power with respect to KBR common stock, or any combination of the foregoing. Each director and executive officer and the directors and executive officers as a group beneficially own less than 1% of the outstanding shares of KBR common stock.

(3)

Based solely on a Schedule 13G filed January 19, 2018, BlackRock, Inc. is deemed to be the beneficial owner of 14,740,863 shares as a result of being a parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G).

(4)

Based solely on a Schedule 13G filed February 9, 2018, The Vanguard Group is deemed to be the beneficial owner of 12,766,260 shares as a result of being an investment adviser in accordance with §240.13d-1(b)(1)(ii)(E).

(5)

Based solely on a Schedule 13G filed March 12, 2018, FMR LLC is deemed to be the beneficial owner of 10,900,979 shares as a result of being a parent holding company in accordance with §240.13d-1(b)(1)(ii)(G).

(6)

Includes the following shares of restricted stock and/or restricted stock units that have vested or will vest on or before May 14, 2018: Mr. Bradie, 200,880; Mr. Ferraioli, 61,209; Mr. Hill, 43,341; Mr. Ibrahim, 31,702; Mr. Mujib, 70,339; Mr. Sopp, 10,012; Mr. Baldwin, 28,329; Mr. Blackwell, 27,740; Mr. Carroll, 53,024; Mr. Curtiss, 64,190; Mr. della Sala, 22,551; General Lyles, 43,599 (4,269 of which were deferred into the nonqualified elective deferral plan for non-executive directors); General Masiello, 5,587; Mr. Moore, 34,043; Ms. Pickard, 20,810; and all executive officers as a group, 215,471. Includes the following shares that may be acquired upon the exercise of options that are exercisable or will become exercisable on or before May 14, 2018: Mr. Bradie, 123,176; Mr. Hill, 27,373; Mr. Ibrahim, 22,190; Mr. Mujib, 90,694; and all executive officers as a group, 241,972. Includes 15,000 shares of common stock purchased by Mr. Sopp on March 7, 2017, and March 8, 2017.

(7)

Does not include the following shares of restricted stock units as to which the holder has no voting power and no investment power, but which convert to common stock on a 1-to-1 ratio upon vesting, which for some restricted stock units requires that certain performance measures be met: Mr. Bradie, 289,392; Mr. Ibrahim, 36,683; Mr. Mujib, 61,733; Mr. Sopp, 49,398; and all executive officers and directors as a group, 705,480.

(8)

All directors and executive officers as a group refers to the current 10 directors (General Masiello, Ms. Pickard, and Messrs. Baldwin, Blackwell, Bradie, Carroll, Curtiss, della Sala, Lyles, and Moore) and the current 9 executive officers, excluding Mr. Bradie (Ms. Akerson and Messrs. Bright, Carney, Conlon, Derbyshire, Ibrahim, Mackey, Mujib, and Sopp).

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Executive Officers

The following biographical information is furnished with respect to each of KBR's executive officers. The information includes age as of March 22, 2018, present position, KBR employment history, and other business experience.

Eileen G. Akerson

Executive Vice President and General Counsel

Current Position since: November 2014

Joined KBR in: 1999

Age: 52

Prior Business Experience

- KBR Senior Vice President, Commercial responsible for project commercial management and oversight of the review and approval process for significant transactions and joint venture relationships
- KBR Vice President – Legal & Chief Counsel responsible for managing the legal functions for the Hydrocarbons Business Group
- KBR advisor and counselor to senior management on company policies affecting ethics and compliance matters
- Attorney for Spriggs & Hollingsworth in Washington D.C.

Education

- B.A., Catholic University of America
- J.D., Catholic University of America Columbus School of Law
- Member of the bars of Texas, Connecticut and the District of Columbia

W. Byron Bright, Jr.

President, KBRwyle

Current Position since: May 2017

Joined KBR in: 2010

Age: 44

Prior Business Experience

- KBR Senior Vice President of Operations for U.S. Government Services
- KBR Vice President of Business Development for U.S. Government Services
- Supported the government services business at Jacobs Engineering Group Inc.
- Officer in the U.S. Air Force primarily working in the Developmental Test and Engineering career field supporting weapons development and rotary wing aircraft flight testing

Education

- B.S. (Engineering and Mechanics), distinguished graduate, U.S. Airforce Academy
- M.S. (Mechanical Engineering), Georgia Institute of Technology
- Graduated from the U.S. Air Force Test Pilot School and has flown in over 25 different aircraft as a Flight Test Engineer

Raymond L. Carney

Vice President and Chief Accounting Officer

Current Position since: May 2017

Joined KBR in: 2017

Age: 50

Prior Business Experience

- Chief Accounting Officer and Vice President of Exterran Corporation
- Chief Accounting Officer, Vice President and Controller of Dresser-Rand Group Inc.
- Group Controller for Global Rolled Products, Hard Alloy Extrusions and Asia of Alcoa Inc.
- Manager of Financial Transactions of Alcoa Inc.
- Various leadership positions at EY responsible for client projects including public filings, acquisitions and audit engagements

Education

- B.S. (Accounting), Pennsylvania State University
- Certified Public Accountant

Gregory S. Conlon

Executive Vice President and Chief Development Officer

Current Position since: February 2018

Joined KBR in: 2016

Age: 49

Prior Business Experience

- KBR President, Asia-Pacific (“APAC”) responsible for Engineering & Construction (“E&C”) and Government Services (“GS”) in this region
- KBR President, E&C APAC
- Executive Vice President leading business development globally for the WorleyParsons Services business line, the largest business within WorleyParsons
- Mr. Conlon has over 25 years of experience in the E&C business, with global experience across a range of subsectors from hydrocarbons to specialist infrastructure.
- Throughout his career, Mr. Conlon pursued challenging project execution and management opportunities in the energy and resources sector and held positions in Australia, Canada, China, Indonesia, Singapore, Thailand, and the United Kingdom.

Education

- B.S. (Mechanical Engineering), Royal Melbourne Institute of Technology

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John T. Derbyshire

President, Technology & Consulting

Current Position since: May 2011

Joined KBR in: 2008

Age: 67

Prior Business Experience

- KBR President, Technology responsible for KBR's global technology licensing business, delivering technology, proprietary equipment, engineering, and consulting services to the refining, petrochemical, coal monetization, and synthesis gas segments
- KBR Senior Vice President, Commercial Management for the Technology Business Unit
- Vice President and General Manager of Invensys Process Systems global solutions business
- Various executive leadership roles at Aspen Technology
- Vice President, Sales and Marketing at ABB Process Automation

Education

- B.S. (Chemical Engineering), University of Salford in the United Kingdom

J. Jay Ibrahim

President, Europe, Middle East and Africa and Asia-Pacific

Current Position since: February 2018

Joined KBR in: 2015

Age: 57

Prior Business Experience

- KBR President, Europe, Middle East and Africa (“EMEA”) responsible for E&C and GS in this region
- KBR President, E&C EMEA
- Mr. Ibrahim has over 22 years of E&C and GS experience across the globe, having served in a variety of engineering, project management, business development, and business management roles for Parsons E&C/WorleyParsons.
- Mr. Ibrahim brings to KBR a wealth of senior project and construction management experience within the hydrocarbon, infrastructure, and government services sectors as well as broad experience in complex contract negotiations, business analysis, and long-range strategic planning in both domestic and international markets.

Education

- B.S. (Mechanical Engineering), Wichita State University
- M.S. (Mechanical Engineering), Wichita State University
- Diploma in Advanced Management, Harvard University

Ian J. Mackey

Executive Vice President, Chief Corporate Officer

Current Position since: January 2016

Joined KBR in: 2015

Age: 52

Prior Business Experience

- KBR Executive Vice President, Global Human Resources
- Global People Director at WorleyParsons Services where he was responsible for the overall strategy and delivery of all human resources activities for the company
- Director of Human Resources at Carillion PLC

Education

- Ashridge Management College – Tarmac Executive Programme
- Carillion Accelerated Leadership Programme – Corporate Top 20 Development Programme

Farhan Mujib

President, E&C Americas

Current Position since: October 2016

Joined KBR in: 1988

Age: 54

Prior Business Experience

- KBR Executive Vice President, Commercial
- KBR Executive Vice President, Operations
- During his 30-year career with KBR, Mr. Mujib has worked in Africa, Australia, Asia, Europe, the Americas, and the Middle East, employing his in-depth knowledge of international project requirements, cultural sensitivities, and business practices to manage a number of major developments.

Education

- B.S. (Civil Engineering), University of Engineering and Technology in Lahore, Pakistan
- Master of Engineering from the Asian Institute of Technology in Bangkok, Thailand
- M.B.A., Macquarie University in Sydney, Australia
- Fellow, Institution of Engineers, Australia
- Chartered Professional Engineer

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Mark W. Sopp

Executive Vice President and Chief Financial Officer

Current Position since: February 2017

Joined KBR in: 2017

Age: 52

Prior Business Experience

- Chief Financial Officer and Executive Vice President for Leidos Holdings, Inc., previously Science Applications International Corporation, one of the largest publicly-traded government contractors in the U.S. with significant technically-focused commercial professional services operations, including serving energy markets
- Various executive positions with Titan Corporation, also involved in government contracting and commercial business areas

Education

- B.S. (Accounting), New Mexico State University
- Completed the Executive Program at UCLA Anderson School

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Corporate Governance

CORPORATE GOVERNANCE MATERIALS

We are committed to good corporate governance and to effective communication with our stockholders. The roles, duties and responsibilities of the Board of Directors and each committee of the Board of Directors are summarized below. To ensure that our stockholders have access to our governing documents, we provide copies of our Code of Business Conduct and Corporate Governance Guidelines and the charters of each of the committees of our Board of Directors on our website at *www.kbr.com*. Copies will be provided to any stockholder who requests them by writing to our Investor Relations Department at: 601 Jefferson Street, Suite 3400, Houston, Texas 77002.

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors represents the interests of our stockholders in perpetuating a successful business. It is the responsibility of the Board of Directors to provide oversight of the effectiveness of management's policies and decisions, including the execution of its strategies, with a commitment to enhancing stockholder value over the long term. To this end, Board members are expected to act in the best interests of all stockholders, be knowledgeable about our businesses, exercise informed and independent judgment and maintain an understanding of general economic trends and conditions as well as trends in corporate governance. In addition, it is our Board's policy that Board members are expected to make every effort to attend the meetings of the Board and committees of the Board upon which they serve, as well as stockholder meetings. All of KBR's directors attended greater than 75% of the aggregate of all meetings of the Board and of committees on which they served during the periods that they served during 2017.

Our Corporate Governance Guidelines provide that all Directors should attend our annual stockholder meetings, and all of our directors attended (in person or via teleconference) our 2017 Annual Meeting of Stockholders.

INDEPENDENCE STANDARDS

At this time, all of our directors are independent, as set forth in our Corporate Governance Guidelines and outlined below, except our President and Chief Executive Officer, Mr. Bradie, who does not qualify as an independent director.

A director will be considered independent under our Corporate Governance Guidelines if he or she:

- has no material relationship with KBR;
- has not been employed by us or any affiliate of ours during the preceding three years, and no member of the director's immediate family has been employed as an executive officer of ours or any of our affiliates during the preceding three years;
- has not received, and does not have an immediate family member who has received, during any twelve-month period within the preceding three years, more than \$100,000 in direct compensation from KBR, other than director's fees, committee fees or pension or deferred compensation for prior service;
- is not a partner or an employee of KBR's independent auditor, and was not during the past three calendar years a partner or employee of KBR's independent auditor who personally worked on KBR's audit;

- does not have an immediate family member who is a partner of KBR's independent auditor or an employee of KBR's independent auditor who participates in that firm's audit, assurance or tax compliance (but not tax planning) practice or was during the past three calendar years a partner or employee of KBR's independent auditor who personally worked on KBR's audit;
- is not a current employee and does not have an immediate family member who is a current executive officer of any company that has made payments to, or received payments from, KBR or any of its affiliates in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; and
- has not (and has not had a family member who) within the preceding three years served as an executive officer with a company for which a KBR executive served on its compensation committee.

The definition of independence and compliance with this policy will be reviewed periodically by the Nominating and Corporate Governance Committee. All directors complete independence questionnaires at least annually, and our Board makes determinations of the independence of its members under the listing standards of the NYSE and the SEC requirements for Audit Committee members. Our Board believes that its membership should include no more than two directors who are also employees of KBR. While this number is not an absolute limitation, other than the Chief Executive Officer, who should at all times be a member of the Board, employee directors should be limited only to those officers whose positions or potential make it appropriate for them to sit on the Board.

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BOARD OF DIRECTORS LEADERSHIP STRUCTURE

Since March 31, 2014, Mr. Carroll, the Company's former Lead Director, began serving as non-executive Chairman of the Board. Our non-executive Chairman leads the Board. Mr. Carroll has significant board experience, as described in his biographical information in this proxy statement, and works closely with Mr. Bradie and the Board on risk oversight and governance matters. Prior to being non-executive Chairman of the Board, Mr. Carroll served as the Company's Lead Director, as well as Chairman of the Nominating and Corporate Governance Committee, since 2012, and a director since April 2007. Our CEO is responsible to the Board for the overall management and functioning of the Company.

KBR's Corporate Governance Guidelines provide for the Chairman of the Board, if the Chairman of the Board is independent, to perform a strong role in the leadership of the Board, as follows:

- The Chairman of the Board presides at executive sessions of the non-executive directors at each regular Board meeting and sets the agenda for these sessions.
- The Chairman of the Board approves meeting agendas for each regular Board and committee meeting and approves the information to be sent to the directors with respect to each meeting.
- The Chairman of the Board presides at the executive session of the Board to evaluate the performance of our CEO. In addition, he has a key role in communicating to the CEO, after approval by the Compensation Committee, the evaluation and compensation of the CEO for the next full year and the results of the Board's review and approval of management succession plans and development programs.

KBR's Corporate Governance Guidelines provide for the following checks and balances regarding the role of the CEO:

- The CEO may not serve on any committees of the Board, as only non-executive directors may do so.
- One of the elements of the CEO's evaluation is the extent to which he keeps the Board informed on matters affecting the Company and its operating units.
- At least two-thirds of the Board must be independent directors. In practice, our CEO has been the only executive director at KBR since its inception as an independent public company. Each of our other directors is independent, as defined under the listing standards of the NYSE.

KBR's Board of Directors has determined that its current leadership structure is appropriate as of the date of this proxy statement, given the complexity and global nature of KBR's business and the risks inherent in our business. The Board believes that Mr. Carroll, acting in his role as non-executive Chairman, is well positioned to facilitate communications with the Board of Directors and stockholders about our complex business. During Mr. Carroll's service on the Board, KBR's business has undergone significant transformation, including reorganization into more strategically-aligned business groups and evolution from a wholly owned subsidiary with significant support from its parent company into an independent operating company.

RISK OVERSIGHT ROLE OF THE BOARD OF DIRECTORS

KBR's Board of Directors considers risk oversight to be an integral part of its role, and discussions regarding risks faced by the Company are part of its meetings and deliberations throughout the year. As part of the implementation of KBR's strategic expansion, KBR's management improved its enterprise risk management system to provide greater executive oversight for managing risks and provided semi-annual reports to the Board regarding significant strategic, operational, financial, and hazard risks determined by management to have a potential significant impact on the Company as a whole. The risk report involves both current and emerging risks and is the culmination of a process involving input from all business groups and executive leadership. Management's assessment of risk included specific strategic, operational, financial and hazard risks, the perceived trend for each of those specific risks — whether increasing, decreasing or stable — and the measures being taken to monitor and mitigate those risks.

In addition to the enterprise risk management process described above, the Board also engages in risk oversight through the project approval process, whereby projects reaching a threshold level of expected revenues require Board approval. Fixed-price contracts have a lower threshold level than reimbursable-type contracts because of their potential price and financial risks. In reviewing projects, the Board is presented with management's assessment of a particular project's cost exposure associated with operations risk, liabilities and funding risks, among others. In this manner, KBR's Board is engaged in risk oversight at the outset of the largest projects, which could have a material effect on KBR's operations and financial condition.

The Board also engages in risk oversight through the approval of acquisitions proposed by management where the purchase consideration exceeds a certain threshold. The review conducted by the Board includes presentations by management regarding the strategic fit of the acquired business within the Company's existing operations and offerings; the commercial, legal, and financial risks identified in the diligence process, among others, and the measures to be implemented by management to mitigate those risks; the valuation analysis and projected returns on investment; agreement terms, including conditions to close, ability to terminate and terms of indemnification protection; details on the planned integration, including budgets and employee resources; and metrics identified for measuring the success of the acquisition. In this process, the Board engages in oversight of the various risks associated with acquiring and integrating new businesses, which, if not successfully performed, could have a material effect on KBR's operations and financial condition. The Board is also engaged in risk oversight through regular reports from its Audit Committee. The Audit Committee is charged with reviewing with management the Company's major financial risk exposures, as well as other areas of risk exposure if requested to do so by the Board, and the steps management has taken to monitor and mitigate those exposures. The Audit Committee receives periodic reports from management on these areas of potential exposure, including litigation, liquidity and capital resources, financial reporting and disclosures, regulatory and tax risks, among others. The Audit Committee also receives in-depth periodic reports from management regarding specific processes designed to monitor and manage risk, such as internal controls testing program development and foreign exchange risk management. The Audit Committee also receives periodic reports from management on cyber security measures and assessments

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performed on their efficacy. The Audit Committee conducts private sessions with KBR's Chief Financial Officer, Chief Accounting Officer, Vice President of Internal Audit and General Counsel at each regular meeting and with KBR's independent auditors at each meeting prior to the release of quarterly and annual results. The Audit Committee Chairman gives a report of the Audit Committee's activities to the full Board at each regular meeting and in this manner the entire Board is informed of matters that the Audit Committee determines warrant full Board discussion. Additional risk oversight reviews undertaken by the Audit Committee in 2017 are included in the Audit Committee Report on page 70.

Finally, the Health, Safety, Security, Environment and Social Responsibility Committee has the responsibility for the oversight of KBR's activities in managing its major risk exposures within the health, safety and sustainable development areas. The Health, Safety, Security, Environment and Social Responsibility Committee receives periodic reports from KBR's Chief HSSE Officer relating to these risk exposures and the Company's efforts to mitigate those risks.

DIRECTORS' MEETINGS AND STOCKHOLDER COMMUNICATIONS WITH DIRECTORS

The Board of Directors will meet each year immediately following the Annual Meeting of Stockholders to transact such business as may properly be brought before the meeting. Additional regular meetings of the Board of Directors may be held without notice at such times as the Board of Directors may determine, but shall consist of at least four other regularly scheduled meetings. Special meetings may be called by the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Corporate Secretary or a majority of the directors in office. KBR's Bylaws permit action to be taken without a meeting if all members of the Board of Directors consent to such action in writing or by electronic transmission. During 2017, the Board of Directors held twelve meetings. The Chairman of the Board presides at all Board meetings.

During each regular Board meeting, KBR's non-executive directors, all of whom have been determined by our Board to be independent under the standards of our Corporate Governance Guidelines and the NYSE, meet in scheduled executive sessions. Our non-executive Chairman of the Board, Mr. Carroll, presides at all executive sessions of the Board. During 2017, the non-executive directors met without management six times.

In addition, each December our non-executive directors meet in executive session to evaluate the performance of our Chief Executive Officer. In evaluating our CEO, the non-executive directors consider qualitative and quantitative elements of the CEO's performance, including:

- leadership and vision;
- integrity;
- keeping the Board informed on matters affecting KBR and its operating units;
- performance of the business (including such measurements as total stockholder return and achievement of financial objectives and goals);
- development and implementation of initiatives to provide long-term economic benefit to KBR;

- accomplishment of strategic objectives; and
- development of management.

In addition, the non-executive directors annually review management succession plans and development programs for senior members of executive management. The CEO's performance evaluation and compensation for the next full year, management succession plans, and development programs will be communicated to the CEO only after review and approval by the Compensation Committee and the full Board of Directors (other than the CEO).

MANAGEMENT SUCCESSION PLANNING

The Board of Directors considers management evaluation and CEO succession planning an important responsibility of the Board. Our Corporate Governance Guidelines, which are available on our website at www.kbr.com/About/Corporate-Governance, provide that the Board's responsibility for effective governance of the corporation includes reviewing succession plans and management development programs for members of executive management. The Board of Directors, with input from the Nominating and Corporate Governance Committee, the Chairman of the Board, and the CEO, regularly reviews KBR's succession plan and management development programs for all senior management positions. The review process includes identification of internal candidates, any developmental needs for such candidates, and a determination of whether a search for external candidates would be more appropriate.

Issues relating to CEO succession planning are also addressed regularly, and no less than annually, by the entire Board. This process is led by the non-executive Chairman of the Board on behalf of the non-executive directors. While the Nominating and Corporate Governance Committee performs the initial review of the succession plans and makes recommendations to the Board as necessary, the entire Board has primary responsibility for CEO succession planning and develops both long-term and contingency plans for succession of the CEO. This process necessarily involves the development and review of criteria for the CEO position that reflect the Company's business strategy and identifying and developing internal candidates or identifying the need for external candidates, as appropriate. Additionally, one of the elements that the CEO is evaluated upon each year by the Compensation Committee is the existence and completeness of a succession plan, including assessment and development of internal candidates for the CEO and top level executive positions. The CEO's evaluation and compensation for the next full year, including an evaluation of the completeness of aspects of the management succession plans and development programs that are the responsibility of the CEO, are communicated to the CEO by the non-executive Chairman of the Board after review and approval by the C