

Chairman's Statement

Generating value for all our stakeholders



Charles Berry
Chairman

Dear Shareholder,
2017 saw the Group take full advantage of the improvement in our main markets by leveraging our business model and effectively delivering our strategy to produce increased value for our stakeholders.

Corporate Governance

You can read more about how we comply with the UK Corporate Governance Code in the sections opposite:

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While 2017's market trends provided a welcome tailwind, they were anticipated by the Group and Weir was well positioned to act quickly and take full advantage of the upturn in both North American oil and gas and global mining markets.

This led the Group to outperform these markets and in doing so reaffirmed the strength of its business model, the clarity of its strategy and quality of our near 15,000 people around the world. The Board experienced this directly on a visit to South Africa, where the benefits of Weir's culture and commitment to being an active partner in local communities was a real highlight.

You can read more about the Board's visit on page 81.

On behalf of the Board, I wish to record our gratitude to all Weir employees for their efforts throughout the year in delivering for our shareholders, customers and communities.

Financial results

I am pleased to report a strong year of growth for your Company. Reported revenues increased to £2,356m, up 28%. On a constant currency basis, revenues were 19% higher year-on-year. Pre-tax profits from continuing operations, before exceptional items and intangibles amortisation, of £250m represent a 47% increase on the previous year. Reported profit after tax of £162m was up 274% from 2016.

You can read more in the Financial Review on page 24.

Shareholder returns

We are proposing a final dividend payment of 29.0p per share, making 44.0p for the full year.

Sustainable growth

By definition, Weir, with its heritage stretching back to 1871, has proven itself to be a sustainable business. This has been achieved, amongst other things, by aligning the interests of the Group with those of the communities in which we operate.

Our culture and values

Everything we do as a company stems from our core values:



Think 'safety first'



Delight our customers



Deliver quality



Do the right thing



Explore and innovate

The Board recognises that the business will be more successful if it partners with stakeholders and makes a positive contribution to society. The Group does this in a variety of ways from supporting local employment and suppliers to working with governments and local communities to help educate the next generation of engineers.

In the UK, this includes the Primary Engineer programme that aims to encourage young pupils from all backgrounds to consider a career in science, technology, engineering or mathematics.

The Group is also promoting greater diversity and inclusion in a sector that has traditionally been male-dominated. The best ideas come from a variety of perspectives and, as a company that relies on the innovation and ingenuity of all our people, we need to be a workplace that allows everyone's talent to flourish.

The Board will reach its aim of ensuring that at least a third of its members are female following the 2018 Annual General Meeting (AGM), two years ahead of our original 2020 target.

While this is welcome progress, we must increase diversity throughout the organisation, from those starting out in their careers to senior leaders, and each business has plans in place to help them achieve this aim.

Governance and Board changes

As previously announced, there were some significant changes to the composition of your Board in 2017.

On 30 September, Melanie Gee stood down as a Non-Executive Director and Chair of the Remuneration Committee, having served for six years. John Mogford and Alan Ferguson also announced during the year that they would not be seeking re-election at the 2018 AGM, having served ten and seven years respectively.

I would like to formally record the Group's thanks to Melanie, John and Alan for their exceptional service to Weir during their terms.

Clare Chapman and Barbara Jeremiah joined the Board as Non-Executive Directors in August of 2017. Clare is the former Group People Director of BT Group plc and succeeded Melanie Gee as the Chair of the Remuneration Committee. Barbara, who is a former Executive Vice-President of Alcoa, joined the Audit and Remuneration Committees. In January 2018, Stephen Young, former CEO of Meggitt plc, joined the Board and he will succeed Alan Ferguson as Audit Committee Chairman from 28 April 2018.

Looking ahead to the rest of 2018, the Board will focus on continuing to support CEO Jon Stanton as he executes our strategy and builds an even more sustainable business.

Charles Berry
Chairman

28 February 2018



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Members of the Board visited customers as part of its meeting in South Africa.



You can read more in Governance in Action on page 81.

