

## **REVIEW AND REPORT ON IRAQ OPERATIONS/ KBR**

**WHEREAS, KBR, Inc., is the largest contractor with the US government in Iraq, with 14,000 employees in that country providing logistical support to the US armed forces, and**

**WHEREAS, KBR has been accused by Defense Department auditors and members of Congress of serious irregularities relating to the performance of the company's contractual obligations in Iraq, including inflated prices for delivered goods, overcharges, and false charges for services not rendered, ("Pentagon Finds Company Violated It's Contract for Electrical Work in Iraq", New York Times, 10/28/08; "Iraq: KBR Faulted On Water Provided to Soldiers", Washington Post 3/11/08 ; Audit of KBR Iraq Contract Faults Records for Fuel, Food", Washington Post, 6/25/07; "Bribery Network to Bloat War Costs is Alleged", New York Times, 7/21/07), and**

**WHEREAS, KBR has been charged in civil actions filed in the US with participating in human rights abuses relating to treatment of its contract employees, including collusion in suppression of evidence relating to abuses and human trafficking ("KBR, Partner in Iraq, Sued in Human Trafficking Case", Washington Post 8/28/08, "Federal Judge Rules Iraq 'Gang Rape Victim' Can Seek Trial in US" Times of London, 5/12/08),**

**THEREFORE, shareholders request that the company establish a committee of independent directors to review allegations of financial misconduct and human rights abuses on the part of the company and it's employees in Iraq, and to report to shareholders on it's findings with recommendations for improved oversight of the company's international operations.**