

AMEC plc

REMUNERATION COMMITTEE OF THE BOARD

TERMS OF REFERENCE ADOPTED BY THE BOARD ON 19 OCTOBER 2011

Purpose	<p>The primary purpose of the Committee is to review, set and agree the overall remuneration policy framework for senior executives. Additionally, the committee will determine the remuneration of the Chairman of the Board.</p> <p>The remuneration of Non-Executive Directors shall be a matter for the Chairman of the Board and the Executive Directors.</p>
Membership	<p>The membership shall be as determined by the Board and shall be comprised all independent Non-Executive Directors of the Company and the Chairman of the Board.</p>
Quorum	<p>The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be authorised to exercise all or any of the powers and discretions vesting in or exercisable by the Committee.</p>
Committee Chairman	<p>The Chairman shall be appointed by the Board, from among the Non-Executive Director members of the Committee. In the absence of the Chairman, the remaining members will elect one of the other Non-Executive Director members to chair the meeting.</p>
Committee Secretary	<p>The Company Secretary or delegate shall act as the Secretary to the Committee.</p>
Committee Papers	<p>The Group Human Resources Director or delegate shall prepare and circulate to members of the Committee the agenda and papers to be discussed, where possible, at least one week prior to each meeting.</p>
Frequency of Meetings	<p>The Committee shall meet at least twice a year and at such other times as the Chairman shall require, in consultation with the Group Human Resources Director.</p>
Attendance at Meetings	<p>The Chief Executive and the Group Human Resources Director shall be present at the meetings of the Committee but shall not be present during any discussion of their own remuneration.</p> <p>In addition to the attendance at meetings of the Chief Executive and Group Human Resources Director, the Committee has the power to request the attendance of any Executive Director or any other executive and/or to obtain from them full and relevant information as the Committee may require to assist with its decisions.</p>
Authority	<p>The Board has delegated full authority to the Committee to make decisions on the duties listed below.</p>

Purpose & Duties

1. Remuneration Policy

The Committee will set, and review as necessary, in agreement with the Board, the overall Remuneration Policy framework and practices relating to the Chief Executive and other Designated Executives as set out in 5 below.

As part of this review and utilising the technical and validation support provided by the Audit Committee as necessary, to conduct a risk assessment of the Remuneration Policy and practices relating to such matters as financial performance target setting and measurement for both bonus and long term incentives.

2. Remuneration Packages and Contracts

Within the terms of the agreed framework Remuneration Policy, the Committee will determine individual remuneration packages for the Chief Executive and other Designated Executives on appointment, separation and during annual or other reviews to include:

- Salary
- Bonuses
- Long Term Incentives
- Pension arrangement
- Other significant benefits
- Ex gratia payments
- Notice periods
- Severance payments

This will include both the setting of targets and determining the resulting payments or awards arising from bonus and long term incentive schemes.

In carrying out its duties, the Committee is to be sensitive to pay and employment conditions more broadly within AMEC and, in particular, to be aware of any exceptional payments (as defined in the relevant policy), or arrangements which could lead to these being made, to any employee.

No individual will participate in any discussion by the Committee concerning the specifics of their own remuneration.

3. Expenses

The Committee will approve the policy for authorising the expense claims from the Chief Executive and the Chairman of the Board.

4. Share Based Incentive Schemes

The Committee will approve the structure of, participation in, levels of award and, where relevant, performance targets for any share based incentive scheme for executives.

5. Designated Executives

The Committee will determine the Remuneration packages of the Chief Executive, all other Executive Directors, the Company Secretary and any other executives from time to time who have been determined by the Company to be "Persons Discharging Managerial Responsibility" for the purposes of the Financial Services and Markets Act 2000 (collectively "the Designated Executives").

The following process will be followed for both the Designated Executives and other direct reports of the Chief Executive:

Prior to the relevant Committee meeting, the Group Human Resources Director will convene a meeting with the Chairman, the Committee's external adviser and the Chief Executive to share relevant data and initial recommendations and to receive input and views to further inform the proposals which will go to the Committee meeting – in the case of Designated Executives for decision; in the case of other relevant individuals for awareness. In the latter cases, the Committee may still raise additional views for consideration by the Chief Executive.

This process will also be utilised by the Chairman of the Board and the Chairman in arriving at a proposal concerning the Chief Executive's remuneration.

The Committee will take independent advice and will be solely responsible for determining the terms for the Chairman of the Board who will not be present when these are discussed.

6. Reporting

The Committee shall produce an annual report on all aspects of the remuneration of the Directors for approval by the Board for inclusion in the Company's Annual Report and Accounts and to be put to shareholders for approval at the AGM.

After each Committee meeting any significant matters will be reported to the following Board meeting by the Chairman of the Committee with due regard to confidentiality of the subject matter.

7. Authorities

The Committee may, at its discretion, appoint and instruct suitably experienced and qualified persons to act as independent advisers to the Committee and attend such meetings as the Committee may decide. The Company shall meet the expense of such advice. The Company will be made aware of the probable budget for this (for budgeting purposes) although additional expenses may be incurred where the Committee deems this to be necessary. The appointed advisers may not undertake any other work for the Company without the prior approval of the Chairman.

Any remuneration consultant appointed as an adviser should be a signatory of the Remuneration Consultant Group's Code of Conduct.

To facilitate the operational effectiveness of the Committee it may delegate authorities to the Chairman, the Chief Executive or the Group Human Resources Director in accordance with the relevant policy.

The Secretary shall ensure that these Terms of Reference are publicly available on AMEC.com.