

Our board of directors

Jock Green–Armytage ■ ■

Chairman

Age 64, was appointed a non-executive director in June 1996 and became Non-Executive Chairman in January 2004. He is Chairman of the nominations committee. He is Chairman of JZ International Limited and Star Capital Partners Limited and a director of REA Holdings PLC and several other companies.

Samir Brikho ■

Chief Executive

Age 51, was appointed Chief Executive in October 2006. He was previously a member of the ABB Executive Committee, heading the Power Systems division and Chairman of ABB Lummus Global, ABB's international projects and services business. He is also Chairman of UK Energy Excellence, as well as the World Economic Forum's Engineering and Construction Board and a director of UK-Japan 21st Century Group.

Ian McHoul

Chief Financial Officer

Age 50, was appointed Chief Financial Officer in September 2008. He was previously Group Finance Director of Scottish and Newcastle plc and is a non-executive director and Chairman of the audit committee of Premier Foods plc.

Neil Bruce

Executive Director

Age 49, was appointed an executive director in January 2009. He is Chief Operating Officer of AMEC's Natural Resources and Power & Process divisions, has over 30 years' experience in Energy & Process industries, and joined AMEC in 1997.

Martha Hesse ■ ■ ■ ■

Non-Executive Director

Age 67, was appointed a non-executive director in June 2000. She was President of Hesse Gas Company until the end of 2003 and is the former Chairman of the US Federal Energy Regulatory Commission and Assistant Secretary for management and administration of the US Department of Energy. She chairs the compliance and ethics committee and is Chairman of Enbridge Energy Partners, L.P., Enbridge Energy Management, L.L.C. and Enbridge Energy Company Inc. and a director of Terra Industries Inc. and Mutual Trust Financial Group. All these entities are based in the US and Canada. She will retire as a director of AMEC following the annual general meeting on 13 May 2010.

Peter Byrom ■ ■ ■

Non-Executive Director

Age 65, was appointed a non-executive director in February 2005. He is Chairman of the audit committee. He is Chairman of Domino Printing Sciences plc and a non-executive director of Rolls-Royce Group plc. He was a director of N M Rothschild from 1977 to 1996.

Tim Faithfull ■ ■ ■

Non-Executive Director

Age 65, was appointed a non-executive director in February 2005 and became the Senior Independent Director following the annual general meeting on 13 May 2009. He is Chairman of the remuneration committee. He is a non-executive director of Canadian Pacific Railway and TransAlta Corporation, a director of Shell Pensions Trust Limited and was President and Chief Executive of Shell Canada Limited from 1999 to 2003.

Simon Thompson ■ ■ ■ ■

Non-Executive Director

Age 50, was appointed a non-executive director in January 2009. He was previously an executive director of Anglo American plc, Chairman of the Tarmac Group and held positions with S G Warburg and N M Rothschild. He is currently Non-Executive Director of Newmont Mining Corporation (US) and Sandvik AB (Sweden).

Key to principal committee membership:

■ Audit

■ Remuneration

■ Nominations

■ Compliance and ethics

Our management team

Samir Brikho

Chief Executive

Samir Brikho was appointed Chief Executive in 2006. Since May 2008 he has been Chairman of the UK Energy Excellence Board, launched by UK Trade & Investment, the UK Government's international business development organisation and was appointed UK business ambassador in February 2010. He was previously a member of the Group Executive Committee of ABB Ltd., Switzerland and Chairman of ABB Lummus Global.

Ian McHoul

Chief Financial Officer

Ian McHoul joined AMEC and was appointed Chief Financial Officer in September 2008. A Chartered Accountant, he was previously Group Finance Director of Scottish and Newcastle plc.

Neil Bruce

Chief Operating Officer

Natural Resources and Power & Process

Neil Bruce has been Chief Operating Officer for the Natural Resources division since 2006 and the Power & Process division since December 2009. He was appointed as an executive director for AMEC plc on 21 January 2009. Since March 2009 he has been Chairman of the UK Oil & Gas advisory board of UK Trade & Investment. He is an Honorary Professor at Aberdeen Business School at the Robert Gordon University. He was previously Managing Director of AMEC Oil and Gas, having joined AMEC in 1997.

Roger Jinks

President

Earth & Environmental

Roger Jinks has been President of the Earth & Environmental division since 2000. He was previously Executive Vice President for Western Canada/Western Coast US operations for AGRA Earth and Environmental.

Keith Bradford

Group Human Resources Director

Keith Bradford joined AMEC in April 2009 as Group Human Resources Director. He is also responsible for sustainability. He was previously Senior Vice President of HR Global Operations at GlaxoSmithKline.

Sue Scholes

Director of Communications

Sue Scholes is Director of Communications and has responsibility also for investor relations. She joined AMEC in 2007, having previously been Head of Investor Relations at Brambles Industries plc.

François-Philippe Champagne

Strategic Development Director

François-Philippe Champagne is Strategic Development Director, with responsibility for mergers and acquisitions activity and strategy. He is a non-executive director of TakingItGlobal, a non-profit organisation and was selected by the World Economic Forum as a Young Global Leader 2009. He joined AMEC in 2008.

Michael Blacker

General Counsel and Company Secretary

As General Counsel, Michael Blacker is responsible for the provision of legal and risk management services across the organisation. He was also appointed Company Secretary on 20 August 2009. Michael has been with AMEC since 1997.

Report of the directors

The directors have pleasure in presenting the annual report and accounts for the year ended 31 December 2009.

Principal activities and business review

The principal activities of the group can be found on pages 8 to 25.

Information fulfilling the requirements of the business review is contained in the business and financial review on pages 8 to 35, which includes details of AMEC's development and performance during the year including business acquisitions and disposals, its position at the year end and the outlook for the future, and is included in this report by reference.

Key events

On 4 December 2009, AMEC communicated its Vision 2015 and its target to achieve earnings per share of greater than 100 pence per share in 2015. Vision 2015 is described elsewhere in this document, including on pages 8 and 9 and further details are available on amec.com.

To support the implementation of Vision 2015 and achieve greater collaboration and efficiencies, the Natural Resources and Power & Process divisions were brought together under the leadership of Neil Bruce, with effect from the same date.

A number of new contracts were won in 2009, evidence of the strength of AMEC's customer relationships and support of AMEC's future growth. Details can be found on pages 11, 16 and 22.

During the year, the group made five acquisitions including GRD Limited, an Australian listed company, and divested two small businesses. All these events are described further on page 26.

Dividends

The directors have proposed a final ordinary dividend in respect of the year ended 31 December 2009 of 11.6 pence per share. This final dividend will be payable on 1 July 2010 to shareholders on the register at the close of business on 28 May 2010.

Dividends paid during the year comprised an interim dividend of 5.3 pence per share, and a final dividend of 10.1 pence per share, both in respect of the year ended 31 December 2008.

Share capital

The issued share capital of the company as at 31 December 2009, movements during the year and the rights attaching to the shares are set out in note 22 on page 94 and the rights and obligations attaching to the shares are more fully set out in the articles of association of the company. Each share carries the right to one vote at general meetings of the company and no right to a fixed income. There are no restrictions on voting rights.

Between 10 January 2007 and 31 December 2009, AMEC had purchased 7.8 million shares in the market to be held in treasury at a total cost of £53.5 million. During the year, 0.86 million shares were purchased and 0.35 million shares were utilised in satisfying awards made under the UK and International SAYE share option plans. As at 31 December 2009, 6.1 million shares remained in treasury, all of which have been allocated to the group's SAYE scheme awards to date. Given the likelihood of further share schemes in 2010 and in the future, AMEC intends to purchase in the market sufficient shares to meet the needs of the schemes in anticipation of future payouts. The purchases will be made throughout the year outside close periods and any shares purchased will be held as treasury shares.

A resolution will be proposed at the annual general meeting to extend the authority of the directors to make market purchases of up to 10 per cent of the company's shares within prescribed limits.

Authority was granted to the directors at the 2009 annual general meeting to allot up to £55,432,854 of ordinary share capital of which up to £8,314,928 could be allotted for cash other than by way of a rights issue. At the forthcoming annual general meeting, it is proposed that the article relating to the directors' powers to allot securities will be amended so that it refers to the relevant sections of the Companies Act 2006. In addition, an ordinary resolution will be

proposed to grant the directors authority pursuant to Section 551 of the Companies Act 2006 to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal amount of £55,330,800 (the "Section 551 Amount"), such authority to apply in substitution for all previous authorities pursuant to Section 80 of the Companies Act 1985. A special resolution will also be proposed, to empower the directors to allot equity securities wholly for cash as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment: (i) up to an aggregate nominal amount equal to the Section 551 Amount in connection with a pre-emptive offer; and (ii) up to an aggregate nominal amount of £8,299,620 (the "Section 561 Amount") otherwise than in connection with a pre-emptive offer, with such authority to be in substitution for all previous powers pursuant to Section 89 of the Companies Act 1985.

The directors have no present intention of issuing any shares other than in respect of the exercise of share options. No issue will be made which will effectively alter the control of the company without the prior approval of shareholders in general meeting.

Substantial interests

Pursuant to the FSA Disclosure and Transparency Rules (DTR) 5, notifications have been received by the company of shareholdings of 3 per cent or more of the voting rights of the company as at 4 March 2010 and these are as follows:

	Number	Per cent
BlackRock, Inc	43,465,008	13.09
Barclays PLC	14,410,295	4.34
ABN-AMRO Bank NV	13,317,635	4.01
Legal & General Investment Management Ltd	13,197,514	3.98

The shareholding percentages have been adjusted from those notified, to reflect the current issued share capital net of treasury shares.

There are no shareholdings which carry special rights relating to control of the company.

Directors

Details of the directors of the company as at the date of this report, together with membership of the principal board committees, are set out on page 36.

Messrs N A Bruce and S R Thompson were appointed to the board as Executive Director and Non-Executive Director respectively on 21 January 2009. Mr Bruce has an employment contract with the company with a notice period of one year on the part of the company and six months on the part of Mr Bruce. Mr Thompson does not have an employment contract with the company.

Ms E P Airey stood down as a non-executive director on 13 May 2009 at the end of her third term of office.

Ms M O Hesse will stand down as a non-executive director of the company at the forthcoming annual general meeting at the end of her third term of office.

Messrs S Y Brikho and J M Green-Armytage retire in accordance with article 77 of the articles of association of the company and, being eligible, offer themselves for re-election. Mr Brikho has an employment contract with the company with a notice period of one year on the part of the company and six months on the part of Mr Brikho. Mr Green-Armytage does not have an employment contract with the company.

The beneficial interests in the share capital of the company of the directors holding office as at 31 December 2009 were as follows:

	As at 31 December 2009	As at 31 December 2008
J M Green Armytage	15,000	15,000
S Y Brikho	890,729	232,647
M O Hesse	16,414	16,414
P J Byrom	-	-
T W Faithfull	10,000	10,000
I P McHoul	73,658	60,388
N A Bruce	72,697	N/A
S R Thompson	4,744	N/A

Report of the directors continued

Except for interests under share option schemes, the Performance Share Plan and the Transformation Incentive Plan, details of which are contained in the directors' remuneration report on pages 47 to 57, no director as at 31 December 2009 had any other interests, beneficial or otherwise, in the share capital of the company or any of its subsidiaries.

On 4 January 2010, Mr Bruce acquired 546 ordinary shares pursuant to the dividend reinvestment plan in lieu of the interim dividend paid on that date.

There were no other changes in the directors' interests in the share capital of the company between 31 December 2009 and 4 March 2010.

No director was materially interested in any contract of significance to AMEC's businesses.

As at the date of this report, individual indemnities have been provided to the directors, under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company, any of its associated companies or any other company of which the director serves as a director at the request of the company. These indemnities are Qualifying Third Party Indemnity Provisions as defined in Sections 232-234 of the Companies Act 2006 and copies are available for inspection at the registered office of the company during business hours on any weekday except public holidays.

Employees

In 2009 AMEC employed on average 21,193 people worldwide (including agency staff).

AMEC gives high priority to the development of employees to ensure that it has the necessary skills and behaviours to deliver its strategic business objectives and to provide for management succession. Processes are in place across the group for the regular and consistent review of employee performance, development and management succession. Common training needs are delivered through the AMEC Academy [see page 6 for further information].

It is of key importance to AMEC that it engages with employees to ensure they understand the direction in which the company is going, are committed to AMEC's values, and are empowered to propose and make changes to improve how AMEC operates. AMEC employees embody its knowledge, brand and reputation and it is through their activities, day by day, that AMEC delivers on its business objectives and commitments to shareholders, customers and the wider community. An annual survey of employee opinion is conducted and AMEC is committed to sharing and acting on the outcomes (see page 6). AMEC provides a wide range of mechanisms for employees to share knowledge, to be kept informed of developments within AMEC and to raise issues and discuss matters of concern, whether face to face or using electronic means.

Respect for cultural diversity and commitment to equal opportunities are included among AMEC's Guiding Principles which are incorporated into management policies and processes worldwide. AMEC policy is to recruit from the widest labour market, to determine the careers of all employees solely on merit and to make judgements about employees free from the effects of bias and prejudice.

As part of AMEC's equal opportunities policy, procedures are in place that are designed to provide for fair consideration and selection of disabled applicants, to ensure they are properly trained to perform safely and effectively, and to provide career opportunities which allow them to fulfil their potential. When an employee becomes disabled in the course of their employment, AMEC will actively seek to retain them wherever possible by making adjustments to their work content and environment or by retraining them to undertake new roles.

AMEC operates a savings related share option plan that allows employees to participate in AMEC's share price growth. This is open to employees in all major countries of operation who meet a minimum service qualification. Offers to participate are currently being made on an annual basis.

Corporate governance

The board is responsible to shareholders for the management of AMEC and for the protection of its assets. As such, it is ultimately responsible for implementing AMEC's systems of internal control and for reviewing their effectiveness. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and consequently can provide reasonable, but not absolute, assurance against material mis-statement or loss.

The board, through the committees described on pages 43 to 45 and at its regular meetings, has a continuous process for identifying, evaluating and managing significant risks faced by AMEC, including strategy, major projects to be undertaken, significant acquisitions and disposals, as well as entry to and exit from different markets. Where appropriate, business decisions are reached following a structured and documented review of potential opportunities and threats, taking steps designed to manage or mitigate any residual risk exposure. Principal business risks are set out in the business and financial review on pages 31 to 35.

The threats and opportunities associated with major tender submissions are reviewed by the risk review committee. Following changes in October 2007 to the delegated authorities referred to below, 2008 and 2009 have seen a significant increase in the number of tenders reviewed by this committee.

As part of Operational Excellence, a set of AMEC Contracting Principles have been introduced in order to provide greater control over operational activities. Under these principles, specified key contractual risks are required to be referred to the risk review committee, representing a general strengthening of corporate governance in this area.

AMEC uses a risk management process which is incorporated into the AMEC Mandatory Procedures described below. The process involves the identification of risks at the gross and current level by projects and businesses. The risks are recorded in risk registers to enable the net positions to be pro-actively managed. Quarterly risk review meetings comprising representatives from the businesses and functions discuss business and functional risks. The highest risks in terms of probability and impact are then elevated to the AMEC plc risk register. The plans for mitigation of such risks are also reviewed.

The risk management and internal control processes are complemented by an annual control risk self-assessment exercise carried out by the principal businesses. This covers major risks, particularly safety, health and environment, legal, commercial and contractual, financial, information technology and human resources. The results are reviewed by the board, through both the audit committee and the executive directors, and as part of the ongoing internal audit process.

AMEC Mandatory Procedures and Delegated Authorities

AMEC's businesses are managed on a decentralised basis. While the board has retained reserve powers, the day-to-day management has been passed to the business leaders within defined authority limits. The management philosophy is to empower the business leaders to take the actions necessary to deliver the company's operational business objectives within the defined Mandatory Procedures and Delegated Authorities, which set out the standards AMEC employees and agency staff are to achieve and adhere to.

This framework provides for an effective control structure and following changes to the delegated authorities in October 2007, there continues to be a clear link between the levels of risk associated with tenders and the delegated authority limits.

Report of the directors continued

AMEC has interests in a number of joint ventures and joint arrangements. Controls within these entities may not be reviewed as part of AMEC's formal corporate governance process because of the joint management responsibilities but are reviewed by the joint venture boards and as part of AMEC's normal internal audit process.

Consequently, AMEC complied with the Combined Code on Corporate Governance throughout 2009.

Printed copies of the Combined Code on Corporate Governance can be obtained free of charge from the Financial Reporting Council (FRC Publications), by email customer.services@cch.co.uk or telephone +44 (0)20 8247 1264 or online at www.frcpublications.com. Further details of AMEC's Mandatory Procedures can be obtained by contacting the Company Secretary at the Company's registered office.

Dialogue with institutional shareholders

Mr Green-Armytage, Chairman, wrote to all major shareholders in April 2009 reminding them that he and the senior independent director, Mr Faithfull, were available for meetings or telephone calls with them if required. The Chairman attends preliminary results presentations. The Chairman and Mr Faithfull are available to attend, if requested, one-on-one meetings with major shareholders. The Chairman had a number of such meetings with major shareholders during 2009. Mr Faithfull has also met with major shareholders in his capacity as chairman of the remuneration committee.

An in-depth annual perception study of investors' views, prepared by an independent third party, is presented to all board members, who also receive unexpurgated feedback reports following shareholder meetings or events together with all material brokers' research notes on the company.

The board

The board comprises the non-executive Chairman, three executive directors and four independent non-executive directors.

The company does not combine the role of Chairman and Chief Executive. The Chairman is responsible for the running of the board, with the Chief Executive being responsible for running the group and implementing board strategy and policy. This ensures a clear division of responsibilities at the head of the company, so that no individual has unfettered powers of decision. The independent non-executive directors review the relationship between the Chairman and Chief Executive each year to ensure that the relationship is working effectively.

The non-executive directors are all considered to be independent by the board. They are not employed by the company in any capacity, nor have they been in the past. Mr Faithfull has acted as the board's senior independent director since 13 May 2009.

The Company Secretary is responsible for ensuring that board procedures are followed and all directors have access to his advice and services.

The board has a schedule of matters reserved for its approval covering areas such as company strategy, the appointment of key executives, approval of group accounts, approval of the business plan, budget and financial policies, review of operating results, risk management strategy, ensuring the effectiveness of governance practices, succession planning and significant capital expenditure. The board is supplied in a timely manner with information which enables it to discharge its duties.

An internal review of the effectiveness of the board and its committees was carried out during the year by the Chairman by way of a review of questionnaires completed at his request by individual directors. Findings were considered by the board as part of its review of both collective and individual board member performance. No material changes were identified as being necessary as a result of this exercise. The independent non-executive directors also met privately without the Chairman present and also with either or both of the Chairman and Chief Executive being present to consider management performance and succession issues. A formal process exists for the directors to take independent professional advice and receive appropriate training in the course of their duties, at the company's expense, organised by the Company Secretary.

Board committees

The board has formally delegated specific responsibilities to various board committees, all of which have written terms of reference.

The remit of each committee is set out below. The quorum is three directors, save for the audit and remuneration committees where the quorum is two directors. Full details of the constitution and remit of the audit, nominations, remuneration and compliance and ethics committees can be found at amec.com/aboutus/culture/corporategovernance.htm.

The committees chaired by non-executive directors are as follows:

- **Audit committee** – Reviews the integrity, including the material financial reporting judgements, of the group and company's accounts, including the preliminary and interim results, related report and accounts and Stock Exchange announcements and any other formal announcements in connection with the company's financial performance, and recommends their approval to the board.

It also reviews the group's internal financial controls and, in conjunction with the board, the internal control and risk management systems.

The committee has unrestricted access to company documents and meets with the internal and external auditors, and any other relevant member of staff, without the executive directors being present, as necessary. The Head of Internal Audit formally reports to the committee chairman.

It reviews the Head of Internal Audit's regular reports and carries out an annual assessment of the internal audit function's effectiveness. In 2009, this exercise was carried out on behalf of the committee by the Head of Internal Audit. No material changes were identified as being necessary as a result of this exercise.

The committee considers the appointment, re-appointment, removal, remuneration and terms of engagement of the external auditor and makes recommendations to the board. It discusses the scope and planning of the external audit and reviews the outcome of the external audit and any formal communications from the external auditor, including internal control reports.

The committee also formally reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements and makes recommendations to the board. During 2009, a review, co-ordinated on behalf of the committee by the Head of Internal Audit, was carried out. The audit committee also monitors the implementation of the policy on the engagement of the external auditor to supply non-audit services. This policy follows the guidelines set out by the Institute of Chartered Accountants in England and Wales and clearly defines what work can and cannot be performed by any group company's statutory auditor. It also sets out the necessary approval process for those non-audit services that are acceptable.

All non-statutory audit or non-compliance tax services provided by the auditor are reported to the audit committee. During 2009, the fees paid to the company's auditor, KPMG Audit Plc and its associates, for non-audit work were £0.6 million (2008: £0.7 million), which comprised £0.6 million relating to taxation and £nil for other work (2008: £0.7 million and £nil). In addition, KPMG also received fees of £0.1 million in 2008 in relation to corporate finance transactions.

All additional KPMG fees were approved in accordance with AMEC's policy covering non-audit services. As a result of the application of this policy and additional discussions with the external auditor, the directors do not believe that KPMG's independence has been compromised because of their additional work on behalf of the company.

Report of the directors continued

- Nominations committee — Makes recommendations to the board concerning the appointment or termination of a director or the Company Secretary and, in the case of a non-executive director and the Chairman, the extension of an existing appointment.

The committee also regularly reviews board succession planning, in conjunction with reports from the Chief Executive and Group Human Resources Director on senior management succession planning, so as to ensure that an appropriate balance of skills is maintained both within AMEC and on the board.

- Remuneration committee — Sets, and reviews as necessary, the overall contractual and remuneration framework for the Chairman and for the executive directors, Persons Discharging Managerial Responsibility and the Company Secretary, (together the “designated executives”), including pension rights and annual bonus incentives.

It considers and determines such other matters relating to the engagement of the Chief Executive and the designated executives, including matters relating to the enforcement of their service contracts and payments on termination, as the Chairman and Chief Executive respectively refer to the committee.

It agrees the terms to be offered to a proposed new Chairman or executive director.

It reviews the salaries of the designated executives annually and the Chairman biennially, or more frequently as is deemed necessary by the committee chairman. It agrees the performance targets of designated executives and the levels of bonus to be paid to them under the annual bonus incentive scheme.

It determines and agrees with the Chief Executive the remuneration policy and structure, including annual bonus, for other functional executives and senior operational executives immediately below board level.

It approves performance targets, participation and level of awards for any executive share-based incentive scheme.

- Compliance and ethics committee – Considers, approves and reviews AMEC’s Code of Business Conduct (“the Code”) at least annually and authorises its implementation. The Code covers any member of AMEC’s staff or management, particularly those who have or could have any influence over contractual relationships of any kind.

The committee considers all matters relating to the appointment of AMEC’s Chief Compliance Officer and reviews the Officer’s regular reports on compliance and ethics matters to the committee. It also considers the scope and planning of all compliance activity within AMEC.

In the event of an actual or suspected breach of the Code, a member of the committee would take responsibility for and manage any investigation into the relevant matters. The committee may use internal resources and is also authorised to employ external consultants on AMEC’s behalf to carry out any such investigation.

As announced on 26 October 2009, AMEC has paid a sum of £4.9 million (plus associated costs) in respect of a Civil Recovery Order following the identification by the company of certain irregular payments received between November 2005 and early 2007. External advisers were immediately appointed and AMEC self-reported its findings to the Serious Fraud Office in March 2008. As part of AMEC’s commitment to maintain the highest ethical standards, an independent consultant has been appointed to review and report on AMEC’s ethics and compliance programme.

The following table is a record of the directors' attendance at board and principal board committee meetings during the year ended 31 December 2009.

	AMEC plc board	Audit committee	Remuneration committee	Nominations committee	Compliance and ethics committee
Number of meetings	11	4	4	1	2
J M Green-Armytage	11	–	4	1	–
S Y Brikho	10	–	–	1	–
I P McHoul	11	–	–	–	–
N A Bruce	11	–	–	–	–
E P Airey (up to 13 May)	4	1	1	1	1
M O Hesse	7	4	4	–	2
P J Byrom	8	4	–	1	2
T W Faithfull	11	–	4	1	2
S R Thompson	9	4	3	–	2

- Charities committee – Makes commitments and donations in support of charitable, educational and cultural causes.
- Share transaction committee – Provides clearance or denies permission to relevant employees to deal in AMEC plc shares.

The committees chaired by executive directors are as follows:

- Corporate transactions committee
- Pensions and retirement benefits committee
- Risk review committee
- Share allotment committee

Going concern

The directors, having made enquiries, consider that the group has adequate resources to operate for the foreseeable future and, therefore, it is appropriate to continue to adopt the going concern basis in preparing the accounts. Further details of this review can be found on pages 65 and 66.

Creditor payment policy

Individual group businesses are responsible for agreeing terms and conditions under which transactions with their suppliers are conducted. It is group policy that payments to suppliers are generally made in accordance with these terms and conditions, provided that the supplier complies with all of its obligations in this regard.

The company had 42 days' purchases outstanding as at 31 December 2009 (2008: 46 days) based on the average daily amount invoiced by suppliers during the year.

Report of the directors continued

Donations

Total donations worldwide amounted to £540,000 for the year ended 31 December 2009 (2008: £549,000). Of these, donations to UK charities amounted to £313,000 for the year ended 31 December 2009 (2008: £370,000).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The above statement is made in accordance with Section 418 of the Companies Act 2006.

Auditors

The board will be recommending the appointment of Ernst & Young as AMEC's auditors to shareholders at the forthcoming AGM. The recommendation follows a formal audit tender process initiated to ensure the company continues to receive best value for its audit services.

Annual general meeting – special business

Resolutions are being proposed at the annual general meeting to authorise the company to make market purchases of shares in the company within prescribed limits, to authorise the directors to allot shares in the company for a further period of one year and to allot a proportion of those shares for cash.

A resolution is being proposed to amend the articles of association of the company to incorporate changes relating to the enactment of the Companies Act 2006. The articles of association may only be amended by a shareholders' special resolution.

A resolution relating to the calling of general meetings, other than annual general meetings, on 14 days' notice will also again be proposed at the meeting.

By order of the board

M Blacker

Company Secretary
4 March 2010

Directors' remuneration report

The purpose of this report is to inform shareholders regarding the company's policy and practice on executive remuneration and the associated governance arrangements. As well as the required statutory disclosures, we aim to give a forward-looking statement of approach within the bounds of commercial confidentiality. During the year, there were no significant changes to remuneration structures. There were several important changes to the governance arrangements as detailed below.

Remuneration committee structure and processes

During the year, the members of the remuneration committee comprised Mr T W Faithfull (chairman), Ms E P Airey (up to May), Mr J Green-Armytage, Ms M O Hesse and Mr S R Thompson (since June). In considering the matters within its remit, the committee takes account of recommendations from the Chairman in respect of the Chief Executive and from the Chief Executive in respect of other executive directors. It is advised both by the company's Human Resources department and independently by Hewitt New Bridge Street (HNBS). The terms of engagement between the company and HNBS are available from the Company Secretary. Neither HNBS nor its parent, Hewitt Associates, undertakes any material additional work for the company.

At the committee's instigation, a review of its terms of reference was carried out during the year and several changes were agreed by the Board, the most notable of which was to extend the remit of the committee to cover, in addition to Executive Directors, all Persons Discharging Managerial Responsibility and the Company Secretary. The committee's terms of reference can be found at amec.com/aboutus/culture/corporategovernance.htm or on request from the Company Secretary.

The committee has an established annual agenda of items that it considers at regular meetings normally held in March, August and November. In addition the committee meets as required to deal with specific items. During 2009, the committee had one such additional meeting in June, primarily to discuss

communication with shareholders and the changes to terms of reference referred to above. The Chairman of the board and the Chairman of the committee also held a series of meetings in September and October 2009 with major shareholders to discuss both remuneration matters and general governance.

Risk review

During the year, the committee established a process to conduct on an annual basis a formal risk review of its remuneration policy and practice and carried out the first such review. The committee has received input from its independent remuneration consultant.

Risks have been broken down into the following four categories:

1. Strategic risk	The risk arising from the misalignment of reward strategy to the company's short and long-term goals
2. Behavioural risk	The risk arising from the misalignment of the reward policy to desired behaviours
3. Financial risk	The risk surrounding financial controls
4. Governance risk	The risk surrounding the oversight of policy and practices

Overall, the committee was satisfied that the remuneration policy and practice is well-aligned with the needs of the business, that incentives are appropriately targeted, and that the structure and quantum of individual packages, in aggregate, are achieving a reasonable balance between near- and longer-term objectives. There is a strong focus on share ownership by executives supported by the company's share ownership guidelines, the matching provisions of the Performance Share Plan, and the requirement under the Transformation Incentive Plan for participants to put up a significant stake of their own shares. The committee believes these measures help to build consistent alignment with shareholder value.

The committee concluded that there is a satisfactory balance between reward and retention, whilst recognising the existence of some risk at the expiry of the one-off Transformation Incentive Plan in 2011. However, the committee believes that this is acceptable given the parallel and continuing annual awards under the Performance Share Plan.

Setting of performance targets by the committee in connection with incentive plans is integrated with the company's overall processes for budget approval and broader risk assessment. Whilst the committee itself does not exercise any oversight of financial statements and controls, procedures are in place for verification of the financial measures on which incentives are awarded by both the audit committee of the board, and the external auditors. The committee believes that these arrangements are satisfactory.

The committee considered whether the company is exposed to significant risk given that the Executive Annual Bonus Plan and the Performance Share Plan do not currently provide for an explicit deferral of award or claw-back. (The rules of the Transformation Incentive Plan do provide for claw-back in the event of a restatement of the accounts.) The committee concluded that the current arrangements are satisfactory: the weighting of the annual bonus relative to the performance share plan is not excessive; the committee has wide discretion to adjust targets and/or determine achievement; and there is an implicit deferred aspect in the investment/matched shares element of the Performance Share Plan. The committee will review these questions as part of any future proposals to change incentive arrangements.

Remuneration policy

The objective of the remuneration policy, in respect of the executive directors and other senior executives, is to offer remuneration packages that are competitive in the markets in which the executives are based and which:

- allow AMEC to attract and retain senior executives of high calibre; and
- incentivise senior executives to achieve superior short-term performance and increase the medium and long-term value of AMEC for its shareholders and encourage executives to build and retain a significant shareholding in AMEC.

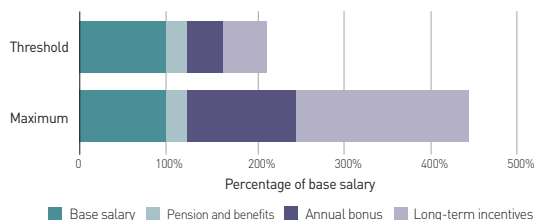
More specifically the policy is to set:

- base salaries which broadly equate to the mid-market salary practices of a relevant group of oil equipment and services and other engineering and business support services companies and other companies regarded as comparable by virtue of, amongst other factors, revenue, employee numbers, market capitalisation and/or geographic coverage
- annual bonuses which incentivise the achievement of stretching business and individual performance targets and offer the opportunity to achieve upper quartile annual cash earnings if these targets are achieved
- longer-term incentives which align the interests of shareholders and senior executives by offering the latter the opportunity to accumulate significant capital over a period but only if stretching financial and shareholder value targets are met

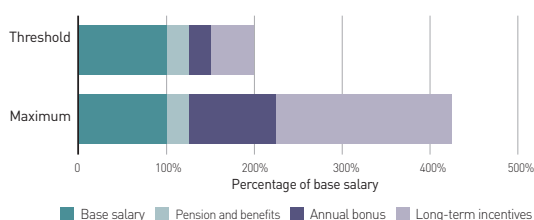
whilst accepting that within this policy there will be occasions when higher and/or lower levels of remuneration will be appropriate in particular circumstances.

The policy means that a substantial proportion of executive directors' remuneration is performance related. The chart opposite shows the balance between fixed and incentive based payments for the Chief Executive at threshold and maximum performance levels. Threshold values are 25 per cent of maximum annual bonus and 25 per cent vesting of the Performance Share Plan award. Maximum assumes achievement of maximum bonus and full vesting

of shares under the Performance Share Plan. As a one-off incentive plan, the award under the Transformation Incentive Plan is not included.



The chart below shows the same information for the other executive directors.



Executive directors' base salaries

The base salaries of executive directors are reviewed annually, having regard to personal performance, company performance, competitive market practice as determined by external research and pay levels more broadly within the company. The following annual salaries have been approved from 1 January 2010:

SY Brikho	£875,500	+3.0%
IP McHoul	£486,675	+3.0%
NA Bruce	£340,000	+17.2%

The increases for Messrs Brikho and McHoul, taking account of their continued excellent personal performance, are in line with those for staff elsewhere in the company. Mr Bruce's increase additionally reflects both his appointment to the board in January 2009 (he received no increase in his salary at that time) and the major increase in his responsibilities (to include Power & Process as well as Natural Resources) towards the end of 2009.

In the senior management group, no executive has a base salary higher than any executive director.

Relationship between remuneration practice and strategic objectives

In applying the above policy each year, particularly in relation to setting targets under the annual and longer-term incentive arrangements, the committee has regard to the need to ensure alignment with the company's strategic objectives.

In 2009, the key objectives which informed this and the results achieved were:

- Achieving further significant profit growth beyond the level of our record results in 2008 even against a background of global economic downturn – EBITA increased by 13 per cent to a new record level (see page 3) on reduced revenue
- Continuing progress towards our increased margin objective of at least 8.5 per cent by 2010 – actual margin 8.2 per cent (see page 3)
- Realising the benefits of the Operational Excellence programme – implemented ahead of schedule with annual benefits of £18 million in 2009 (see page 9)
- Cash generation from ongoing operations – actual operating cash inflow of £257.0 million (see page 3).

For 2010, priority will be given to:

- Delivering 2010 margin of at least 8.5 per cent
- Enhancing our capabilities and geographic footprint
- Making progress towards the delivery of Vision 2015
 - Through assured revenue growth, margin improvements, tax efficiencies and a more efficient capital structure, achieving earnings per share of greater than 100 pence in 2015
 - See page 8 for further details.

Annual bonuses

The executive directors and other senior executives participate in the AMEC Executive Annual Bonus Plan which generates bonus payments calculated by reference to a mix of targets that varies from year to year and between individuals to reflect the business priorities associated with each role.

Directors' remuneration report continued

Further information on 2009 bonus payments is set out in the notes to the table of directors' remuneration on page 55. Although there was good overall performance, with record levels of profit, as described in the previous section on page 49, this did not reach the very demanding stretch targets set at the start of the year. Accordingly, overall bonus payments for 2009 are lower than 2008.

For 2010, the breakdown of bonus potential (as a percentage of base salary) against targets for each executive director is as follows:

	SYBrikho	IPMcHoul	NABruce
AMEC plc EBITA	70%	55%	25%
AMEC plc cash flow	25%	20%	–
Divisional EBITA	–	–	30%
Divisional cash flow	–	–	20%
Other strategic objectives	30%	25%	25%
Maximum potential bonus (if all targets were fully met)	125%	100%	100%

For both EBITA and cash targets, the proportion of maximum payable for achieving budget is two-thirds and at threshold is one quarter. The 2010 threshold EBITA target has been set to require further growth over 2009 achieved EBITA, with the higher targets representing an even greater stretch.

Executive directors' long-term incentives

AMEC's principal long-term incentive arrangement is the Performance Share Plan. AMEC's policy is to make annual awards to executive directors, and to a small number of other senior executives just below board level, of restricted shares with a value at the time of award of up to 175 per cent of base salary. In addition, participants are offered a further award, up to a maximum of 25 per cent of base salary, of five restricted shares for every three purchased by the executive, which are held on their behalf as investment shares for the three year performance period. To the extent that investment shares are withdrawn before the end of the performance period, the matching shares lapse.

Awards are also made to a wider group of executives, with lower levels of face value to reflect seniority and contribution. Awards are normally made in April following the publication of the annual result.

These restricted shares will only vest if pre-determined performance conditions are met. 50 per cent of the award is based on total shareholder return and 50 per cent on growth in earnings per share both measured over three years.

For the total shareholder return portion, the requirement for full vesting is for AMEC to be ranked in the top quartile of the chosen comparator group. No awards will vest if AMEC's performance is below median. If AMEC's performance is at the median, 25 per cent of the award will vest. Between the median and the upper quartile, the award will vest on a straight-line basis. In addition, to ensure that AMEC's underlying performance is properly reflected, no awards will vest unless there has been sustained financial growth of the company.

The composition of the comparator group is reviewed at the time of each set of awards. For those made in 2009, it comprised 30 companies, including AMEC, that, at the time of grant, were in the FTSE Business Support Services, Industrial Machinery and Oil Equipment and Services sub-sectors, and whose market capitalisations in February 2009 lay broadly in the range £400 million to £4,500 million. Lists of the comparator companies for the awards that vested during the year and those awards currently outstanding can be obtained on request from the Company Secretary.

For the earnings per share growth portion of the awards made in 2009, the vesting range is RPI* plus 3 per cent per annum (25 per cent of that part of the award vests) to RPI plus 10 per cent per annum (100 per cent of that award vests). This is determined by comparing the earnings per share achieved in the final year of the three year period with that in the year immediately before the start of the period e.g. for the awards made in 2009, the final year will be 2011 and the base year is 2008.

*UK Retail Prices Index

For the 2007 and 2008 awards absolute targets were set that required higher levels of growth over the relevant three year periods. This portion of the 2007 awards was set to vest in full if 2009 earnings per share were at least 38 pence (which has been achieved). This portion of the 2008 awards will vest if 2010 earnings per share are at least 53 pence.

Earnings per share are adjusted for certain defined items and calculated on a consistent basis between base and final years. The remuneration committee takes appropriate external advice on the method of calculation and any adjusting and potentially adjusting items. Performance against the total shareholder return targets is calculated independently and reviewed by the remuneration committee.

Awards made prior to 2007 were subject to a primary total shareholder return performance condition with an earnings per share underpin. For the awards made in 2006, the total shareholder return achieved over the relevant three year period was 138.7 per cent which resulted in full vesting during 2009.

In the event of a change of control, awards will normally vest to the extent that the performance conditions have been met at the date the change of control takes place.

Shares held by the trustee of the Performance Share Plan, BWCI Trust Company Limited, may be voted at their discretion.

The company has a second scheme in place – the Executive Share Option Scheme. No awards have been made under this scheme since 2004.

In addition, executive directors may participate in relevant all-employee share plans which provide options, without performance conditions, related to savings contracts with an aggregate limit of £250 savings per month.

Transformation Incentive Plan

A one-off incentive plan, designed to give additional impetus to the transformation of the company and to aid the retention of selected key top executives through this critical period, was approved by shareholders in 2008. The plan requires participants to invest and hold AMEC shares for a three year period. These investment shares are then matched on an up to four-to-one basis. Vesting of matched shares is on a sliding scale based on achievement in 2010 of operating margins in excess of previous targets. Matching begins at nil for a margin of 8 per cent and increases on a straight line basis to full vesting for a margin of 10 per cent. In addition, awards will not vest at all if 2010 earnings per share are less than 53 pence and the remuneration committee will expect to see earnings per share of at least 60 pence for full vesting to occur. It will assess the earnings per share growth between these levels and the quality of the operating margin achieved when deciding whether to scale back awards from the vesting level created by the operating margin. There is a claw-back provision if the 2010 accounts had to be restated because of inaccuracy.

Mr Brikho and Mr Bruce participate in the plan with investment shares equal to 150 per cent and 100 per cent respectively of their base salaries at the time of initial invitation in May 2008. Mr McHoul participates in the plan with investment shares equal to 100 per cent of base salary at the time of his later invitation as part of his joining terms. Eleven other executives participate with investment shares ranging from 14 to 100 per cent of their salaries at the times of invitation.

Share Ownership Guidelines

Guidelines are in place requiring executive directors and other senior executives (which include all such participants in the Transformation Incentive Plan) to build up over a three year period and retain a holding of AMEC shares received from incentive plans or purchased by them. The level of targeted shareholding is two times salary for executive directors and one times salary for other senior executives. Details of directors' interests at the end of 2009 are listed on page 39. Based on the average share price during December 2009, these shareholdings represented 825 per cent of base salary for Mr Brikho and 197 per cent for Mr Bruce. Mr Bruce has until the end of 2011 to meet the two times target and is well ahead of his previous requirement as a non-board member. Mr McHoul's position against the guideline will be reported at the end of 2010.

Up to date details of the interests and transactions of current directors are available on AMEC's website.

Executive directors' pension arrangements

Executive directors are eligible for membership of the AMEC Staff Pension Scheme and to have top-up benefits provided through the AMEC Executive Pension Scheme. The schemes are both defined benefit schemes registered with HMRC* and also provide for life assurance cover and dependants' pensions. Executive directors who participate in the pension schemes accrue pension rights which are linked to the length of pensionable service and to pensionable salary. Executive directors who remain in employment beyond normal pension age are able to continue to accrue further pension rights. Pensionable salary in respect of scheme membership up to the end of 2007 is based on final salary and in respect of membership from 2008 onwards is based on career average revalued earnings. Benefits are restricted to a scheme earnings cap which was set at £131,250 for the 2009/10 tax year (£135,000 for 2010/11). In recognition of this restriction of pension benefits, participating executive directors also receive a taxable supplement of 20 per cent of their base salaries above the cap. There are no unregistered pension arrangements.

Executive directors are able to opt-out of further pension accrual, particularly if this would provide benefits in excess of the Life Time Allowance, in which case they will receive a non-bonusable salary supplement of 20 per cent of basic salary in lieu of further pension accrual. If individuals do accrue benefits in excess of the Life Time Allowance, the payment of the associated tax liability will be the responsibility of the individual and not AMEC.

Mr Brikho is a member of both pension schemes with a normal pension age of 60 and also has the benefit of additional life assurance in respect of earnings above the cap. Mr Bruce also participates and has a normal pension age of 62 with a historic right to draw accrued pension from age 57 onwards without actuarial reduction for early payment. Mr McHoul has not joined the schemes and therefore receives the 20 per cent supplement on his full salary and also has the benefit of life assurance of four times his basic salary.

Employment related benefits, principally the provision of a company car or car allowance, long-term disability and private medical expenses insurance, are also provided to executive directors. Mr Brikho also received a temporary relocation allowance for the first three years of his employment up to September 2009. Mr Bruce, who is based in Aberdeen, receives an accommodation allowance in respect of nights spent in London and therefore does not claim associated costs as business expenses.

Executive directors' employment contracts

AMEC's policy is that on appointment, executive directors will normally be employed with a notice period of one year. In the event of employment being terminated with less notice than this, damages will be determined at the time taking account of the circumstances leading up to the termination and the individual's duty to mitigate his loss. Executive directors are required to give six months' notice of resignation. This policy is followed for all current executive directors. Executive directors have a contractual retirement age of 65.

*UK's HM Revenue & Customs

Service contracts for executive directors do not provide for extended notice periods, other enhancements or payments in the event of a change of control. It is not the remuneration committee's intention to introduce such provisions.

The service contracts of the executive directors are available for review at the Company's registered office in accordance with relevant legislation.

External directorships

Executive directors are not permitted to accept external directorships without the prior approval of the board.

Mr McHoul is a director and Chairman of the audit committee of Premier Foods plc for which he received remuneration of £70,000 during the year.

Chairman

The remuneration committee is responsible for determining the remuneration and other terms of appointment of the chairman of the board. The agreement with the chairman, Mr Green-Armytage, runs to 20 January 2011. It may be terminated earlier than this on six months' written notice of resignation or with payment of six months' fees if the board withdraw their agreement to his continuing to serve as chairman, other than for gross misconduct. The chairman's fee was increased to £245,000 per annum from 1 January 2010, having been last reviewed in January 2008: an increase of 8.9 per cent over the two years. He is provided with life assurance cover of four times the AMEC pensions scheme earnings cap. He does not participate in other benefit schemes or in any of the incentive schemes of the group.

Non-executive directors

The remuneration of non-executive directors is determined by the chairman and the executive directors under delegated authority from the board. The non-executive directors receive fees for their services and do not participate in any of the incentive or benefit schemes of the group. Fees were reviewed with effect from 1 January 2010, having been last reviewed in January 2008, and increased by 5 per cent.

The current fee is £52,500 per annum. There is an additional fee of £7,875 per annum paid to the senior independent director. The policy with regard to fee structure is to reflect time commitment and responsibility of the various roles.

Additional fees are paid for chairing committees of the board as follows:

Audit committee	£13,125
Remuneration committee	£7,875
Compliance and ethics committee	£5,250

Non-executive directors may also be paid additional fees for other duties undertaken on behalf of the company. No such fees were paid in 2009.

Directors' remuneration report continued

The board's policy is that non-executive director appointments are normally for three consecutive three year terms, subject to review after the end of each term. The non-executive directors as at 31 December 2009 have fixed-term contracts which run until the dates set out below:

	Date of contract	Service review date
M O Hesse	1 June 2000	Not applicable
P J Byrom	10 February 2005	9 February 2011
T W Faithfull	10 February 2005	9 February 2011
S R Thompson	21 January 2009	21 January 2012

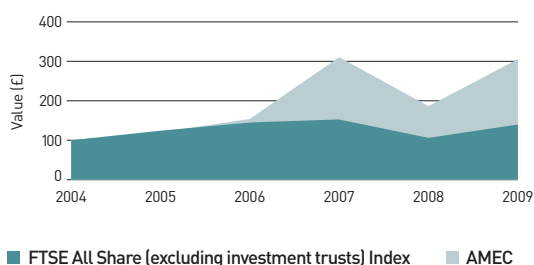
The contracts of non-executive directors may be terminated by the individual at any time and there are no specific provisions for compensation in the event of early termination by the company.

In accordance with the articles of association of AMEC, all directors are required to seek re-election by shareholders every three years.

Performance graph

The committee believes that the index for the FTSE All Share Oil Equipment and Services sub-sector, in which AMEC is classified, is the most appropriate comparison for relative share price performance. However since that index is only available from 2006 onwards, it is not currently possible to present a five year comparison. Accordingly the graph below shows the value, by 31 December 2009, of £100 invested in AMEC plc on 31 December 2004 compared with the value of £100 invested in the FTSE 100 index. The other points plotted are the values at intervening financial year-ends.

Total shareholder return



Source: Thomson Financial

Directors' remuneration and related matters

The auditors are required to report on the following information on pages 55 to 57 of the directors' remuneration report.

Individual aspects of remuneration were as follows:

	Salary/fee £000	Pension supplement ⁽ⁱ⁾ £000	Accommodation allowance £000	Benefits in kind ⁽ⁱⁱ⁾ £000	Bonus ⁽ⁱⁱⁱ⁾ £000	2009 Total £000	2008 Total £000
Executive							
SY Brikho	850	144	68	45	612	1,719	1,963
IP McHoul (from 8 Sept 2008)	473	94	–	15	266	848	314
NA Bruce (from 21 Jan 2009)	274	30	27	13	193	537	–
S J Siddall (to 31 May 2008)	–	–	–	–	–	–	217
Non-executive							
J M Green-Armytage	225	–	–	–	–	225	225
MO Hesse	55	–	–	–	–	55	55
P J Byrom	63	–	–	–	–	63	63
T W Faithfull	62	–	–	–	–	62	58
S R Thompson (from 21 Jan 2009)	47	–	–	–	–	47	–
E P Airey (to 13 May 2009)	21	–	–	–	–	21	58
Total board	2,070	268	95	73	1,071	3,577	2,953

Notes

- (i) Mr Brikho and Mr Bruce received a taxable supplement of 20 per cent of salary above the pension earnings cap. Mr McHoul received a taxable supplement of 20 per cent of full salary in lieu of pension accrual.
- (ii) The value of benefits in kind received during the year relates principally to the provision of a company car or car allowance and private medical expenses insurance.
- (iii) The bonus for Mr Brikho represented 72 per cent of base salary (2008 – 122 per cent). He received just over threshold for the profit component, maximum for the cash flow component and a strong but below maximum score for his personal targets, covering leadership in improving health, safety and environmental performance, implementation of the Operational Excellence programme, senior management succession and the development of Vision 2015.
The bonus for Mr McHoul represented 56 per cent of base salary (2008 – 98.5 per cent). He also received just over threshold for the profit and maximum for the cash flow components and a strong but below maximum score for his personal targets which related primarily to the implementation of specific Operational Excellence objectives.
The bonus for Mr Bruce represented 70 per cent of his base salary for the period after appointment as a director. His financial measures for the year were based partly on the group results, for which he received payments to the same levels as Messrs Brikho and McHoul, and partly on the performance of the Natural Resources division for which he received above target but below maximum for the profit component and maximum for the cash flow component. He received a strong but below maximum score for his personal targets which related primarily to the implementation of specific Operational Excellence objectives.

Directors' remuneration report continued

The numbers of restricted shares held by executive directors to whom awards had been made under the Performance Share Plan 2002 (PSP), the Transformation Incentive Plan (TIP) and, in the case of Mr Brikho, the Recruitment Plan (RP)⁽ⁱⁱ⁾, were as follows:

	Plan	As at 1 January 2009 or on date of appointment as a director Number	Awarded during the year Number	Date awarded	Market price at date of award Pence	Vested during the year Number	Lapsed during the year Number	As at 31 December 2009 Number	End of Restricted Period
S Y Brikho	RP	63,389		Oct 2006	358.00	63,389		–	Feb 2009
	PSP	544,693		Oct 2006	358.00	544,693		–	Sep 2009
	PSP	246,687		Apr 2007	532.25			246,687	Mar 2010
	PSP	208,912		Apr 2008	718.00			208,912	Mar 2011
	TIP	546,780		May 2008	890.00			546,780	May 2011
	PSP		318,300	Apr 2009	534.08			318,300	Mar 2012
N A Bruce	PSP	105,449		Sept 2006	323.00	105,449		–	Aug 2009
	PSP	17,563		Sept 2006	334.50	17,563		–	Aug 2009
	PSP	92,812		Apr 2007	532.25			92,812	Mar 2010
	PSP	74,371		Apr 2008	718.00			74,371	Mar 2011
	TIP	129,768		May 2008	890.00			129,768	May 2011
	PSP		108,595	Apr 2009	534.08			108,595	Mar 2012
I P McHoul	PSP	120,643		Sept 2008	746.00			120,643	Sep 2011
	TIP	205,360		Sept 2008	636.50			205,360	Sep 2011
	PSP		176,937	Apr 2009	534.08			176,937	Mar 2012

Notes

- (i) For the PSP awards made in 2006, AMEC met the performance conditions for maximum vesting. The share prices at the respective dates of vesting were 755.0 pence for Mr Brikho and 735.0 pence for Mr Bruce.
- (ii) The awards made to Mr Brikho in October 2006 under the RP replaced share awards in his former employer which were forfeit on joining AMEC and were not subject to performance conditions. The share price at the date of vesting was 542.5 pence.
- (iii) The terms and conditions of the PSP and TIP awards have not been varied during the year.
- (iv) The vesting date for awards under the TIP is three years from the date the individuals lodged their investment shares. The maximum number of shares that individuals could invest was based on salary and share price at the time of invitation. The award indicated represents the maximum four times match.
- (v) The closing price of the shares at 31 December 2009 was 792.0 pence [2008: 492.75 pence]. Had the outstanding restricted shares detailed above vested in full on that date the approximate latent value before appropriate taxes for each of the current directors would have been: Mr Brikho £10,460,000, Mr Bruce £3,212,000 and Mr McHoul £3,983,000. These hypothetical figures assume that all relevant performance conditions would have been fully met, which in practice may not transpire.
- (vi) The range of the closing prices for the shares during the year was 492.25 pence to 866.0 pence.
- (vii) The register of directors' interests, which is open to inspection at the company's registered office, contains full details of directors' shareholdings, share options and awards under the performance share plans.

The options over AMEC plc shares held by the directors under the Savings Related Share Option Scheme were as follows:

	Date of grant	As at 1 January 2009 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	As at 31 December 2009 Number	Option price Pence	Market price on date of exercise Pence	Exercise period for options outstanding on 31 December 2009
S Y Brikho	Dec 2007	1,624				1,624	591.00		Mar–Aug 2011
I P McHoul	Oct 2009		1,512			1,512	600.00		Jan–June 2013

Pension entitlements and benefits

The following directors were members of defined benefit schemes provided by the company during the year. Pension entitlements and corresponding transfer values increased as follows during the year:

	Gross increase in accrued pension £000	Increase in accrued pension net of inflation £000	Total accrued pension at 31 December 2009 £000	Value of net increase in accrual over period £000	Total change in value during period £000	Value of accrued pension at 31 December 2009 £000	Value of accrued pension at 31 December 2008 £000
SY Brikho	5	5	14	64	92	243	138
NA Bruce	4	4	35	55	116	591	463

Notes

- (i) Pension accruals shown are the amounts which would be paid annually on retirement based on service to the end of the year.
- (ii) Transfer values have been calculated in accordance with the Trustee's transfer value basis.
- (iii) The value of net increase represents the incremental value to the director of his service during the year, calculated on the assumption service terminated at the year-end. It is based on the accrued pension increase after deducting the director's contribution.
- (iv) The change in the transfer value includes the effect of fluctuations in the transfer value due to factors beyond the control of the company and directors, such as stock market movements. It is calculated after deducting the director's contribution.
- (v) Voluntary contributions paid by directors and resulting benefits are not shown.
- (vi) Mr Bruce was appointed a director on 21 January 2009. The pension figures shown include his service with the company before he was appointed a director.

T W Faithfull

Chairman, remuneration committee

On behalf of the board

4 March 2010