

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.

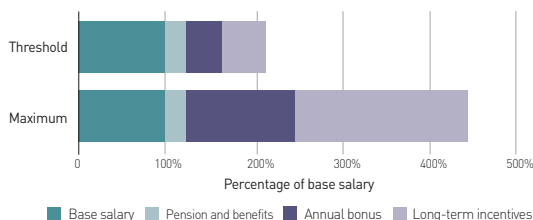
More specifically the policy is to set:

- 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

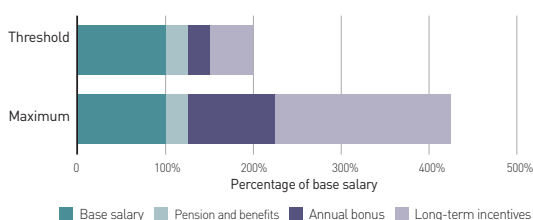
whilst accepting that within this policy there will be occasions when higher and/or lower levels of remuneration will be appropriate in particular circumstances.

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

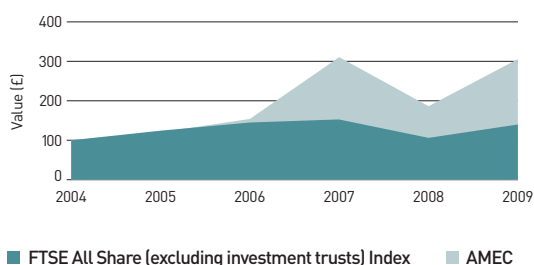
The contracts of non-executive directors may be terminated by the individual at any time and there are no specific provisions for compensation in the event of early termination by the company.

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

- 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.
- 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.
- The terms and conditions of the PSP and TIP awards have not been varied during the year.
- 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.
- 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.
- The range of the closing prices for the shares during the year was 492.25 pence to 866.0 pence.
- 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