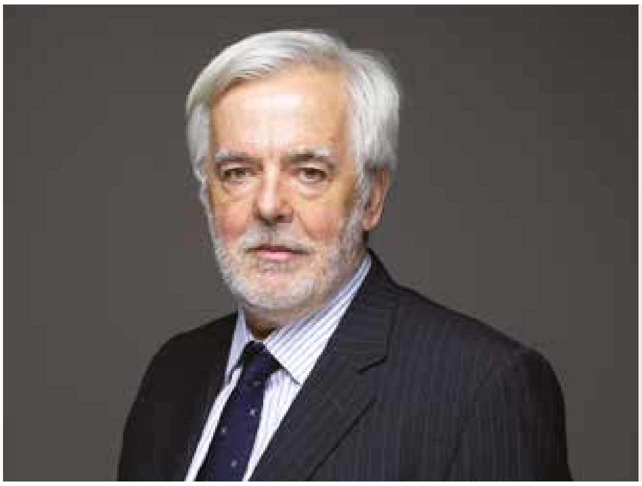
Letter from the Chair of the Board



"In 2021, the Board oversaw the delivery of Wood's strategy, which has sustainability at its core, with a focus on balancing the interests of, and generating sustainable value for all of our stakeholder groups. In addition, the Board focused on the maintenance of an effective culture that promotes inclusion and diversity whilst also overseeing the response to the longer-term effects of Covid-19 to ensure business continuity and employee well-being."

Roy A Franklin
Chair

Dear Shareholder

2021 has been a year influenced by the ongoing impacts of Covid-19 and an accelerated focus on the impacts of climate change. The pandemic has continued to generate challenging conditions in some of Wood's core consulting and engineering markets in 2021 and required us to consider the medium to longer-term impacts on our business. However, 2021 has also been a year of increased focus on climate change, with COP26 acting as a catalyst for global commitments to address the effects of climate change.

Throughout 2021, the Board had oversight of the delivery of Wood's strategic objectives, aligned to the delivery of innovative solutions for a net-zero future. The Board's focus has been on ensuring Wood's strategy generates value for all of Wood's stakeholders through balancing the sometimes competing, interests of those stakeholder groups and ensuring the maintenance of an effective culture. With the Board's support, Robin and his Executive Leadership Team have responded swiftly and effectively to the dynamic challenges of the pandemic as they have evolved during the year whilst also making good progress in positioning Wood for a leading role in energy transition and industrial decarbonisation.

As a result of these actions, Robin and his Executive Leadership Team have delivered a financial performance that reflects improving trading momentum against the backdrop of challenging market conditions.

In April 2022, Robin Watson advised the Board of his intention to retire as Chief Executive. On behalf of the Board, I thank Robin for his years of service to the company. Under his leadership, Wood has transformed into a global consulting and engineering business that operates across a wide range of sectors across energy and industry markets worldwide. Robin has built a strong leadership team around him and a solid portfolio that provides us great opportunities as we look ahead. A search process is now underway, with both internal and external candidates, and we are confident a smooth transition will follow later in 2022.

Balancing stakeholder interests

As a Board, we have regard to the interests of our stakeholders and seek to balance their interests in our decision-making processes.

As required by s414CZA of the Companies Act 2006, we have included a s172(1) statement on page 85 and further details of engagement with key stakeholders can be found on page 81.

Sustainability is at the heart of Wood's strategy and in 2021 the Board endorsed a set of targets aligned to the UN Sustainable Development Goals. Having considered the views of a range of stakeholders including shareholders, employees and wider societal expectations, the Board approved goals in the key areas of delivering our purpose aligned to solutions for a net-zero future; inclusion and diversity; fair working practices; and our impact on communities and the environment. In addition, performance against ESG targets were embedded in the 2021 annual bonus and long-term incentive plans for Wood's executive directors, reflecting the importance the Board places on delivering a sustainable business and value for all of Wood's stakeholders.

COP26 took place in 2021 and reinforced the view that the delivery of net-zero commitments are fundamental to addressing the significant impacts of climate change. Through its oversight of Wood's strategy aligned to delivering solutions for a net-zero future, the Board has been focused on assessing how best to take advantage of the positive trends and investment opportunities for Wood in energy transition and industrial decarbonisation.

This included ensuring that the significant value in Wood's exposure to sustainable infrastructure markets was appropriately recognised in the equity market. As a result, the Board initiated a strategic review of the built environment business in November 2021. The review was completed in early 2022 with the Board concluding that a sale of the built environment business is the best option to deliver value for our shareholders and to strengthen the group as we look to capitalise on the significant growth opportunities, including in energy transition and industrial decarbonisation.

The Board recognises that the maintenance of an effective culture is fundamental to the successful delivery of Wood's strategic objectives.

The Board continued to undertake employee engagement during 2021 through its participation in the Listening Group Network, which provided it with insights into the prevailing culture and enabled consideration of any improvement actions. By reviewing the results of our global employee engagement survey, the Board obtained an understanding of the effectiveness of Wood's approach to diversity, equity and inclusion. In addition, the survey gave insights into the success of actions overseen by the Board to manage the longer-term effects of Covid-19 on employee wellbeing, such as the implementation of our flexible hybrid working model to support employees as they return to the workplace.

Health, safety and sustainability

In 2021, the Board's oversight of the ongoing response to Covid-19 extended beyond the safety and wellbeing strategy emergency response and business continuity arrangements to include a focus on ongoing risk management; operational readiness and planning for a safe return to work. This approach ensured the safety of our people and minimised business disruption. The Safety, Sustainability, Assurance and Business Ethics Committee received regular updates throughout the year enabling it to continually monitor any changes in the pandemic risk assessment, travel or operational restrictions, vaccine policy and control measures. The Committee also provided oversight to the incident investigation into the fatality that regrettably occurred during the year. The purpose of this oversight was to ensure the investigation was independent, of high quality and fully identified the root causes and organisational learnings from this tragic event.

With responsibility for oversight of sustainability matters, the Committee endorsed the set of sustainability targets that underpin Wood's sustainability strategy. In response to the pace of change with regard to ESG risks and reporting requirements, the Board has increased its oversight for sustainability matters with detailed reviews by the Board now taking place on a bi-annual basis.

Diversity and Board composition

The Nomination Committee had focused on the continued implementation of Wood's inclusion and diversity strategy and succession planning. The Board recognises the importance of developing and maintaining an inclusive culture that promotes diversity of thought and perspective. During 2021, the Committee had oversight of Wood's commitment to improving gender balance with good progress being made towards our goal of female representation in at least 40% of senior leadership roles being made. At 31 December Wood had 33% female leaders compared to 31% in 2020. The Committee also oversaw a number of wider actions focused on creating an inclusive organisation including the roll-out of conscious inclusion training to all Wood employees, enhanced employee networks and the development of inclusion & diversity leadership champions. The Committee is mindful of the recommendations of the Hampton-Alexander and Parker reviews during Board succession planning and the recruitment process for new directors. Whilst the Committee continues to work towards stated goals of these reviews it is supporting initiatives to improve the reporting of industry progress, including those led by the FTSE Women Leaders Forum and the Parker Review Team at the Department for Business, Energy & Industrial Strategy.

In March 2021, Brenda Reichelderfer and Susan Steele were appointed non-executive directors. The appointments support the Board's commitment to gender diversity and their extensive global experience significantly strengthens the Board. Mary Shafer-Malicki resigned as non-executive director on 13 May 2021 as she had served on the board for nine years. Thomas Botts will have served on the Board for nine years in 2022 and, in accordance with the principles of the 2018 UK Corporate Governance Code, he will step down from the Board at the 2022 AGM.

Internal controls and external audit

During the year, the Audit Committee focused on areas of judgement and estimation, maintaining a strong control environment, continuing to standardise and digitise finance systems and processes, and the increasing importance of ESG matters.

The primary areas of judgement and estimation considered by the Committee included impairment reviews, significant fixed price or lump sum contracts, provisions and tax balances. With the pandemic continuing throughout 2021, the Committee considered the enduring impact of Covid-19 when reviewing and challenging the assumptions for impairment reviews, together with the impacts of energy transition on core markets.

The Committee also had oversight of the processes and controls put in place to maintain a strong internal control environment. The Board assessed the internal financial and IT control environment as effective, with some areas where improvement is needed. Good progress has been made to standardise financial systems with an improving and maturing control environment noted for entities already included in the common ERP system and shared service model. In addition, the project to integrate remaining smaller businesses into the ERP system and shared services model resumed in the second half of 2021 and this has been combined with the planning and design of an Oracle Cloud instance as we focus on digitising financial systems. Recognising the importance of the governance of ESG matters, the Committee had oversight of a number of internal audits focused on sustainability aspects and this focus will be extended further in 2022. The Committee assessed the effectiveness of the external audit by KPMG and concluded that the audit process was operating effectively.

On 21st February, the Company announced a delay was necessary to finalise the Company's reported results and to conclude the year-end process with the Company's auditor, KPMG LLP. The delay was required to allow an external investigation and review to be undertaken, principally in relation to the historical carrying value of the Aegis Poland project contract and the process by which this was determined. This review was concluded, and Wood's 2021 full year results will be announced on 20 April 2022. The Audit Committee will take account of the findings of the review in its continuing work on the effectiveness of the Company's internal control environment and the Chair of the Audit Committee and I will jointly review the Board oversight governance framework and make any recommendations for further refinement to the Board in due course. For further details see page 109.

Directors' remuneration

The Remuneration Committee has continued to closely monitor the external executive remuneration environment, alignment to the wider workforce, and the views of our shareholders whilst continuing to make remuneration decisions that reflect the needs of the business and in line with our remuneration principles. The Committee's priority is to balance fairly rewarding management performance with aligning to shareholder and wider stakeholder expectations. The Committee recognises the continued strength, resilience, courage and care demonstrated by the executive directors and the wider leadership team in leading the business throughout the year. The Committee continued its engagement activities with leadership and the wider workforce to ensure fair reward for all employees and alignment of executive director remuneration to that of the wider workforce.

Board evaluation

The Board participated in a Board evaluation process externally facilitated by Lintstock. The evaluation process enables the Board to ensure that the principles of the UK Corporate Governance Code on the role and effectiveness of the Board are satisfied. A number of actions were recommended including ensuring that the Board and senior management profile reflects the future direction of the organisation; devoting more time to discussion and greater focus on operational execution informed by appropriate metrics. The Board has undertaken activities throughout the year to address these areas including: reviewing senior management development and succession plans to ensure appointments reflected the appropriate expertise for the future direction of the Company; including additional time to the Board meeting timetable to allow for more in-depth discussion and refreshing the approach to business unit reporting to facilitate a deeper understanding of each business unit's operational performance and risk management.

Investigations

Through the Investigations Oversight Committee, the Board provided independent oversight of the risk analysis, mitigation and response of the business in connection with the investigations by the relevant authorities into the historical use of agents and other matters. The Board is pleased that these investigations were concluded during 2021. Going forward the SSABE Committee will continue to review and provide oversight for the organisational arrangements and requirements put in place to ensure compliance with the agency commitments as part of these settlements.

Your Board recognises the resilient and agile leadership demonstrated by Robin, David and the Executive Leadership Team, in a dynamic and challenging environment, to deliver improving momentum in Wood's financial performance including margin improvement and strong order book growth and in taking steps to strategically position Wood for a leading role in energy transition and industrial decarbonisation.

Through the strategic actions underway in 2022, I am confident that Wood will unlock shareholder value and will be well positioned to capitalise on the significant opportunities ahead, including in energy transition and industrial decarbonisation. I believe that the Board has the appropriate skills to support these actions and the ongoing delivery of Wood's purpose and strategy and for effective decision making to promote Wood's long-term success and sustainability.

Roy A Franklin
Chair

Directors' report

The directors submit their report together with the audited financial statements of the Group for the year ended 31 December 2021.

Information relevant to and forming part of the directors' report is to be found in the following sections of the Annual Report:

The Group consolidated income statement for the year is set out on page 150.

Going Concern

In applying the going concern basis for preparing the financial statements, the directors have considered the Group's objectives and strategy, the risks and uncertainties in achieving those objectives and reviewed business performance. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Dividend

Due to uncertainty around the impact of Covid-19 and volatility in oil prices, the Board decided not to declare a final dividend for 2020.

Whilst the Board were encouraged by improving momentum in activity and early signs of markets recovering, performance in the first half of 2021 reflected the ongoing impacts of Covid-19 and as such, the Board considered it prudent not to pay an interim dividend for 2021.

No dividends were therefore paid to shareholders during 2021.

In addition, given the high level of net debt held by the Group, the Board has decided not to recommend dividends in relation to the 2021 financial year.

The Board remains committed to ensuring balance sheet strength and considered these decisions to be prudent and appropriate in order to protect cash flows and preserve long-term value.

The Board recognises the importance of dividends to shareholders and is committed to reviewing the policy in the future following the proposed sale of our built environment business.

Corporate governance statement

The Board is fully committed to maintaining high standards of corporate governance and, as a company with a premium listing on the London Stock Exchange, complies with the 2018 UK Corporate Governance Code issued by the Financial Reporting Council (the Governance Code). A copy of the Governance Code is available at www.frc.org.uk.

The Board reviews its governance procedures to maintain proper control and accountability and monitors its compliance with the Governance Code via a self-assessment verification process. Proper control, accountability and compliance with the Governance Code flows through the Group as a whole and the directors consider that the Group has fully complied with the provisions of the Governance Code throughout 2021.

The Board has applied the Governance Code Principles (A to R) as follows:

Board leadership and Company purpose

Effective Board – Principle A

Our Board is composed of highly skilled individuals who bring a range of skills and corporate experience to the boardroom (see pages 88 to 89).

The role of the Board is to lead and direct the Group, to promote its long-term sustainable success, generate value for shareholders and contribute to wider society.

The Board has a structured calendar for the year ensuring all relevant matters are considered and utilises its four principal committees to ensure sufficient time is allowed for discussion. At each Board meeting sufficient time is set aside for the committee chairs to report on the contents of their discussions, put forward any recommendations to the Board which require approval and the actions taken. Further information on the activities of the principal committees can be found on pages 90 to 91 and 103 to 114.

The Board continually assesses the flexibility and sustainability of our business model, monitoring and reviewing our strategy (including our purpose and strategic objectives), assessing and identifying changing or emerging risks that could impact on the Group in the short, medium and long-term. Further information on sustainability of the business model and principal and emerging risks can be found on pages 95 and 69 to 74.

Purposes, values and culture – Principle B

Our purpose, values and culture are set out in the Strategic Report on pages 6 and 7 which describes the basis upon which the Company generates and preserves value over the long-term.

The Board oversees the development of the Group's purpose, defining our values and strategy and monitoring and assessing culture, for the benefit of all stakeholders.

Our purpose informs the Group's strategic direction and how we deliver value for our stakeholders. Due to its importance, the Board periodically reassesses our purpose to ensure it continues to reflect the Board's strategy, values, and desired culture.

Our values reflect the qualities we embody and our underlying approach to doing business. Our values are embedded in our operational practices and the direct oversight and involvement of the executive directors.

Our culture has developed from our values and is considered a key strength of our business. The Board reinforces our culture and values through its decisions, strategy and conduct.

During the year, the Board assessed the effectiveness of Wood's culture, with particular emphasis on the effectiveness of Wood's approach to diversity, equity and inclusion and actions taken to manage the longer-term effects of Covid-19 on employee wellbeing. These activities, including discussions with management and employee surveys, are described in more detail on pages 58 to 63. The Board is satisfied that the culture is operating effectively.

Governance framework and Board resources – Principle C

The Board believes good corporate governance is essential to ensuring our business is run in the right way, creating value for all our stakeholders and is key to overall performance and integrity and is consistent with our shared values.

Corporate governance extends beyond regulatory compliance and the directors consistently monitor developments in best practice, including guidance published by investor groups.

The directors use an electronic Board paper system which provides secure access to papers. The information provided to Board members is of sufficient depth to facilitate debate and to fully understand the content whilst remaining clear and concise.

If any director has concerns about the running of the Group or any proposed course of action, they are encouraged to express those concerns which will then be minuted. No such concerns were raised during 2021.

All directors are entitled to take independent professional advice at the Group's expense and have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are complied with.

Board leadership and Company purpose

Stakeholder engagement – Principle D

We recognise the importance of clear communication and proactive engagement with all of our stakeholders. The Governance section of the Annual Report explains how the Group has applied the principles of the Governance Code with its shareholders on page 95. Further information on engagement with stakeholders and the Board's application of s172 of the Companies Act 2006 can be found on pages 14 to 21 and page 85.

Employee engagement
We have an experienced, diverse and dedicated workforce which is recognised as a key asset of our business.

The Board recognises the importance of strong employee engagement and considers that meaningful, regular dialogue with employees provides it with greater insights into the culture, activities, and experiences of the people in our business. Rather than adopting one of the three methods of employee engagement set out in the Governance Code, the Board uses a combination of methods, including a bi-annual global employee survey, additional global employee pulse surveys to gather the views of employees, and the Listening Group Network (LGN), which involves employees from all our global locations, enabling the employee voice to be heard by the Board and Executive Leadership Team. The LGN has grown in membership by over 20% during 2021. The Board believes this is a more effective method of employee engagement and representative of Wood's global, diverse workforce. In 2021, our global employee engagement survey received c18,000 responses (a participation rate of around 50%) from 37 countries.

Established mentoring relationships have continued during 2021. However other examples of workforce engagement activities usually carried out by Board members, including hosting talent lunches and dinners and town halls and visiting regional and overseas sites were not possible due to continuing Covid-19 restrictions. It is intended these activities will recommence once it is safe to do so.

We discuss our workforce engagement activities on page 14 and pages 58 to 63. Details of the impact of employee engagement on principal decisions are set out on pages 19 to 21.

Shareholder engagement
Shareholders play a valuable role in safeguarding the Group's governance through, for example, the annual re-election of directors, monitoring and rewarding their performance and engagement and constructive dialogue with the Board.

To engage with our shareholders, the Board utilises the following engagement methods: shareholder consultation; investor meetings and presentations; annual general meeting; annual report and our corporate website. Further details of our engagement with shareholders are on pages 15 and 95.

Business relationships with suppliers and clients
Relationships with suppliers and clients are developed at all levels through daily business activities allowing us to gain an understanding of their views and priorities.

Executive and business unit leaders hold regular meetings with suppliers to discuss matters including performance issues, innovations and upcoming projects.

Wood is a founding member of the Building Responsibly initiative, a global, business-led coalition committed to promoting the rights and welfare of workers, specifically for those in the engineering and construction industry. The Building Responsibly Principles provide a framework for Wood's ongoing development of good practice and will assist in establishing a common, global baseline for the treatment of workers. Our Building Responsibly strategy has been developed in collaboration with Supply Chain and, through engagement with our suppliers, we aim to ensure 100% of Wood's labour suppliers sign up and comply with the Building Responsibly Principles by 2025 and ensure 100% of our suppliers have Building Responsibly Principles embedded into their supply chains by 2030.

Client engagement is managed through our structured Client Management Framework enabling active executive and business unit leadership participation in strategic level and key client meetings. The insight from these meetings helps to inform operational, business development and long-term strategic direction. In 2021, the continuing Covid-19 pandemic resulted in most meetings taking place virtually. Details of the Group's engagement activities with clients and suppliers during the year are provided on page 16.

Division of responsibilities

Workforce policies and practices – Principle E

The Board and/or Executive Leadership Team review and approve all key policies and practices which could impact on our workforce and drive their behaviours. All policies support the Group's purpose and reflect our values and are published on the Group intranet.

As a business, we seek to conduct ourselves with honesty and integrity and believe that it is our duty to take appropriate measures to identify and remedy any malpractice within or affecting the Company. Our employees embrace our high standards of conduct and are encouraged to "speak up" if they witness any behaviour which falls short of those standards.

Mandatory training programmes are used to reinforce key ethics and compliance messages in areas such as anti-bribery and corruption and conflicts of interest. All Board members and employees are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest. Further details are provided on pages 48 to 49 and page 92.

In 2021, the Board approved the Modern Slavery and Human Trafficking 2021 statement.

Division of responsibilities

Board roles – Principle F

There is clear division between executive and non-executive responsibilities which ensures accountability and oversight. The roles of Chair and Chief Executive are separately held and their responsibilities are well defined, set out in writing and regularly reviewed by the Board.

Further details on the roles of the Chair, Chief Executive, Senior Independent Director, non-executive directors and the Company Secretary is on page 92.

Independence – Principle G

The Board has reconfirmed that, at 31 December 2021, our non-executive directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement.

External commitments and conflicts of interest – Principle H

The Board takes into account other commitments when considering anyone for appointment to the Board to satisfy itself that the individual can devote sufficient time to the Company and also to assess any potential conflicts of interest.

Key activities of the Board – Principle I

The Board typically schedules four face to face meetings and three calls on an annual basis. During 2021 a total of eight board meetings took place: four "full" board meetings (one in-person meeting held in Glasgow and three via video conference) and four board calls (all held via video conference). The meeting in Glasgow was held to coincide with COP26 and local management and other employees were provided the opportunity to participate in our activities at the conference.

Committee meetings during the year were predominately held remotely by telephone or by video conference.

The Board and its committees routinely invite members of the management team to attend meetings to present on the matters being discussed, enabling their input into discussions.

The following are covered as standing agenda items at the majority of meetings:

- Review of Governance and reports from the Safety, Sustainability, Assurance & Business Ethics; Audit; and Remuneration Committees, and the Chief Executive report
- Operations updates and functional updates from HSSES, P&O, Strategy & Development and Finance & Administration (including Investor Relations, IT, Legal, Tax & Treasury and Commercial)

Further details on Board activity during the year is on pages 97 to 100.

Composition, succession and evaluation

Appointments to the Board – Principle J

We ensure that appointments to our Board are made solely on merit with the overriding objective of ensuring the Board maintains the correct balance of skills, length of service and knowledge to successfully determine the Group's strategy.

Appointments are made based on the recommendation of the Nomination Committee with due consideration given to the benefits of diversity in its widest sense, including gender, and social and ethnic backgrounds.

The Nomination Committee report on pages 103 to 105 provides further information on Board appointments, succession planning and diversity.

Board skills, experience and knowledge – Principle K

An effective Board requires the right mix of skills and experience. Our Board is a diverse and effective team focused on promoting the long-term success of the Group. An overview of the skills and experience of each of the directors is on pages 88 and 89.

Annual Board evaluation – Principle L

On an annual basis, an evaluation process is undertaken which considers the effectiveness of the Board, individual directors and of the Chair. This review identifies areas for improvement, informs training plans for the directors and identifies areas of knowledge, expertise or diversity which should be considered in our succession plans.

Further details on Board evaluation during the year is on pages 92 to 94.

Audit, risk and internal control

Financial reporting – Principle M

One of the Audit Committee's principal responsibilities is to review and report to the Board on the clarity and accuracy of the Group's financial statements, including the Annual Report and interim statement. When conducting its reviews, the Audit Committee considers the overall requirement that the financial statements present a 'true and fair view'.

The main responsibilities of the Audit Committee include:

- Compliance with financial reporting standards and relevant financial reporting requirements
- Consideration of the financial and IT internal control environment
- Consideration of the internal audit programme and results
- Review of the external audit relationship and provision of non-audit services

External auditor and internal audit – Principle M

The Audit Committee has primary responsibility for managing the relationship with the external auditor, including assessing their performance, effectiveness, and independence annually and recommending to the Board their reappointment or removal. During the year, the Committee received confirmation from the external auditors regarding their independence.

In accordance with UK regulations and to help ensure independence, the auditors adhere to a rotation policy based on Auditing Practices Board standards that require the Group audit partner to rotate every five years. During 2021 the lead audit partner was changed by the Company's external auditors, KPMG, following consultation with and agreement from the Company. The previous lead audit partner had served for three years prior to this change. Further details can be found on page 109.

Further detail on the work of the Audit Committee is on pages 106 to 109.

Fair, balanced and understandable – Principle N

The Board considers that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders and other stakeholders to assess the Group's position, performance, business model and strategy.

In reaching this assessment, the Board carried out an in-depth review of the financial statements and disclosures therein and noted the discussions between the Audit Committee and the auditors on the adequacy and clarity of the disclosures. The Board was also assisted by the Chair, Senior Independent Director and the Chair of the Audit Committee who engaged directly with company management during the planning, drafting and review stages of this annual report and were provided with draft materials for review and comment as the document progressed. This facilitated a good level of understanding of the process of compilation and assurance over the information contained within the Annual Report. The Board subsequently considered the Annual Report and Accounts as a whole and discussed the Report's tone, balance, and language at the April 2022 Board meeting.

Audit, risk and internal control

Risk management and internal control – Principle O

The Board has overall responsibility for the Group's systems of internal control and risk management which is fundamental to the achievement of the Group's strategic objectives.

Risk management
The Board has a well-established process for identifying, evaluating, and managing the principal and emerging risks faced by the Group and this process has been in place for the year under review and up to the date of approval of this Annual Report. The process is regularly reviewed by the Board and is in accordance with the Governance Code. The Group, for the purposes of applying the Governance Code, comprises John Wood Group PLC and its subsidiaries[1].

A Group risk management standard codifies existing risk management practice and drives consistency across the Group. For further details on the principal risks and uncertainties faced by the Group along with associated mitigations, monitoring, assurance and the approach to emerging risks, please refer to pages 68 to 74.

Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements of the ongoing procedures, which the directors established to review the effectiveness of the system of internal control on an annual basis, are listed below.

As a result of these ongoing procedures, the Board's assessment was that the overall internal control environment was operating effectively, with some areas for improvement noted, please refer to pages 70 and 76.

- **Internal control structure**

The Group has a clear organisational structure for the control and monitoring of its businesses, including defined lines of responsibility through the organisation up to Board level and delegations of authority in place. The Group has issued policies which define the standards of business conduct and include Accounting; Contract Risk Management and Review; Health, Safety, Security and Environment; and Business Ethics. A Group Business Ethics helpline, operated by an independent third party, is in place to enable staff and third parties to raise concerns in confidence about possible non-compliance with the Group's Code of Conduct.

For more information on Business Ethics see pages 101 and 102.

- **Ongoing monitoring of internal control systems**

The Board has agreed certain reporting procedures to monitor key risk areas on an ongoing basis, including safety, legal and financial matters. Our internal controls and risk management systems in relation to the preparation of the financial statements focus on: correct application of relevant accounting standards, company law and our accounting policies; review of the primary areas of judgement and estimation for 2021; review of the Internal Financial Controls Assessment; consideration on whether indicators of impairment existed and results of any impairment reviews; judgements underpinning the calculations for current and deferred tax including uncertain tax positions; review of significant contracts; review of provisions; and review of the significant underlying assumptions for the accounting of defined benefit pension obligations. The Audit Committee has been delegated the responsibility to review the effectiveness of the financial and IT internal control systems implemented by management.

The Safety, Sustainability, Assurance and Business Ethics Committee has been delegated responsibility for the effectiveness of the Group's management of HSSE, sustainability, operations assurance and business ethics and compliance programme.

The Board and its committees are assisted by the various Group functions including Internal Audit, HSSES and, where appropriate, the external auditors and other external advisors. Where the internal or external auditors identify any significant deficiencies in the financial or IT internal control systems, a plan of action is agreed to remedy these and progress against them is tracked and reported with updates provided to the Audit Committee as necessary.

The Audit Committee receives regular updates concerning ongoing audits. Details of audit updates received by the Committee in 2021 are set out on pages 106 to 109. The Chairs of the Audit Committee and the Safety, Sustainability, Assurance and Business Ethics Committee report regularly to the Board on their discussions.

- **Information and communication**

The Group has a comprehensive system for reporting performance to the Board. This includes monthly and quarterly reports. The quarterly reports include a detailed financial review against budgets and latest forecasts. The Executive Leadership Team receives detailed monthly financial reports and meets monthly to discuss financial performance and other operational matters. The Operating Committee receives reports from each business units quarterly review meetings and quarterly project & risk review meetings, both of which involve the Chief Executive and the Chief Financial Officer.

Remuneration

Linking remuneration with purpose and strategy – Principle P

Our Remuneration Policy is designed to be simple, balanced and transparent, aligning with strategy, culture and delivery of shareholder value. The Remuneration Policy and principles support the needs of our business over the next few years, our strategy and the creation of long-term value for our shareholders. We link pay to performance by ensuring there is a strong alignment with the organisation's short and long-term objectives, and the prevailing company culture.

Changes to policy and summary of process – Principle Q

The Remuneration Committee has an established, formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration. No director is involved in deciding their own remuneration outcome. In setting the Remuneration Policy, the Remuneration Committee considers the relevant provisions of the Governance Code, relevant regulations enacted under the Companies Act 2006 and shareholder views through consultation.

The current Remuneration Policy received shareholder approval at the 2020 AGM.

Strategic targets and performance outcomes – Principle R

The Remuneration Committee exercises independent judgement and discretion when recommending remuneration outcomes to the Board, taking account of company and individual performance and wider circumstances.

Further detail on the work of the Remuneration Committee is on pages 110 to 134.

Statutory disclosures

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

It is the intention of the Board to behave responsibly toward our shareholders, and other stakeholders, as a whole and treat them fairly and equally so they may benefit from the successful delivery of our strategy; and to ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours. The Board considers that by having regard to the interests of each of our stakeholders the Company's strong reputation will be maintained and enhanced.

The directors believe that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to (among other matters) the matters set out in section 172(a) – (f) of the Companies Act 2006. The information on pages 18 to 21 describes how the Board's principal decisions taken during the year ended 31 December 2021 have had regard to those matters and forms part of the directors' statement required under section 414 CZA of that Act.

In particular, by reference to our strategy and aligning to our purpose to unlock solutions to the world's most critical challenges, the Board has:

- Overseen the ongoing delivery of a strategy aligned to the emerging trends in our core markets, particularly energy transition and industrial decarbonisation, the increasing demand for sustainable infrastructure with technology driven solutions and regard to climate change. As part of this, in Q4 2021 the Board had oversight for the initiation of a strategic review to unlock value from the part of the Consulting business unit that faces built environment markets. The Board considers that the strategy, including the outcome of the strategic review of the built environment business that concluded that a full sales process is the best option, will have a long-term beneficial impact on the Company, its employees and shareholders; is aligned to the needs of our clients and will have benefits for the environment and communities;
- Recognised that our employees know our business and have a wide range of views and experience. Our employees, and their motivation and retention, are fundamental to the delivery of our strategy. The health, safety and wellbeing of our employees is one of our primary considerations in the way we do business (see page 14). Ensuring strong employee engagement has been a key Board activity throughout the year;
- Extensively engaged with clients, enabling us to gain an understanding of their views and priorities. We also aim to act responsibly and fairly in how we engage with our suppliers (see page 16); and our credit investors (see page 15); all of whom are integral to the successful delivery of our strategy;
- Taken into account the impact of the Company's operations on the environment, including climate change, and the communities we operate in (see pages 17 and 18 and pages 65 to 67);
- Considered the medium and longer-term impact of Covid-19 on our strategy and stakeholders.

Profit forecast

In our trading update on 13 January 2022, we made the following statement which is regarded as a profit forecast for the purposes of the Financial Conduct Authoritys Listing Rule 9.2.18: "Adjusted EBITDA of around $550 million to $560 million and adjusted EBITDA margin of around 8.7%, Operating profit (before exceptionals) of around $195 million to $205 million". Full year adjusted EBITDA was $554m, adjusted EBITDA margin was 8.6% and operating profit before exceptionals was $192m.

Disclosures under Listing Rule 9.8.4R

Disclosures in relation to listing rule LR 9.8.4R where applicable are included in note 22 to the financial statements in relation to long-term incentive plans.

Energy usage and carbon emissions

We recognise the impact of energy use and carbon emissions on climate change and are committed to minimising our environmental footprint.

The Company's approach to governance, mitigation, monitoring and assurance of climate change related risk is set out on pages 68 to 71 and details of the actions the Company is taking to manage and minimise our impact are set out on pages 50 to 57.

Detailed information on our energy usage in line with the Streamlined Energy & Carbon Reporting framework (SECR), is set out on page 54.

Political donations

During the year ended 31 December 2021, no political donations were made and no political expenditure was incurred, as defined in Part 14 of the Companies Act 2006. No donation, contribution or expenditure was made to any non-UK political party during the year.

Charitable donations

The employee matched funding initiative supports employee fundraising efforts for employee personal choice charities, with Wood matching up to 100% of the amounts raised by employees, up to a specified limit. This initiative is the foundation of our charitable donation programme.

See pages 64 to 67 for further details.

The employee matched funding initiative is employee led. During 2021 none of the directors recommended or approved any charitable donations or other forms of giving.

During 2021 we introduced a strategy to support Wood's community investment sustainability target in order to reflect growing stakeholder expectation that companies move away from ad hoc philanthropic activities, to strategic community investment plans that emphasise the 'shared value' of aligning business goals with local stakeholder needs. Wood's focus on education as our Global Cause is subject to periodic review and validation by our employees, allowing scope to revisit our focus and put this to a global employee vote periodically over a 10-year period. Wood is committed to contributing $10 million to our Global Cause by 2030.

See page 64 for further details.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders and are filed with the Registrar of Companies.

Our Articles of Association are available at: **woodplc.com/articlesofassociation**

Share capital and rights

As at the date of this report, the Company's issued share capital, quoted on the London Stock Exchange, consisted of 691,839,369 ordinary shares, each carrying one vote. The total voting rights at the date of this report are accordingly 691,839,369. No person has any special rights of control over the Company's share capital and there are no shares carrying special rights or restrictions on voting rights. All issued shares are fully paid.

There are no restrictions on the transfer of ordinary shares in the capital of the Company other than certain restrictions which may, from time to time, be imposed by law, for example, insider trading regulations. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Details of significant direct or indirect holders of securities in the Company can be found on page 97 of this report.

The John Wood Group PLC Employee Share Trust holds shares to meet its obligations under the Company's employee share plans and rights in respect of those shares are not directly exercisable by employees. The Trust refrains from exercising its voting rights.

Acquisitions and purchases of own shares

Subject to applicable law and the Company's Articles of Association, the directors may exercise all powers of the Company to authorise the issue and/or market purchase of the Company's shares, subject to an appropriate authority being given to the directors by shareholders in a General Meeting and any conditions attaching to such authority.

At the 2021 annual general meeting shareholders passed a resolution authorising the Company to purchase its own shares up to a maximum number of 68,833,937 ordinary shares. During the year ended 31 December 2021 the Company made no acquisitions of its own shares and the authority granted by this resolution has not been used.

Post balance sheet events

Important post balance sheet events are detailed in the notes to the financial statements.

Research and development activity

We have substantial industry know-how that is shared across the business and we work with clients to create innovative solutions. We have active research and development projects in areas such as software development, process design, power plant design, clean energy and we utilise the outcomes to improve current process and practice as appropriate.

Appointment, retirement and removal of directors

The rules governing appointment, retirement and removal of directors are detailed in the Articles of Association.

A director may be appointed by an ordinary resolution of shareholders in a General Meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting. The directors may appoint a director during any year provided that the individual stands for election by shareholders at the next annual general meeting.

Powers of directors

Subject to applicable law and the Company's Articles of Association, the directors may exercise all powers of the Company.

Indemnity of officers

Under Article 137 of the Articles, the Company may indemnify any director or former director against any liability, subject to the provisions of the Companies Acts. Under the authority conferred by Article 137, the Company has granted indemnities to the directors of the Company. The indemnities do not apply to any claim which arises out of fraud, default, negligence or breach of fiduciary duty or trust by the indemnified person. In addition, the Company may purchase and maintain for any director or other officer, insurance against any liability. The Company maintains appropriate insurance cover against legal action brought against its directors and officers and the directors and officers of its subsidiaries.

Approval of the directors' report

The strategic report set out on pages 01 to 74 and the directors' report set out on pages 78 to 87 were approved by the Board on 19 April 2022 and have been signed by the Company Secretary on behalf of the Board.

Martin J McIntyre
Company Secretary

Footnotes

1. Subsidiaries are those entities which are under Group management and control as detailed in note 37 to the Financial Statements.

Directors' responsibilities

The following statement, which should be read in conjunction with the directors' report and statement of Auditor's responsibilities set out on page 149 describes the responsibilities of the directors with respect to the financial statements.

The directors are responsible for preparing the Annual Report, the Annual Report on Directors' Remuneration and the financial statements of the Group and the Company in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis. In addition the Group financial statements are required under the UK Disclosure and Transparency Rules to be prepared in accordance with UK-adopted international accounting standards.

The Company financial statements are prepared in accordance with FRS 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with UK-adopted international accounting standards;
- Assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless it is intended to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for:

- Keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the annual report on directors' remuneration comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation;
- Such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- Taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- Preparing a strategic report, directors' report, annual report on directors' remuneration and Corporate Governance statement that complies with applicable law and regulations; and
- The maintenance and integrity of the corporate and financial information contained on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

The directors confirm that, to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The strategic report and directors' report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the significant risks and uncertainties that they face; and
- The directors consider the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all reasonable steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Relevant information is defined as 'information needed by the Company's auditors in connection with preparing their report.

This responsibility statement was approved by the Board of Directors on 19 April 2022 and is signed on its behalf by:

Robin Watson

Robin Watson
Chief Executive

David Kemp

David Kemp
Chief Financial Officer

Board of Directors

Roy A Franklin OBE N

Chair

Appointed: 2017
Chair since September 2019

Contribution to the Company
Roy brings to the Board more than 48 years' experience as a senior executive in the oil and gas industry including strong strategic and operational expertise and extensive experience in chairing boards of listed companies. Such combined knowledge enables him to steer the Board's focus, promoting open and productive debate and contributes to the Board's practical understanding of good governance. He has an outstanding track record and has demonstrated consistent and valuable leadership.

Experience
Roy is currently a director of Kosmos Energy Ltd and an independent non-executive director of Energean plc. Roy initially spent 18 years at bp, latterly as head of M&A, bp Exploration, after which he was group MD of Clyde Petroleum and then CEO of Paladin Resources until its acquisition by Talisman Energy in 2005. Since then Roy has served on a number of international energy boards in non-executive roles, including Amec Foster Wheeler plc. He is a former chairman of the Keller Group PLC and former deputy chairman of Equinor A/S. Until 25 February 2021, Roy was chairman of privately held Energean Israel Ltd and until 31 March 2021 was chairman of Premier Oil plc.

Key to Committee membership

- A Audit
- N Nomination
- R Remuneration
- S Safety, Assurance & Business Ethics
- Chair

Former director who served for part of the financial year

Mary Shafer-Malicki
Appointed: 2012
Non-executive Director.
Member of the Audit, Nomination and Remuneration Committees.
Resigned May 2021.

Robin Watson CBE

Chief Executive

Appointed: 2013
Group Chief Executive since January 2016

Contribution to the Company
Robin has a comprehensive understanding of the Company and a clear strategic mindset. He has extensive leadership and management experience, with a well established track record of implementing strategic change and operational delivery. His contribution and vision is invaluable as we re-position the business across the energy transition and deliver long-term growth, in a continually changing environment.

Experience
Robin was responsible for the creation of Wood when he led the acquisition of Amec Foster Wheeler in 2017. Robin joined the Company in 2010, becoming CEO of Wood Group's PSN division in 2012 and was appointed as Chief Operating Officer and an executive member of the Wood Group Board in 2013. Prior to joining Wood Group, he worked for Petrofac and Mobil Oil in the UK and internationally and has more than 35 years' engineering and industry experience. Robin is a board member of the Institute of Directors through his membership of the Energy Leaders Coalition (ELC) and his personal commitment to the Scottish Leaders Mentoring Scheme is contributing to improving gender diversity in the energy sector and the wider Scottish business sector. He has also been a past Board member of Oil & Gas UK and, between 2011 and 2015, on the Scottish Business Board, a cross-industry advisory group to the UK government. Robin has received a variety of prestigious business awards recognising his leadership, innovation and entrepreneurism and was appointed a Commander of the Order of the British Empire (CBE) in 2020, in recognition of his services to international trade and is a Chartered Mechanical Engineer, a Fellow of both the Institution of Mechanical Engineers and the Energy Institute. He holds a Masters of Business Administration and an Honours Degree in Offshore & Mechanical Engineering and was recently bestowed an Honorary Doctorate in Engineering from Heriot Watt University. Robin is also a Visiting Professor at the Robert Gordon University.

David Kemp

Chief Financial Officer

Appointed: 2015

Contribution to the Company
David is an experienced Chief Financial Officer (CFO) with a significant track record of building financial discipline, driving growth and margin improvement and delivering excellence. His extensive knowledge of the debt and equity markets and the wider financial and service sectors is vital to the Company's objectives of resilience and a strong balance sheet.

Experience
David was appointed as CFO of Wood Group's PSN division in 2013 and as Group CFO in 2015. David is a non-executive director of Craneware plc and was a director of Albyn School Limited until the end of January 2022. Prior to joining Wood Group, he served in executive roles at Trap Oil Group, Technip, Simmons & Company International and Hess Corporation, working across Finance, M&A and Operations. He is a member of the Institute of Chartered Accountants of Scotland.

Nigel Mills A N R

Non-executive and
Senior Independent Director

Appointed: 2020

Contribution to the Company
Nigel has extensive financial, commercial and investor relations skills, having advised some of the UK's largest companies across a broad range of end markets. His strong strategic financial experience ensures he is well equipped to provide sound advice together with independent challenge to the Board. His contribution strengthens the Board's discussions and is invaluable as we strive for long-term growth.

Experience
Nigel is senior independent director of Persimmon Plc, where he also served as acting chairman for six months in 2018. His executive career was in investment banking, as chair of Corporate Broking at Citi and chief executive at Hoare Govett.

Jacqui Ferguson

A N R

Non-executive Director

Appointed: 2016

Contribution to the Company
Jacqui contributes to both strategic and operational matters with wide ranging managerial and equality, diversity and inclusion experience. Her diverse outlook and broad industry related technology expertise from multiple sectors including telecommunications, financial services, manufacturing, travel & transportation, energy and government is an important element enabling the Board to deliver its strategy and long-term growth.

Experience
Jacqui is a senior independent director of Tesco Bank and a non-executive director of Croda International plc. She is deputy chair of Engineering UK and a Fellow of the Institute of Engineering and Technology. Jacqui was previously a founding member of the Scottish First Minister's Advisory Board for Women and Girls, her 3 year term having ended during 2021, and Senior Vice President and General Manager of Hewlett Packard Enterprise Services in the UK and Ireland, Middle East, Mediterranean, Africa and Israel.

Birgitte Brinch Madsen

N S

Non-executive Director

Appointed: 2020

Contribution to the Company
Birgitte has extensive, global experience of engineering and consulting projects in the energy and built environment sector. Her knowledge and understanding of green energy technologies adds value as we continue to strengthen our expertise within renewable energy. Birgitte adds to the balance of skills and diversity of views on the Board.

Experience
Birgitte is a non-executive director of the Danish based road contractor, Arkil Holding A/S and is a non-executive director at the Danish fund companies Danske Invest and Danske Invest Select. She was previously Chief Technical Officer with Maersk FPSO's, a business unit of international logistics company A.P. Moller – Maersk A/S, and prior to that was BU Director of the Energy and Industry business of the Danish international engineering consultancy COWI A/S.

*Image © Søren Svendsen, M&L

Susan Steele

A N S

Non-executive Director

Appointed: 2021

Contribution to the Company
Susan has wide-ranging engineering and construction industry, programme management and supply chain performance experience. Her global expertise across a range of end markets significantly strengthens the Board.

Experience
Susan is the Chief Executive Officer of Steele & Partners. She is also an independent director of Hill International, Inc., and was until May 2021 a director of Harvard Bioscience, Inc. She was Senior Vice President of Global Supply Chain Management at Jacobs Engineering and held a number of roles including Vice President, Business Development for Manufacturing and Life Sciences at CHM2 Hill. In October 2021 Susan was inducted into the National Academy of Construction, which recognises and honours individuals for their distinguished contribution to the industry and to share their expertise.

Adrian Marsh

A N S

Non-executive Director

Appointed: 2019

Contribution to the Company
Adrian has a wealth of financial expertise in large multi-national companies. He has a proven track record in financial, strategic and commercial roles and brings substantial audit, risk and audit committee expertise to the Board.

Experience
Adrian has been Group Finance Director of DS Smith plc since September 2013. He was previously Head of Tax, Treasury and Corporate Finance at Tesco plc and has also held divisional CFO positions at both AstraZeneca PLC and Pilkington plc.

Brenda Reichelderfer

N R

Non-executive Director

Appointed: 2021

Contribution to the Company
Brenda is an engineer with broad business leadership experience. She brings considerable global engineering and operational capability from multiple industries to the Board, together with valuable independent advice.

Experience
Brenda is currently a director of Moog, Inc., and of Federal Signal Corporation. She was previously Senior Vice President and Managing Director of global consulting firm TriVista, Inc. and non-executive director of Meggitt plc. Prior to that Brenda was Senior Vice President, Chief Technology Officer and Director of Engineering of ITT Corporation. She also held the position of President in two of ITT's four Operating Divisions during her 28-year tenure.

Thomas Botts

N S

Non-executive Director

Appointed: 2013

Contribution to the Company
Thomas has almost four decades of international business and senior management experience. He has strong leadership skills and wide-ranging experience within the industry. His proven track record and performance brings extensive practical and business knowledge to the Board's discussions and makes him a valuable member of the Board.

Experience
Thomas is a non-executive director of EnPro Industries, is co-chair of the Governor's Task Force at the University of Wyoming, chairman of the University of Wyoming Foundation and is a long-standing member of the Society of Petroleum Engineers. Thomas was formerly with Shell for 35 years, latterly as global head of Shell's manufacturing business.

Corporate governance

Role of the Board and Committees

Board

The Board is collectively responsible for the governance of the Company on behalf of shareholders and is accountable to them for the long-term success of the Group. The Board focuses its time and energy on strategy, succession planning, significant acquisitions and divestments, deleveraging, the annual budget and performance against it, monitoring and assessment of culture, monitoring the performance of the management team, and risk management, specifically focusing on principal risks and the overall system of internal control.

The Board has delegated some of its responsibilities to its four main Board Committees – the Safety, Sustainability, Assurance & Business Ethics Committee, the Nomination Committee, the Audit Committee and the Remuneration Committee. The work of these Committees is supported by members of the Executive Leadership Team (ELT) and other senior management.

The Company Secretary provides advice and support to the Board.

Safety, Sustainability, Assurance & Business Ethics Committee

Oversees the Group's management of HSSE, Sustainability, Operations Assurance and the Business Ethics and Compliance programme, consistent with the Group's values.

Read more on page 101

Nomination Committee

Leads the process for Board appointments, ensuring formal, rigorous and transparent procedures and making recommendations to the Board to ensure plans are in place for an orderly succession to both the Board and senior management positions and oversees the development of a diverse pipeline for succession.

Read more on page 103

Audit Committee

Responsible for reviewing the effectiveness of the Group's internal financial controls, monitoring the integrity of the Group's financial statements and internal and external audit functions. The Audit Committee aims to promote high standards of corporate governance by ensuring robust and effective financial controls, reporting and audit.

Read more on page 106

Remuneration Committee

Oversees and is responsible for various aspects of remuneration and benefits of the Chair, executive directors, members of the ELT and the Company Secretary.

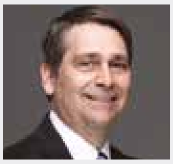
Read more on page 110

Executive Leadership Team

The ELT operates under the authority of the Chief Executive Officer and comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the Executive Presidents of our business units, the Executive Presidents of our Health, Safety, Security, Environment & Sustainability, People & Organisation and Strategy & Development functions and the Group General Counsel & Company Secretary. The Executive Presidents of our business units all report directly to the Chief Operating Officer. The other members of the ELT report directly to the Chief Executive Officer.

The ELT supports the Chief Executive with the development and implementation of Group strategy and with the management of the business operations of the Group.

Dave Stewart
Chief Operating Officer
(retired 31 Dec 21)



Joe Sczurko
Executive President - Environment & Infrastructure Consulting*

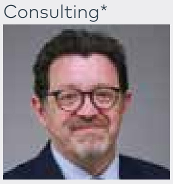
Mike Collins
Executive President - Projects

Stephanie Cox
Executive President - Operations

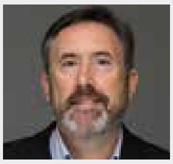
Sue MacDonald
Executive President - People & Organisation
(retired 31 Dec 21)

Nina Schofield
Executive President - HSSES

Andrew Stewart
Executive President - Strategy & Development
(resigned 31 Jan 22)

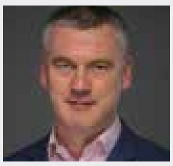


Ken Gilmartin
Chief Operating Officer
(appointed 1 Oct 21)



Martin McIntyre
Group General Counsel & Company Secretary
(appointed 1 Jan 22)

Lesley Birse
Executive President - People & Organisation
(appointed 1 Nov 21)



Andy Hemmingway
Executive President - Consulting
(appointed 9 Mar 22)

Jennifer Richmond
Executive President - Strategy & Development
(appointed 18 Apr 22)

Find out more about the ELT at:
woodplc.com/leaders

*In Q1 2022, as part of the preparations for the proposed sale of the built environment business, Joe Sczurko's role transitioned from Executive President – Consulting, to Executive President - Environment & Infrastructure Consulting.

Executive Leadership Team and business unit update

At the end of December 2021, Dave Stewart, formerly Chief Operating Officer (COO) and Sue MacDonald, Executive President – People & Organisation, retired and stepped down from their respective roles and from the ELT.

Dave Stewart had been with the Company in various roles for 25 years and his deep cross-industry experience has been a driving force, propelling our performance and navigating us through many changes. Most recently as our COO, he led the creation of our Operational Excellence model, our mark of excellence and a hallmark for the Wood way of working.

In September 2021, Wood welcomed Ken Gilmartin to the ELT and, after a hand-over period, he assumed the position of COO on 1 October 2021. Ken has significant experience in operational and project leadership roles across geographies and sectors which is valuable to his role as COO, with responsibility for execution excellence, operational assurance and optimising and digitalising the way Wood delivers work to its global client base. He also leads the Operating Committee with a focus on building on the strong momentum in the definition and execution of a global operational strategy.

Sue MacDonald joined the Company in 2010 and has been pivotal in navigating the Company through the strategic acquisitions and integrations that have brought our organisation, culture and people together to become the community we are today.

Lesley Birse succeeds Sue as Executive President – People & Organisation, having previously held the role of President, P&O for our Operations business unit. Lesley has over 20 years of global human resources (HR) experience, including shaping HR strategies for growth, championing diversity and inclusion initiatives and leading cultural change programmes. Her focus on optimising our organisation and talent will be at the heart of her new role.

During 2021 we progressed our "Future Fit" initiative ensuring our business is fit for accelerating the pace of the energy transition, through optimising our operating model and further digitalising the way we work to unlock stronger medium-term growth. This included transforming how we operate and, effective from 1 January 2021, we moved to three global business units; Consulting, Projects and Operations. These business units were led by Joe Sczurko as Executive President – Consulting, Stephanie Cox as Executive President – Operations and Mike Collins as Executive President – Projects.

As part of preparing for the proposed sale of the built environment business, in Q1 2022 we began preparing for the future separation of that business by taking steps to create two distinct divisions within our Consulting business unit. These divisions are Consulting; consisting of our energy focused consulting activities, and Environment & Infrastructure Consulting; which is the subject of the proposed sale. Andy Hemingway joined the ELT in March to assume leadership for the Consulting division and Joe Sczurko's role transitioned so that he now leads the Environment & Infrastructure Consulting division.

Investigations Oversight Committee

The Board established the Investigations Oversight Committee following the acquisition of Amec Foster Wheeler to oversee and report to the Board on the investigations by various authorities referred to in notes 20 and 33 to the financial statements. The Company agreed settlements of the various investigations during 2021.

Details of the respective settlements can be found on page 48.

The implementation of the respective settlements is being managed by the Ethics & Compliance team, overseen by the Safety, Sustainability, Assurance & Business Ethics Committee.

The Investigations Oversight Committee continues to meet to provide support and additional oversight to those functions managing the settlements. It is intended that the Committee will stand down upon conclusion of the respective settlements.

The members of the Committee are Thomas Botts (Chair), Roy Franklin and Adrian Marsh along with the Executive President – HSSES and the General Counsel. The Chief Executive and CFO also attended meetings of the Committee.

Operating Committee

The OpCom operates under the authority of the Chief Executive and is led by Ken Gilmartin as COO.

The OpCom is responsible for overseeing the definition and execution of a global operational strategy that supports the priorities of the business.

The OpCom drives operations excellence in the form of enhanced operating discipline to ensure greater consistency in operational outcomes. The OpCom comprises the COO, the Executive Presidents of our three business units, the Presidents – Operations Excellence of our three business units and the leaders of our Digital & Technology, Supply Chain and Operations Assurance functions.

Group Risk Committee

The Group Risk Committee ensures the material and emerging risks for Wood are appropriately measured and managed and that all principal risks are identified and appropriately mitigated. The Board formally reviews the work of the Committee, including the summary of principal risks, twice a year.

The Committee comprises the members of the ELT and the General Counsel. The President – Internal Audit and the Vice President – Risk also attend meetings of the Committee.

Covid-19 Response Committee

A Covid-19 Response Committee was created in 2020 in order to assist the Board in its oversight responsibilities by reviewing, monitoring and supporting the Company's response to the Covid-19 pandemic and related market conditions.

The Committee is intended to be established for the duration of the pandemic. As the effects of the pandemic and associated government guidance, and the Company's response, became clearer, the Safety, Sustainability, Assurance & Business Ethics Committee assumed oversight of the Committee in August 2020.

Corporate governance arrangements

Details of how the Company has complied with each Principle of the 2018 UK Corporate Governance Code (the Governance Code) are set out on pages 79 to 84.

Board composition

The Board comprised ten directors for most of the year. Mary Shafer-Malicki resigned as a non-executive director with effect from 13 May 2021. Brenda Reichelderfer and Susan Steele were appointed as additional non-executive directors with effect from 31 March 2021.

The Board considers any recommendations made by the Nomination Committee with regard to board composition and proposed appointments.

Non-executive directors comprised a majority of the Board (excluding the Chair) as recommended by the Governance Code.

Further details on director appointments and the role of the Nomination Committee are set out on page 103

Board roles

As agreed by the Board and in compliance with the Governance Code there is a clear separation of the roles of the Chair and the Chief Executive.

The Chair is a non-executive director and is responsible for leadership of the Board, creating the conditions for overall Board and individual director effectiveness. The Chair's responsibilities include providing coherent leadership consistent with the Group's vision and values, running the Board and setting its agenda, taking full account of all concerns of Board members, and ensuring there is a clear structure for, and the effective running of, Board Committees with appropriate terms of reference. The Chair ensures effective communication with shareholders and other stakeholders and ensures that the members of the Board are made aware of the views of major investors.

The Chief Executive is an executive director and is responsible for running the business of the Group in close collaboration with and with the support of the Executive Leadership Team. The Chief Executive's responsibilities include developing group objectives and strategy for approval by the Board, effectively leading the Executive Leadership Team and senior leadership in the day-to-day running of the Group's business and setting out the Group's culture, values and behaviours.

The Senior Independent Director provides support to the Chair and to the Board in the delivery of its objectives. The Senior Independent Director is available to shareholders who have concerns that have not been resolved through discussion with the Chair or Chief Executive. The Senior Independent Director is responsible for leading the evaluation of the Chair on behalf of the other directors.

Non-executive directors have a responsibility to bring constructive, independent challenge and judgement to Board discussion. The Chair and the non-executive directors meet periodically without the executive directors present. Non-executive directors are required to be free from any relationships or circumstances which are likely to affect the independence of their judgement. The Nomination Committee regularly reviews the independence of non-executive directors.

The Company Secretary is responsible for advising the Board on all governance matters. The responsibilities of the Company Secretary include ensuring information flows within the Board and its Committees and between senior management and the non-executive directors, facilitating the induction of new directors and assisting with the ongoing training and development needs of Board members as required, and facilitating an annual board, committee and individual director effectiveness review.

More information on the roles and responsibilities of the Chair, Chief Executive and Senior Independent Director is available at:
woodplc.com/investors/roles-and-responsibilities

For brief biographies of the directors see pages 88 and 89

Board independence

After careful consideration, the Board considers that, at 31 December 2021, all of its non-executive directors were independent in character and judgement, and that there were no relationships or circumstances which are likely to affect, or could appear to affect their judgement. Mary Shafer-Malicki resigned as a non-executive director with effect from 13 May 2021. Mary had been a non-executive director of Wood since June 2012 and her resignation was in line with the principles of the Governance Code regarding the tenure of independent directors.

Thomas Botts will have served on the Board for nine years in 2022 and, in accordance with the principles of the 2018 UK Corporate Governance Code, he will step down from the Board at the 2022 AGM.

Conflicts of interest

The Board requires directors to declare any appointments or other situations which would amount to a possible conflict of interest, including those resulting from significant shareholdings, and to ensure that the influence of third parties does not compromise or override independent judgement. The Board has procedures in place to deal with and, if necessary, approve any such conflicts.

At the start of any Board or Committee meeting, directors are required to declare any conflicts arising from agenda items scheduled for that particular meeting and not to take part in any discussion of that particular item.

Board re-election

All Board directors are required to offer themselves for re-election at the annual general meeting (AGM) of the Company. Any director appointed after the AGM must stand for election by shareholders at the next AGM. As required by the Governance Code the papers accompanying the resolutions proposing their election or re-election set out specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success.

Evaluation of performance

In order to evaluate its own effectiveness, the Board undertakes annual effectiveness reviews using a combination of externally facilitated and internally run evaluations.

During 2020, Lintstock, a corporate advisory firm, undertook independent evaluations of the Board and of its committees and during 2021 undertook evaluations the Board, its Committees and of the Chair.

Lintstock has conducted previous evaluations of the board and its committees but has no other connection with the Company or any of the directors.

The 2020 evaluations were conducted by means of survey questionnaires issued to and completed by each Board member.

The 2021 evaluations were conducted utilising survey questionnaires and via one-to-one interviews with each Board member and with senior management. Lintstock also engaged with members of the Executive Leadership Team to gain a wider perspective and understanding of board performance.

During December 2020 and January 2021 Nigel Mills, Senior Independent Director, spoke to each director (executive and non-executive) and also discussed the Chair in his absence. He also discussed the Lintstock 2021 evaluation with the Board as a group without the Chair present.

The results of the evaluation conducted during late 2020 were reviewed by the Board and committees during the November 2020 Board meeting and the results of the evaluation conducted during 2021 were reviewed during the November 2021 Board meeting.

With regard to the evaluation conducted during 2020, the overall conclusion was that the performance of the Board of Directors is rated very highly and therefore the recommendations were characterised as points of potential further improvement rather than material changes of approach.

2020 evaluation

Particular areas of Board governance which were commended in the report included:

- rated very highly - the Board's effectiveness in adjusting its focus and priorities in response to the Covid-19 pandemic
- rated highly - Board composition; senior management succession planning; monitoring of culture and behaviours; non-executive directors' engagement with management; management of Board meetings; effectiveness of remote Board meetings; communications during the Covid-19 pandemic
- rated positively – the Board's understanding of investors, clients, employees and partners
- rated as adequate - oversight of the Group's processes for improving diversity and inclusion

The recommendations and the actions taken subsequently in response to the 2020 Board evaluation were:

Board and senior management succession:

Recommendation:

The importance of ensuring that the Board and senior management profile reflects the future direction of the organisation, as well as ensuring the expertise of departing Board members is replaced.

Action undertaken:

The Board monitors the tenure of independent directors in line with the principles of the Governance Code. During 2021 Mary Shafer-Malicki resigned having served as a non-executive director for nine years. Upon the recommendation of its Nomination Committee, the Board approved the appointment of two additional non-executive directors, Brenda Reichelderfer and Susan Steele, further details of which are on pages 103 to 105. The appointment of Brenda and Susan supports the Board's commitment to gender diversity and their international consulting experience significantly strengthens the Board.

The Board reviewed senior management development plans and succession planning to ensure any proposed promotions or appointments reflected the expertise required to facilitate the future direction of the Company.

Devoting time to discussion:

Recommendation:

The Board should focus on deeper exploration of individual issues, allocating more time for discussion in general.

Action undertaken:

Additional time was added to the Board meeting timetable to allow for in-depth discussion where required.

In particular, business unit reporting to the Board was re-formatted. Instead of the Executive Presidents of each business unit taking the Board through their respective reports in detail, they each gave a brief verbal summary of the key points followed by a Q&A session to allow deeper discussion.

Additional time was also set aside to allow discussion of strategic options which may be available to the Company including discussions which ultimately led to the strategic review of the built environment business. Further details of this strategic review are set out on page 21.

The agendas of subsequent meetings were reviewed in order to allow time for deeper discussion as necessary.

Focusing on performance, including through metrics:

Recommendation:

Greater focus on operational execution, informed by appropriate metrics and having better leading KPIs for business performance, enabling non-executive directors to gain an understanding of how the business is performing and to flag areas of potential concern.

Action undertaken:

The refreshed approach to business unit reporting gave the non-executive directors a better understanding of how each business was performing and allowed the Board to focus on the management of potential risks such as retention of skilled staff and to ensure consistency in gross margins and tender governance.

2021 evaluation

With regard to the evaluation conducted during 2021, it was noted that the Board composition has evolved purposefully and includes a wide range of relevant expertise and good gender diversity and the addition of another non-executive is not a matter of urgency. The standard of director and senior management induction was commended, particularly in the context of limited face-to-face engagement. Board meetings were generally well managed, however more concise management presentations to maximise the time available for discussion and more frequent one-to-one engagement between non-executive directors and members of the ELT would be beneficial.

The response of risk management arrangements to Covid-19 and the Board's oversight of recently concluded investigations, were rated extremely highly.

The Board's oversight of risk was rated highly.

When compared against the Lintstock Governance Index, which draws upon over 200 board reviews and helps put performance into context, monitoring of culture was rated considerably more positively than is typically the case.

The following were all rated positively overall: understanding of key stakeholder groups, current mechanisms for workforce engagement, organisational structure of the Group, oversight of project execution and understanding of various markets and geographies in which the Group operates.

The top priorities for the Board were identified as:

Discussing and agreeing strategy

As an enhancement to the longer-term strategic plan, the Board is encouraged to extend workstreams and financial targets used for the medium-term strategy over a longer-term horizon. This will enable longer-term strategic targets to be discussed and agreed with the management team responsible for delivering them, allow the Board to monitor the delivery and hold management to account and enable the longer-term strategy to be clearly communicated both internally and externally.

The top strategic issues were identified as:

- the energy transition
- transitions in leadership
- attracting and retaining talent
- returning to growth
- maintaining financial/balance sheet strength
- portfolio optimisation
- operational execution

Monitoring business performance and execution

Monitoring the impact of the new organisational structure to drive more consistent execution and business and financial performance represents a key area of focus. Maintaining close oversight of the Future Fit initiative is a priority.

Returning to face-to-face meetings and engagement

Strong working relationships are the foundation of an effective Board and although the Board had maintained strong relationships through a period of remote working, a return to face-to-face engagement would be critical for building rapport between the Board, senior management and with the wider workforce.

More frequent one-to-one engagement between non-executive directors and members of the ELT would be beneficial whilst non-executives should revert to an in-person format for their programme of regular engagement with non-Board management and high performing employees.

Focusing on people and succession

More time should be devoted to the people agenda, including plans in place to deliver on stated ambitions in areas such as diversity and inclusion.

Greater emphasis should be placed on succession planning for senior positions, including non-board roles, as well as the longer-term talent pipeline with greater clarity on the strengths and weaknesses of succession candidates.

Evaluation of the Chair

The performance of the Chair was rated very highly.

He is responsive and pragmatic and maintains highly positive relationships with both the executive and non-executive directors and with the ELT, however even greater engagement with the ELT was recommended.

He is highly effective at setting clear agendas, managing director input and demonstrates a fair and balanced approach to include all voices, offering constructive feedback whilst balancing challenge and support.

The availability of the Chair outside of board meetings was highly rated and his readiness to engage with employees throughout the business was commended.

Oversight of committees

Board oversight of its committees was rated very highly with committee reports and actions driving the Board agenda forward. The annual committee meeting cycle was well managed, balancing structured cadence and focus.

Committee evaluation

The reports on each of the Board Committees prepared as part of the externally-facilitated Board effectiveness review were circulated to the members of each of the respective committees and subsequently discussed by those committees.

Further details of the committee evaluations are set out on pages 102, 105, 109 and 112.

Board development

The training and continuing professional development needs of directors are periodically discussed at Board meetings and during the year briefings and/or training were provided on issues relating to:

- Market backdrop and share price performance, valuation analysis on consensus and management forecasts and potential third-party approaches and shareholder activism
- Unconscious bias
- Market Abuse Regulations and Insider Trading
- UK regulatory considerations; key features of the UK Takeover Code and the Board's responsibilities, including their fiduciary duties

Arrangements are in place for newly appointed directors to undertake an induction process designed to develop their knowledge and understanding of the Group's business. This includes meetings with senior management, visits to operating sites and discussion of relevant business issues. Due to continuing Covid-19 restrictions it was not possible for Birgitte Brinch Madsen and Nigel Mills, both appointed during 2020, and for Brenda Reichelderfer and Susan Steele, both appointed during 2021, to visit any operating sites and the majority of meetings with senior management took place virtually. It is intended that this part of the induction process will recommence once it is safe to do so.

Upon their appointment, directors are advised of their legal and other duties and their obligations as directors of a listed company and under the Companies Act 2006.

Sustainability of the Group's business model

As part of the continuing assessment of the flexibility and sustainability of our business model, the Board monitors and reviews strategy (including purpose and strategic objectives). Through its review the Board is able to assess and identify changing or emerging risks that could impact on the Group in the short and medium-term.

During the year, the Group Risk Committee continued to monitor, and report to the Board on risk management, internal control, and assurance. In addition, a new enterprise risk management system and risk dashboard that is aligned to the business principal risks was implemented in 2021, providing a clear escalation of emerging risks and focus on control effectiveness.

The impacts of climate change on the resilience of our business model are reflected in two of our principal risks: ESG strategy and performance and Strategic agility. During the year, the Group Risk Committee and the Board have continued to monitor climate change impacts through their oversight of the principal risks.

The Board believes that Wood plays a vital role in addressing climate change through its strategy aligned to solutions for a net-zero, combined with the technical solutions it provides to clients, as well as minimising its own environmental footprint. In order to assess the risks, opportunities and impact of climate change on the sustainability of the business model, the Board considers the key market drivers and uncertainties for market development, key customers and competitors across each of Wood's focus geographies, Wood's historical track record of performance, major risks to delivery and how will they be mitigated. The Board increases its understanding by developing strategic partnerships as well as supporting global initiatives on climate advocacy such as COP26 and the UN Global Goals for Sustainable Development.

Additionally, the Group Risk Committee continued to assess the longer term impacts of Covid-19, including a review of the principal risk "Enduring Impact of Covid-19" and determined that Covid-19 remained a principal risk.

Engagement with shareholders

Our investor relations (IR) activities are led by the Chief Executive and CFO, supported by the IR team and other members of senior management as appropriate. We provide the opportunity for significant shareholders to meet with the Chief Executive and CFO at least twice a year around the interim and full year results announcements. and with the Chair around the Annual General Meeting. The Chair also has regular calls with the Company's brokers to understand the views of shareholders and equity markets more broadly.

During 2021, in addition to periodical market updates and our interim and full year results, more than 100 shareholder engagements took place between investors and the IR team and/or the Chief Executive and CFO and these were carried out by call and video conference.

Continuing Covid-19 restrictions meant that we were unable to invite shareholders to attend our AGM, held on 13 May 2021, in person. In order to allow shareholders to participate as much as possible, we facilitated submission of questions in advance of the AGM through our website and we provided a simultaneous audio broadcast of the AGM so shareholders could follow proceedings and could also submit questions during the meeting. Questions submitted, and the responses, were published on our website at **woodplc.com/investors/annual-general-meeting**

Engagement between significant shareholders and the Chair proceeded as normal albeit via video conference and telephone rather than face-to-face meetings. The engagement focused on Wood's medium-term strategic objectives and capital allocation, and later in the year engagement focused on the strategic review initiated in November in respect of the built environment business.

Update on investigations

The Investigations Oversight Committee (IOC), chaired by Thomas Botts, continued to provide independent oversight, monitoring and reporting to the Board of our response to the investigations by relevant authorities into the historic use of agents and other matters.

In March 2021, WGPSN (Holdings) Ltd, a subsidiary of the Company, reached a civil settlement with Scotland's Civil Recovery Unit in relation to the historical engagement of Unaoil by a legacy joint venture in Kazakhstan during the period between 2008 and 2010. The settlement concludes the issue which started after the Group self-reported, having conducted a thorough internal investigation, before cooperating fully with the Crown Office & Procurator Fiscal Service (COPFS) and the Civil Recovery Unit throughout their investigation. Under the terms of the settlement, Wood agreed to pay approximately $9m to the COPFS, of which around $3m was paid in 2021, with the balance to be paid in instalments in 2022 and 2023.

In June and July 2021, Wood entered into agreements with authorities in the UK, the US, and Brazil to resolve their respective bribery and corruption investigations into the past use of third party agents in the legacy Amec Foster Wheeler business. Under the terms of the agreements, Wood will pay compensation, disgorgement and prejudgment interest, fines and penalties of approximately $177m, of which around $62m was paid in 2021, with the balance to be paid in instalments in 2022, 2023 and 2024.

In total, payments related to the settlement of investigations in 2021 were approximately $75m consisting of the amounts referred to above, together with associated legal fees. These amounts were fully covered by the provisions reflected in the 2020 financial statements as described in note 20 Provisions.

In the UK, the Company's subsidiary, Amec Foster Wheeler Energy Limited (AFWEL) entered into a three-year deferred prosecution agreement with the Serious Fraud Office relating to the historical use of third-party agents for bribery and corruption in Nigeria, Saudi Arabia, Malaysia, India and Brazil over the period 1996 to 2014, before Amec plc acquired Foster Wheeler AG in November 2014 and prior to the combined firm's acquisition by Wood in October 2017.

In the US, AFWEL entered into a three-year deferred prosecution agreement with the Department of Justice and another subsidiary of the Company, Amec Foster Wheeler Limited (AFWL) entered into a Cease & Desist order with the Securities and Exchange Commission.

In Brazil, AFWEL and Amec Foster Wheeler Americana Limitada entered into 18-month leniency agreements with the Ministério Público Federal, the Comptroller General's Office and the Solicitor General.

The agreements in the US and Brazil all related to the historical use of third-party agents for bribery and corruption in connection with the award of a project in Brazil.

Wood cooperated fully with all authorities in their investigations, which is reflected in the cooperation credit that Wood received from the authorities in their respective resolutions.

Wood continually reviews and enhances its compliance programme to mitigate the risk of recurrence of similar conduct and prohibits the use of sales agents or similar unless required by law.

Major shareholdings

The Company has been notified, in accordance with DTR 5, of the major shareholdings in the Company as of 31 December 2021, as shown in the table below:

Shareholders	No of shares	% of shares
Liontrust Investment Partners LLP	41,452,814	5.99%
Schroders plc	37,098,551	5.36%
FIL Limited	35,594,123	5.14%
abrdn plc	34,373,800	4.99%
Pzena Investment Management, Inc.	34,273,605	4.95%
Franklin Templeton Institutional, LLC	33,950,724	4.90%
Ameriprise Financial	33,776,060	4.88%
Artisan Partners Limited Partnership	33,601,505	4.85%
Norges Bank Investment Management	27,404,062	3.96%
APG Asset Management N.V	27,345,991	3.95%
Kiltearn Partners LLP	23,028,390	3.32%

The following changes in the interests disclosed to the Company have been notified between 31 December 2021 and 19 April 2022:

- On 13 January 2022 APG Asset Management N.V disclosed that their percentage interest in the ordinary share capital of the Company was 4.23% (29,297,191 ordinary shares)
- On 22 and 25 February 2022 Norges Bank Investment Management disclosed that their percentage interest in the ordinary share capital of the Company was 3.08% (21,347,284 ordinary shares)
- On 8 March 2022 Norges Bank Investment Management disclosed that their percentage interest in the ordinary share capital of the Company was 2.93% (20,252,656 ordinary shares)

Board and Committee attendance 2021

Attendance by directors at the meetings of the Board and its Committees is summarised in the table below. The dates of future Board meetings have been agreed until the end of 2024.

Read the Charters of the Board's Committees at: **woodplc.com/charters**

V	V	V		V	V		V	V		F	
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

	Board	Safety, Sustainability, Assurance & Ethics Committee	Nomination Committee	Audit Committee	Remuneration Committee
Roy Franklin	8/8	-	5/5	-	-
Robin Watson	8/8	-	-	-	-
David Kemp	8/8	-	-	-	-
Thomas Botts	8/8	4/4	5/5	-	-
Jacqui Ferguson	8/8	-	5/5	5/5	5/5
Birgitte Brinch Madsen	8/8	4/4	5/5	-	-
Adrian Marsh	8/8	4/4	5/5	5/5	-
Mary Shafer-Malicki***	4/4	-	3/3	3/3	3/3
Nigel Mills	8/8	-	5/5	5/5	5/5
Brenda Reichelderfer*	6/6	-	3/3	-	3/3
Susan Steele**	6/6	3/3	3/3	3/3	-

Attendance at Board and Committee meetings is noted as the number of meetings attended/the maximum number of meetings possible for that director to attend, so accounting for appointments and resignations part way through the year.

During 2021, all directors attended all meetings they were entitled to attend.

* Brenda Reichelderfer was appointed 31 March 2021
** Susan Steele was appointed on 31 March 2021
*** Mary Shafer-Malicki resigned 13 May 2021

F Face to face
V Video conference

Board programme & agenda

The Board typically schedules four face-to-face meetings and three calls on an annual basis. During 2021 a total of eight board meetings took place: four "full" board meetings (one in person meeting held in Glasgow and three via video conference) and four board "calls" (all held via video conference).

The following are covered as standing agenda items:

- Review of Governance and reports from the Safety, Sustainability, Assurance & Business Ethics, Audit, and Remuneration Committees, and the Chief Executive report
- Operations updates and functional updates from HSSES, P&O, Strategy & Development and Finance & Administration (including Investor Relations, IT, Legal, Tax & Treasury and Commercial)

The Board also receives presentations from management and discusses other matters arising which are set out in the table on pages 98 to 100.

Safety, Sustainability, Assurance and Business Ethics

Activity

- Updates were received at each meeting on the activities of the Safety, Sustainability, Assurance & Business Ethics Committee and from the Executive President – HSSES
- Reports were received directly from the Chief Executive and senior management on specific compliance related matters
- Continued oversight of the investigations referred to in notes 20 and 33 to the financial statements through receipt of reports from the dedicated Investigations Oversight Committee and the General Counsel
- Regular review of Covid-19 risks and response including review of the Group vaccination policy
- Discussion on sustainability targets, including carbon reduction and single use plastics

Outcome/progress:

- Updates were received at each meeting on the activities of the Investigations Oversight Committee and a detailed presentation describing the various settlements was presented to and approved by the Board at the May meeting
- Updates were received on the ongoing response to the Covid-19 pandemic, including communications with and feedback received from the workforce and clients together with a review of return to the workplace measures to ensure alignment with prevailing government advice. The position with regard to mandatory vaccination was regularly discussed and a recommendation to encourage all our people to participate (unless exempt) in national programmes offering Covid-19 vaccines that have been approved by relevant government regulators was endorsed at the November board meeting
- The Modern Slavery and Human Trafficking 2021 statement was approved
- Considered the views of a range of stakeholders in reviewing and approving Wood's Sustainability Framework and Sustainability Report. This included approving eight further sustainability targets, in addition to the scope 1 and 2 emissions reduction target implemented in 2020, in the key areas of inclusion and diversity; human rights and fair working practices; community investment and environmental impact

Strategy

Activity

- Wood's strategy was reviewed and regularly discussed at Board meetings. Interim updates were provided to the Board during the year. A full day was set aside as part of the November board meeting to discuss strategy
- Individual strategy updates were received from each business unit
- The flexibility and sustainability of our business model, and Wood's role in addressing climate change including minimising its own environmental footprint, was reviewed and the Board discussed the risks, opportunities and impact of climate change on the sustainability of the business model
- The Board discussed the Company's approach to the type of projects it would undertake, and the approach to governance, having regard to its commitments on sustainability and the energy transition
- The Board considered how best to participate at the UN Climate Change (COP26) Conference held in Glasgow in November 2021

Outcome/progress:

- Regular updates were received from each business unit with additional overview presentations from the Executive President - Strategy & Development
- The Board Strategy Day held at the November 2021 meeting discussed strategic fundamentals: vision, values, purpose, strategic objectives and ESG commitments, especially with regard to the energy transition and industrial decarbonisation
- Risks to the sustainability of the business model could be mitigated by: responsible business assessment ensuring potential material ESG issues are identified and managed at an early stage, retraining and reskilling sections of the existing workforce and hiring external experts, accessing green hydrogen technology via partnership and/or research and development investments
- Proposed projects should be assessed from a sustainability perspective as well as from a commercial perspective
- Our Glasgow office was fitted out and became 'Wood House' for the duration of COP26 and hosted guests from across multiple energy transition and resilient city thought leadership events. This included partnering with AIG and the University of Strathclyde to explore how the city can integrate plans to effectively mitigate climate risk as part of its energy transition and resilience strategies
- Development of a five-year earnings plan linked to the Company's strategy
- The Board approved a strategic review of the built environment business to identify a range of options to best unlock value from that part of the business, to ensure this value is being recognised in its market capitalisation and assess how best to take advantage of the positive trends and investment opportunities in the energy transition and industrial decarbonisation spaces where the Company is already a global leader. In January 2022 the Board concluded that a full sale of the built environment business is the best option to deliver shareholder value and strengthen the Group

Risk management and internal control

Activity

- Review of Group's risk management and internal control systems, including the Group's register of principal and emerging risks and associated controls and assurance provision
- Challenge of management's conclusions on the effectiveness of internal controls
- The approach to identifying and assessing emerging risks was reviewed against the guidance in the Governance Code
- Review of risks associated with climate change and review of other emerging risks

Outcome/progress:

- Updated principal risks included in annual and interim reports
- Implementation of an enterprise risk management system and risk dashboard aligned to the business principal risks and providing a clear escalation of emerging risks and focus on control effectiveness

Governance

Activity

- Reviewed the Matters Reserved to the Board policy
- Reviewed the respective charters for the Audit, Remuneration, Nomination and the Safety, Sustainability, Assurance and Business Ethics committees and the Roles and Responsibilities of the Directors
- Reviewed the directors' external appointments and conflicts of interest register

Outcome/progress:

- Updated Matters Reserved to the Board policy was approved
- The respective Audit, Remuneration, Nomination and Safety, Sustainability, Assurance and Business Ethics committee charters and the Roles and Responsibilities of the Directors were all approved and published on the Company website
- The directors' external appointments and conflicts of interest register was updated

Review of Dividend Policy

Activity

- Reviewed and discussed the current and future dividend policy
- Reviewed the payment of dividends for the year

Outcome/progress:

- The Board received reports from the CFO in March and August concerning dividend policy and reviewed whether payment of dividends was appropriate given prevailing market conditions
- The Board recognises the importance of dividends to shareholders and is committed to reviewing the policy in the future following the proposed sale of our built environment business

Review of financial results

Activity

- Updates were received at each meeting from the CFO, including reports of progress against forecast
- Updates from the Chief Executive on the impact of Covid-19 on trading
- Review of monthly management accounts, preliminary results statement, annual report and interim report
- Review of debt and cash performance, including progress against target leverage policy
- Updates were received at each meeting on the activities of the Audit Committee

Outcome/progress:

- Reports reviewed, challenged and approved for release
- Debt and cash performance reviewed and challenged
- The Audit Committee reported on matters including: internal audit activity; financial results and independence of the external auditor

People and succession planning

Activity

- Reviewed succession plans in place for the Board, ELT and other senior management positions in the Group
- Reviewed the Company's various initiatives on inclusion and diversity
- Further employee engagement via an all-employee survey and review of an Organisational Health Index survey
- Review of future skills requirements
- Reviewed the Gender Pay Gap report

Outcome/progress:

- The Board noted the succession plans for senior executives and senior management. The Board also challenged the diversity of the succession pipeline
- Board participation in Listening Group Network calls on topics including Wood's strategic focus for 2021, mentoring initiatives, and the results of employee surveys
- Introduction of future skills initiatives to enhance skills, both in new sectors and in our more traditional oil & gas sector

Board engagement with shareholders and other stakeholders

Activity

- The Board seeks to understand the views of shareholders and other stakeholders and take these into account where appropriate
- Regular reports received from the CFO on Investor Relations activities, supplemented by analysis provided by our brokers
- The Chair, Senior Independent Director and the Chair of the Remuneration Committee make themselves available to meet with key shareholders
- The Board reviewed its obligations under the Governance Code for meaningful engagement with its stakeholders, including the workforce
- The Board engaged with its lenders with regards to its revolving credit facilities and UK Export Development Guarantee Facility

Outcome/progress:

- Significant shareholders have the opportunity to meet with the Chief Executive and CFO at least twice a year around the interim and final results announcements and with the Chair around the Annual General Meeting. During 2021, government restrictions on travel and on public gatherings in response to the Covid-19 pandemic meant that engagement was carried out by calls and video conference. The AGM was held on 13 May, however shareholders were unable to attend in person as restrictions on public gatherings were still in place. Shareholders were invited to submit questions in advance of the AGM through our website and we provided a simultaneous audio broadcast of the AGM so shareholders could follow proceedings and could also submit questions on the day
- Engagement with investor proxy agencies took place upon request
- Our established employee networks continued to meet, in line with our commitment to listen to our workforce, with a non-executive director actively participating in each session. Feedback was delivered to the Board
- Engagement with our lenders resulted in a new revolving credit facility and a successful application for term-loan backed by the UK Transition Export Development Guarantee Facilities

Safety, Sustainability, Assurance & Business Ethics Committee

"In 2021, sustainability was a key focus with the Committee endorsing targets aligned to the UN Sustainable Development Goals and the sustainability aspects that are material to Wood and its stakeholders. The Committee was also actively engaged in overseeing the response to the longer-term impacts of Covid-19 to ensure the safety and well-being of our people and the ongoing resilience of the organisation."

Thomas Botts
Chair, Safety, Sustainability, Assurance & Business Ethics Committee

Committee meetings in 2021

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		V		V			V			F	

Membership

In 2021 the Committee attendees comprised Thomas Botts, Chair, Adrian Marsh, Birgitte Brinch Madsen and Susan Steele who joined the Committee in May 2021 following her appointment as non-executive director in March 2021. The Chair, Chief Executive, Executive President – HSSES and the Chief Ethics and Compliance Officer were also in attendance. The Committee meets four times a year and has a written charter setting out its responsibilities.

Main responsibilities:

The Committee's main responsibilities include reviewing and making recommendations on:

- HSSE, Assurance and Business Ethics strategy and performance
- Effectiveness of the organisation's policies and systems and evidence of a prevalent safety and ethical culture
- Effectiveness of the Group's sustainability management approach and its response to sustainability risks
- HSSE and Business Ethics leadership development throughout the Group, particularly in frontline operations
- Quality and integrity of the organisation's internal and external reporting of HSSE and Business Ethics performance and issues
- Preparedness for response to a major HSSE incident or ethics non-compliance
- The process for and outcomes of investigations into major HSSE and Business Ethics incidents and the effectiveness with which recommendations are assimilated throughout the Group
- The expertise and appropriateness of the structure of the HSSES and Compliance function throughout the organisation
- The adequacy and effectiveness of the Assurance programmes for; HSSE; Business Ethics, Operations, Sustainability and Data Privacy
- Oversight of any ongoing regulatory investigations and the associated case management

Read the Safety, Assurance & Business Ethics Committee Charter at:
woodplc.com/ssabecommittee

F Face to face
V Video conference

The Safety, Sustainability, Assurance and Business Ethics Committee is responsible for overseeing the Group's management of Health, Safety, Security, Environmental (HSSE), Sustainability and regulatory compliance & Business Ethics matters, in line with the Group's policies and values commitment. The Committee changed its title during the year to include Sustainability, recognising the increasing importance and profile of Environmental, Social and Governance (ESG) risk and reflecting the expansion of the Committee's terms of reference in 2020 which formalised its responsibilities for overseeing the Group's approach to sustainability.

The primary focus of the Committee is to ensure that risks associated with issues relating to HSSE, Sustainability and Business Ethics are understood and managed and oversight is provided to systems and assurance activities in place to minimise the occurrence of major events.

Sustainability

Sustainability was a key focus for the Committee in 2021 as it exercised its responsibilities for overseeing the Group's effectiveness in its approach to sustainability management, responding to sustainability risks and positioning the Company with external stakeholders through engagement and Global Compact driven disclosure in our Sustainability Report. The pace of change with regards to ESG risks and reporting requirements led to more detailed discussion in this area and it was agreed going forward to carry out a detailed review of sustainability with the full Board, on a bi-annual basis.

Safety, Sustainability, Assurance & Business Ethics Committee continued

In 2021, the Committee reviewed and endorsed Wood's Sustainability Targets. The targets are in line with the Wood Sustainability Strategy that has been developed in response to the UN Global Compact principles and supporting actions identified by the UN Sustainable Development Goals (SGDs). The targets relate to Wood's key material sustainability development aspects significant to our success and relevant to our key stakeholders, linking Wood's journey into those of the SGD objectives. The key strategic targets include delivering:

- Top quartile ESG investment ratings
- Doubling of client support in energy transition and sustainable infrastructure
- An inclusive and diverse workforce through improving the senior leadership gender balance and rolling out conscious inclusion training to all Wood employees
- Managing our environmental impact through a reduction in carbon emissions and removing single use plastics from Wood offices
- Embedding fair working practices throughout the supply chain
- Positively impacting our communities by continued support to our Global Cause

The Committee endorsed both Wood's Annual Sustainability Report and the revised Modern Slavery & Human Trafficking Statement in pursuance of Wood's legal obligations under the Modern Slavery Act 2015.

Managing the ongoing impacts of Covid-19 and safety

Wood's management of the Covid 19 pandemic continued to be a primary focus for the Committee in 2021. This involved reviewing and providing oversight of the response strategy, and ongoing resilience of the organisation including operability status and safety and wellbeing; emergency response and business continuity arrangements; ongoing risk management; operational readiness and planning for a safe return to work. The ongoing Wood response to the pandemic was seen as both appropriate and effective in minimising business disruptions. The Committee received weekly briefings providing an overview of the current Wood and global pandemic status along with any changes in the pandemic risk assessment, travel or operational restrictions, vaccine policy and control measures.

The Committee also provided oversight to the incident investigation into the fatality that regrettably occurred during the year. The purpose of this oversight was to ensure the investigation was independent, of high quality and fully identified the root causes and organisational learnings from this tragic event.

Regulatory compliance and Business Ethics

With regards to matters of Ethics and Compliance, the Committee continued to provide oversight to the Ethics and Compliance Strategy and the effectiveness of the programme. In addition, the Investigation Oversight Committee (IOC), which was established in 2017, continued in place throughout 2021. The IOC was established to provide further independent oversight and governance with regard to any major regulatory investigations or significant breaches of a compliance nature that had the potential to incur serious criminal sanctions or cause significant and lasting reputational harm to Wood. The Committee, chaired by Thomas Botts, continued to provide independent oversight of the risk analysis, mitigation and response of the business in connection with the ongoing investigations by the relevant authorities into the historical use of agents and other matters.

These investigations were concluded in 2021 and Wood entered into several settlement agreements. In the UK, a three-year deferred prosecution agreement (DPA) relating to the use of third party agents for bribery and corruption in five jurisdictions by Foster Wheeler, before Amec plc acquired Foster Wheeler and prior to the combined firm's acquisition by Wood, has been agreed with the SFO. In the US, Wood has entered into a three-year DPA with the Department of Justice (DOJ) and a Cease & Desist order with the Securities and Exchange Commission (SEC), and in Brazil has entered leniency agreements with a term of 18 months with the Comptroller General's Office (CGU), Solicitor General (AGU) and Ministério Público Federal (MPF).

Earlier in March, Wood also reached a civil settlement with Scotland Civil Recovery unit in relation to the historical engagement of a third party agency by a legacy joint venture. This resolves an investigation by the Crown Office & Procurator Fiscal Service (COPFS) and the Civil Recovery Unit that was initiated following Wood's self-reporting of the issue.

The SSABE Committee will continue to review and provide oversight for the organisational arrangements and requirements that have been put in place, to ensure compliance with the settlement commitments.

Assurance

The Committee continued to monitor the activities of the audit component of the Operation Assurance (OA) function which has responsibility for reviewing project execution compliance with HSSE, Technical and Quality policies and standards. During the year the Committee had oversight of the audits and resultant improvement plans and was satisfied they were operating effectively to address the key areas identified for improvement in 2020. Copies of all Operations Assurance audit reports are shared with the Committee for ongoing discussion around key findings and emerging trends, organisational learning and timely close out of actions. Key priority areas for 2022 will include more targeted use of predictive analytics through the Digital Control Tower, to target audit plans to areas of optimum impact, and more emphasis on the application of key standards in all areas of the business in order to assess cultural maturity.

Committee evaluation

In November, the Committee participated in an evaluation process as part of the annual Board evaluation externally facilitated by Lintstock. The review focused on the effectiveness of the Committee's meetings and processes and the performance of the SSABE Committee was rated highly overall. The key area for improvement going forward was the ongoing maturing and development of the oversight of sustainability matters in light of the pace of change in this area.

Read our Sustainability Report:
woodplc.com/company/sustainability

Read the Modern Slavery & Human Trafficking Statement:
woodplc.com/modernslavery

Nomination Committee

"In 2021, the Committee focused on Board and senior management succession planning, independence of non-executive directors and the effectiveness of the Board and its leadership. The Committee was also active in progressing Wood's inclusion and diversity strategy. Two new independent non-executive directors were appointed in 2021."

Roy A Franklin
Chair, Nomination Committee

Committee meetings in 2021

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
V		V		V			V			F	

F Face to face
V Video conference

Membership

The Nomination Committee comprises the Chair and the independent non-executive directors.

Brenda Reichelderfer and Susan Steele were appointed to the Committee in March 2021. Mary Shafer-Malicki stepped down from the Committee in May 2021 following her resignation as a non-executive director.

The Committee meets at least once a year. It operates within a written charter setting out its roles and responsibilities.

Read the Nomination Committee Charter at: **woodplc.com/nomcommittee**

Main responsibilities:

- Reviewing Board structure, size and composition and making recommendations to the Board with regard to any adjustments
- Nominating candidates for the approval of the Board
- Ensuring succession plans are in place for the Board and senior executive positions
- Monitoring non-executive director independence and external appointments

Work of the Nomination Committee

The purpose of the Committee is to lead the process for Board appointments, ensuring formal, rigorous and transparent procedures and making recommendations to the Board to ensure plans are in place for an orderly succession to both the Board and senior management positions.

The Committee oversees the development of a diverse pipeline for succession.

The Committee also regularly reviews the composition of the Board sub-committees, the independence of the non-executive directors and external appointments.

The Committee held five formal meetings during 2021 and focused on Board appointments, succession planning and inclusion and diversity.

Board appointments

In 2021 the Committee recommended the appointment of Brenda Reichelderfer and Susan Steele as non-executive directors.

Brenda and Susan were appointed on 31 March 2021 following a process which had commenced in 2020 utilising Russell Reynolds, a global recruitment consultant firm that assists Wood on recruitment for Board and senior level positions. Russell Reynolds provides no other services to Wood and is considered independent of the Company and the Board.

Selection criteria were agreed with a preference for US-based and female candidates with international consulting experience. The search process was completed and the Committee reviewed a list of potential candidates and met with a number of them. The Committee noted the appropriate blend of skills and extensive global experience across a range of end markets of Brenda and Susan, both US nationals, and believe their experience would contribute to and significantly strengthen the Board. The Committee unanimously recommended to the Board their respective appointment as non-executive directors with effect from 31 March 2021.

Nomination Committee continued

Independence

The Nomination Committee also regularly reviews non-executive director independence. After careful consideration, the Board confirmed that, at 31 December 2021, it regarded each non-executive director as independent for the purposes of the 2018 UK Corporate Governance Code ("the Governance Code"). All non-executive directors are considered to be independent in character and judgement; with no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

The Committee noted that Thomas Botts, a non-executive director, will have served on the Board for nine years in 2022. The Committee noted the Governance Code requirements regarding non-executive director tenure, including potential impairment of independence, and accordingly considered his position as a non-executive director. Accordingly, it was agreed that he will step down from the Board at the 2022 AGM.

External appointments

The Board requires all directors to declare any external appointments and has procedures in place to monitor and approve such appointments to ensure the director continues to devote sufficient time and commitment to the Company.

In March 2021, Roy Franklin was appointed to the board of Kosmos Energy, which is listed on the New York and London stock exchanges and, in October 2021, was appointed to the board of Energean plc, which is listed on the London stock exchange. Prior to these appointments, Roy had resigned from the boards of Premier Oil PLC and Energean Israel Ltd respectively. In light of the previous reductions to his external commitments, these appointments were considered and approved by the Board. Roy continues to devote time and commitment to his role as Chair of Wood and of this Committee.

In August 2021, Robin Watson was appointed to the board of the Institute of Directors, such appointment having been considered and approved by the Board. Robin continues to devote time and commitment to his role as Chief Executive of the Company and is considered a full-time employee.

During the year, two non-executive directors reduced their external commitments. Jacqui Ferguson concluded her three-year term as a founding member of the Scottish First Minister's Advisory Board for Women and Girls and Susan Steele stepped down as an independent director of Harvard Bioscience, Inc.

Succession planning

The Board has a duty to ensure the long-term success of the Company, which includes ensuring that we have a steady supply of talent for executive positions and established succession plans for Board changes.

The Executive Leadership Team considers the adequacy of the Group's succession plans below the Board and executive level and provides updates to the Committee.

The Committee considers the Group's succession planning on a regular basis, including consideration of the length of service of the Board as a whole, to ensure that changes to the Board are proactively planned and co-ordinated. The Committee monitors the development of the executive leadership and management teams to ensure that there is a diverse supply of senior executives and potential future board members with appropriate skills and experience. As a part of this, the Board meets with members of the leadership team and high performing employees to gain an overview of the internal talent pipeline and the Committee monitors ongoing development plans in relation to potential internal candidates.

Where no internal candidates with suitable skills and experience are identified to fill vacancies, the Committee will consider external candidates and during 2021, Korn Ferry, a global leadership and talent consulting firm that assists Wood on recruitment for Board and senior level positions, assisted the Committee to identify potential external candidates for senior positions. Korn Ferry provide no other services to Wood and we consider it independent of the Company and the Board.

In September 2021, we welcomed Ken Gilmartin to Wood and to the Executive Leadership Team and, after a hand-over period, he assumed the position of Chief Operating Officer on 1 October 2021.

In November 2021, Lesley Birse joined the Executive Leadership Team as Executive President – People & Organisation, progressing from her previous position as President – People & Organisation for our Operations business unit.

At the end of December 2021, Dave Stewart, formerly Chief Operating Officer and Sue MacDonald, formerly Executive President – People & Organisation, stepped down from their respective roles and from the Executive Leadership Team and retired.

The Committee recognises that the Board currently has no ethnic minority representation and does not yet meet the recommendations of the Hampton-Alexander and Parker reviews to have at least one director from an ethnic minority background on the Board by 2024. The Committee is mindful of, and gives consideration to the recommendations of the Parker Review during reviews of the Board succession plans, and during the recruitment process for new directors, to ensure the Board is regularly refreshed and appointments are objective whilst promoting diversity of gender, social and ethnic backgrounds and is cognitive of personal strengths.

The Company has engaged with the FTSE Women Leaders forum to report the percentage of women's representation at board and senior executive level and with the Parker Review Team at the Department for Business, Energy & Industrial Strategy to report the position with regard to board diversity. The Board considers that Wood's active contribution to such initiatives is important to drive improvements in reporting of industry progress towards more balanced and diverse representation.

Inclusion and diversity

Wood is committed to its Inclusion and Diversity policy which encourages an inclusive environment where employees are involved, respected, connected, encouraged, cared for and welcomed. Differences such as life experiences, gender, sexual orientation, marital or civil partner status, gender reassignment, race, religion or belief, colour, nationality, ethnic or national origin, disability, age, and upbringing underpin and create our diverse workforce, creating an inclusive organisation.

The Committee proactively seeks regular updates on and continues to monitor the implementation of the inclusion and diversity strategy framework, including:

- roll-out of conscious inclusion training to all Wood employees
- improved gender and ethnic diversity representation in senior leadership roles and across the organisation
- development of employee initiated and led networks to provide platforms for our employees to connect, learn and to share views, and also to provide feedback on what Wood is doing well and to recommend improvements. Our employee networks are open to everyone in the Company's global community
- the development of leadership champions at all levels who help drive Wood's I&D activities, championing those in under-represented groups. Our I&D champions put forward ideas and implement them in a way that shows care and commitment and promotes the conversations we need to have

The Committee remains cognisant of the Governance Code's requirement to pay due regard to the benefits of diversity, including gender, and is mindful of the requirements of the Hampton-Alexander and Parker reviews when considering appointments to the Board and to senior management positions.

Our people are our most valuable resource and creating an inclusive working environment where our people enjoy coming to work is fundamental to achieving our strategy. More information on Wood's approach to diversity and inclusion and enhancements we have made for the ongoing operation of our policy can be found on page 63.

During 2021 the number of female Board members was at least one-third and at 31 December 2021 was 40%.

For details of the gender balance of the Board, ELT and leadership teams see page 63.

Wood is committed to remaining an equal opportunities employer.

As an inclusive and equal opportunities employer, Wood gives full consideration to applications for employment from all levels of ability where the requirements of the job can be adequately fulfilled by a person with impairment. Where existing employees become disabled, it is the Company policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate, as we would for any other employee.

Read our Diversity & Inclusion policy at:
woodplc.com/diversitypolicy

External Board evaluation

During late 2020, an independent evaluation of the Board was undertaken by Lintstock, the results of which were reviewed at the November 2020 Board meeting. A number of areas for improvement were recommended which, together with their outcomes, can be found on page 93.

A further evaluation, which was also facilitated by Lintstock, was conducted during 2021 and reviewed by the Board at its November meeting.

The findings of the review were regarded as positive, characterising the Board as one that has successfully navigated a very challenging period during the Covid-19 pandemic.

The top priorities for the Board were identified as:

- discussing and agreeing strategy
- monitoring business performance and execution
- returning to face-to-face meetings and engagement between board members and also between non-executive directors and the Executive Leadership Team
- focusing on people and succession

The Board's oversight of its committees was rated very highly with committee reports and actions driving the Board agenda forward. The annual committee meeting cycle was well managed, balancing structured cadence and focus.

A separate evaluation of Roy Franklin's performance as Chair was also undertaken by Lintstock. Further details of this, and of the wider Board evaluation, are on page 94.

Committee evaluation

Lintstock also facilitated evaluations of each of the principal committees, including the Nomination Committee. The performance of the Committee was rated highly overall and would be improved further over the coming year by focusing on ethnic and geographical diversity.

The results of the evaluation of the Safety, Sustainability, Assurance & Business Ethics Committee, the Audit Committee and the Remuneration Committee are included on pages 102, 105, 109 and 112.

Audit Committee

"Despite the challenges created by the continued impact of Covid-19 and the extension of working from home arrangements into 2021, the Committee was satisfied that a strong internal control environment was maintained throughout the year."

Adrian Marsh
Chair, Audit Committee

Committee meetings in 2021

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	V	V		V			V			F	

Membership

Adrian Marsh chaired the Audit Committee throughout 2021. Adrian has recent and relevant financial expertise and is currently Group Finance Director of DS Smith PLC.

Jacqui Ferguson and Nigel Mills served on the Audit Committee throughout the year. In May 2021, Mary Shafer-Malicki stepped down from the Committee prior to her resignation as non-executive director in May 2021. Susan Steele was appointed to the Committee in May 2021 following her appointment as non-executive director.

As Group Chair, Roy Franklin is not a member of the Audit Committee but attended all meetings in 2021 by invitation, and all other non-executive directors are welcome to attend any meeting. The Chair of the Committee reports to each Board meeting on the activity of the Committee.

The Committee has a written charter which is reviewed on an annual basis, setting out its roles and responsibilities.

Read the Audit Committee Charter at: **woodplc.com/auditcommittee**

Main responsibilities:

- Compliance with financial reporting standards and relevant financial reporting requirements
- Consideration of the financial and IT internal control environment
- Consideration of the internal audit programme and results
- Review of the external audit relationship and provision of non-audit services

F Face to face
V Video conference

The Committee met five times in 2021. The social distancing and travel restrictions in place due to Covid-19 meant that most meetings were held by video conference. In addition to the members of the Committee, the CFO, the Group Financial Controller, the Interim President – Internal Audit and the external auditors, KPMG, attended all Audit Committee meetings. The Group Chair is also invited to attend all meetings and did so during the period.

During the year other relevant people from the business presented to the Committee on the topics as noted below.

The Chair of the Committee also held monthly update calls with the Group CFO and Interim President – Internal Audit.

The President – Internal Audit and the external auditors have the right of direct access to the Chair of the Committee at all times and to meet the Committee without management present.

KPMG continued as auditors of the Group, having been in place since 2018 and the Committee spent time with the auditors during the year understanding their audit approach, the challenges of performing their work throughout the Covid-19 pandemic and the outcomes of their work.

During the year the following areas were discussed at the Committee meetings:

February

- Review of the material issues and key areas of accounting and tax judgement impacting the 2020 Group financial statements including the classification of exceptional items, goodwill impairment reviews, dispensations from Group accounting policies, material provisions, uncertain tax positions and the accounting for significant contracts
- Update on KPMG's audit status, independence and preliminary conclusions
- Review of KPMG's Audit Quality processes
- Approval of KPMG's non-audit fees
- Review of internal audit reports and status
- Final review of AFW Synergies, in the context of the long-term incentive plan (LTIP) cycle ending 2021

March

- Review and recommendation to the Board for approval of the 2020 Group financial statements and related disclosures
- Review and recommendation to the Board for approval of the going concern and viability statements
- Review of KPMG's 2020 external audit work and audit opinion, including discussion of their key findings and judgmental areas
- Review and approval of the 2020 Audit Committee Corporate Governance Report
- Review of the internal audit annual summary for 2020 and the overall Internal Financial Controls Assessment
- Assessment of external audit effectiveness
- IT security update

May

- Review with the Projects Business Unit President F&A on the outcome and lessons learned on a material project
- Review of the Group's initial response to the UK Government's consultation by the Department for Business, Energy & Industrial Strategy (BEIS) on Corporate Governance reform and an update on the roll out of an expanded Internal Financial Controls Questionnaire
- Review of internal audit reports and status against the 2021 plan
- Review of KPMG's control observations from their 2020 audit
- Review of KPMG's preliminary audit plan for 2021, along with approval of their engagement letter for the 2021 audit
- IT security update

August

- Review and recommendation to the Board of the 30 June 2021 Group interim financial statements including key accounting and tax judgements, going concern, goodwill impairment reviews, and classification of exceptional items
- Update on KPMG's 2021 interim financial statements external review findings, review opinion and discussion of their key findings
- Review of Internal Audit's 2020 Themes and Insights report
- Review of internal audit reports and status of 2021 plan
- Reviewed and approved KPMG's 2021 audit plan
- Effectiveness review of internal and external audit
- IT security update

November

- Review of material upcoming year end accounting judgements and issues
- Update on IT security status and continuous improvement plans from the Chief Information Officer (CIO) and Chief Information Security Officer (CISO)
- Update on the Group's compliance with UK Tax Corporate Criminal Offence (COO) legislation
- Approval of final changes to KPMG's 2021 external audit plan and audit fees
- Status update on KPMG's pre year end audit work and year end planning
- Review of internal audit reports issued and status against the 2021 plan
- Review and approval of the 2022 Internal Audit Plan
- Audit Committee evaluation

During the year the Committee focused on the following areas:

Financial reporting and significant accounting issues

The Committee focused on the application of our accounting policies and on the areas of judgement and estimation in relation to significant accounting and tax matters.

The primary areas of judgement and estimation considered by the Committee in relation to the 2021 financial statements and how they were addressed are outlined below.

Review of significant contracts

The Group executes a number of contracts on a fixed price or lump sum basis. Such contracts inherently involve a greater degree of estimation and judgement than is typically the case in reimbursable contracts.

The external auditors assessed this as an area of focus and the Committee received updates on related work undertaken by KPMG.

The Committee reviewed and was satisfied with the accounting for significant lump sum projects in progress at the year end and the material judgements taken by management in recognising profit or the quantification of known losses where these are probable. The Committee also noted the continuous improvements made to improve both the controls over such contracts and the reporting to the Committee of judgements made and potential outcomes.

Impairment reviews

At both half year and the year end, the Committee considered whether indicators of impairment existed and the results of any related impairment reviews. No indicators of impairment of goodwill were identified at 30 June 2021, therefore detailed impairment reviews were not performed at that time. However, the annual impairment reviews as required by Accounting Standards were carried out in relation to goodwill at the year end. The Committee's role is primarily to challenge the significant assumptions and estimates made by management to ensure that they are appropriate and to review the work done in these areas by KPMG, who identified this as a key audit matter.

The Committee challenged and was satisfied with the assumptions used and the results of the reviews, and with the sensitivities disclosed. The significant assumptions were around short and longer-term growth rates, including the enduring impact of Covid-19, the impacts of energy transition on Wood's core markets and discount rates. Sensitivities related to these were performed, further details of which can be found in note 9 of the Group financial statements.

Audit Committee continued

Review of provisions

The Committee considers the appropriateness, adequacy, and consistency of approach to provisioning at the 30 June and 31 December balance sheet dates. All material provisions, including those made against uninsured legal claims, asbestos litigation and expected credit losses, are discussed and challenged.

The Committee, taking into account the reports of the external auditors, concluded that the positions taken by management were appropriate.

Going concern

At both the half year and the year end, the Committee considered the appropriateness of the going concern basis of preparation and reviewed forecasts prepared by management covering a period of more than 12 months from the date of signing of the Group financial statements. These forecasts included the impact of Covid-19 on the short-term outlook for the Group. The Committee was comfortable that the going concern basis remains appropriate.

Reporting measures

The Committee reviewed the interim and year end annual reporting, including the use of alternative performance measures (APMs), such as EBITDA, on behalf of the Board. The Committee was comfortable that APMs add to stakeholders' understanding of our financial performance and do not detract from the fair, balanced and understandable presentation of our results. The Committee reviewed and challenged the inclusion of items as exceptional at both the year end and half year, with reference to the Group's policy in this area and taking into account KPMG's view of normal custom and practice. The Committee was satisfied that the items noted were sufficiently material by nature or by size or a combination of both to require separate disclosure, and that all such items had been identified.

Review of pensions

The Committee reviews the accounting for the Group's defined benefit obligations under IAS 19 Pensions at the half year and year end. The Committee reviews the results of the actuarial review performed on behalf of management by a leading actuarial firm, with a focus on the key underlying assumptions as set out in note 32 to the financial statements. The Committee also considered the appropriateness of recognition of the pension asset under IAS 19. To help with this assessment the Committee also received reports from KPMG who use specialist actuaries to review and challenge the assumptions made. The Committee was satisfied with all the assumptions, the disclosures made and the results of the reviews.

Investigations

Governance around the investigations by authorities in connection with historical use of agents and other matters referred to in notes 20 and 33 is provided by the Investigations Oversight Committee and is not within the scope of the Audit Committee, however throughout the year the Committee considered the accounting and disclosure requirements associated with these investigations.

During 2021, the Group entered into settlement agreements which brought resolution to the investigations by the Serious Fraud Office (SFO), US Department of Justice (DoJ), US Securities and Exchange Commission (SEC), the Brazilian authorities and the Crown Office & Procurator Fiscal Service (COPFS) in Scotland.

These matters were covered in full by the provisions reflected in the 2020 financial statements as described in note 20 Provisions. The Committee reviewed and approved the accounting for this settlement, and related disclosures in the 30 June 2021 interim financial statements.

Current and deferred tax balances

The Group operates in a number of different tax regimes and a range of judgements underpin the calculations for both current and deferred tax, including uncertain tax positions.

In the Income Statement, these can have an impact on both the tax charge and the operating profit. The Committee receives a detailed written report on taxation matters at each meeting.

Where necessary, the Committee considers advice received from professional advisory firms and concluded that the positions taken were appropriate. The Committee also received updates on work undertaken by KPMG in this area.

FRC review of energy and carbon reporting

During 2021 the Financial Reporting Council (FRC) included our Annual Report and Accounts to 31 December 2020 in the sample for their thematic review of streamlined energy and carbon reporting (SECR) disclosures. Based on their review, there were no questions or queries that they wished to raise with the Company regarding our SECR disclosures. The FRC have requested that we note that this was a limited scope review in accordance with Part 2 of the FRC's Corporate Reporting Review Operating Procedures. The review is based on the annual report and accounts and does not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.

Internal financial control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. The Audit Committee has been given the responsibility to review the effectiveness of the financial and IT internal control systems implemented by management. This work was informed by regular updates from the Interim President – Internal Audit and the results of various self-assessment processes undertaken across the Group. The external auditor also provides feedback on areas of financial or IT control which they wish to bring to the Committee's attention.

The Board's assessment of the Group's internal financial and IT control environment, as informed by internal audit, is effective, with some areas where improvement is needed. Particular areas of focus are a continued focus on improving the controls in place around bidding, estimation and forecasting in certain capital projects in the Projects Business Unit and smaller businesses which have not yet been integrated to the Group's common ERP system and shared services model. Having been impacted by Covid-19 in 2020, the project to establish a common ERP and shared service platform resumed in the second half of 2021 and has been combined with the initiation of the planning and design of an Oracle Cloud instance. An improving and maturing control environment for entities hosted in the common ERP environment and serviced by the shared service centres was noted in 2021.

The Audit Committee considered the enduring impact of employees working from home in response to Covid-19 and noted no material impact on the overall effectiveness of internal financial controls, as evidenced by the assurance activities undertaken by Internal Audit.

The Audit Committee was acutely aware of the pressure and stress which the business has been under over the recent period and the inherent risk this places on governance. Whilst the business has responded to this with the creation of new governance roles deployed within the divisions it was agreed in November that a deputy CFO would be appointed to further strengthen the Group team and to relieve some of the pressure on the Group CFO. It was felt that this, in combination with the governance roles, would further enhance the overall control environment.

IT security review

The responsibility for reviewing IT security is delegated to the Audit Committee. At the November Committee meeting, the Committee received a presentation from the CIO and CISO who provided a cyber security update which reflected an improving and maturing cyber readiness posture. The presentation also included the results of the annual cyber security assessment audit, independently carried out by Ernst & Young.

The audit provided the results of the assessment that was carried out during 2021 and noted that the maturity level had increased against a landscape of increasing cyber risk.

Internal audit

Monitoring the activity of the Group Internal Audit function is an agenda item at each Committee meeting. The Interim President – Internal Audit attended all meetings.

Each year, the Committee agrees the plan to be carried out and receives regular updates on progress against this plan, including a summary of the key findings from each of the internal audits, and an update on the status of actions agreed with management. A separate annual report on key themes and insights from the internal audit work was also considered by the Committee, including comparing the key themes to the prior year.

In 2021, recognising the importance of ESG matters, an increasing number of audits focused on sustainability items such as modern slavery and human rights and variable people compensation elements. For 2022, the focus of Internal Audit continues to be extended to include further ESG related audit topics. The approach to a number of audits has also been updated for the 2022 plan in order to ensure more efficient delivery in response to the increased use of shared services throughout the group and the associated impact on the design and operation of the internal control environment.

During 2021, EY have continued to be the provider of strategic IT internal audits, under the supervision of the Interim President – Internal Audit. Any other internal audits that require specialist knowledge or language skills outside of the internal audit team's abilities, are outsourced as appropriate.

The Chair of the Committee and other Committee members hold private discussions with the President – Internal Audit as necessary during the year outside the formal Committee process.

The Chair of the Committee also periodically meets with the Chief Ethics and Compliance Officer and Group General Counsel and the Committee takes comfort from the internal processes that allow employees to raise concerns and to the extent that they relate to financial matters will also receive the output of any internal investigations and can, if considered appropriate, require an external investigation to be conducted.

External audit

KPMG are the Group's auditor and were appointed in 2018 after a tender process.

During 2021 the Committee assessed the effectiveness of audit process through consideration of the reporting received from KPMG at the half year and the year end, the robustness of the external auditors' handling of key judgmental areas and the quality of the external auditors' interaction with, and reporting to, the Committee. As a result of the assessment the Committee concluded that the audit process was operating effectively.

The Committee also reviews the standing, experience and tenure of the external audit lead partner, the arrangements for ensuring the independence and objectivity of the external auditors and the nature and level of non-audit services provided. During 2021, following consultation with and with agreement from the Company, KPMG changed the lead partner for the audit from Catherine Burnet to Paul Glendenning. Paul was not previously involved in the Wood audit. In addition, an annual exercise to seek feedback from around the Group on the effectiveness of the external audit process was performed and debrief meetings were held to ensure opportunities to improve the process were captured and incorporated into the 2021 external audit plan.

Appointment and independence

The Committee has overall responsibility for ensuring that the external auditors' independence and objectivity is not compromised.

The Committee considers the appointment of the external auditor each year and assesses their independence on an ongoing basis. During the year the Committee received confirmation from the external auditors regarding their independence.

In accordance with UK regulations and to help ensure independence, the auditors adhere to a rotation policy based on Auditing Practices Board standards that require the Group audit partner to rotate every five years. As noted above the lead partner was changed by KPMG during the year. Catherine Burnet was lead audit partner for three years prior to this change.

The Board approved the Committee's recommendation that KPMG be reappointed for the 2022 audit.

Accordingly, a resolution proposing the appointment of KPMG as the Group's external auditor will be put to shareholders at the 2022 AGM. There are no contractual obligations that restrict the Group's choice of external auditors.

The Company confirms that it complied with the provisions of the CMA Order for the financial year under review.

Non-audit services

One of the key risks to external auditor independence is the provision of non-audit services by the external auditor. The Group's policy in this area, which is set out in the Audit Committee's terms of reference, is clear.

The Committee Chair considers and approves fees in respect of non-audit services provided by the external auditors in accordance with policy and the cost of non-audit services provided in 2021 is reported in note 4 to the financial statements.

In the opinion of the Committee, the provision of these non-audit services did not impair KPMG's independence.

Committee evaluation

The Committee's activities formed part of the review of Board and Committee effectiveness performed in the year.

Overall the Committee was considered to be operating effectively.

Delay of year-end results

On 21 February 2022 the Company announced a delay was necessary to finalise the Company's reported results and to conclude the year-end audit process with the Company's auditor, KPMG LLP. The delay was required to allow an external investigation and review to be undertaken, principally in relation to the historical carrying value of the Aegis Poland project contract and the process by which this was determined, which supplemented an internal review initiated following concerns raised internally.

This review was concluded, and Wood's 2021 full year results will be announced on 20 April 2022. The Committee reviewed the results of the external investigation, the auditor's comments on the investigation and audit work carried out during the period of the investigation, and the accounting treatment of the Aegis Poland project. The Committee concluded that no changes to the historical carrying value of the project were required and the $99m exceptional charge was appropriately recorded in 2021. Whilst no immediate actions were required following the investigation, the Committee will take account of the findings of the review in its continuing work on the effectiveness of the Company's internal control environment. It was also agreed that the Chair of the Board and the Audit Chair would jointly review the Board oversight governance framework and make any recommendations for further refinement to the Board in due course.

Remuneration Committee

"We continue to ensure that reward reflects the wider stakeholder experience whilst balancing the need for motivation and retention."

Jacqui Ferguson
Chair, Remuneration Committee

Committee meetings in 2021

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	V	V		V			V			F	

Remuneration contents

***Audited**
Unless otherwise noted, the remaining sections of the Annual Remuneration Report are not subject to audit.

Read the Remuneration Committee Charter at:
woodplc.com/remcommittee

F Face to face
V Video conference

Membership

During 2021, the Remuneration Committee comprised of the following independent non-executive directors; Jacqui Ferguson (Chair), Mary Shafer-Malicki, Nigel Mills and Brenda Reichelderfer. Mary retired from the Committee and Board as a non-executive after nine years of service on 13 May 2021, replaced by Brenda Reichelderfer who joined the Committee on 31 March 2021. All members of the Committee are considered independent and short biographies can be found on pages 88 to 89.

Main responsibilities:

The Remuneration Committee advises the Board on executive remuneration and sets the remuneration packages of each of the executive directors within the approved Directors' Remuneration Policy. The Committee has a written charter, which is reviewed annually and is publicly available on the Company website. The Committee monitors the ongoing appropriateness and relevance of the Policy and its application, ensuring alignment of incentives and rewards with the wider workforce, global remuneration trends, and culture at Wood.

The aim of the Committee is to establish an overall remuneration structure which:

- Promotes the long-term success of the Company and delivers the strategy
- Reflects a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package that supports the attraction and retention of executive directors
- Ensures appropriate alignment between incentivised performance and the interests of shareholders

In setting the Remuneration Policy and its application, the Committee considers the relevant provisions of the UK Corporate Governance Code, relevant regulations enacted under the Companies Act 2006 and shareholder views through consultation.

Our principles

Alignment with strategy, culture, and delivery of shareholder value
Ensuring the Remuneration Policy and principles support the needs of our business over the next few years, our strategy and creating long term value for our shareholders. We link pay to performance by ensuring there is a strong alignment with the organisation's short and long-term objectives, and the prevailing company culture. Our shareholding requirements ensure executives remain aligned with the shareholder experience, including post-departure.

Stakeholder engagement
The Committee is mindful of shareholder and other stakeholder expectations in respect of executive pay and actively takes this into account when developing remuneration arrangements.

Simplicity and balance
Our remuneration should effectively support attraction and retention, as well as being easily understood by all stakeholders. We aim to provide an appropriate balance between fixed and variable pay, with the following main components: base pay; benefits and pension; annual bonus plan; long term incentive plan; and employee share plans. Our arrangements should be clear, transparent, and aligned to those of the wider workforce.

Internally fair, externally competitive
Ensuring executive directors' remuneration reflect wider workforce arrangements, including base salary increases. We use external data to inform our thinking and ensure remuneration decisions support attraction, retention, incentivisation and reward of our executive directors and broader leadership team.

Discretion in decision making

The Committee exercises discretion when determining the outcomes of short and long-term variable reward, in addition to the formulaic outcomes, considering any year-on-year changes, market conditions and relevant environmental, social and governance (ESG) matters. Such factors may include (but are not limited to); workplace fatalities and injuries, significant environmental incidents, large or serial fines or sanctions from regulatory bodies and/or significant legal judgements or settlements.

To enhance the rigour in which performance is reviewed the Committee utilises the discretionary matrix when assessing bonus and long-term incentive plan outcomes. As with all Committee decisions (in line with section 172 of the Companies Act 2006), we reflect on the experience of all stakeholders through the course of plan performance periods. A copy of the framework can be found at: **woodplc.com/discretionarymatrix**

Committee meetings in 2021

During 2021, the Committee met five times to discuss remuneration issues and the operation of the Directors' Remuneration Policy. Additional meetings were held in January & February to determine variable reward outcomes for 2020 which were approved at the 2020 AGM. There was full Committee attendance at each meeting. The Committee has a regular schedule of agenda items in addition to other matters. The following matters were considered during the year:

Matters considered	Feb	Mar	May	Aug	Nov
Policy application for year ahead: annual salary review & retention – executive directors and Chair of Board, ensuring alignment with wider workforce		D			I
ABP: future year performance measures for all participant plans, team & personal objectives for executive directors and executive leadership team	I	D			I
Review projected outcomes for previous performance periods for ABP and LTIP	I	D			
LTIP: future year arrangements, risks, impact of windfall gains and performance measures for all participant plans & executive directors	D				I
Variable reward: ongoing review of performance against targets for executive directors and all participants			I	I	I
ABP & LTIP: Deferred and/or discretionary awards review and approval		D			
Wider workforce focus - overview on a range of matters including reporting (pay equity and UK gender pay gap reporting), UK real living wage, wellbeing focus, share plans, benefits, pensions, spot bonus, annual salary review, employee engagement and reward engagement framework	I	I	I	I	I
Incentive plans summary		I	I	I	I
Annual general meeting preparation			I		
Preparation of annual remuneration report and sign off; determine stakeholder engagement	I	D		I	D
Review ELT and Company Secretary remuneration including new appointments, discretionary awards, and annual review			I	I	D
External market update from advisors including update on investor guidelines; emerging legislation, best practices, current thinking			I	I	I
Review proposals for Long Term Incentives including introduction of restricted stock for the wider workforce			I	D	I
Committee performance, review effectiveness, charter, and objectives – review of current year and determination of following year	D				D
Share dilution and management: discussion and approval	I	D			

D Decision made
I Inform, discuss and planning

Remuneration Committee continued

Workforce engagement & remuneration

The Committee continues to increase its focus on workforce engagement and is committed to ensuring employees' views are considered in any decision-making process. The aim of workforce engagement is to ensure that the workforce is listened to and considered as part of the remuneration process ensuring that remuneration decisions are aligned with their experience and underpinned by feedback and supported by data on the composition, remuneration, engagement, retention, and diversity of the workforce.

In 2021, the Committee attended a Listening Group Network call with employees to gather feedback on how they feel about their own reward, shared how executive remuneration is aligned to wider workforce remuneration, and provided an update on wider workforce practices and improvements. In February 2022, the Committee are attending reward focus groups following feedback from the results of the annual employee engagement survey to directly hear from employees on their experiences of working at Wood. The Committee continued to receive regular updates from the President of Reward & Mobility and Executive President of People & Organisation (P&O) throughout the year on wider workforce remuneration matters, ensuring that broader reward practices are understood and aligned when setting executive remuneration. More information on wider workforce remuneration considered by the Committee can be found from page 116.

Advice provided (including internal teams)

During the year, the Committee took advice from Deloitte LLP, who was retained as external advisor to the Committee. Deloitte received £72,310 for the provision of services to the Committee during the year. These fees consisted of core services (where the cost was agreed in advance) and additional services (which were charged on a time and materials basis). The Committee has reviewed the remuneration advice provided by Deloitte during the year and is comfortable that it has been objective and independent. Deloitte is a member of the Remuneration Consultant Group and adheres to the Group's Code of Conduct. The Committee has reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. As well as advising the Committee, Deloitte provided other services in 2021, predominately related to tax compliance and advisory, and immigration advice. Where appropriate, the Committee also receives input from the Chair of the Board, Chief Executive, Chief Financial Officer, Executive President of People & Organisation, and the President of Reward & Mobility, who also acts as Secretary to the Committee. These individuals may attend the Committee but do not take part in discussions regarding their own compensation.

Committee evaluation

As detailed on page 77, Lintstock undertook a review of the Committee during the year. The performance of the Committee continues to be positively rated overall. Going forward the committee will further focus on finding the right balance between UK investors remuneration requirements and the dynamics of the global talent market and the wider stakeholder experience. In addition, the Committee will focus on strengthening engagement with executive directors on remuneration matters and continuing to maintain effective target setting and ensuring effective planning ahead of the 2023 Policy renewal. The review concluded that the Committee is appropriately chaired and supported in fulfilling its role.

Shareholder consultation

As a minimum, the Committee engages annually with significant shareholders and voting agencies via written correspondence and offers the opportunity to meet with the Chair of the Committee. The Committee views these meetings as an opportunity to ensure the Directors' Remuneration Policy, and application, continues to be aligned with shareholder views, with feedback used to inform the Committee's decision-making process. The Committee ensures that appropriate and meaningful shareholder consultation takes place in advance of any material change being proposed to the Directors' Remuneration Policy.

A summary of any such consultation and the Committee's response to substantive points raised will be included in the relevant section of the remuneration report. In addition, the Committee receives input on broader market insights and shareholder expectations through Committee advisors.

We have continued to proactively engage with and listen to our shareholders during 2021 where appropriate and were appreciative of the level of support for our voting resolutions in 2021. The Committee, as always, is thankful for the time and considerations conveyed by our stakeholders and trusts that the proposed application of the Policy detailed in this report demonstrates we continue to listen and act on any feedback.

Statement of shareholder voting

The Committee encourages shareholder engagement. Where there are a substantial number of votes against any resolution on directors' remuneration, the Committee seeks to understand the reasons for any such vote and will detail here any actions in response to it. In line with the Corporate Governance Code, where there are 20% or more votes against remuneration resolutions, the Committee will support the Board in engaging with shareholders to understand their views regarding remuneration.

The following table sets out the 2021 AGM voting in respect of our remuneration matters and our voting outcome in respect of the 2020 Directors' Remuneration Policy.

Item	AGM date	Vote For (including Discretionary)	Vote Against	Votes Withheld*
Advisory vote on the 2020 Remuneration report	13 May 2021	544,291,523 (97.74%)	12,591,917 (2.26%)	2,530,912
Binding vote on the 2020 Directors' Remuneration Policy	29 June 2020	485,497,628 (90.14%)	53,097,415 (9.86%)	1,494,302

Notes to the statement of shareholding voting

* A vote withheld is not a vote in law and is not counted in the calculation of the percentage of votes 'For' or 'Against' a resolution.

Chair's Letter

Dear Shareholder

I am pleased to present, on behalf of the Board, the annual report on remuneration for the year ending 31 December 2021. This year we were delighted to welcome Brenda Reichelderfer to the Committee at the end of March 2021 and say thank you to Mary Shafer-Malicki who retired from the Board on 13 May 2021 after nine years of service. The purpose of this report is to set out the remuneration of the executive directors, demonstrating how their pay aligns with the remuneration arrangements for the wider workforce, company culture, and shareholder value creation, through the delivery of the short and long-term strategic objectives of the Company. We continue to ensure that reward reflects the wider stakeholder experience whilst balancing the need for motivation and retention.

In 2021 we introduced an Environmental, Social and Governance (ESG) framework on performance measures for our short and long-term variable incentive plans as we believe they challenge our business, our people, and our clients to do better and to create a better tomorrow and support our ambitions and delivery of our sustainability report. The Committee is not proposing any material changes to the operation of the Policy in 2022, and we thank you for the support you showed us in 2021, with a vote of 97.74% for the annual report on remuneration at the Annual General Meeting.

The delay in publishing the end of year accounts resulted in additional communications being provided to participants in the annual bonus and long-term incentive plans, informing them of the delay and potential changes to vesting dates. The Committee determined not to make any final decisions on outcomes for plans ending 31 December 2021, and not to release any deferred awards from the annual bonus in 2019, until the final results were known, in line with governance best practice.

Considering our stakeholders

2021 remained a challenging year with the ongoing impact of Covid-19 affecting, many of our people, who continued to work from home where possible. Although the business made some limited use of the UK Government's furlough scheme until 31 July 2021, all monies received in the year have been paid back. Our people's wellbeing remained a priority, with the Committee regularly updated on progress of initiatives such as global wellbeing champions, the Employee Assistance Program, and the internal wellbeing SharePoint site.

During the year we increased the Committee's involvement in engagement activities with the wider workforce, supported by the internal reward team, as detailed in the people section of this report. We remain committed to increasing transparency, ensuring fair reward for all employees, listening to feedback, and ensuring alignment of executive directors' remuneration to that of the wider workforce – see page 116 for more details. We were delighted that Wood achieved Real Living Wage employer accreditation in the United Kingdom in November 2021, for both direct employees and all contracted workers, and that we are supporting Aberdeen City as an ambassador, in its ambition to become a Real Living Wage city. Pay equity remains a focus, and we were pleased to receive positive feedback from the workforce on progress being made, although we recognise there is still more to do.

In 2021, demonstrating our continued focus on creating an inclusive and diverse workforce, female representation in senior leadership roles increased to 33% from 31%. Wood also progressed to 100th position in the FTSE Women Leaders review, from 118th position. Further information on our continued progress and actions taken can be found in our People section on page 64.

We took the difficult decision not to pay a dividend in 2021 and have seen a reduction in our share price from £3.102 (closing mid-market price on 31 December 2020), to £1.911 (closing mid-market price on 31 December 2021). The Committee has been mindful of the share price performance when determining remuneration outcomes as well as the employee and other stakeholder experiences.

Remuneration and performance outcomes for 2021

The application of the Remuneration Policy in 2021 continued to focus management on achieving long term value for the business. Assurance of these achievements against targets set out below have been carried out by internal audit, validated independently by the SSABE Committee, with a further external audit carried out by KPMG, following the end of the financial year. The Committee did not make any adjustments to performance targets for ABP or LTIP plans during the year.

Annual Bonus Plan

2021 market conditions were challenging, compounded by the pandemic and management have continued to work hard to improve the business. The Committee was therefore mindful with how to fairly recognise achievements, whilst balancing the experience of wider stakeholders. Having carefully considered outcomes and stakeholder experiences, using the discretionary matrix, introduced in 2021, the Committee has decided to reduce the formulaic bonus outcomes for the bonus 2021 by 58.21% to 15% of maximum. Whilst management has made progress against personal and team objectives (see page 122), and positioned Wood for future growth, we believe this is an appropriate response, from the perspective of all stakeholders, given Wood's financial performance, continued suspension of the dividend, employee experience and the overall business context.

Long Term Incentive Plan (LTIP)

Performance measures for 2019-2021 LTIP were relative Total Shareholder Return (TSR), against a select group of peer companies, at a 50% weighting; gross margin improvement, at a 25% weighting; and overhead percentage improvement, also at a 25% weighting. These targets were disclosed to shareholders at the time of grant. Despite continued challenging conditions due the Covid-19 pandemic and fall in activity, management achieved the overhead percentage improvement by reducing our overheads to 11.2% at the end of 2021, from 12.7% in 2018. This results in full award for this measure. Targets for TSR and gross margin improvement were not achieved and therefore there is no award for these measures. The outcome results in 25% overall achievement, with vesting in March 2024 for the executive directors, following the end of the additional two-year holding period. In considering this outcome, the Committee reviewed the wider stakeholder experience, including the value of any vested shares from the time of grant to realisation of the award which has reduced in line with shareholder experience. We believe the performance from the executive directors and the management team in achieving overhead percentage improvements during this challenging period of time warrants achievement of this measure at 25%.

Chair's Letter continued

Proposed policy application for 2022

Full details of our proposed implementation of the Directors' Remuneration Policy for 2022 can be found on pages 132 to 133. The Committee will consider the announcement of Robin Watson's decision to retire as Chief Executive and the impact on his remuneration arrangements. The Committee will ensure that decisions taken in relation to his exit arrangements are in line with the current Policy. Details of the exit arrangements will be disclosed at the appropriate time.

The Committee has continued to review remuneration with alignment to strategy, culture, and delivery of shareholder value. The table below shows how our proposed application aligns with our strategic value outputs for investors, our people, clients, and communities.

Salary and benefits

In January 2022 we increased the base salary for both executive directors by 2.5%, in line with the wider workforce in the UK. This increases Robin Watson's base salary to £806,880, from £787,200, and David Kemp's to £511,024 from £498,560. As a reminder, neither executive director received an increase to base salary in 2021, and both elected to take a voluntary 10% reduction in base salary for nine months in 2020. There is no change to benefits provided since our last report. As disclosed in our previous annual report and Policy, executive directors' pension contributions aligned to those of the wider workforce from 1 January 2022, ahead of the Investment Associations' target date of 31 December 2022; in the United Kingdom this is 9%.

Annual Bonus Plan

To incentivise executive directors to deliver in the year ahead, maximum bonus opportunity for the Chief Executive will remain at 175% of base salary, and 150% of base salary for the CFO, less than the Policy maximum of 200% of base salary. Full details of the corporate and personal objectives, which account for 30% of the annual bonus opportunity, are provided on page 133. In line with last year, other performance measures will be a measure of profit at 30%; cash generation at 30%; and an ESG framework at 10%.

		Annual bonus plan						Long term incentive plan					Underpins	Other	
Remuneration link to strategic value outputs		EBITDA	Cash generation	Serious injury and fatality (SIF)	Safety leadership engagement	Employee engagement improvement	Corporate and personal objectives	TSR	EBITDA margin % improvement	Revenue growth	Carbon emission reductions	Improvement in leadership gender diversity	Discretionary matrix	Holding periods	Shareholding
For investors	Total shareholder return	●	●					●	●	●			●	●	●
	Growth and cash generation	●	●						●	●			●		
For our people	Rewarding careers and employee retention					●	●		●	●	●	●	●	●	
	A workplace where different backgrounds, experience and expertise are welcomed and celebrated				●	●	●					●	●		
For clients	Best-in-class delivery, consistently			●	●	●						●	●		
	Global reach with balanced portfolio of long-term partner relationships with clients						●						●		
	Leading technical services and smarter, more sustainable solutions			●	●		●				●		●		
	Track record on industry-leading projects			●	●		●						●		
For communities	Significant contribution to local employment and communities				●								●		

Long Term Incentive Plan

The performance measures are proposed to remain the same as 2021 and be relative TSR, EBITDA margin percentage improvement, revenue growth, and an ESG framework, weighted 50%, 30%, 10% and 10% respectively. These measures remain key strategic priorities aligned with value generation for our shareholders, incentivise business growth through higher margin services, and support our sustainability plan. Although the Board has approved the commencement of a sales process for our built environment business, for the purposes of target setting we have assumed that this business remains part of the Company for the duration of the performance period, and we will adjust targets at a future date assuming the sale takes place. Full details, along with the threshold and maximum targets, can be found on page 132.

We determined to anchor participation levels on 200% of salary for the Chief Executive and 175% for the CFO. However. having carefully considered the material reduction in share price during 2021, and feedback received, the Committee believed it appropriate to reduce participation levels for 2022 by 20%. This results in a participation level of 160% of salary for the Chief Executive and 140% for the CFO. As in previous years, and detailed in the Policy, no portion of these awards is released until five years from grant, further aligning shareholder and executive interests. We will monitor share price performance during 2022 and anticipate reverting to the normal participation levels of 200% and 175% of salary respectively in 2023. However, as a result of the announcement of the Chief Executive's decision to retire, the Committee has determined not to award him LTIP 2022-2024 as the usual 18-months service required in the Plan will not be realised.

In recognition of concerns in attracting, motivating, and retaining key talent due to our history of low outcomes for achievements in LTIP, in 2022 we are introducing a restricted stock plan for those eligible leaders below the Executive Leadership Team. We believe this model better aligns to the cyclical nature of our business, incentivises our people to deliver our strategic ambitions, and is globally market competitive

Policy renewal in 2023

In 2022 we will undertake the review of our Directors' Remuneration Policy, due for renewal in 2023, and will proactively engage with key investors to ensure long term alignment with shareholders.

I trust that in the report for 2021 we have clearly explained our application and intentions regarding future implementation of the Directors' Remuneration Policy, and I look forward to your support on the relevant resolution.

Signed on behalf of the Board and as Chair of the Remuneration Committee

Jacqueline Ferguson

Jacqui Ferguson
Chair, Remuneration Committee

Workforce reward

With 40,000 inquisitive minds, united by our common purpose to unlock solutions to the world's most critical challenges, our people enable us to achieve our purpose, and are our most important asset. We are committed to providing fair reward for our people in return for the work they do, whilst ensuring that we are responsible with our spend on reward. Our priority is to ensure our people feel secure, are rewarded competitively, and treated fairly and inclusively.

Fair and equitable reward

Gender pay

Our 2021 gender pay gap report included results across five UK entities (5,587 employees). Consistent with previous years, we are confident that our gender pay gap does not reflect an equal pay issue but continues to be because of gender distribution across occupations and job levels, consistent with industry peers. In 2021, the pay gap reduced to 26.1% from 27.7%, whilst the bonus gap increased from 4.6% to 38.2%. During the same time, female representation decreased across our UK business from 25% to 23%, consistent with pre pandemic levels reported in 2019. Proportionally 7.5% of females and 7.5% of males received a bonus, however the shift in the bonus gap is driven by the fact that there was no bonus paid to managerial and leadership levels in 2021, for the 2020 performance year. Non managerial bonus payments made were to several offshore and site employees, who are all male, with these bonus values and eligibility often driven by our clients and collective agreements.

We continue to focus our efforts on pay equity – fairness of pay for those carrying out the same job, in the same location, with the same skills and experience, regardless of diversity. Full details can be found on the Government website, categorised by industry sector, as determined by the Office of National Statistics (ONS), or on the Company website.

We are committed to continuing to improve gender balance with a target of 40% female representation in senior leadership roles by 2030; on 31 December 2021, we had 33% female leaders, up from 31% in 2020. The FTSE Women Leaders Review report, measuring female leadership representation in the FTSE 350 for Board, ELT, and direct reports, published in February 2022, showed that Wood has improved to 100th position from 118th position, with 40% of our Board and 24.2% of our combined executive committee and direct reports represented by women. More information can be found in our People section of the report.

Employees at snapshot date

5,587

Gender balance

77% male **23%** female

Mean gap/median gap pay

26.1% mean **34.6%** median

Mean gap/median gap bonus

38.2% mean **67.4%** median

Read our full gender pay gap report at: **woodplc.com/genderpay**

Pay equity

Wood is committed to transparent, internally fair, and externally competitive reward. Our reward roadmap launched in 2020 set out the steps towards greater transparency and includes global pay equity reporting which was implemented in 2021. All line managers have access to pay equity reporting tools to facilitate individual pay assessments, carry out pay equity analysis by country, job family, department, grade, and gender, against our established reward frameworks. We continue to monitor the external market and continue to step ahead of emerging legislation and trends, whilst ensuring compliance with current legislation.

Pay ratio of the Chief Executive

The pay ratio of the Chief Executive continues to reflect the Company's internally fair approach to pay through aligned and consistent frameworks. Total pay across the wider workforce is consistent with externally competitive remuneration required for the professional workforce which Wood employs, assisting with an above average UK pay ratio.

Real Living Wage Accreditation UK

In 2021, Wood was proud to become an accredited Living Wage employer, ensuring that our UK workforce and regular supply chain workers will earn at least the Real Living Wage, representing our commitment to ensuring everyone is paid a fair wage that meets the costs and pressures they face in their everyday lives while working for Wood. A living wage directly advances several of the Sustainable Development Goals (SDGs):

More information on these activities can be found on pages 58-63

Read more at: **woodplc.com/livingwage**

Employee engagement

As part of our reward roadmap, we continue to focus on increasing engagement, ensuring decisions are people led and that our people are kept informed. In November the Committee again participated in our Listening Group Network call with a focus on reward. Additional engagement was carried out by the reward team through our existing employee networks and Yammer to educate, engage and inspire our people on reward matters. We also continued to enhance our focus on reward engagement through our employee survey and continued to monitor results from local reward surveys and committee led engagement activity. Throughout the year, we listened to our people and identified three themes as key areas of focus:

Is my contribution rewarded fairly compared to others?

- Completed a pay equity project which reviewed in detail over 3,000 positions in engineering, engineering design, & project management across 6 countries taking steps where required to ensure fair and equitable pay
- We launched real time, live pay equity reporting in our people systems available to line managers and linked with our Inclusion & Diversity agenda

Is the process for deciding my pay fair?

- We continued to complete job mapping for around 30, 000 employees, aligning to our established global job framework and grading structure
- We built our salary bands into our systems for over 10 countries, allowing managers direct access to the information required to make effective reward decisions
- We rolled out better visibility of our annual salary review process and learning hub content to our people, using our systems to enhance process, confidence and knowledge to aid effective decision making

How am I treated in the decision making process?

- We provided our key business leaders with pay equity training to enhance knowledge and accountability, enabling them to have quality conversations with their people
- We focused our employee engagement survey reward questions on how our people are treated, to identify key focus areas for 2022 and will establish reward focus groups to build on this. Through these forums we will listen to our workforce to understand what fair reward means to them, and how we can become meaningfully transparent with reward
- We launched our reward engagement framework, setting out the tools available for employees to get involved in reward decision making.

Sharing success

We are committed to ensuring that our people benefit from the collective success of Wood and are rewarded for their commitment to delivering our vision, values, and purpose. In 2021, we continued to offer our Employee Share Plan (ESP) and as mentioned in last year's report, we introduced a new Share Incentive Plan (SIP) for our UK workforce. Both plans offer employees the chance to own a stake in the future of Wood, along with the ability to benefit from matching shares and dividends.

In 2022 we are extending the ESP offering to eligible employees in Brunei and Kuwait and we will also be moving to an "evergreen" SIP in the UK allowing our employees the flexibility to join the plan at any time throughout the year, subject to eligibility.

In 2021 we introduced a global spot bonus policy allowing individuals or teams to be rewarded financially for outstanding contributions to Wood, sharing in collective success. We celebrate wider achievements across the Company in many ways, with more details in our people section on pages 58 to 63.

We continue to engage with our workforce around the best ways to share success and included this topic in our global employee engagement survey. As we continue to analyse the results from the survey, we will also be setting up employee focus groups in Q1 2022 to continue the conversation with our people.

Summary of 2021 enrolment:

27,629
eligible employees

17
countries

9
languages of inclusive communications and materials

2,793
enrolled (10.1% of total eligible)

23%
SIP enrolment (15% in 2020)

Alignment to the workforce

The Directors' Remuneration Policy was approved by shareholders at the 2020 AGM in June and took effect from that date. The objective of the Policy is to set all components of remuneration, maximum awards, and performance measurement, which provide a compensation package promoting the long-term success of the business and delivery of the strategy. The Policy with updated scenario charts can be found at **woodplc.com/rempolicy**

This table provides a summary of executive directors' remuneration outlined in our Policy and alignment to the wider workforce.

Element & purpose executive director remuneration	Alignment with workforce
Salary To provide an appropriate level of fixed salary to attract and retain executives with the qualities, skills and experience required to deliver our strategic objectives.	The process of setting and annually reviewing salaries against market information, mindful of individual contribution, is the same for all employees including executive directors. Salaries are paid either cumulatively by hours worked or on a fixed installment basis.
Benefits To provide fair and market competitive benefits which support the health and wellbeing of our executives to perform at their best.	All employees are provided with benefits typical of the markets in which they are employed. In the UK, this includes private medical insurance, income protection insurance (where applicable), transportation allowance (based on job level) and life assurance. Where applicable, employees are offered the ability to choose additional benefits to suit their lifestyle and circumstances.
Retirement related benefits To support the long-term financial wellbeing and future stability of our executives in return for their commitment to delivering our strategic objectives.	Employees receive retirement plan contributions typical of the markets in which they are employed. In the UK, this is currently a maximum of 9% employer contribution. As previously reported, executive directors were also aligned to receive 9% employer pension contributions from 1 January 2022; their previous contribution was 15%.
Annual Bonus Plan (ABP) To incentivise executives to deliver strategic business priorities for the financial year with compulsory deferred payment designed to provide additional alignment with stakeholders and reinforce retention.	Provides a reward for senior employees critical to future success and who are in a position that can materially influence the success of Wood. Participation levels are based on the job which an individual carries out linked to a global framework. ABP is based on the same structure and performance targets throughout the organisation, except for further team and personal targets where appropriate. Executive directors and the ELT receive 75% of any award earned in cash, with the remainder deferred into stock for a further two years. Other participants, with a small number of senior leadership exceptions, are paid fully in cash. ABP participation typically applies to circa 3.6% of the global employee population.
Long Term Plan (LTP) To reward and retain executives while aligning their interests with those of stakeholders by incentivising performance over the longer term. Performance measures are linked to longer-term creation of shareholder value.	Designed to incentivise senior leaders in delivering business performance over the longer-term. The plan provides an opportunity to earn an award, in the form of conditional shares, subject to remaining in employment on the same basis as our executive directors. Measures are consistent and linked to long-term creation of shareholder value for all participants. Participation levels are based on the job which an individual carries out, linked to a global framework. In 2022 we will move to a time-vested restricted stock model for eligible participants beyond the Executive Leadership Team to support retention and build momentum for future growth whilst ensuring alignment of variable pay in the form of shares and moving to be more consistent with global markets. The executive directors and the ELT will remain on the existing LTIP performance-based plan. LTP participation typically applies to circa 0.83% of the global employee population.
Employee Share Plans To give our people the opportunity to benefit from the success to which their performance and commitment contributes.	Open to all eligible employees across the organisation. Employees may choose to contribute up to 10% of gross salary subject to plan rules, or such lower amount as the Committee may determine, which is deducted in regular pay periods from the salary. Depending on country eligibility, employees may join the Employee Share Plan (ESP) and/or Share Incentive Plan (SIP).
Shareholding requirements To ensure that executive directors' interests and individual wealth are aligned with those of shareholders over a long-term performance period.	Shareholding requirement policy applies to executive directors only, including requirement to hold shares post-employment. Post-employment shareholding does not apply to any other employee. Other senior employees hold share awards as part of deferral and retention requirements of variable remuneration plans.

Remuneration Policy

The Remuneration Policy was reviewed and approved by shareholders at the 2020 AGM and took effect from that date. Extensive shareholder consultation was undertaken by the Committee to ensure views were understood and listened to. The output of these meetings influenced the Committee's decisions, leading to a Policy which was overwhelmingly supported at the AGM. The objective of the Remuneration Policy is to set the paraments for all components of executive remuneration, including maximum award levels, and performance measurement, which provide a compensation package promoting the long-term success of the Company and supports the strategy. It does this through a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package which attracts and retains executives while creating an appropriate alignment between incentivising executive performance and the interests of shareholders. In line with the usual cycle the Committee will put a revised Policy to shareholders again no later than the AGM in 2023.

In reviewing the application of the Remuneration Policy, the Committee ensures the following areas, as outlined in Section 40 of the UK Corporate Governance Code, have been fully considered and addressed as described below:

Clarity	We fully disclose our remuneration decision making, targets and outcomes in our annual report on directors' remuneration. We carry out regular shareholder engagement throughout the year, as necessary. Our wider workforce remuneration arrangements focus on ensuring we are internally fair, whilst remaining externally competitive. We are improving transparency of our remuneration and seek to gain feedback from our global workforce via our employee engagement surveys and Listening Group Network.
Simplicity	Our performance measures for our long and short-term incentives are simple and aligned to our stakeholders. The operation, targets and outcomes are fully disclosed in the annual report each year. Where possible we communicate future performance measures and targets, such as in our long-term incentive plan, but in certain areas, such as annual bonus, are unable to do so due to commercial sensitivity. Participants are provided with engaging supporting documentation to ensure understanding, with regular updates provided during each performance period, to drive positive behaviours and business performance.
Proportionality	As defined in our Remuneration Policy, total remuneration is more heavily weighted towards variable pay linked to Company-wide performance and stakeholder experience. Individual performance is aligned with delivering the long-term strategy. The Committee reserves the right to apply discretion to ensure that poor performance is not rewarded; outcomes may be adjusted to reflect stakeholders' experience.
Predictability	The Committee discloses and explains all relevant limits and discretions allowed under the terms of the Remuneration Policy. This is further demonstrated in the remuneration report each year.
Alignment to culture	Incentive plans are linked to business strategy, overall performance, and growth through a mix of financial and nonfinancial targets. They reward those who exemplify behaviours which align to our purpose, culture and values, aiding delivery our strategy.
Risk	Governance of our remuneration arrangements ensures that rewards are not excessive compared to Company results and stakeholder experience. We review our performance measures and targets used in our incentive plans to ensure they do not lead to excessive risks and poor behaviours. The Committee monitors the overall performance of executive directors and assesses the overall outcome of performance in the relevant financial year. Our enhanced malus and clawback provisions safeguard the Company against future risk in relation to our long and short-term incentive plans which applies to awards from 2020. Under this Policy if the Board decides to operate Malus in respect of a Policy Award, the Policy Award will lapse, be reduced, be cancelled and/or be forfeited to the extent determined by the Board. If the Board decides to apply Clawback in relation to a Policy Award, to recover amounts to which Clawback will apply, the Company has the right to (or to procure that another person will): • lapse, reduce, cancel, or forfeit cash or shares which may be or otherwise become due to the Participant under any Award; and/or • reduce the amount of any future Award to be granted to the Participant; and/or • forfeit in whole in or part cash or shares being held on behalf of the Participant in any retention arrangement in connection with any Plan; and/or • make a deduction from any payment otherwise due to the Participant, to the extent permitted by law; and/or • claim repayment of an amount directly from the Participant (in cash or shares) which the Participant must repay on receipt of a written request.

The Directors' Remuneration Policy with updated scenario charts to reflect our proposed application of the Policy for 2022 can be found at:
woodplc.com/rempolicy

Executive directors' remuneration

Single figure of remuneration and outcomes 2021*

The following table sets out the single figure of remuneration received or receivable (£000's) in the year for each of the executive directors. No remuneration for either executive director was waived during the year.

	Year	Salary [a]	Benefits [b]	Bonus	Long term incentive [c]	Pension related benefits [d]	Total	Total fixed remuneration	Total variable remuneration
Robin Watson	**2021**	**£787**	**£14**	**£207**	**£134**	**£118**	**£1,260**	**£919**	**£341**
Robin Watson	2020	£728	£14	£0	£354	£118	£1,214	£860	£354
David Kemp	**2021**	**£499**	**£14**	**£112**	**£74**	**£75**	**£773**	**£587**	**£186**
David Kemp	2020	£461	£14	£0	£202	£75	£752	£550	£202

Notes to the single figure of remuneration

a. Salary received during the year.

b. Taxable benefits received during the year. These include transportation allowance and private medical cover.

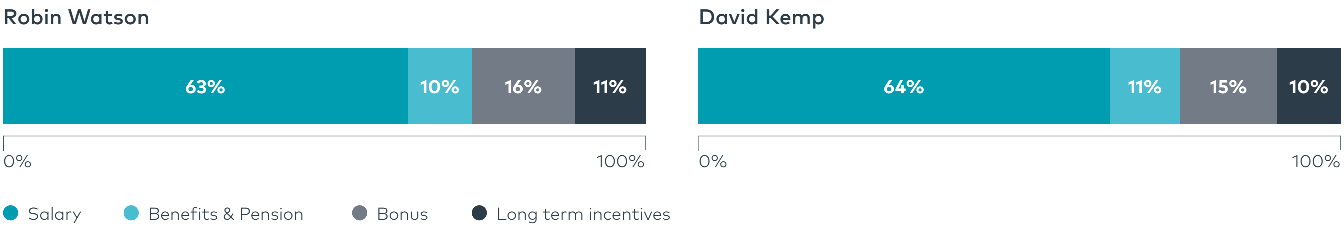
c. The share price used to calculate the LTIP value is £1.91, the closing mid-market share price on 31 December 2021 and vesting date of the award. The share price at grant was £5.69, the value shown is not as a result of share price growth.

d. Pension figure reflects cash value of defined contribution pension contribution or cash alternative, as detailed in the next section.

Bonus and long-term incentive outcomes are described in the following sections.

The aggregate amount of executive directors' remuneration (salary, benefits including cash pension allowances; and bonus and long-term incentives) is £2,032,988.

The aggregate amount of Company contributions to executive directors' pension schemes was £40,000.



Pension benefits

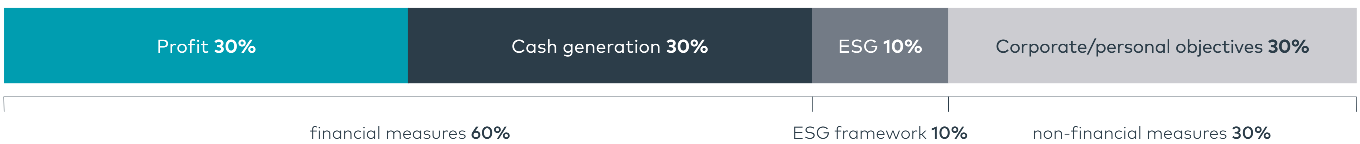
In line with the Directors' Remuneration Policy, executive directors can choose to participate in the relevant local defined contribution pension arrangement or receive a cash allowance in lieu of pension, or a combination thereof. In line with our current Remuneration Policy and existing arrangements, payment may be up to 15% of base salary, this compares with 9% for onshore, office-based employees in the UK. Robin Watson split his pension benefits with 66% as cash allowance and the remainder as defined pensions contributions; David Kemp chose to receive his full pension entitlement as a cash allowance. As detailed in the last two annual reports, pension entitlements for the existing directors have aligned to that of the wider workforce of 9% in the UK from January 2022.

Normal retirement age specified in the pension plan rules is 65 years. There are no additional benefits that become receivable in the event of early retirement.

Bonus

For 2021, the maximum bonus opportunity was 175% of base salary for Robin Watson and 150% for David Kemp. Bonus measures were split between financial, ESG and corporate or individual performance objectives with a balance of 60%, 10% and 30% respectively. Financial measures were further split into two measures – a measure of profit and a measure of cash generation - equally weighted at 30% as illustrated in the chart below:

Relative weighting (% of bonus maximum opportunity)



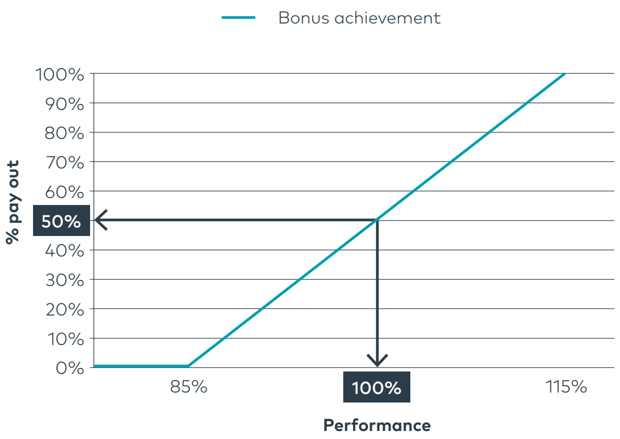
To assure achievement outcomes against targets within variable incentives, performance is considered and approved by the Safety, Sustainability, Assurance and Business Ethics Committee (SSABE), with a further external independent audit carried out following the end of the financial year as appropriate.

Financial measures and outcomes

Financial measures for the bonus year which ended 31 December 2021 consisted of:

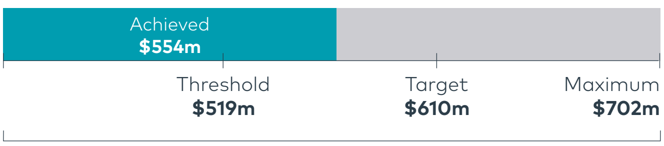
- Profit target – we used EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) as our metric of success
- A cash generation target – this was based on pre-tax cash from operations before exceptional items

In response to the high degree of uncertainty around the shape and timing of the recovery in our markets post Covid-19 and oil price volatility, threshold performance for 2021 was 85% of the target set, with maximum bonus achieved when results exceed 115% of target. Threshold performance must be met before any of that element of the award is paid; if target performance is met, 50% of the potential bonus opportunity is paid; 100% is payable for reaching maximum performance. Performance between threshold and target and between target and maximum will result in a proportionate award calculated on a straight-line basis as illustrated in the following graph:



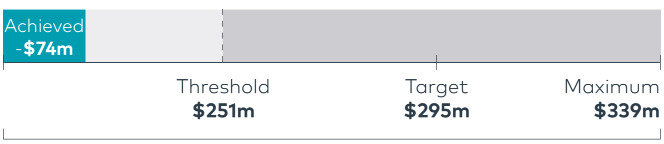
A summary of the financial targets and achievements are set out below:

Profit (EBITDA)



% pay out on measure **19.35%**

Cash generation



% pay out on measure **0%**

Note: Illustrations not to scale

ESG measures and outcomes

ESG measures were included in the bonus plan from 2021 to support Wood's transition away from our oilfield services heritage to a more enduring market position in energy transition and sustainable infrastructure, and to aid delivery of our longer-term sustainability goals. ESG measures accounted for a total 10% of the maximum bonus opportunity and comprised of three Key Performance Indicators, equally weighted. To provide assurance of achievement outcomes against targets, performance is considered and approved by the Safety, Sustainability, Assurance and Business Ethics Committee (SSABE).

Measure	Target & payment	Achieved
Total Recordable Incident Rate (TRIR - the total of lost work cases, restricted work case and medical treatment cases per 200,000 work hours).	Improve by 10% Performance between 0% and 10% results in a proportionate payment.	Not met - 0% payout Due to the tragic fatality during the year management proposed that this element of the bonus be waived regardless of outcome.
Successful delivery of Safety Intervention Programme	Success criteria: Cultural maturity assessment conducted to establish benchmark; Intervention to be conducted in selected low performing areas; 90-day improvement plans to be completed; and cultural maturity re-assessment to be conducted in Q4 2021, demonstrating improvement against benchmark. If this KPI is achieved, 3.33% will be paid; if it is not fully achieved, no payment will be made.	Fully achieved - 100% payout
Active, demonstrated leadership in educating and inspiring 100% of our colleagues to be inclusive every day, resulting in positive, sustainable change.	Conscious inclusion training to be completed for employees. Payment for this KPI is based on number of employees who have completed training between threshold and maximum (34,580 employees).	Fully achieved – 100% payout Additional inclusion and diversity activities can be found in the people report on pages 58 to 63.

Executive directors' remuneration continued

Corporate / personal objectives and outcomes
Stretching objectives relating to corporate and personal objectives focused on the delivery of strategic plans are weighted as 30% bonus opportunity. The achievement of objectives is considered by the Chair of the Board and the Committee as part of the annual review process. Measurement against each of the objectives is based on tangible performance outcomes and demonstrable evidence of achievement during the year. Achievements against each objective are described in the table below.

Individual performance objectives

Executive Director	Objective	Achievement
Robin Watson	**Sustainable delivery against the strategic plan:** Reposition Wood within energy transition and infrastructure markets, establishing a strong, differentiated competitive position; enduring, value added client relationships; and a healthy sales pipeline in these growth markets of the future.	Lack of market momentum in 2021 led to challenges, but momentum in the year saw our order book up 19% YoY at December 2021. Proactive management to de-risk our projects portfolio to help improve the quality of our business. Strategic options considered and worked on included the proposed divestment of the Consulting built environment business, and the subsequent future positioning of Wood. The strategic review of the built environment business was endorsed by the Board in November. Existing and future client relationships enhanced via our thought leadership activities at CoP 26, consolidating our position as global leaders in energy transition and industrial decarbonisation.
	Project execution: Design and deliver a programme of execution excellence to ensure robust project delivery systems and commercial governance, to deliver a project execution model which delivers predictable and sustainable project outcomes.	The re-organisation of the company was completed in late 2020, with a planned 18-month transition, including delivery of execution excellence in projects. During 2021 we de-risked our Projects portfolio with a focus on Improving the quality of our business in the future. 2021 was however, another year of disappointing financial performance overall from some principal lump-sum turnkey projects within this portfolio, with the knock-on effect on cash generation, through working capital outflow.
	Operating model and OpCom delivery: Develop and deliver the refined operating model and execution delivery through the new OpCom and assurance structure, to ensure predictable, consistent best-in-class delivery; unlock and deliver operational efficiencies; and improve margin.	OpCom established with Operations Excellence framework and reporting developed and implemented. High Value Engineering Centres (HVEC) usage steadily risen through year, resulting in increased margin opportunities and efficiencies. Project Management Academy fully established and operating effectively with over 5,000 participants completing training throughout the year.
	ESG and sustainability programme leadership: Deliver against the agreed climate, ESG & sustainability programme, including appraising the Board and create a compelling investment case as a sustainable investment proposition via effective communication and engagement around our ESG credentials.	ESG and sustainability plans have progressed very well in 2021 and ESG dashboard both well received and delivered against. Sustainability embedded within the standing Board governance as a formal charter addition to SSABE. Good progress made against gender leadership targets, with 33% female leaders (to ELT 3) at year end, versus 31% at end 2020. Wood also increased to 100th position, from 118th, in FTSE Leaders Review. In carbon emission targets, in 2021 we recorded more than a 50% fall against our baseline year, influenced by an unprecedented and unique set of circumstances as Covid-19 restrictions and headcount reductions. This is not a sustainable emissions reduction and in years 2022/23 we will inevitably see year-on-year increases in emission as we head out of the pandemic. We are confident however that we will reach our 2030 targets, as outlined in our sustainability report. Top quartile agency rating continues; ESG further embedded through 2021 in our IR positioning.
	Active risk management and business ethics leadership: • Actively mitigate Company principal risks aligned to the Group Risk Management programme • Continue to manage Crisis Management Team and Covid-19 related risks through 2021 • Close out the case management portfolio through the Investigations Oversight Committee, and conclusion of cases with Regulatory authorities • Deliver against Ethics & Compliance improvement programme (related to case management close-out) through 2021	The primary risk process, risk committee and Board assessment and discussions around key risks and risk management continue to be very good and a well-established part of the executive and Board governance cadence. Crisis Management Team delivery has been very effective through 2021 with active management reducing risks such as those created by the ongoing pandemic challenges. E&C improvement around anti-bribery and anti-corruption (ABAC) has been captured with the establishment of the ABAC Programme, which is aligned to our SFO and DOJ Deferred Prosecution Agreement Obligations. The ABAC Programme has made excellent progress in 2021 and is delivering against objectives. The ABAC Programme will continue for the 3-years of our Deferred Prosecution Agreements and has started to improve our active E&C risk management process.

Corporate performance objective	Achievements
Develop and deliver against the Future Fit programme: • Clear work-stream project plan and overall programme plan to deliver against objectives • Ensure governance of programme via executive sponsorship and accountability for delivery across the future fit workstreams • Deliver financial targets of the plan, including requisite improvement to the bottom-line	Project plan delivery against agreed objectives and updates provided to the Board at regular intervals. Future Fit programme successfully completed with associated savings. Key highlights included: • Establishment of new organisational model with new chief operating officer position and operating committee • Operations assurance programme embedded • Improvement in digital & technology through creation of D&T partnerships, connected worker and digital twinning
Leadership effectiveness: • Assess and continuously improve ELT 'team health' in a measured manner (independent assessment of the ELT development programme)	Continued investment in the ELT development framework, with three sessions completed in 2021 remotely. The sustained period of financial challenge, lack of personal interface, pandemic turbulence, and general pressure on delivery was challenging for the ELT. ELT succession plans implemented due to Dave Stewart and Sue MacDonald's planned retirement. Ken Gilmartin, an external hire, joined as COO, and Lesley Birse, internally promoted, joined as executive president, P&O; both were comprehensively on-boarded.

Individual performance objectives

Executive Director	Objective	Achievement
David Kemp	**Drive success of related Future Fit programme including F&A functional deliverables:** • Deliver F&A functional plan • Promote and support delivery of overall plan • Reshape Oracle plan • Redesign reporting structures • Recut budget and targets • Reconsider internal investment in line with constraints	F&A functional plan fully delivered. Key items included migration of Houston and Alpharetta shared service centres to Delhi with annualised benefits c$7m. Oracle programme reshaped with move to Oracle Cloud. Programme approved & underway with design. Budgets recut to support new organisation.
	Capital structure and financing: • Maintain financing strategy adapting to changing conditions • Execute agreed financing strategy ensuring business maintains sufficient liquidity, sufficient covenant headroom and meets audit requirements • Propose and agree 2021 dividend strategy with Board	Financing strategy developed, agreed with Board, and executed extending the maturity of the Group's debt facilities by securing a $600m UKEF backed term loan, and a $1.2bm sustainable RCF; both maturing in 2026 and linked to our energy transition related strategy As part of underlying leverage challenge developed strategic options considered and worked actively included the proposed divestment of the Consulting built environment business, and the subsequent future positioning of Wood. The strategic review of the built environment business was endorsed by the Board in November.
	Investor engagement: • Enhance opportunity for increased market capitalisation via improved share price performance • Build and communicate a clear and compelling, sustainable investment case via effective repositioning and differentiation of the Wood brand from traditional peer group	Challenging IR progress during most of year against a backdrop of disappointing business performance and cashflow / debt concerns. However, significant engagement with major shareholders and analysts undertaken in respect of the strategic review of the Consulting built environment business, announced in November 2021. Sentiment to the strategic review and subsequent announcement of the proposed sale of the built environment business was largely positive. Due to internal succession, new President IR appointed and onboarded.
	Regulatory investigations and litigation management: • Through governance structure, provide leadership to SFO, DOJ, SEC and COPFS investigations • Active management of current and emergent litigation risks; efficient and effective litigation management, active balance of cost vs return	Government investigations by the SFO, DOJ, SEC, Crown Office and Procurator Fiscal of Scotland and CGU and MPF in Brazil progressed and concluded. Major Review Boards developed for significant litigation and Ethics and Compliance investigations and driven through the organisation, enhancing governance over such litigation and investigations.

Executive directors' remuneration continued

Bonus award achievement summary

The table below provides a summary of the formulaic overall bonus achievement for each of the executive directors:

	% achieved			
Name	**Financial targets**	**ESG targets**	**Corporate and personal objectives**	**Total bonus % achieved**
Robin Watson	5.81%	6.67%	23.4%	35.88%
David Kemp	5.81%	6.67%	23.4%	35.88%

2021 remained a challenging year. Using the discretionary decision matrix for guidance, the Committee consider the experience of all stakeholders during the performance period, including customers, investors, suppliers, and the wider workforce, supported by reports from audit and SSABE:

- Customer feedback remains positive with our order book up 19%; our overall win and sold gross margin improved
- The Board took the difficult decision not to pay a dividend and our share price reduced by 38% year on year, using the closing mid-market price on 31 December 2021.
- We continued to develop closer relationships with suppliers, including category agreements with key suppliers. We gained support and buy in with 2021 revisions to the Supplier Code of Conduct, the Modern Slavery and Human Trafficking Statement, and the implementation of the real living wage in the UK. We also supported our suppliers by implementing a method to help them gain access to payment earlier.
- In the wider workforce we increased gender split in our leadership levels to 33%, up from 31%, and increased our ranking to 100th, from 118th in the FTSE Leaders Review; we have also demonstrated that we have no gender bias in our pay equity reporting. We have continued growth in all inclusion and diversity activities, including training nearly 37,000 employees in conscious inclusion to demonstrate leadership in educating and inspiring 100% of our colleagues to be inclusive every day. The six listening group network meetings, hosted by members of the Board and executive leadership team, and detailed on page 61, ensured we listened to and acted on the feedback from our people.
- Due to the tragic fatality during the year, the Total Recordable Incident Rate measure was not achieved, but there was good delivery across the business in our safety intervention programme.
- Assurance of achievements against measures was carried out by internal audit, validated by the SSABE and Assurance Committees, with further external independent audit carried out by KPMG, following the end of the financial year.

A full copy of the discretionary decision matrix can be found at **woodplc.com/discretionarymatrix**

The Committee believes that management has taken positive steps to position Wood for future growth despite difficult trading conditions. Although good performance was achieved in some areas, having considered all factors, the decision has been taken to reduce the formulaic bonus outcome by 58.21%, resulting in 15% of maximum bonus being realised.

75% of any award will be paid in cash in March following the end of the performance year, with the remaining 25% deferred into a conditional award of nil-cost shares for a further two years with continued employment a requirement to receive the deferred payment, other than for those classified as good leavers as detailed in our Remuneration Policy. Our malus and clawback provisions safeguard the Company against future risk in relation to this award.

Robin Watson

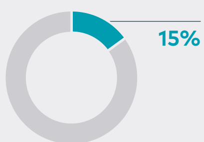
Final bonus payment:

£206,523

Final award as % of salary: 26%

(Original pre-discretion amount £494,184 - 63% of salary)

Final award as a % of max bonus opportunity



David Kemp

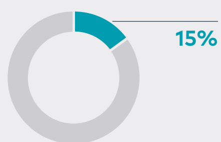
Final bonus payment:

£112,113

Final award as % of salary: 22%

(Original pre-discretion amount £268,271 - 54% of salary)

Final award as a % of max bonus opportunity



Long term incentives – Long Term Incentive Plan (LTIP)

The figures set out in the single figure of remuneration table are related to awards under LTIP 2019-2021, the performance period for which ended on 31 December 2021. The participation level for Robin Watson was 200% and for David Kemp was 175%.

To provide assurance of achievement outcomes against targets within variable incentives, performance is considered and approved by the Safety, Sustainability, Assurance and Business Ethics Committee (SSABE), with a further external independent audit carried out following the end of the financial year as appropriate.

For each performance measure, upon reaching the threshold, 25% of the relevant measure becomes payable; and on reaching the maximum, 100% of the relevant measure becomes payable. For achievement between threshold and maximum, the allocation is on a straight-line basis. No award is made for less than threshold performance. The targets for LTIP 2019-2021, including the weightings of the performance measures and the extent to which they were achieved, are set out in the table below

Financial measures	Weighting	Threshold	Maximum	Achieved	Award %
TSR[a]	50%	50th percentile	75th percentile	Below 25th percentile	0%
Gross margin improvement (growth from 2018 to 2021)	25%	9%	19%	-30%	0%
Overhead percentage improvement (reduction)	25%	2021 performance of 12.3%	2021 performance of 11.9%	11.6%	100%

Notes

a. Total Shareholder Return (TSR) is a measure of the growth in John Wood Group PLC (JWG) share price plus dividends and other shareholder returns over the period; performance is measured relative to a peer group of comparative companies. Each company is ranked and JWG's position in this group used to measure success.

TSR Peer Group Companies for LTIP 2019-2021

The TSR peer group for the performance period comprised of the following companies - Aecom, Aker Solutions, Fluor, Hunting, Jacobs Engineering, KBR, McDermott, Petrofac, Saipem, SBM Offshore, SNC Lavalin, Stantec, Technip FMC, Tetratech, Weir Group, Worley Parsons and WSP.

The Committee applies the following approach when the TSR peer group is impacted by acquisition or other corporate activities during the performance period - if a company has been in the peer group for more than half the performance period then this company will be retained in the peer group, adjusting to the end of the period for the movement in the acquiror's share price. If a company has not been in for half of the performance period, then it will be removed and not replaced.

LTIP award achievement summary

Wood did not achieve the threshold for TSR or gross margin improvement, so zero award is due on these measures. The third measure, to reduce overhead as a percentage of revenue, achieved maximum performance. The team made a huge effort to achieve this target, which was disclosed externally, in difficult circumstances. The achievement against this measure was independently assured for appropriate governance.

The Committee considered this performance against the experience of stakeholders over the performance period, using the discretionary matrix for guidance, as detailed on page 111. The absolute value delivered to executive directors as a result of this performance is reduced to reflect that more than 66% of value has been lost since the date of the grant (with the opening share price being £5.69, and the closing mid-market share price on 31 December 2021, £1.91), demonstrating clear alignment to shareholder experience. This level of vesting applies to 329 employees who participated in the 2019-2021 LTIP, reflecting the contribution of the wider leadership team towards the achievement of the overhead improvement target. Retention remains a significant concern for our critical talent; recent low LTIP vesting levels, zero bonus for 2020, and share price reduction means that many of our key people have limited shares, at reduced value, that they would forfeit if they left employment with Wood. Taking all these factors into account, supported by the process using the discretionary decision matrix and considering provisions in the malus and clawback policy, the Committee determined that the LTIP award of 25% of maximum is appropriate and no additional use of discretion is required. Our malus and clawback provisions safeguard the Company against future risk in relation to this award.

A full copy of the discretionary decision matrix can be found at **woodplc.com/discretionarymatrix**

Executive directors' remuneration continued

Share based interests awarded during the year*

The following table sets out the awards made to each of the executive directors under the Company's share based long term incentive arrangements during 2021. These related to 2021 LTIP awards which will be for the performance period 2021 – 2023 as detailed in our previous report. As disclosed in last year's report and in line with our Policy, performance measures are based on relative TSR (50% weighting), EBITDA margin percentage improvement (30% weighting), revenue growth (10% weighting) and an ESG framework (10% weighting). For TSR and ESG measures, 25% becomes payable on reaching threshold; for EBITDA, margin percentage improvement and revenue growth measures, 10% becomes payable on reaching threshold; and for all measures 100% becomes payable on reaching maximum.

These awards will continue to be monitored for windfall gains and the Committee can apply discretion as appropriate at the end of the performance cycle, informed by the discretionary decision matrix.

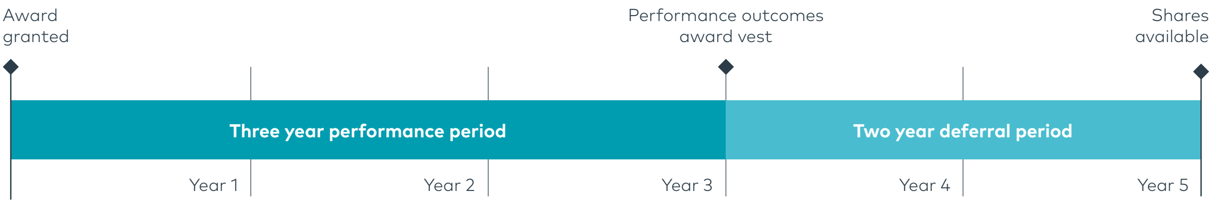
<table>
<tr><th>Executive director</th><th>Type of award</th><th>Participation level</th><th>Salary relevant to performance cycle</th><th>Face value of award [(a)]</th><th>Performance period</th><th>Holding period for 100% of award</th><th>Dividends</th></tr>
<tr><td>Robin Watson</td><td rowspan="2">Conditional award of shares awarded under the LTP</td><td>200%</td><td>£787,200</td><td>£1,574,400</td><td rowspan="2">1 Jan 2021 – 31 Dec 2023</td><td rowspan="2">Two years from vesting</td><td rowspan="2">Dividend equivalents are paid on the vesting date based on the number of vested shares at the end of the performance period.</td></tr>
<tr><td>David Kemp</td><td>175%</td><td>£498,560</td><td>£872,480</td></tr>
</table>

Notes

a. The awards above were granted as conditional share awards based on base salary x participation level, calculated using the 20 days trading average of £3.17 as at 1 January 2021.

Performance is measured over a period of three financial years, 100% of any award is deferred for a period of two years following the end of the performance period. This timeline is demonstrated below:

LTIP timeline



Payments to past directors*

There were no payments made to past directors which require disclosure during the year.

Payments for loss of office*

There were no payments made for loss of office to any director during the year.

Statement of directors' shareholding and share interests*

Share interests

The table below sets out the total number of shares held by each executive director as at 31 December 2021, with and without performance conditions; the declaration includes shares held by connected persons as defined for the purposes of section 96B (2) of the Financial Services and Markets Act 2000. Where applicable the figures include interest in retained long term plan awards.

Changes in the shareholding of directors between 31 December 2021 and 19 April 2022 are related to permitted purchases under the Wood employee share plans. Robin Watson and David Kemp acquired an additional 9,568 and 6,099 shares respectively during this period.

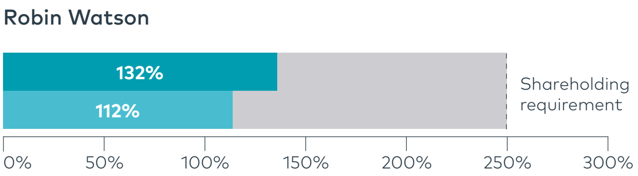
None of the executive directors had a material interest in any contract, other than a service contract, with the Company or any of its subsidiary undertakings.

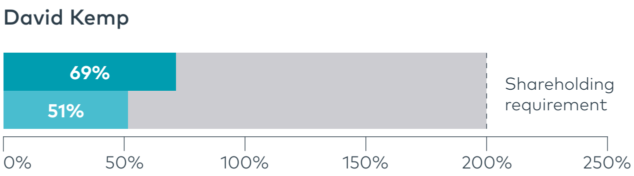
Beneficial interest	Shares owned outright as at 1 January 2021	Shares owned outright as at 31 December 2021	Unvested share awards: Share interests without performance conditions	Unvested share awards: Share interests with performance conditions	Vested unexercised
Robin Watson	371,126	464,819	169,902	1,127,271	-
David Kemp	93,178	132,184	95,403	625,038	-

Shareholding requirements

The revised Remuneration Policy approved at our 2020 AGM requires the Chief Executive to hold shares valued at 250% of base salary and the other executive directors to hold shares valued at 200% of base salary. There is no time period in which they must achieve the requirement. The extent to which each director met the shareholding guidelines as at 31 December 2021 is shown in the chart and tables below shown as two separate calculations (neither include shares held by connected persons as per shareholding requirements detailed in our Policy):

- Calculation 1: Shareholding and shares not subject to any further performance conditions but may be subject to other conditions such as continued employment
- Calculation 2: Shareholding not subject to any further performance or other conditions





Calculation 1 Calculation 2

Notes to shareholding guidelines achievement

Shareholding is calculated using the closing mid-market share price on 31 December 2021 of £1.911 and base salary levels at the same date.

For the purposes of calculation 2, a 50% reduction has been applied (on the assumption of a "sell to cover" at point of exercise) to account for any tax liabilities on awards.

Although neither executive director has reached their required shareholding, this reflects that the LTIP performance has resulted in minimal outcomes over the last five years, compounded by the fall in share price.

To assist in achieving the shareholding requirement both executive directors continued to purchase shares over and above any awards earned during their employment via the Employee Share Plan (ESP) and the Share Incentive Plan (SIP), with both continuing to contribute 10% of their salary on an ongoing basis and deducted monthly. Cumulatively, as of 31 December 2021, Robin Watson had invested £289,931, and David Kemp £176,433. Robin has also paid over £613,000 from his own cash resources to meet the tax liability on vesting shares, although the policy does allow him to sell shares to meet such liability.

Post-cessation shareholding

As outlined in our Remuneration Policy, approved by shareholders at the 2020 AGM, executive directors are required to hold shares in John Wood Group PLC post-cessation of employment to the value of 100% of shareholding guidelines for the first year, reducing to 50% in the second year. Post-cessation shareholding provisions will apply to shares received from share awards granted from 1 January 2020 onwards. The sale of shares is restricted by way of approvals for current executive directors and the Committee will ensure appropriate enforcements and control is in place post-cessation. Post-cessation controls will be managed through the online system provided by our third-party stock administrator.

Executive directors' remuneration continued

Share interests

Details of executive directors' interests in long term incentive and bonus plans as at 31 December 2021; all interests are awarded as share options or conditional share awards:

	Date of award/ performance period	Performance conditions	Earliest exercise date	Exercise price per share	Market value at date of exercise per share	Number as at 1 Jan 2021	Granted in 2021	Exercised in 2021	Lapsed in 2021	Dividends awarded as additional share options	Number as at 31 December 2021
Robin Watson											
LTP	2018 - 2020	N	March 2023	0	–	206,865	–	–	103,433	10,632	114,064
LTP	2019 - 2021	Y	March 2024	0	–	263,611	–	–	–	–	263,611
LTP	2020 - 2022	Y	March 2025	0	–	367,310	–	–	–	–	367,310
LTP	2021 - 2023	Y	March 2026	0	–	0	496,350	–	–	–	496,350
ABP 2018	01 March 2019	N	March 2021	0	£2.48	46,922	–	49,976	–	3,054	0
ABP 2019	01 March 2020	N	March 2022	0	–	55,838	–	–	–	–	55,838
					Total	**940,546**	**496,350**	**49,976**	**103,433**	**13,686**	**1,297,173**
David Kemp											
LTP	2018 - 2020	N	March 2023	0	–	118,048	–	–	59,024	6,067	65,091
LTP	2019 - 2021	Y	March 2024	0	–	146,084	–	–	–	–	146,084
LTP	2020 - 2022	Y	March 2025	0	–	203,893	–	–	–	–	203,893
LTP	2021 - 2023	Y	March 2026	0	–	0	275,061	–	–	–	275,061
ABP 2018	01 March 2019	N	March 2021	0	£1.83	26,230	–	27,937	–	1,707	0
ABP 2019	01 March 2020	N	March 2022	0	–	30,312	–	–	–	–	30,312
					Total	**524,567**	**275,061**	**27,937**	**59,024**	**7,774**	**720,441**
Total for all executive directors						**1,465,113**	**771,411**	**77,913**	**162,457**	**21,460**	**2,017,614**

Notes to incentive plan interests table

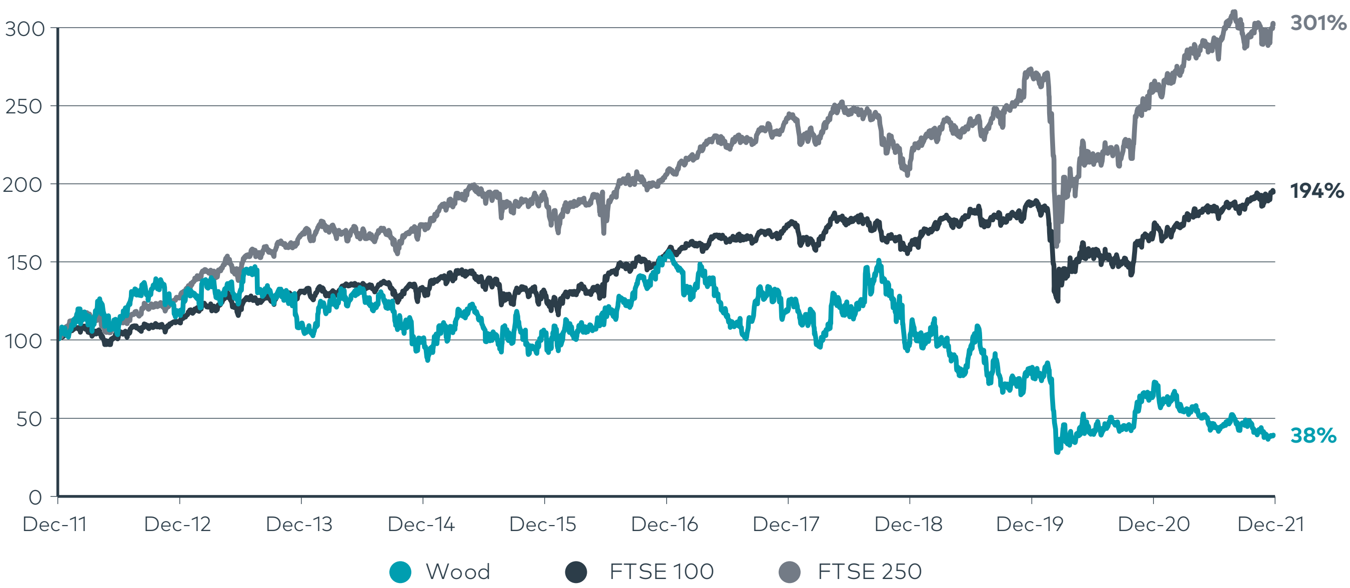
For LTP 2018-2020, ABP 2018 and 2019, awards vest and are available to exercise after a two-year deferral period.

For all awards, dividends accrue on 100% of the final award.

There has been no change to the exercise price or date of vesting of shares as outlined in this table.

TSR performance summary & Chief Executive remuneration

In accordance with the reporting regulations, the TSR performance summary is maintained at a 10-year disclosure period. As the Company is included in the UK FTSE 250 index but has been included in the FTSE 100 index for part of the period under review, both the UK FTSE 250 and UK FTSE 100 indices are shown, by way of providing a reasonable TSR comparison. The graph below compares the TSR on a holding of shares in John Wood Group PLC with the TSR on a holding of shares in the companies in the UK FTSE 250 and 100 indices for the last ten financial years.



The total remuneration for the Chief Executive over the same period as the TSR performance graph detailed is listed in the following table. This table includes details of the annual bonus received in each year as a percentage of the maximum opportunity that was available, as well as the long-term incentives which vested in each year as a percentage of the maximum number of shares that could have been received.

Chief Executive remuneration (£000)

Year	2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Chief Executive	Allister Langlands	Bob Keiller	Bob Keiller	Bob Keiller	Bob Keiller	Robin Watson	Robin Watson	Robin Watson	Robin Watson	Robin Watson	Robin Watson
CEO single figure of total remuneration (£'000)	£2,276	£199	£1,624	£1,330	£1,146	£1,179	£1,417	£1,875	£1,690	£1,214	£1,260
Annual bonus award as a % of maximum opportunity	76%	75%	60%	48%	37%	43%	59%	88%	62%	0%	15%
Long term incentive vesting rates as a % of maximum opportunity	100%	25%	79%	51%	16%	25%	11%	0%	0%	50%	25%

Notes to Chief Executive remuneration table

Allister Langlands was appointed Chair on 1 November 2012. His remuneration for 2012 related to his time as Group CEO only.

Bob Keiller was appointed Group CEO on 1 November 2012. His remuneration for 2012 reflected his remuneration from appointment as Group CEO only. Long term incentives vesting during the year were awarded during his time as Wood Group PSN CEO and vested based on performance targets linked to performance of that division.

Robin Watson was appointed as Chief Executive on 1 January 2016. Long term incentives vesting during the year were awarded during his time as Wood Group PSN CEO and vested based on performance targets linked to performance of that division.

Percentage change remuneration of all directors and all employees

In line with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the below table illustrates the percentage change in remuneration for the Chief Executive, Chief Financial Officer, and non-executive directors as per the single figures reported each year and all other employees within the group. This table will accumulate over a five-year rolling period.

Change in executive directors and employee remuneration reflects the reinstatement of the voluntary 10% pay reduction on 1 January 2021. There was no inflationary increase to pay applied across the workforce between 2020 and 2021. Change in employee benefits is impacted mainly by the operational nature of our self-funded medical plans in the US, which have returned to pre-pandemic claim levels and the increase in the global cost of healthcare provision; the dip in claim levels during the peak of the pandemic was due to our employees voluntarily putting some medical treatment and claims on hold. In addition, we continue to experience modest changes in premiums for our non-US employees, but there has been limited change to Company funded benefit provision in line with executive directors. No bonus was awarded for 2020, therefore a 100% change has been reported reflecting the reintroduction of bonus awards for executive directors and the wider workforce in 2021.

There was no change to fees for non-executive directors between 2020 and 2021 however the percentage increase in fees reported reflects the reinstatement of the voluntary 10% reduction with effect from 1 January 2021 and changes to the Board participants during 2020, as previously disclosed in our 2020 report. Jacqueline Ferguson's remuneration change reflects the reinstatement of full year fees and Remuneration Committee Chair fees in 2021 from the reduction in 2020, Chair fees were only received from appointment in July 2020 in the previous year. Birgitte joined the Board in March 2020, the percentage change reported reflects the change to full year. Fees for Nigel Mills increased to full year fees as non-executive director and Senior Independent Director (SID), having been appointed as SID from July 2020 and to the Board in May 2020. Brenda Reichelderfer and Susan Steele did not receive any remuneration in 2020 therefore no change has been reported.

For further commentary of year-on-year changes, refer to previous annual remuneration report disclosures.

		2019 - 2020			2020 - 2021		
		Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
All Employees		-1%	7%	-100%	3%	16%	100%
Executive directors	Robin Watson	-3%	0%	-100%	8%	0%	100%
	David Kemp	-3%	0%	-100%	8%	0%	100%
Non-executive directors	Roy Franklin	47%			7%		
	Adrian Marsh	36%			8%		
	Thomas Botts	-8%			8%		
	Jacqui Ferguson	0%			15%		
	Birgitte Brinch Madsen				24%		
	Nigel Mills				42%		
	Brenda Reichelderfer						
	Susan Steele						

Notes to the percentage change in Chief Executive remuneration

Salary and benefits percentage change for all employees is calculated on a per capita basis using total annual spend (excl. executive directors and bonus values) / average number of employees in the year as disclosed in Note 31 of the financial statements.

Bonus is calculated as the average award paid to all participants of the Annual Bonus Plan.

In line with regulations, pensions and long-term incentives are not required to be included in this table.

Non-executive directors do not receive benefits or bonuses.

The percentage increase in executive director salary and non-executive director fees reported between 2020-2021 reflects the reinstatement of the voluntary 10% reduction with effect from 1 January 2021.

Executive directors' remuneration continued

Pay Ratio of Chief Executive

The Chief Executive pay ratio is calculated at the 25th, 50th and 75th percentiles for total pay and benefits for all UK employees for the relevant financial year on the same basis as the single figure table as stipulated by The Companies (Miscellaneous Reporting) Regulations 2018. Option B (utilising gender pay gap data as at 5th April 2021) is used to identify best equivalents for the calculation for simplicity, consistency and alignment across our external disclosures, and includes all UK employees. We believe that the best equivalents are representative P25, P50 and P75 employees and their remuneration is consistent with that of the wider workforce. Figures are adjusted accordingly (such as pension contributions) to ensure best representation of full time equivalent (FTE) employees for the purposes of calculation. Salary and total pay values are included for maximum clarity.

The Committee believes that the pay ratio results reflect the Company's internally fair approach to pay through aligned and consistent frameworks. The total pay across the wider workforce is consistent with externally competitive remuneration required for the professional workforce which Wood employs, assisting with an above average pay ratio. We continue to monitor year-on-year changes to the pay ratio as they continue to fluctuate with the evolution of our workforce through integration, divestment, and acquisitive growth. The value of salary and total pay reported between 2020 and 2021 has increased, reflecting reinstatement of voluntary pay reductions, and impacted by the exclusion of furlough employees, who typically had lower hourly earnings, and were not included in our gender pay gap data in line with guidance from the Government Equalities Office. We are confident the pay ratio remains relatively static reflective of aligned remuneration application between executive directors and our wider workforce.

			Ratio of Chief Executive pay to employee pay					
			25th percentile		Median		75th percentile	
Year	Method		Ratio	Value (000s)	Ratio	Value (000s)	Ratio	Value (000s)
2021	Option B	Salary	19:1	£41	13:1	£62	11:1	£70
		Total pay	28:1	£45	18:1	£68	15:1	£86
2020	Option B	Salary	19:1	£38	14:1	£54	11:1	£68
		Total pay	29:1	£42	18:1	£66	15:1	£80
2019	Option C	Salary	24:1	£32	18:1	£42	13:1	£59
		Total pay	48:1	£35	36:1	£46	25:1	£68
2018	Option C	Salary	20:1	£34	14:1	£49	11:1	£64
		Total pay	50:1	£38	35:1	£53	26:1	£71

Notes
We reported our Chief Executive pay ratio for the first time in our 2018 annual report using pay data for employees in our integrated systems which represented 64% of all UK employees. In 2019 our calculations included all full pay relevant UK employees in line with Gender Pay Gap calculations. From 2020, our calculations are based on only our Gender Pay Gap report data using the Option B calculation method.

Relative importance of spend on pay

The table below is provided to assist shareholders in assessing the relative importance of the Company's spend on pay. It contains details of the remuneration paid to or received by all employees of the Company as well as the value of distributions to shareholders by way of dividends and share buyback over the previous two years. The figures displayed in this table are impacted by movements in the number of employees each year.

Item	2021 ($m)	2020 ($m)	Difference ($m)	% change
Remuneration paid to or received by all employees	3,169.6	3,399.9	(230.30)	(6.77%)
Distributions to shareholders by way of dividend and share buyback	0	0	0	0

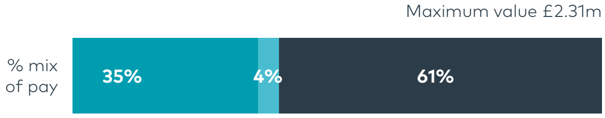
Illustrations of future application of Remuneration Policy

As detailed in the Remuneration Policy, a significant proportion of remuneration for executive directors is linked to variable pay opportunity, particularly at maximum performance levels, through the short-term Annual Bonus Plan (ABP) and the Long-Term Incentive Plan (LTIP), with the intention to ensure a greater link between Company performance and individual reward.

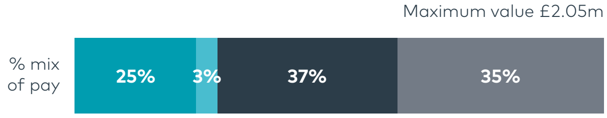
Pay mix chart

The below charts illustrate the percentage mix of fixed and variable pay elements for executive directors based on maximum variable reward outcomes. The total value displayed for each executive director is an illustration of the maximum proposed future policy application as further detailed below.

Robin Watson Chief Executive



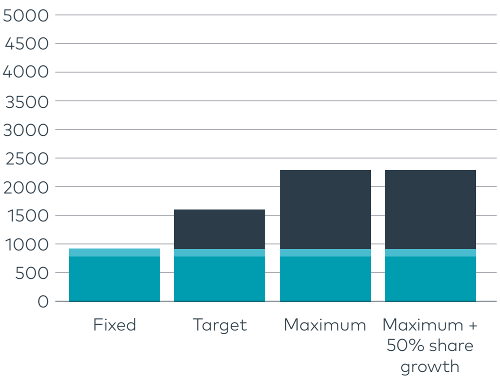
David Kemp CFO



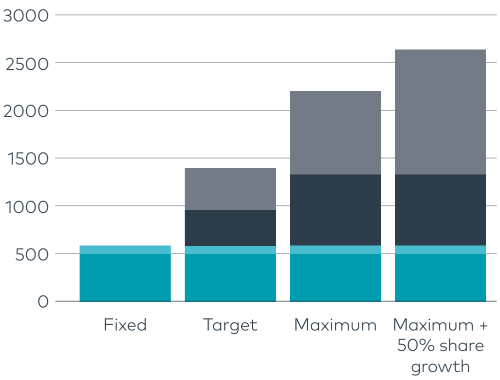
Fixed pay · Benefits & Pension · Annual bonus · Long Term Plan

The charts below provide an indication of the level of remuneration, as a value, which could be received by each executive director under the Remuneration Policy as a fixed value, target and maximum performance, as well as an illustration of maximum plus 50% share price growth. These charts are for illustrative purposes only and actual outcomes may differ from those shown.

Robin Watson Chief Executive
(£000's)



David Kemp CFO
(£000's)



Fixed pay · Benefits & Pension · Annual bonus · Long Term Plan

Notes to the illustrations of future application of Remuneration Policy

In all scenarios, fixed remuneration comprises base salary, benefits, and pension. The figures used in preparing the charts are as follows:

- Salary is the salary as at 1 January 2022
- Benefits is the last known figure as set out in the single figure of remuneration table for 2021
- Pension related benefits are based on 9% of the base salary, covering defined contribution pension or cash allowance in lieu of pension
- Bonus includes short term incentives and is based on the proposed application of the Policy for 2022 and the base salary. The illustrations above reflect maximum potential opportunity as a percentage of base salary; 175% for the Chief Executive and 150% for the CFO
- Long term plan includes long-term incentives and is based on the proposed application of the Policy for 2022 and the base salary. The illustrations above reflect maximum potential opportunity as a percentage of base salary of 140% for the CFO and no 2022 LTIP grant for the Chief Executive due to the announcement of his retirement. For reasons of clarity, any dividend accrual has been excluded from the charts above.

Fixed - It has been assumed that each executive director receives base salary, benefits and pension related benefits only; there are no elements of variable reward included.

Target - It has been assumed that annual bonus awards have been made at target levels, which results in payout at 50% and that LTIP performance is such that awards have vested at 50%.

Maximum performance - It has been assumed that annual bonus awards have been made at maximum levels and that LTIP performance is such that awards have vested at maximum level.

Maximum performance plus 50% share price growth - the same assumptions as the 'maximum performance' scenario have been used. The additional impact of share price growth of 50% has been applied to maximum LTP awards.

Executive directors' remuneration continued

Statement of implementation of Remuneration Policy

This section provides an overview of how the Committee will implement the Remuneration Policy in 2022. In determining the policy application, the Committee has complied with Section 40 disclosures within the UK Corporate Governance Code as outlined earlier in the report.

A full copy of the Remuneration Policy can be found at: **woodplc.com/rempolicy**

Base salary

Base salaries will increase by 2.5% for both executive directors in line with the average increase applied to our wider workforce in the UK. Robin Watson's annual salary will be £806,880; and David Kemp's will be £511,024 from 1 January 2022.

Benefits

There will be no change to benefits for 2022. The executive directors will continue to participate in existing benefit arrangements in line with the agreed Remuneration Policy.

Pensions

As previously communicated, both executive directors will align to the allowance in place for the wider UK workforce (9%) from 1 January 2022. Any new executive directors will participate in pension arrangements aligned to their country of employment.

Employee Share Plan (ESP)

Both executive directors will remain eligible to participate in the ESP and UK SIP, with contributions of up to 10% of gross salary, subject to plan rules.

Shareholding requirements

As detailed in line our remuneration policy, shareholding requirements are 250% for the Chief Executive and 200% for all other executives.

LTIP awards

Participation levels in 2022 will be 140% for David Kemp. The number of shares granted will be based, as usual, on the 20 days trading average price as at 1 January 2022. Due to the announcement of Robin Watson's retirement, he will not receive a 2022 award.

The performance measures will be relative TSR, EBITDA margin improvement, revenue growth and an ESG framework. All measures are key strategic priorities aligned with value generation for our stakeholders. Our ESG measures align closely with our long-term sustainability goals to reduce our carbon emissions (carbon scope 1 and 2) by 40%, and our target of 40% female gender representation by 2030.

The TSR peer group was reviewed by the Committee and for 2022 will remain unchanged to include: Aecom, Aker Solutions, Fluor, Hunting, Jacobs Engineering, KBR, Petrofac, Saipem, SBM Offshore, SNC Lavalin, Stantec, Technip Energies, Technip FMC, Tetratech, Worley and WSP. McDermott has been removed from the TSR group for 2021 and 2022 due to no longer being listed on the London Stock Exchange.

The weightings and targets for each of the performance measures are detailed below. No award will be made for less than threshold performance; for TSR and ESG measures 25% becomes payable on reaching threshold and 100% is payable on reaching maximum performance, for EBITDA margin improvement and revenue growth, 10% becomes payable on reaching threshold and 100% payable on reaching maximum performance. As in prior years, assurance of achievements against measures will be carried out by internal audit and validated by the SSABE Committee and external auditors as appropriate.

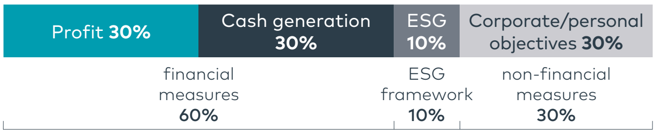
Performance Measure	Weighting %	Targets Threshold	Maximum
TSR	50%	50th percentile	75th percentile
EBITDA margin percentage improvement	30%	8.8%	9.6%
Revenue growth	10%	$7.3bn	$8.2bn
Carbon emission reductions	5%	7%	15%
Improvement in leadership gender diversity	5%	35.0%	36.0%

Given the current share price, the Committee is mindful and will monitor these awards for windfall gains over the vesting period and continue to make use of the discretionary matrix in line with stakeholder experience as appropriate.

Annual Bonus Plan (ABP)

Bonuses will continue with maximum opportunity at 175% for Robin Watson and 150% for David Kemp. In line with policy, 25% of any payment will be deferred into nil cost share-based awards for a further two years.

In line with our policy bonus measures will be split between financial, an environmental, social and governance (ESG) framework measures and non-financial, in the form of corporate/personal milestones with a balance of 60% Financial, 10% ESG and 30% corporate and personal objectives as illustrated in the chart below.



The ESG framework will comprise of three Key Performance Indicators, equally weighted: serious injury and fatality (SIF); delivery against leadership safety engagement; and improvement in employee engagement score through active demonstrated leadership in improving employee engagement, resulting in positive, sustainable cultural change. Measures and targets for the ESG have been approved and will be overseen by the SSABE Committee. Performance for SIF and leadership safety engagement will be also tracked via the HSSE global dashboard.

Financial measures will remain EBITDA and cash generation for 2022, with threshold performance being 85% of the target set, and maximum bonus is achieved when results exceed 115% of target. Threshold performance must be met before any of that element of the award is paid; if target performance is met, 50% of the potential bonus opportunity is paid; 100% is payable for reaching maximum performance. Performance between threshold and target and between target and maximum will result in a proportionate award calculated on a straight-line basis.

As in prior years, assurance of achievements against measures will be carried out by internal audit and validated by the SSABE Committee and external auditors as appropriate.

The Committee set the targets for the annual bonus plan for the year ending 31 December 2022 at its meeting in April 2022. It is the opinion of the Committee that these are commercially sensitive and in line with previous practice, the details of annual bonus targets and the extent to which the targets are met will be disclosed in detail retrospectively in next year's report. Full transparency of corporate and personal objectives is outlined below.

Corporate objectives

Strategic plan

- Develop initial refreshed strategy for Wood post the sale of our built environment business, including options for the use of proceeds

Develop Voice of the Customer program

- Develop Voice of the Customer Program with comprehensive metrics to enable strong customer focus.

Leadership effectiveness

- Planning and transition for ELT succession and organisational development
- Further develop groupwide culture of strong customer and innovation focus

Personal objectives

Robin Watson

Continued delivery against the Group strategic cycle: Provide mechanisms for delivering against the Group strategy and demonstrate continued tactical progress, including:

- Delivery of the sale of built environment
- Restructuring of the business following the sale of built environment
- Embedding new consultancy and S&D leadership teams
- Key customer KPIs for engagement, satisfaction, and growth
- Further develop digitisation strategy

Projects business unit: Continue to mature our projects business through growth and appropriate risk management

ESG and sustainability:

- Continue to deliver the sustainability programme
- Embed our sustainability credentials with the market through the organisational changes due to sale of built environment and restructuring of business
- Continue to deliver against our ESG dashboard and commitments

Active risk management and business ethics leadership:

- Actively mitigate company primary risks aligned to the Group Risk Management programme
- Continue to manage Crisis Management Team through business 'normalisation' / hybrid working in 2022
- Handover of ethics & compliance function to Group legal function

David Kemp

Deliver strategic review of built environment business:

- Implement Board's decision
- Implement sale of business
- Gain shareholder approval

Contribute to the Group strategy post sale of built environment taking responsibility for key financial areas including dividend policy

Reshape Group's cost base post sale of built environment

- Central and shared cost review and implementation
- Implement F&A actions

Capital structure and financing:

- Develop Financing strategy post sale of built environment
- Execute agreed financing strategy ensuring business maintains sufficient liquidity, sufficient covenant headroom and meets audit requirements

Investor engagement:

- Proactive engagement with investor community to ensure support and approval of sale of built environment business
- Preparation for capital markets day to outline the new investment case for Wood post the sale of built environment

Chair of the Board and non-executive directors

Single figure of remuneration*

In line with our Directors' Remuneration Policy, non-executive directors receive a base fee in relation to their role. The remuneration of the non-executive directors is reviewed annually by the Chair, Chief Executive and Company Secretary, who make a recommendation to the Board, with changes ordinarily effective from 1 January. Additional fees may be paid for related duties including the senior independent directorship and for chairing, membership, and attendance of certain Board Committees as outlined in our fee structure table. The following table sets out the total single figure of remuneration for the Chair and each of the non-executive directors in the financial year. Fees are pro-rata where there was a change of appointment during the year, further details of Board changes are outlined on page 103.

	Year	Total fees (£'000)
Roy Franklin	**2021**	**£280.0**
	2020	£259.0
Adrian Marsh	**2021**	**£67.0**
	2020	£62.0
Thomas Botts	**2021**	**£67.0**
	2020	£62.0
Jacqui Ferguson	**2021**	**£67.0**
	2020	£57.2
Birgitte Brinch Madsen	**2021**	**£57.0**
	2020	£43.3
Nigel Mills	**2021**	**£67.0**
	2020	£38.7
Mary Shafer-Malicki	**2021**	**£21.0**
	2020	£52.7
Brenda Reichelderfer	**2021**	**£42.9**
	2020	–
Susan Steele	**2021**	**£42.9**
	2020	–
Jeremy Wilson (to 29 June 2020)	**2021**	**–**
	2020	£36.6

Note: Fees include base fee and an additional Committee fees in line with our fee structure and are calculated pro-rata based on the time in the role. Non-executive directors do not receive any taxable benefits which require to be reported.

Shareholdings*

Non-executive directors are not permitted to participate in any of the Company's incentive arrangements. The table below details the shareholding of the non-executive directors as at 31 December 2021, including those held by connected persons. Between 31 December 2021 and 19 April 2022, Jacqui Ferguson acquired an additional 1,873 shares. There have been no other changes to non-executive director shareholding detailed below since 31 December 2021.

	Shares owned outright 1 January 2021	Shares owned outright 31 December 2021
Roy Franklin	15,000	15,000
Adrian Marsh	2,000	27,000
Thomas Botts	8,500	8,500
Jacqui Ferguson	7,339	12,272
Birgitte Brinch Madsen	–	5,000
Nigel Mills	–	7,341
Brenda Reichelderfer	–	–
Susan Steele	–	–

Agreements for service

Non-executive directors and the Chair have an agreement for service with an initial three-year term, at the end of which a rolling agreement takes effect with no fixed expiry date. The agreement for service can be terminated by either party giving 90 days' notice. Non-executive directors and the Chair are subject to annual re-election (or election for new appointments) at the Annual General Meeting, (AGM). The table below details the terms for current directors between the 2021 AGM and expiry of the current term of their agreements if applicable.

	Date of Appointment	Notice period	Current term expiry
Roy Franklin [(a)]	06 October 2017	90 days	01 September 2022
Adrian Marsh	10 May 2019	90 days	10 May 2022
Thomas Botts	08 January 2013	90 days	No fixed expiry
Jacqui Ferguson	01 December 2016	90 days	No fixed expiry
Birgitte Brinch Madsen	01 March 2020	90 days	01 March 2023
Nigel Mills	01 May 2020	90 days	01 May 2023
Brenda Reichelderfer	31 March 2021	90 days	31 March 2024
Susan Steele	31 March 2021	90 days	31 March 2024

Notes

a. Roy Franklin's agreement for service was extended for a new three-year term beginning 1st September 2019 further to his appointment as Chair.

Fee structure

The Chair and non-executive director fee structure for 2021 and 2022 are set out below. Following market benchmarking analysis and in line with the wider workforce, the Committee increased the Chair of the Board annual fee by 2.5%; non-executive director fees by 2.6%; and the fees for the senior independent director and chairs of the committees by 3% in recognition of increased workload, effective 1 January 2022. Fees will be reviewed again in 2022 during the annual process. The fee structure reflects the time commitment of Committee responsibilities and ensures we continue to attract and retain from a diverse range of backgrounds.

	2021 fees per annum	2022 fees per annum
Chair of the Board annual fee	£280,000	£287,000
Annual non-executive director fee inclusive of all Committee attendance	£57,000	£58,500
Additional fee for Senior Independent Director	£10,000	£10,300
Additional fee for Audit / Remuneration / Safety, Assurance & Business Ethics Chairs	£10,000	£10,300

Changes to the Board during the year

Directors appointed

Brenda Reichelderfer and Susan Steele appointed to the Board 31 March 2021

Directors resigned

Mary Shafer-Malicki retired from the Board on 13 May 2021

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