

# Reward Policy



**Wood understands that our people are what make us a truly successful company. Ensuring fair, competitive and transparent reward is key to aligning our employees needs with our business objectives and strategy and enabling us to attract, retain, engage and mobilise the right people to the right place at the right time at the right cost.**

## **Purpose:**

Our reward policy and philosophy are to have fair and externally competitive reward frameworks which align to business strategy at group and local levels.

This policy aims to aid attraction and retention of individuals with the qualities, skills and experience required to deliver our strategic objectives, whilst providing flexible pay, benefits and retirement plans to a diverse workforce.

A global framework helps us to reward fairly and competitively, ensuring our values are maintained, and a balance is achieved between short and long-term reward and recognition. We will aim for consistency and alignment geographically, wherever possible, and to offer simple solutions to support the business.

## **Scope:**

This policy applies to all Wood employees (and potential employees) across our global organisation and is reviewed annually. This policy does not apply to contractors and consultants engaged by Wood.

## **Reward principles**

Our key principles considered in reward decisions are:

- **Individual contribution:** the ability to reward people for their ability and performance, managed consistently within our reward frameworks, with flexibility to recognise exceptional performance, skills, competencies, experience and potential supporting consistency in decisions.
- **Externally competitive:** market analysis and benchmarking of reward frameworks and plans will ensure Wood remains competitive in the markets in which we operate
- **Ability to pay:** company and client affordability linked to business performance

- **Internally fair and legally compliant:** ensuring minimum legislative requirements are met and we are ensuring compliance within our equal opportunities policy

## **Fixed reward**

We offer our employees a competitive base salary. Base pay aims to provide an appropriate level of fixed pay to attract and retain individuals with the qualities, skills and experience required to deliver our business objectives. Wood's pay policy is to set base pay, and corresponding salary structures, against job grades using market data. Base pay salary ranges are typically set using median, also referred to as mid-point or 50th percentile, with flexibility to meet local business needs. We use external salary data sources, which reflect local market decisions, to inform decisions on base pay.

Wood has a global job and grading framework which is underpinned by a formal job evaluation methodology, which supports a consistent approach to grading jobs; this ensures fair application of reward for jobs of equal value.

## **Variable Reward**

Variable pay includes short and long-term incentive plans and the Employee Share Plan (ESP) which are aligned to delivering business strategic goals, performance and long-term creation of shareholder value.

We incentivise our business leaders and managers to deliver exceptional results short term and long term, balancing out annual objectives with the requirement to align to and deliver the longer-term Wood strategy, with the right behaviours and to aid retention of key talent. Other bonus plans may include project or client plans which will be administered locally.

The ESP has been designed to encourage share ownership across Wood and is available to most of our employees, giving the opportunity to purchase Wood shares and receive a match. The plan will operate, where feasible, in every country in which we have employees. Eligible employees may choose to enrol annually.



## Benefits and Retirement

Wood is committed to providing a comprehensive, flexible, competitive benefits and retirement programs for eligible employees which support regional and local business strategy. Benefit and retirement plans aim to enhance employee engagement, ensure financial sustainability, reduce complexity, enable competitiveness and mitigate risk whilst providing flexible benefits and retirement plans to a diverse workforce. Plans will be relevant to local market practice and reviewed from time to time to ensure compliance and on-going competitiveness.

## Executive Directors

As a FTSE listed company, the additional executive director's remuneration policy complies with all UK PLC governance requirements and is approved by shareholders at the Annual General Meeting (AGM).

## Roles and responsibilities

### Line managers:

- ensure individual application of reward is in line with the standard and guidance, providing clear rationale as required
- respond to employee queries
- act in accordance with any plan rules as applicable to any bonus, incentive or reward programme
- determine clear objectives for plans which aim to deliver business strategy

### Employees:

- act in accordance with any plan rules as applicable to any bonus, incentive or reward programme
- understand reward programmes available and take responsibility for personal tax implications

### Compensation and benefits:

- set the standards, policies and frameworks
- provide benchmarking
- maintain, review and update reward programmes and plans
- lead local communication and engagement

### P&O:

- ensure reward frameworks are understood and implemented and local exceptions processes are followed

- support line manager decisions on reward through facilitated discussions
- ensure fairness of application across area of responsibility



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