FOR IMMEDIATE RELEASE

13 MARCH 2017

Recommended All-Share Offer
for
Amec Foster Wheeler plc (“Amec Foster Wheeler”)
by
John Wood Group PLC (“Wood Group”)

The boards of Amec Foster Wheeler and Wood Group are pleased to announce that they have reached agreement on the terms of a recommended all-share offer by Wood Group to acquire the entire issued and to be issued share capital of Amec Foster Wheeler (the “Combination” to form the “Combined Group”).

Summary

- Under the terms of the Combination, each Amec Foster Wheeler Shareholder will receive:
  
  for each Amec Foster Wheeler Share: 0.75 New Wood Group Shares

- Based on the Closing Price of £7.52 per Wood Group Share on 10 March 2017 (being the last Business Day before the date of this Announcement), the terms of the Combination represent:
  
  - a value of approximately £5.64 per Amec Foster Wheeler Share; and
  
  - a premium of approximately:
    
    o 28.7 per cent. to the prior 30 trading day volume weighted average price of £4.53 per Amec Foster Wheeler Share as at 10 March 2017, based on a prior 30 trading day volume weighted average price of £7.77 per Wood Group Share as at 10 March 2017 (being the last Business Day before the date of this Announcement); and
    
    o 15.3 per cent. to the Closing Price of £4.89 per Amec Foster Wheeler Share on 10 March 2017 (being the last Business Day before the date of this Announcement).
Based on the Closing Price of £7.52 per Wood Group Share on 10 March 2017, the terms of the Combination value the issued and to be issued share capital of Amec Foster Wheeler at approximately £2,225 million.

The Combination will result in Amec Foster Wheeler Shareholders owning approximately 44 per cent. of the share capital of the Combined Group (based on the existing ordinary issued share capital of Wood Group and the fully diluted share capital of Amec Foster Wheeler) and sharing in the benefits accruing to the Combined Group via the realisation of significant cost and revenue synergies.

Opportunities for cost and revenue synergies have been identified which support the significant shareholder value creation opportunity of the Combination. The Wood Group Directors, having reviewed and analysed the potential cost synergies of the Combination, based on their experience of operating in the engineering and technical services industry, and taking into account the factors they can influence, believe that the Combined Group will be able to achieve significant sustainable cost synergies of at least £110 million, equivalent to approximately US$134 million (using a dollar:sterling exchange rate of 1.2171:1 as set out in the Bases and Sources at Appendix 2 to this Announcement), per annum on a recurring basis.

The Wood Group Directors also believe that significant additional revenue growth opportunities may be realised by the Combined Group as a result of the Combination.

Robin Watson and David Kemp, currently CEO and CFO of Wood Group respectively, will continue as CEO and CFO of the Combined Group. Ian Marchant will continue as Chairman of the Combined Group.

Four members of the Amec Foster Wheeler Board will join the board of the Combined Group upon completion of the Combination as non-executive directors, with Roy Franklin joining as Deputy Chairman and Senior Independent Director.

Commenting on today’s announcement, Ian Marchant, the Chairman of Wood Group said:

“The Combination represents a transformational transaction for Wood Group, which accelerates our strategy and creates a global leader in project, engineering and technical services delivery across a range of industrial sectors. The Combination extends the scale and scope of our services, deepens our existing customer relationships, facilitates further development of our technology-enabled solutions and broadens our end market, geographic and customer exposure.

The Combination will create an asset-light, largely reimbursable business of greater scale and enhanced capability, diversified across the oil & gas, chemicals, renewables, environment & infrastructure and mining segments.

By leveraging Amec Foster Wheeler’s and Wood Group’s combined asset life cycle services across project delivery, engineering, modifications, construction, operations, maintenance and consulting activities, the Combined Group will be able to better capitalise on growth opportunities across a broad cross section of energy and industrial end markets.
Delivering significant sustainable synergies will also result in a leaner and more competitive Combined Group, creating value for shareholders.

Amec Foster Wheeler’s shareholders will become shareholders in the Combined Group, thereby gaining from the enhanced operating capabilities, and benefiting from a share of the synergies, a stronger balance sheet and Wood Group’s progressive dividend policy.

The Wood Group Board is confident that the Combination will build on the individual platforms of Wood Group and Amec Foster Wheeler to the benefit and advantage of customers, employees and other stakeholders.

The Combination has been unanimously recommended by the boards of Wood Group and Amec Foster Wheeler, and the Wood Group team looks forward to working with the Amec Foster Wheeler team to further develop the Combined Group over the longer term."

- Commenting on the Combination, John Connolly, the Chairman of Amec Foster Wheeler said:

  “Since the arrival of Jonathan Lewis as CEO, the executive management team of Amec Foster Wheeler has made significant progress towards the transformation of the business. This has been achieved through cost reduction initiatives, the disposal of non-core assets and a reorganisation of the business. The Amec Foster Wheeler Board have fully supported the revised strategy and the preparations to deliver the appropriate balance sheet to support the standalone prospects of Amec Foster Wheeler.

However, the Amec Foster Wheeler Board believes that a combination with Wood Group adds to the standalone prospects of Amec Foster Wheeler, by accelerating the delivery of the future value inherent in the Amec Foster Wheeler business and, at the same time, helps to realise the full potential of each of Amec Foster Wheeler and Wood Group. The all-share structure of the offer allows our shareholders to benefit from the significant synergies and other strategic benefits that are expected to be realised from the Combination. Amec Foster Wheeler will also be well represented on the board of the Combined Group, with four of our directors joining the Combined Group’s board, including Roy Franklin, who will be appointed Deputy Chairman and Senior Independent Director.”

Financial benefits and effects

- The Wood Group Directors have identified pre-tax cost synergies that are expected to reach a run rate of at least £110 million, equivalent to approximately US$134 million (using a dollar:sterling exchange rate of 1.2171:1 as set out in the Bases and Sources of Appendix 2 to this Announcement), per annum by the end of the third year following completion of the Combination.

- Wood Group estimates that realisation of these synergies would give rise to one-off costs of approximately £190 million (US$231 million) incurred in the first three years post completion.
The Combination is expected to be earnings-accretive on an adjusted EPS basis for both Wood Group and Amec Foster Wheeler in the first full year following completion of the Combination and significantly accretive once full run rate synergies are achieved.  

The Combined Group will have pro-forma net debt of US$1.6 billion, representing 1.9x pro-forma 2016 pre-synergy EBITDA.

The net debt to EBITDA ratio is expected to trend to the preferred range of 0.5x to 1.5x by the end of the eighteen month period following the Effective Date.

After completion of the Combination, the board of the Combined Group intends to continue to pursue Wood Group’s progressive dividend policy, following on from the total distribution for 2016 of 33.3 US cents per Wood Group Share.

Amec Foster Wheeler Shareholders will not be entitled to any dividend planned, declared, made or paid by Wood Group for the benefit of the Wood Group Shareholders prior to the Effective Date.

Combination details

It is intended that the Combination will be implemented by means of a court-sanctioned scheme of arrangement of Amec Foster Wheeler under Part 26 of the Companies Act 2006, further details of which are contained in the full text of this Announcement. However, Wood Group reserves the right to implement the Combination by way of an Offer, subject to the Panel’s consent and the terms of the Co-operation Agreement.

The Amec Foster Wheeler Directors, who have been so advised by Goldman Sachs International, BofA Merrill Lynch and Barclays as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. In addition, the Amec Foster Wheeler Directors consider the terms of the Combination to be in the best interests of Amec Foster Wheeler and the Amec Foster Wheeler Shareholders as a whole. In providing its financial advice to the Amec Foster Wheeler Directors, each of Goldman Sachs International, BofA Merrill Lynch and Barclays has taken into account the commercial assessments of the Amec Foster Wheeler Directors. Accordingly, the Amec Foster Wheeler Directors intend to recommend unanimously that Amec Foster Wheeler Shareholders vote, at the Amec Foster Wheeler General Meeting and the Court Meeting, in favour of such resolutions as are necessary to approve, implement and give effect to the Scheme, as those Amec Foster Wheeler Directors who hold Amec Foster Wheeler Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 543,175 Amec Foster Wheeler Shares representing approximately 0.1 per cent. of Amec Foster Wheeler’s issued share capital on 10 March 2017, being the last Business Day before the date of this Announcement.

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1 This statement is not to be construed to be a profit forecast.
The Combination constitutes a Class 1 transaction for Wood Group for the purposes of the Listing Rules. Accordingly, the Combination will be conditional on the approval of the Wood Group Shareholders at the Wood Group General Meeting.

The Wood Group Directors consider the Combination to be in the best interests of Wood Group and the Wood Group Shareholders as a whole and intend to recommend unanimously that Wood Group Shareholders vote in favour of the Wood Group Resolutions at the Wood Group General Meeting which will be convened in connection with the Combination, as those Wood Group Directors who hold Wood Group Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 205,276 Wood Group Shares, representing approximately 0.1 per cent. of Wood Group’s issued share capital on 10 March 2017, being the last Business Day before the date of this Announcement.

The Wood Group Directors have received financial advice from J.P. Morgan Cazenove and Credit Suisse in relation to the Combination. In providing their advice to the Wood Group Directors, J.P. Morgan Cazenove and Credit Suisse have relied upon the Wood Group Directors’ commercial assessments of the Combination.

The Combination is subject to, inter alia, the receipt of the relevant clearances from competition authorities in Australia, Canada, Kazakhstan, Turkey, and the United Kingdom and the US, in addition to certain foreign investment and other approvals including under the CFIUS regime in the US. In addition, the Combination may be subject to national security review in Canada and in the United Kingdom (whether by the Secretary of State for Defence, the Secretary of State for Business, Enterprise, Innovation and Skills or otherwise). There will be other formal regulatory approval and notification requirements in a number of jurisdictions, in respect of which communications will be opened in due course. The Combination is also subject to such other conditions as are set out in paragraph 8 and Appendix 1 to this Announcement, and to the full terms and conditions which will be set out in the Scheme Document.

The Scheme Document will contain further information about the Combination and notices of the Court Meeting and Amec Foster Wheeler General Meeting. It is expected that the Scheme Document, including the Scheme and notices of the Amec Foster Wheeler Meetings, will be posted to Amec Foster Wheeler Shareholders and, for information purposes only, to persons with information rights and to holders of options and awards granted under the Amec Foster Wheeler Share Plans, together with Forms of Proxy, in accordance with a timetable agreed between Amec Foster Wheeler and Wood Group from time to time, such that the Court Meeting and the Amec Foster Wheeler General Meeting shall be convened for not later than 15 June 2017 (or such other date as may be agreed by Amec Foster Wheeler and Wood Group). The Scheme Document will be made available by Wood Group on its website at www.woodgroup.com and by Amec Foster Wheeler on its website at www.amecfw.com. For the purposes of paragraph 3(a) of Appendix 7 to the City Code, the Panel has consented to an extension of the applicable date for posting.

It is expected that the Prospectus, containing information about the New Wood Group Shares, will be published at or around the same time as the Scheme Document is posted to Amec Foster Wheeler Shareholders. It is also expected that the Circular, containing details of the Combination and notice of the Wood Group General Meeting, will be posted to Wood Group Shareholders at or around the same time as the Scheme Document is posted to
Amec Foster Wheeler Shareholders, such that the Wood Group General Meeting will be held at or around the same time and on the same date as the Court Meeting and/or the Amec Foster Wheeler General Meeting and not later than 15 June 2017 (or such other date as may be agreed by Amec Foster Wheeler and Wood Group). The Prospectus and the Circular will each be made available by Wood Group on its website at www.woodgroup.com and by Amec Foster Wheeler on its website at www.amecfw.com.

- The Combination is expected to become effective in the second half of 2017, subject to satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement.

This summary should be read in conjunction with, and is subject to, the following full Announcement and the Appendices.

The Combination will be subject to, inter alia, the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to this Announcement contains bases of calculations and sources of certain information contained in this Announcement. Details of irrevocable undertakings received by Amec Foster Wheeler and Wood Group are set out in Appendix 3 to this Announcement. Appendix 4 to this Announcement contain details of and bases of calculation of the anticipated quantified financial benefits of the Combination, together with the related reports from Wood Group’s reporting accountants, PwC, and Wood Group’s financial advisers, J.P. Morgan Cazenove and Credit Suisse as required under Rule 28.1(a) of the City Code. Each of PwC, J.P. Morgan Cazenove and Credit Suisse has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included. Certain terms used in this summary and this Announcement are defined in Appendix 5 to the full Announcement.

For the purpose of Rule 28 of the City Code, the Quantified Financial Benefits Statement contained in Part A of Appendix 4 to this Announcement is the responsibility of Wood Group and the Wood Group Directors and not of the Amec Foster Wheeler Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Wood Group Directors and not of the Amec Foster Wheeler Directors.

Analyst and investor presentations

There will be an analysts’ briefing at the Lincoln Centre, 18 Lincoln’s Inn Fields, London WC2A 3ED today at 9.30am. There will also be a live webcast of this briefing. Information on how to access the live audio webcast can be found at http://edge.mediaserver.com/m/p/w6qybj7v.

The recorded briefing and the accompanying slides will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at www.woodgroup.com and www.amecfw.com.

A copy of this Announcement is available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Wood Group’s website at www.woodgroup.com and on the Amec Foster Wheeler website at www.amecfw.com. Your attention is also drawn to the important information below.
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Slaughter and May are retained as legal adviser to Wood Group. Linklaters LLP are retained as legal adviser to Amec Foster Wheeler.

**Further information**

This Announcement is for information purposes only and is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for or otherwise acquire or dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Combination or otherwise, nor will there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Combination will be made solely pursuant to the terms of the Scheme Document (or, in the event that the Combination is to be implemented by means of an Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Scheme, including details of how to vote in respect of the Combination. Any decision in respect of, or other response to, the Combination by Amec Foster Wheeler Shareholders should be made only on the basis of the information contained in the Scheme Document.
Amec Foster Wheeler will prepare the Scheme Document to be distributed to Amec Foster Wheeler Shareholders. Wood Group will prepare the Circular to be distributed to Wood Group Shareholders and will also publish the Prospectus containing information on the New Wood Group Shares and the Combined Group. Amec Foster Wheeler urges Amec Foster Wheeler Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Scheme, the New Wood Group Shares and the Combined Group. Wood Group urges Wood Group Shareholders to read the Prospectus and the Circular carefully when they become available because they will contain important information in relation to the Scheme, the New Wood Group Shares and the Combined Group. Any vote in respect of resolutions to be proposed at the Amec Foster Wheeler General Meeting or the Wood Group General Meeting to approve the Combination, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document, the Prospectus and, in the case of Wood Group Shareholders, the Circular.

This Announcement does not constitute a prospectus or prospectus equivalent document.

The Combination will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the UK Listing Authority.

Please be aware that addresses, electronic addresses and certain other information provided by Amec Foster Wheeler Shareholders, persons with information rights and other relevant persons for the receipt of communications from Amec Foster Wheeler may be provided to Wood Group during the offer period as required under Section 4 of Appendix 4 of the City Code to comply with Rule 2.11(c) of the City Code.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Cazenove is acting exclusively for Wood Group and no one else in connection with the Combination and the matters set out in this Announcement and will not be responsible to anyone other than Wood Group for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to the Combination or any other matters referred to in this Announcement.

Credit Suisse International ("Credit Suisse"), which is authorised by the PRA and regulated by the FCA and PRA in the United Kingdom, is acting as financial adviser exclusively for Wood Group and no one else in connection with the Combination and the matters set out in this Announcement and will not be responsible to anyone other than Wood Group for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the Combination, the content of this Announcement or any matter referred to herein. Neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.

Each of Goldman Sachs International, BofA Merrill Lynch and Barclays, who are authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, are acting exclusively for Amec Foster Wheeler and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Amec Foster Wheeler for providing the protections afforded to the respective clients of Goldman Sachs International, BofA Merrill Lynch and Barclays, or for providing advice
in connection with the contents of this announcement or any other matters referred to in this announcement.

**Overseas jurisdictions**

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Amec Foster Wheeler Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and other persons involved in the Combination disclaim any responsibility or liability for any violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Unless otherwise determined by Wood Group or required by the City Code, and permitted by applicable law and regulation, the Combination will not be made available directly or indirectly in, into or from a Restricted Jurisdiction or where to do so would violate the laws of a jurisdiction, and the Combination will not be capable of acceptance from or within a Restricted Jurisdiction.

Copies of this Announcement and any documentation relating to the Combination are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and any documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

If the Combination is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of New Wood Group Shares under the Combination to Amec Foster Wheeler Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the jurisdiction in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

The New Wood Group Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not
subject to, applicable securities laws of those jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

Notice to US investors in Amec Foster Wheeler: the Combination relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act, and it is expected that any New Wood Group Shares to be issued pursuant to the Scheme to Amec Foster Wheeler Shareholders would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof. Under applicable US securities laws, persons (whether or not US persons) who are or will be "affiliates" (within the meaning of Rule 144 of the US Securities Act) of Amec Foster Wheeler or Wood Group prior to, or of Wood Group after, the Effective Date will be subject to certain transfer restrictions relating to the New Wood Group Shares received in connection with the Combination. Accordingly, the Combination is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules and the US Securities Act. If, in the future, Wood Group exercises the right to implement the Combination by way of a takeover offer and determines to extend the offer into the United States, the Combination will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of Consideration by a US holder for the transfer of its Amec Foster Wheeler Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Amec Foster Wheeler Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Combination applicable to him.

It may be difficult for US holders of Amec Foster Wheeler Shares to enforce their rights and any claim arising out of the US federal laws, since Wood Group and Amec Foster Wheeler are located primarily in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Amec Foster Wheeler Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgement.

Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Amec Foster Wheeler will advise the Court that its sanctioning of the Scheme will be relied on by Wood Group as an approval of the Scheme following a hearing on its fairness to Amec Foster Wheeler Shareholders, at which Court hearing all Amec Foster Wheeler
Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification will be given to all such holders.

In accordance with normal UK practice and, if applicable, pursuant to Rule 14e-5(b) of the US Exchange Act, Wood Group or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Amec Foster Wheeler Shares outside of the US, other than pursuant to the Combination, until the date on which the Scheme becomes effective or lapses or is otherwise withdrawn. In addition, in accordance with the City Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, J.P. Morgan Cazenove and Credit Suisse, while serving as financial advisers and brokers to Wood Group, and Barclays and BofA Merrill Lynch, while serving as financial advisers and brokers to Amec Foster Wheeler, will each continue to act as exempt principal traders in Amec Foster Wheeler Shares on the London Stock Exchange. These purchases and activities by exempt principal traders, which may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and are required to be made public in the United Kingdom pursuant to the City Code, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Cautionary Note Regarding Forward-Looking Statements

This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Amec Foster Wheeler and certain plans and objectives of Wood Group with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Amec Foster Wheeler, and/or Wood Group in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Amec Foster Wheeler nor Wood Group assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.
Additional risk factors that may affect future results are contained in Amec Foster Wheeler’s Form 20-F for the year ended 31 December 2015 (available at www.amecfw.com and www.sec.gov). These risk factors expressly qualify all forward-looking statements contained in this Announcement and should also be considered by the reader.

For a discussion of important factors which could cause actual results to differ from forward-looking statements relating to Wood Group and the WG Group, refer to Wood Group’s annual report and accounts for the year ended 31 December 2015. Each forward-looking statement speaks only as of the date of this Announcement. None of Wood Group, the WG Group, Amec Foster Wheeler or the Amec Foster Wheeler Group undertakes any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except to the extent legally required. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this Announcement.

Quantified Financial Benefits Statement

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

No statement in the Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast or interpreted to mean that the Combined Group’s earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of Wood Group and/or Amec Foster Wheeler for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the City Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Wood Group and the Wood Group Directors.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 information

In accordance with Rule 2.9 of the City Code, Wood Group confirms that, as at close of business on 10 March 2017, being the last Business Day before the date of this Announcement, it has 381,025,384 ordinary shares of 4 2/7 pence each in issue and admitted to trading on the London Stock Exchange. Wood Group currently holds zero ordinary shares in treasury. Wood Group’s International Securities Identification Number (“ISIN”) is GB00B5N0P849.

In accordance with Rule 2.9 of the City Code, Amec Foster Wheeler confirms that, as at close of business on 10 March 2017, being the last Business Day before the date of this Announcement, it has 389,973,503 ordinary shares of 50 pence each in issue and admitted to trading on the London Stock Exchange. Amec Foster Wheeler currently holds 3,158,310 ordinary shares in treasury. The ISIN for Amec Foster Wheeler Shares is GB0000282623. Amec Foster Wheeler
has an ADR programme. Each ADS represents 1 ordinary share of 50 pence per share. The ADSs have the trading symbol AMFW.OTC and ISIN US00167X2053.

**Dealing and Opening Position Disclosure Requirements**

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel’s website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

**Publication on website and availability of hard copies**
A copy of this Announcement and the documents required to be published by Rule 26 of the City Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Wood Group’s website at www.woodgroup.com and Amec Foster Wheeler’s website at www.amecfw.com by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

Wood Group Shareholders may request a hard copy of this Announcement by: (i) contacting Equiniti during business hours on 0371 384 2649 if calling from the United Kingdom, or +44 121 415 7047 if calling from outside the United Kingdom (lines are open from 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)); or (ii) by submitting a request in writing to Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Wood Group Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

Amec Foster Wheeler Shareholders may request a hard copy of this Announcement by contacting Capita Asset Services during business hours on 0871 664 0300 if calling from the United Kingdom, or +44 (0)371 664 0300 if calling from outside the United Kingdom (lines are open from 9am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)); or (ii) by submitting a request in writing to Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Amec Foster Wheeler Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.
Recommenced All-Share Offer
for
Amec Foster Wheeler plc ("Amec Foster Wheeler")
by
John Wood Group PLC ("Wood Group")

1. Introduction

The boards of Amec Foster Wheeler and Wood Group are pleased to announce that they have reached agreement on the terms of a recommended all-share offer by Wood Group to acquire the entire issued and to be issued share capital of Amec Foster Wheeler (the "Combination" to form the "Combined Group").

It is intended that the Combination will be implemented by way of a court-sanctioned scheme of arrangement of Amec Foster Wheeler under Part 26 of the Companies Act 2006.

2. The Combination

Under the terms of the Combination, which will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document, Amec Foster Wheeler Shareholders will receive:

for each Amec Foster Wheeler Share: 0.75 New Wood Group Shares

Based on the Closing Price of £7.52 for a Wood Group Share on 10 March 2017 (being the last Business Day before the date of this Announcement), the terms of the Combination represent:

- a value of approximately £5.64 per Amec Foster Wheeler Share; and
- a premium of approximately:
  - 28.7 per cent. to the prior 30 trading day volume weighted average price of £4.53 per Amec Foster Wheeler Share as at 10 March 2017, based on an prior
30 trading day volume weighted average price of £7.77 per Wood Group Share as at 10 March 2017 (being the last Business Day before the date of this Announcement); and

- 15.3 per cent. to the Closing Price of £4.89 per Amec Foster Wheeler Share on 10 March 2017 (being the last Business Day before the date of this Announcement).

Based on the Closing Price of £7.52 per Wood Group Share on 10 March 2017, the terms of the Combination value the issued and to be issued share capital of Amec Foster Wheeler at approximately £2,225 million.

The Combination will result in Amec Foster Wheeler Shareholders owning approximately 44 per cent. of the Combined Group (based on the existing ordinary issued share capital of Wood Group and the fully diluted share capital of Amec Foster Wheeler) and sharing in the benefits accruing to the Combined Group via the realisation of significant cost and revenue synergies.

If, on or after the date of this Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of value is declared, made or paid or becomes payable in respect of Amec Foster Wheeler Shares, Wood Group reserves the right (without prejudice to any right Wood Group may have, with the consent of the Panel, to invoke Condition 19(C) in Part A of this Appendix 1 to this Announcement) to reduce the Consideration by the value implied under the terms of the Combination for the Amec Foster Wheeler Shares by an amount up to the amount of any such dividend, other distribution or return of value, in which case any reference in this Announcement or in the Scheme Document to the Consideration will be deemed to be a reference to the Consideration as so reduced.

The New Wood Group Shares will be issued credited as fully paid and will rank pari passu in all respects with the Wood Group Shares in issue at the time the New Wood Group Shares are issued pursuant to the Combination, including, subject as outlined below, the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Applications will be made to the UK Listing Authority for the New Wood Group Shares to be admitted to the Official List and to the London Stock Exchange for the New Wood Group Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities. Irrespective of the date on which the Effective Date falls, Amec Foster Wheeler Shareholders who receive New Wood Group Shares pursuant to the Scheme shall not be entitled to receive any interim dividend declared or paid by Wood Group in respect of the period ending 30 June 2017.

The Amec Foster Wheeler Shares will be acquired pursuant to the Combination fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching to them as at the date of this Announcement or subsequently attaching or accruing to them.

3. **Background to and reasons for the Combination**

The Wood Group Board believes the Combination is financially attractive and represents a compelling opportunity to accelerate the delivery of Wood Group’s strategy to become a global leader in project, engineering and technical services delivery across a broad platform of industrial sectors. This will be delivered by strengthening the breadth and range of services
offered, deepening existing customer relationships, creating new customer relationships and further distinguishing the diverse capabilities offered including technology-enabled solutions.

The Wood Group Board is confident that the Combination will build on the individual platforms of Wood Group and Amec Foster Wheeler to the benefit and advantage of shareholders, customers, employees and other stakeholders. The Combined Group will retain the commitment of both organisations to project execution, innovation and continuous improvement to ensure we adapt to the challenges that our markets may face.

The Wood Group Board believes that the Combination will result in the following:

**Creation of a diversified global leader with enhanced scale**

The Combination would bring together two ideal partners to create a market leader in project, engineering and technical services delivery which is uniquely positioned to serve a broad set of customers across a wide cross section of industrial markets, and would strengthen Wood Group and Amec Foster Wheeler’s overlapping segments.

As a result of the Combination, Wood Group would have a stronger, more diversified platform better able to manage the inherent market and contract volatility that faces the oil and gas industry.

**Mutual realisation of significant synergies**

Opportunities for cost and revenue synergies have been identified which support the significant shareholder value creation opportunity of the Combination. The Wood Group Directors, having reviewed and analysed the potential cost synergies of the Combination, based on their experience of operating in the engineering and technical services industry, and taking into account the factors they can influence, believe that the Combined Group will be able to achieve significant sustainable cost synergies of at least £110 million, equivalent to approximately US$134 million (using a dollar:sterling exchange rate of 1.2171:1 as set out in the Bases and Sources at Appendix 2 to this Announcement), per annum on a recurring basis. These synergies will be delivered utilising proven methodologies and primarily as a result of the elimination of duplicated overhead, efficiency savings from economies of scale and the avoidance of replicated ERP and systems investment. The Combined Group would also have the potential to realize incremental revenue synergies from significant cross-selling opportunities and enhanced service opportunities.

**Strong operational fit and shared asset-light business models should enable a very successful integration**

Upon completion of the Combination, management of the Combined Group will be positioned to drive a best-in-class integration as both companies share an unrelenting focus on leading asset-light operations, reimbursable contracts, strong positioning throughout the cycle and balanced access to customers’ revenue and both operating and capital budgets.

During 2016, Wood Group completed a repositioning exercise which has resulted in a service defined and regionally deployed operating structure which is ideally suited to help facilitate the integration of Amec Foster Wheeler. It is likely that the majority of Amec Foster Wheeler’s business will operate largely within Wood Group’s Asset Life Cycle Solutions and Specialist
Technical Solutions structure. Moderate adjustment may be required to accommodate and support Amec Foster Wheeler’s downstream and project capability.

Wood Group management has a proven track record of strong shareholder returns and the leadership has demonstrated its ability to deliver significant cost and value synergies of the type anticipated to arise from the Combination. As a result, the Wood Group Board believes that the Combination will generate significant shareholder value.

Upon completion of the Combination, the Combined Group is expected to employ circa 64,000 people globally.

4. **Financial benefits and effects of the Combination**

The Combination is expected to have the following financial effects:

- The Combination is expected to be earnings-accrative on an adjusted EPS basis for both Wood Group and Amec Foster Wheeler in the first full year following the Effective Date and significantly accretive once full run rate synergies are achieved.¹

- The Combined Group will have pro-forma net debt of US$1.6 billion, representing 1.9x pro-forma 2016 pre-synergy EBITDA.

- The net debt to EBITDA ratio is expected to trend to the preferred range of 0.5x to 1.5x by the end of the eighteen month period following the Effective Date.

- After completion of the Combination, the board of the Combined Group intends to continue to pursue Wood Group’s progressive dividend policy, following on from the total distribution for 2016 of 33.3 cents per Wood Group Share.

- Amec Foster Wheeler Shareholders will not be entitled to any dividend planned, declared, made or paid by Wood Group for the benefit of the Wood Group Shareholders prior to the Effective Date.

**Wood Group Quantified Financial Benefits Statement**

Wood Group is confident that, as a direct result of the Combination, the Combined Group could generate attractive synergies and create additional shareholder value. The Wood Group Directors have identified pre-tax cost synergies that are expected to reach a run rate of at least £110 million per annum, equivalent to approximately US$134 million (using a dollar:sterling exchange rate of 1.2171:1 as set out in the Bases and Sources of Appendix 2 to this Announcement) per annum, by the end of the third year following completion of the Combination.

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¹ This statement is not to be construed to be a profit forecast.
These anticipated synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis.

As further information and analysis becomes available, Wood Group is also confident of realising additional synergies that cannot be quantified for reporting at this time.

The potential sources of quantified cost savings, which are in addition to savings previously targeted and already underway by Wood Group and Amec Foster Wheeler separately, comprise:

- operating efficiencies: approximately 40 per cent. of the identified cost savings are expected to be generated from economies of scale in addressable operating cost, efficiencies in operational procurement spend and the reduction of duplicate costs across country and regional leadership;

- corporate efficiencies: approximately 30 per cent. of the identified cost synergies are expected to be generated from the reduction of duplicate costs across Board and executive leadership teams, in addition to other Corporate and Group functional costs; and

- administration efficiencies: approximately 30 per cent. of the identified cost synergies are expected to be generated from the consolidation of overlapping office locations, the elimination of duplicated IT systems and the reduction of duplicate costs across central support functions.

Wood Group estimates that realisation of these synergies would give rise to one-off costs of approximately £190 million (US$231 million) incurred in the first three years post-completion of the Combination.

Aside from the one-off costs referred to above, the Wood Group Directors do not expect any material dis-synergies to arise in connection with the Combination.

Bases of belief

In preparing the Quantified Financial Benefits Statement, Amec Foster Wheeler has provided Wood Group with certain operating and financial information to facilitate a detailed analysis in support of evaluating the potential synergies available from the Combination. In circumstances where data has been limited for commercial or other reasons, Wood Group management has made estimates and assumptions to aid its development of individual synergy initiatives.

The cost base used as the basis for the quantified exercise is Amec Foster Wheeler’s 2016 cost base, consistent with Amec Foster Wheeler’s 2016 unaudited full year trading update provided by Amec Foster Wheeler to Wood Group and released by Amec Foster Wheeler on 13 March 2017. Wood Group adjusted this information to take into account recent cost savings announced by Amec Foster Wheeler on 27 October 2016.

The assessment and quantification of the potential synergies have in turn been informed by Wood Group management’s industry experience as well as their experience of executing and integrating past acquisitions.
In arriving at the estimate of synergies set out in this Announcement, the Wood Group Board has assumed that Amec Foster Wheeler’s support function activities, such as Finance and HR, will transition onto Wood Group’s existing systems.

In general, the synergy assumptions have in turn been risk adjusted, exercising a degree of prudence in the calculation of the estimated synergy benefit set out above.

The Wood Group Board has, in addition, made the following assumptions, all of which are outside the influence of the Wood Group Board:

- there will be no material impact on the underlying operations of either company or their ability to continue to conduct their businesses;
- there will be no material change to macroeconomic, political, regulatory or legal conditions in the markets or regions in which Wood Group and Amec Foster Wheeler operate that materially impact on the implementation or costs to achieve the proposed cost savings;
- there will be no material change in current foreign exchange rates; and
- there will be no change in tax legislation or tax rates or other legislation or regulation in the countries in which Wood Group and Amec Foster Wheeler operate that could materially impact the ability to achieve any benefits.

This analysis assumes no business disposals.

Please refer to Appendix 4 to this Announcement for further details on these anticipated synergies. The Quantified Financial Benefits Statement set out above has been reported on under the City Code by PwC, and by Wood Group’s financial advisers, J.P. Morgan Cazenove and Credit Suisse. References to those anticipated synergies should be read in conjunction with Appendix 4.

5. Recommendations

The Amec Foster Wheeler Directors, who have been so advised by Goldman Sachs International, BofA Merrill Lynch and Barclays as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. In addition, the Amec Foster Wheeler Directors consider the terms of the Combination to be in the best interests of Amec Foster Wheeler and the Amec Foster Wheeler Shareholders as a whole. In providing its financial advice to the Amec Foster Wheeler Directors, each of Goldman Sachs International, BofA Merrill Lynch and Barclays has taken into account the commercial assessments of the Amec Foster Wheeler Directors.

Accordingly, the Amec Foster Wheeler Directors intend to recommend unanimously that Amec Foster Wheeler Shareholders vote, at the Amec Foster Wheeler General Meeting and the Court Meeting, in favour of such resolutions as are necessary to approve, implement and give effect to the Scheme (including any such resolutions to amend the articles of association of Amec Foster Wheeler as may be necessary) (or, in the event that the Combination is implemented by way of an Offer, to accept or procure the acceptance of such Offer). The Amec Foster Wheeler Directors who hold Amec Foster Wheeler Shares have irrevocably undertaken to vote in favour
of the relevant resolutions to give effect to the Scheme and the Combination in respect of their entire beneficial holdings of, in aggregate, 543,175 Amec Foster Wheeler Shares representing approximately 0.1 per cent. of Amec Foster Wheeler’s issued share capital on 10 March 2017, being the last Business Day before the date of this Announcement. Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement. In the event that the Combination is implemented by way of an Offer, the Amec Foster Wheeler Directors intend unanimously to recommend that Amec Foster Wheeler Shareholders accept or procure acceptance of such Offer. It is the Amec Foster Wheeler Directors’ intention, immediately following the announcement by Amec Foster Wheeler of its results for the year ended 31 December 2016 which will end the closed period to which Amec Foster Wheeler is subject under Article 19(11) of the Market Abuse Regulation as of the date of this Announcement, to undertake irrevocably to accept or procure acceptance of such Offer in respect of their own beneficial holdings of Amec Foster Wheeler Shares.

Each of Goldman Sachs International, BofA Merrill Lynch and Barclays has given and not withdrawn its consent to the inclusion in this Announcement of references to its respective advice to the Amec Foster Wheeler Directors in the form and context in which they appear.

The Combination constitutes a Class 1 transaction for Wood Group for the purposes of the Listing Rules. Accordingly, the Combination will be conditional on the approval of the Wood Group Shareholders at the Wood Group General Meeting.

The Wood Group Directors have received financial advice from J.P. Morgan Cazenove and Credit Suisse in relation to the Combination. In providing their advice, J.P. Morgan Cazenove and Credit Suisse have relied upon the Wood Group Directors’ commercial assessments of the Combination.

The Wood Group Directors consider the Combination to be in the best interests of Wood Group and the Wood Group Shareholders as a whole and intend to recommend unanimously that Wood Group Shareholders vote in favour of the relevant resolutions at the Wood Group General Meeting which will be convened in connection with the Combination, as those Wood Group Directors who hold Wood Group Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 205,276 Wood Group Shares, representing approximately 0.1 per cent. of Wood Group’s issued share capital on 10 March 2017, being the last Business Day before the date of this Announcement.

J.P. Morgan Cazenove and Credit Suisse have given and not withdrawn their consent to the inclusion in this Announcement of references to their advice to the Wood Group Directors in the form and context in which they appear.

6. **Background to and reasons for the Amec Foster Wheeler Board’s recommendation**

**Introduction**

The Amec Foster Wheeler Board is confident in the standalone prospects of Amec Foster Wheeler, and in particular its new operational and strategic priorities as set out below and the actions it had planned to undertake to deleverage Amec Foster Wheeler. However, the Amec Foster Wheeler Board believes that the Combination announced today offers Amec Foster Wheeler’s shareholders an accelerated value creation opportunity by participating in the
Combined Group on attractive terms, and provides them with an opportunity to benefit from the significant synergies that are expected to arise from the Combination. In addition, in evaluating the proposal from Wood Group, the Amec Foster Wheeler Board also gave consideration to the fact that delivery of the standalone strategy for Amec Foster Wheeler would have required a rights issue of approximately £500 million to deleverage Amec Foster Wheeler.

Overview of Amec Foster Wheeler’s Standalone Prospects

In the period following Amec Foster Wheeler’s acquisition of Foster Wheeler AG, given adverse conditions in end markets, the Amec Foster Wheeler Board implemented a number of actions to strengthen the group and to improve the balance sheet, including reducing dividend payments, exiting non-core businesses and, in June 2016, appointing Jonathan Lewis as Chief Executive.

Under the leadership of Jonathan Lewis, Amec Foster Wheeler initiated a wide-ranging review of its organisational structure, cost base, strategy and financial position. The initial conclusions of this review were announced in October 2016, including the reorganisation of Amec Foster Wheeler into four market-based business lines and a focus on delayering management, removing overlapping functions, reducing indirect procurement and investing in new systems and processes to increase efficiency and to enable Amec Foster Wheeler to reduce its cost base by £100 million per annum by 2019. These savings would have achieved their full run rate by 2019. Wood Group has confirmed to Amec Foster Wheeler that the synergies announced by Wood Group as part of the proposed acquisition of Amec Foster Wheeler are separate to these cost savings. The key findings of this review and Amec Foster Wheeler’s new standalone strategy, which were due to be shared with shareholders on 21 March 2017, were as follows:

1. **Operational and Financial Focus**: create greater operational and financial discipline through a reorganisation into four market-facing business lines (as already announced), implementing a single set of operational procedures, enhanced management accountability and ensuring Amec Foster Wheeler benefits from the scale efficiencies that an organisation of its nature, diversified across markets, should provide;

2. **Customer Focus**: improve Amec Foster Wheeler’s customer proposition, enhancing Amec Foster Wheeler’s cost effectiveness and improving the technical and information technology capabilities it can offer to its customers; and

3. **Financial Focus**: greater focus on cash generation, principally through improved operational efficiency and lower exceptional costs, with the target of generating free cash flow on a sustainable basis.

In order to provide Amec Foster Wheeler with financial and operational flexibility to implement this strategy, the Amec Foster Wheeler Board has been preparing to launch a rights issue of approximately £500 million on 21 March 2017, and has decided to suspend dividend payments (including the final dividend for 2016) until Amec Foster Wheeler is generating sustainable free cash flow. In light of the Combination, the preparations for a rights issue have been suspended. With the proceeds of the planned disposal of Amec Foster Wheeler’s nuclear business now expected in Q3 2017, to ensure continued compliance with its financial covenants, Amec Foster Wheeler is today initiating a process to increase the leverage covenant in its debt facilities to provide additional headroom prior to the measurement period ending 30 June 2017.

Assessment of Proposed Combination with Wood Group
In assessing the proposed Combination with Wood Group, the Amec Foster Wheeler Board considered a range of factors, including:

- The Combination with Wood Group would create an enlarged group with an attractive investment case, building on the individual platforms of the Amec Foster Wheeler and Wood Group businesses;

- The terms of the Combination provide Amec Foster Wheeler Shareholders with a premium of 28.7 per cent. to the prior 30 trading day volume weighted average price of £4.53 per Amec Foster Wheeler Share as at 10 March 2017, based on a prior 30 day trading volume weighted average price of £7.77 per Wood Group Share as at 10 March 2017 (being the last Business Day before the date of this Announcement), and a premium of 15.3 per cent. to the Closing Price of £4.89 per Amec Foster Wheeler Share on 10 March 2017;

- If implemented, Amec Foster Wheeler Shareholders would own approximately 44 per cent. of the Combined Group and would participate pro rata in the benefits expected to accrue, including the cost synergies of at least £110 million per annum, and the incremental strategic benefits that are expected to be realised from the Combination; and

- The opportunity for Amec Foster Wheeler Shareholders to continue to receive regular dividends sooner than would be the case if Amec Foster Wheeler pursued its standalone strategy.

The Amec Foster Wheeler Board is pleased that the four members of the board of the Combined Group that will be nominated by Amec Foster Wheeler (including the Deputy Chairman and Senior Independent Director, Roy Franklin) will be in a position to support the board and management team of the Combined Group in delivering the integration of Amec Foster Wheeler and Wood Group, and the resulting synergies.

Accordingly, whilst Amec Foster Wheeler has attractive standalone prospects, following careful consideration of the above factors, the Amec Foster Wheeler Board believes that the Combination is in the best interests of Amec Foster Wheeler Shareholders.

7. **Amec Foster Wheeler Full Year Trading Update**

*Unaudited full year trading update*

Revenue in 2016 was £5,440m (2015: £5,455m), down 8% on a like for like basis, as a strong performance in solar and E&I was offset by continuing weakness in the oil and gas market.

Trading profit in 2016 was £318m (2015: £374m). Significant progress on Amec Foster Wheeler’s £100m overhead cost reduction programme in the fourth quarter was offset by ongoing challenging conditions in the oil and gas market and the impact of cost over-runs on a fixed price US government contract in the Pacific in the E&I segment. Overall, trading margin was 5.8%, 110 basis points lower than 2015.

Adjusted diluted EPS for continuing operations was 50.4p (2015: 67.7p).
The order book at the end of December stood at £5.8bn, compared to £6.2bn at the half year. Since the year end Amec Foster Wheeler has seen a number of contract wins which have not been fully recorded in the order book, and which gives Amec Foster Wheeler confidence in the outlook.

Net debt at the end of December was £1,021m, benefitting from strong cash collection in Q4 and £70m of proceeds from the non-core disposal programme. Amec Foster Wheeler’s net debt to adjusted EBITDA at the end of December 2016 stood at 3.3x. At the end of December 2016, Amec Foster Wheeler’s asbestos related liabilities net of insurance recoveries were £334m (2015: £296m), and its net pension liability was £137m (2015: asset of £63m).

This trading update is unaudited and the figures contained in it are subject to amendments that may be required for events that occur after the date of this announcement but which provide further evidence of events that existed at the balance sheet date.

Additional analysis of Amec Foster Wheeler’s trading results in its new organisation segments has been separately announced today by Amec Foster Wheeler.

**Outlook for 2017**

In 2017, Amec Foster Wheeler continues to expect another year of oil and gas decline and for solar activity to reduce significantly from the record levels in 2016. It is also expected that there will be a better performance from E&I and a further significant contribution from standalone overhead cost savings.

**Full year results and investor event update**

As a consequence of the recommended all share offer by Wood Group, Amec Foster Wheeler is no longer planning to release its full year results and host the investor event on 21 March 2017. Amec Foster Wheeler plans to release its audited results and publish its annual report and accounts before 30 April 2017.

8. **Conditionality**

The Combination will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including, amongst other things, the receipt of the relevant clearances from competition authorities in Australia, Canada, Kazakhstan, Turkey, the United Kingdom and the United States, in addition to certain foreign investment and other approvals including under the CFIUS regime in the US. In addition, the Combination may be subject to national security review in Canada and in the United Kingdom (whether by the Secretary of State for Defence, the Secretary of State for Business, Enterprise, Innovation and Skills or otherwise). There will be other formal regulatory approval and notification requirements in a number of jurisdictions, in respect of which communications will be opened in due course.

In addition to the conditions specified above, the Combination will be subject to the other Conditions and certain further terms as set out in Appendix 1 to this Announcement and to the
full terms and conditions which will be set out in the Scheme Document, including, amongst other things:

(i) approval by a majority in number of Amec Foster Wheeler Shareholders representing not less than 75 per cent. in value of Amec Foster Wheeler Shareholders who are on the register of members of Amec Foster Wheeler at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting;

(ii) all resolutions required to approve and implement the Scheme and to approve certain related matters being duly passed by the requisite majority of Amec Foster Wheeler Shareholders at the Amec Foster Wheeler General Meeting;

(iii) the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Amec Foster Wheeler and Wood Group) and, following such approval, the delivery of a copy of the Scheme Court Order to the Registrar of Companies by no later than the Longstop Date; and

(iv) all resolutions required to approve and implement the Scheme and acquisition of the Amec Foster Wheeler Shares and to approve certain related matters being duly passed by the requisite majority of Wood Group Shareholders at the Wood Group General Meeting; and

(v) Admission becoming effective.

9. Information relating to Amec Foster Wheeler

Amec Foster Wheeler serves major corporations and government bodies in the oil, gas & chemicals, mining, power and environment & infrastructure markets, offering consultancy, engineering, project management, operations and construction services, project delivery and specialised power equipment services to its customers worldwide. Amec Foster Wheeler assists customers in maximising the value of their assets, by reducing the capital cost of construction and lifetime cost of operation and maintenance through concept studies and design work, value engineering, consistent project delivery, the development of innovative solutions and the adoption of technology to enhance efficiency. The Amec Foster Wheeler Group operates in over 55 countries with over 300 offices worldwide, and employs around 35,000 people throughout its global operations. Its registered office is at Booths Park, Chelford Road, Knutsford, Cheshire WA16 8QZ, United Kingdom.

On 1 January 2017 Amec Foster Wheeler put into effect a new organisational structure with four market-facing business lines: (i) Oil, Gas & Chemicals (“OG&C”); (ii) Mining; (iii) Power and Process; and (iii) Environmental & Infrastructure, to ensure direct alignment with customers and their needs. Amec Foster Wheeler provides similar services to its customers in each of these end markets, including environment and infrastructure services in the OG&C, Mining and Power and Process markets, and many of its capabilities are transferable across markets. The Environment & Infrastructure market includes customers in the government, water, transportation & infrastructure, industrial and pharmaceuticals sectors. Amec Foster Wheeler has positioned itself across these markets to ensure that it benefits proportionately regardless of the relative weighting of future growth in the industry. Each market in which Amec Foster Wheeler operates is also, at least in part, cyclical and Amec Foster Wheeler’s diversification ensures that it is not dependent on any one sector. Amec Foster Wheeler works with a wide
range of customers across these markets ranging from “blue-chip” companies to national and local governments.

The Amec Foster Wheeler Shares are listed on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange with trading symbol AMFW and ISIN Number GB0000282623. Amec Foster Wheeler has an ADR programme for which Deutsche Bank Trust Company Americas acts as the depositary; the Amec Foster Wheeler ADSs have been listed on the NYSE since 13 November 2014 under the trading symbol AMFW.OTC and are traded in US dollars. Each Amec Foster Wheeler ADS represents one Amec Foster Wheeler Share.

10. **Information relating to Wood Group**

Wood Group is an international technical services company with approximately 29,000 people across more than 40 countries. Wood Group generated total revenue of US$4.9bn and total EBITA of US$363m for the year ended 31 December 2016.

Wood Group designs, modifies, constructs and operates industrial facilities mainly in the oil & gas sector. Wood Group provides services across the asset life cycle and enhances this with a wide range of specialist technical solutions. Wood Group employs an asset light, delivery focused business model and is differentiated by its range of services, track record of delivery and its people, culture and values.

In 2016, Wood Group reorganised and repositioned the business across Asset Life Cycle Solutions and Specialist Technical Solutions. This resulted in a move from an organisation defined by brand to one defined by service provision with the intention of enabling efficiency gains, as a simpler business with less internal complexity and increasing Wood Group’s effectiveness by enabling easier customer engagement.

11. **Management and employees**

Wood Group attaches great importance to the skills and experience of the existing management and employees of Amec Foster Wheeler and believes that they will be a key factor in maximising the opportunities that the Combination will present. Management and employees of Amec Foster Wheeler will have the potential to benefit from new opportunities within the Combined Group following the Combination.

The Wood Group management team will lead the Combined Group. Robin Watson and David Kemp will continue as CEO and CFO, respectively. Ian Marchant will continue as Chairman of the Wood Group Board.

On completion of the Combination, four members of the Amec Foster Wheeler Board will join the board of the Combined Group as non-executive directors, with Roy Franklin joining as Deputy Chairman and Senior Independent Director. This will ensure an appropriate balance of representation and governance.

For the employees of the Combined Group, the executive leadership of the Combined Group will aim to retain the best talent of Amec Foster Wheeler and Wood Group. The Wood Group Board recognises that, in order to achieve the expected benefits of the Combination, some operational and administrative restructuring will be required following completion of the
Combination. The synergy work carried out to date has confirmed the potential to generate cost savings for the Combined Group through corporate and administration efficiencies, including reducing headcount. However, at this stage, there are no fully developed proposals as to how and where such headcount reductions will be implemented. Further detailed analysis will need to be undertaken, which will be subject to engagement and (if applicable) consultation with relevant stakeholders (including employee representative bodies).

Wood Group confirms that the existing contractual and employment rights of the employees of Amec Foster Wheeler, including accrued pension rights under applicable laws, will be safeguarded following upon and following completion of the Combination. Further information in respect of employees will be set out in the Scheme Document.

12. **Amec Foster Wheeler Share Plans**

Participants in the Amec Foster Wheeler Share Plans will be contacted regarding the effect of the Combination on their rights under these schemes and appropriate proposals will be made to such participants in due course. Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document and in separate letters to be sent to participants in the Amec Foster Wheeler Share Plans.

The Combination will extend to any Amec Foster Wheeler Shares which are unconditionally allotted, issued or transferred to satisfy the exercise of options or vesting of awards under the Amec Foster Wheeler Share Plans prior to the Scheme Record Time.

13. **Offer-related Arrangements**

*Confidentiality Agreement*

Wood Group and Amec Foster Wheeler have entered into a confidentiality agreement dated 3 March 2017 pursuant to which each of Wood Group and Amec Foster Wheeler has undertaken, amongst other things, to: (i) keep confidential information relating to the other party and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation; and (ii) use the confidential information for the sole purpose of considering, evaluating, advising on or furthering the Combination. These obligations shall (subject to certain exceptions) remain in force until completion of the Combination. The agreement also contains certain provisions pursuant to which each party has agreed not to solicit certain employees of the other party, subject to customary carve-outs, for a period of 12 months.

*Confidentiality and Joint Defence Agreement*

Wood Group and Amec Foster Wheeler have also entered into a Confidentiality and Joint Defence Agreement dated 6 March 2017, the purpose of which is to ensure that the exchange and disclosure of certain materials relating to the parties and between their respective legal counsel for the purposes of the anti-trust work stream is ring-fenced and preserves the confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.
Clean Team Non-Disclosure Agreement

In addition, Wood Group and Amec Foster Wheeler have entered into a Clean Team Non-Disclosure Agreement dated 5 March 2017 which sets out how any confidential information that is competitively sensitive can be disclosed, used, or shared for the purposes of due diligence, synergies, evaluation, planning transition and regulatory clearance.

Co-operation Agreement

Wood Group and Amec Foster Wheeler have entered into the Co-operation Agreement, pursuant to which Wood Group has agreed to use its reasonable endeavours to ensure the satisfaction of the merger control and regulatory conditions to the Combination. Wood Group and Amec Foster Wheeler have agreed to use reasonable endeavours to provide each other with all necessary information in relation to the relevant merger control and regulatory clearances and authorisations. Wood Group and Amec Foster Wheeler have also agreed to provide each other with reasonable information, assistance and access for the preparation of the key shareholder documentation.

Wood Group has the right to terminate the Co-operation Agreement where:

(i) the Amec Foster Wheeler Directors have withdrawn, qualified, adversely modified or failed to provide, or they have failed to reaffirm (when requested by Wood Group to do so) their unanimous and unconditional recommendation that the Amec Foster Wheeler Shareholders vote in favour of the Scheme (including prior to the publication of the Scheme Document, their intention to do so);

(ii) the Scheme Document is not posted within 10 weeks of the date of this Announcement;

(iii) the Amec Foster Wheeler General Meeting or the Court Meeting is not held on or before the later of (a) the 22nd day after the expected date of such meetings and (b) 15 June 2017 (or such other date as may be agreed in writing between Wood Group and Amec Foster Wheeler);

(iv) the Scheme Court Hearing is not held on or before the later of (a) the 22nd day after the expected date of such hearing and (b) 30 days after all the Conditions (other than the Scheme Condition) have been satisfied or waived;

(v) Wood Group has notified Amec Foster Wheeler of a Condition which is incapable of satisfaction or waiver by the Long Stop Date (where its invocation is permitted by the Panel);

(vi) the Scheme is not approved at the Court Meeting, the relevant resolutions are not passed at the Amec Foster Wheeler General Meeting, or the Court refuses to sanction the Scheme;

(vii) if a Condition is incapable of satisfaction, in circumstances where invocation of the relevant Condition is permitted by the Panel; or

(viii) a competing transaction becomes effective or is recommended by the Amec Foster Wheeler Directors.
Either Wood Group or Amec Foster Wheeler may terminate the Co-operation Agreement on the occurrence of any of the break fee triggers (described below). Wood Group and Amec Foster Wheeler may also terminate the Co-operation Agreement by mutual consent.

The Co-operation Agreement will also terminate if:

(i) the Combination is withdrawn or lapses before the Long Stop Date, other than where: (I) Wood Group has exercised its right to implement the Combination as an Offer or (II) such lapse or withdrawal is followed within five Business Days by an announcement by Wood Group or any person acting in concert with Wood Group of a firm intention to make an offer on substantially the same or improved terms; or

(ii) the Scheme (or Offer, as the case may be) has not become effective by the Long Stop Date.

By way of compensation for any loss or damage that may be suffered by Amec Foster Wheeler in connection with the Combination, Wood Group has agreed to pay, or procure the payment of, a break fee of £25,000,000 if:

(i) the Wood Group Resolutions are not passed at the Wood Group General Meeting;

(ii) as at 5:00 p.m. on 15 June 2017 (or such other date as may be agreed in writing between Wood Group and Amec Foster Wheeler), no vote has been held on the Wood Group Resolutions;

(iii) Wood Group does not include the unanimous and unconditional recommendation of the Wood Group Directors to Wood Group Shareholders to vote in favour of the Combination in the Circular or withdraws, qualifies or modifies such recommendation in any adverse manner or fails to reaffirm such recommendation (when requested by Amec Foster Wheeler to do so);

(iv) on or before the Long Stop Date, Wood Group invokes (with the permission of the Panel) any of the Conditions set out in paragraphs 2 to 15 (in the case of paragraphs 12-15, the relevant “Third Party” being a regulatory authority) of Part A of Appendix 1 to this Announcement or such conditions have not been satisfied or waived by the Long Stop Date and as a result, in each case, the Combination lapses or terminates; or

(v) the CMA refers the Combination to a second phase review with the effect that the Combination lapses or terminates in accordance with Rule 12 of the Code.

No break fee will be payable if:

(i) certain termination events have already occurred prior to the relevant break fee trigger;

(ii) the relevant break fee trigger was caused to a material extent by Amec Foster Wheeler’s breach of its co-operation and assistance obligations in connection with merger control and regulatory clearances and authorisations or key shareholder documentation;
(iii) Wood Group has exercised its right to implement the Combination as an Offer in accordance with the Co-operation Agreement in circumstances where a third party’s firm intention to make an offer for Amec Foster Wheeler has been recommended by the Amec Foster Wheeler Directors or the Amec Foster Wheeler Directors have withdrawn their recommendation of the Scheme;

(iv) prior to the relevant break fee trigger, the Amec Foster Wheeler Directors have withdrawn, qualified or adversely modified, or they have failed to reaffirm (when requested by Wood Group to do so), their unanimous and unconditional recommendation that the Amec Foster Wheeler Shareholders vote in favour of the Scheme; or

(v) following the break fee trigger in paragraph (ii) or (iii) above but prior to any lapse or termination of the Scheme, the Wood Group Resolutions are passed at the Wood Group General Meeting.

The Co-operation Agreement also contains provisions that will apply in respect of the Amec Foster Wheeler Share Plans and certain other employee incentive arrangements.

14. Disclosure of interests in Amec Foster Wheeler

In connection with the Combination and in accordance with the relevant provisions of the City Code, Wood Group will make a public Opening Position Disclosure setting out details of its interests or short positions in, or rights to subscribe for, any relevant securities of the Amec Foster Wheeler by no later than 12 noon on the date falling 10 Business Days after the date of this Announcement.

Wood Group’s Opening Position Disclosure will include details of any interests or short positions in, or rights to subscribe for, any relevant securities of the Amec Foster Wheeler held by all persons acting in concert with Wood Group.

Except for the irrevocable commitments referred to in paragraph 17 below and for the 162 Amec Foster Wheeler Shares held (via TD Direct Investing) by David Kemp, CFO of Wood Group, as at the date of this Announcement, neither Wood Group, nor any of the Wood Group Directors, nor, so far as Wood Group is aware, any person acting in concert (within the meaning of the City Code) with Wood Group:

- has any interest in, or right to subscribe for, any Amec Foster Wheeler Shares nor does any such person have any short position in Amec Foster Wheeler Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Amec Foster Wheeler Shares; or

- has borrowed or lent any Amec Foster Wheeler Shares or entered into any financial collateral arrangements relating to Amec Foster Wheeler Shares; or

- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the City Code in relation to Amec Foster Wheeler Shares.

In the interests of secrecy prior to this Announcement, Wood Group has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by
the Panel to be acting in concert with Wood Group for the purposes of the Scheme. Further enquiries will be completed prior to publication of Wood Group’s Opening Position Disclosure.

15. **Scheme of Arrangement**

It is intended that the Combination will be effected by a court-sanctioned scheme of arrangement between Amec Foster Wheeler and the Scheme Shareholders under Part 26 of the Companies Act 2006. The purpose of the scheme is to provide for Wood Group to become owner of the whole of the issued and to be issued share capital of Amec Foster Wheeler. Under the Scheme, the Combination is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Wood Group in consideration for which Scheme Shareholders will receive the Consideration. The procedure involves, amongst other things, an application by Amec Foster Wheeler to the Court to sanction the Scheme.

The Combination will be subject to the Conditions and certain further terms and conditions referred to in Appendix 1 to this Announcement and to the full terms and conditions that will be set out in the Scheme Document.

The Scheme will only become effective if, among other things, the following events occur on or before the Longstop Date:

- the passing of a resolution at the Court Meeting to approve the Scheme. The resolution must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders;

- the passing of a special resolution at the Amec Foster Wheeler General Meeting, requiring the approval of Amec Foster Wheeler Shareholders present and voting representing at least 75 per cent. of the votes cast at the Amec Foster Wheeler General Meeting (either in person or by proxy);

- the Scheme being sanctioned (with or without modification, on terms agreed by Wood Group and Amec Foster Wheeler) by the Court following the Amec Foster Wheeler Meetings; and

- following such sanction, an office copy of the Scheme Court Order being delivered to the Registrar of Companies.

Upon the Scheme becoming effective: (i) it will be binding on all Amec Foster Wheeler Shareholders, irrespective of whether or not they attended or voted at the Amec Foster Wheeler Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Amec Foster Wheeler Shares will cease to be valid and entitlements to Amec Foster Wheeler Shares held within the CREST system will be cancelled. Fractions of New Wood Group Shares will not be allotted to Amec Foster Wheeler Shareholders pursuant to the Combination but will be aggregated and allotted and issued to a nominee appointed by Wood Group and such shares will then be sold in the market as soon as practicable after the Scheme becomes effective. The net proceeds of such sale will then be paid in cash to the relevant Amec Foster Wheeler Shareholders entitled to them in accordance with their fractional entitlements (rounded down to the nearest penny). However, individual fractional entitlements to amounts (net of expenses) not exceeding £3 will not be paid to the relevant Amec Foster
Wheeler Shareholders who would otherwise be entitled to them under the Combination, but will be retained for the benefit of the Combined Group.

If the Scheme does not become effective on or before the Longstop Date, it will lapse and the Combination will not proceed (unless the Panel otherwise consents).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the Amec Foster Wheeler General Meeting. The Scheme Document will also contain the expected timetable for the Combination, and will specify the actions available to be taken by the Scheme Shareholders. It is expected that the Scheme Document, including the Scheme and notices of the Amec Foster Wheeler Meetings, will be posted to Amec Foster Wheeler Shareholders and, for information purposes only, to persons with information rights and to holders of options granted under the Amec Foster Wheeler Share Plans, together with Forms of Proxy, in accordance with a timetable agreed between Amec Foster Wheeler and Wood Group from time to time, such that the Court Meeting and the Amec Foster Wheeler General Meeting shall be convened for no later than 15 June 2017 (or such other date as may be agreed between Amec Foster Wheeler and Wood Group). The Scheme Document and Forms of Proxy will be made available to all Amec Foster Wheeler Shareholders at no charge to them. For the purposes of paragraph 3(a) of the City Code, the Panel has consented to an extension of the applicable date for posting.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the UK Listing Authority.

16. Wood Group Shareholder approval and Prospectus

The Combination constitutes a Class 1 transaction for Wood Group. Accordingly, Wood Group will be required to seek the approval of Wood Group Shareholders for the Combination at the Wood Group General Meeting.

The Wood Group Directors intend to recommend unanimously Wood Group Shareholders to vote in favour of the relevant resolutions at the Wood Group General Meeting which will be convened in connection with the Combination, as the Wood Group Directors have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 205,276 Wood Group Shares, representing approximately 0.1 per cent. of Wood Group’s issued share capital on 10 March 2017, being the last Business Day before the date of this Announcement.

Wood Group will prepare and send to Wood Group Shareholders the Circular summarising the background to and reasons for the Combination which will include a notice convening the Wood Group General Meeting. The Combination is conditional on, among other things, the Wood Group Resolutions being passed by the requisite majority of Wood Group Shareholders at the Wood Group General Meeting (but not, for the avoidance of doubt, any other resolutions to be proposed at the Wood Group General Meeting which shall not be Conditions to the Combination).

Wood Group will also be required to produce the Prospectus in connection with the issue of the New Wood Group Shares and their Admission. The Prospectus will contain information relating to the Combination, the Combined Group and the New Wood Group Shares. The Prospectus, containing information about the New Wood Group Shares, will be published at or around the
same time as the Scheme Document is posted to Amec Foster Wheeler Shareholders. The Circular, containing details of the Combination and notice of the Wood Group General Meeting, will be posted to Wood Group Shareholders at or around the same time as the Scheme Document is posted to Amec Foster Wheeler Shareholders, and the Wood Group General Meeting will be held at or around the same time and on the same date as the Court Meeting and/or the Amec Foster Wheeler General Meeting and shall be convened no later than 15 June 2017 (or such other date as may be agreed between Amec Foster Wheeler and Wood Group).

17. **Irrevocable Undertakings**

Those Amec Foster Wheeler Directors who hold Amec Foster Wheeler Shares have irrevocably undertaken to vote in favour of the Scheme in respect of their own beneficial holdings totalling 543,175 Amec Foster Wheeler Shares in aggregate representing approximately 0.1 per cent. of Amec Foster Wheeler’s issued share capital as at 10 March 2017, being the last Business Day before the date of this Announcement. These irrevocable undertakings remain binding if a higher competing offer is made but cease to be binding if the Combination lapses or is withdrawn or otherwise becomes incapable of ever becoming effective. Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

Those Wood Group Directors who hold Wood Group Shares have irrevocably undertaken to vote in favour of the relevant resolutions at the Wood Group General Meeting which will be convened in connection with the Combination, in respect of their entire beneficial holdings of, in aggregate, 205,276 Wood Group Shares, representing approximately 0.1 per cent. of Wood Group’s issued share capital on 10 March 2017, being the last Business Day before the date of this Announcement.

18. **Amec Foster Wheeler ADSs**

Wood Group and Amec Foster Wheeler have agreed that they will put arrangements in place to allow holders of Amec Foster Wheeler ADSs to participate in the Combination. The Amec Foster Wheeler Depositary will contact holders of Amec Foster Wheeler ADSs with further details of these proposals in due course.

Holders of Amec Foster Wheeler ADSs should take particular notice of the deadline for providing voting instructions, which may be earlier than that applicable to Amec Foster Wheeler Shareholders. Amec Foster Wheeler ADS holders should consult the Scheme Document and other materials to be distributed by the Amec Foster Wheeler Depositary in connection with the Combination for further information in respect of giving voting instructions in respect of their Amec Foster Wheeler ADSs.

If Amec Foster Wheeler ADS holders wish to attend and vote at the Amec Foster Wheeler General Meeting as an Amec Foster Wheeler Shareholder, they may surrender their Amec Foster Wheeler ADSs (including any Amec Foster Wheeler ADRs evidencing such Amec Foster Wheeler ADSs) to the Amec Foster Wheeler Depositary for cancellation and withdraw the Amec Foster Wheeler Shares underlying the Amec Foster Wheeler ADSs in sufficient time to be entered on the Amec Foster Wheeler register of members. However, any withdrawal of Amec Foster Wheeler Shares underlying the Amec Foster Wheeler ADSs will result in the incurrence of cancellation fees, other expenses and any applicable taxes by the holder.
It is intended that, shortly before the Scheme becomes effective in accordance with its terms, arrangements will be made by Amec Foster Wheeler to file a Form 25 to delist the Amec Foster Wheeler ADSs from the NYSE. Following the Effective Date, it is intended that Amec Foster Wheeler’s ADR programme be terminated and de-registered with the SEC.

19. **Overseas Shareholders**

The availability of the Combination, and the distribution of this Announcement, to persons who are not resident in the United Kingdom or the United States, may be affected by the laws of the relevant jurisdiction in which they are located. Such persons should inform themselves of and observe any applicable legal or regulatory requirements of their jurisdiction. Amec Foster Wheeler Shareholders and holders of Amec Foster Wheeler ADSs who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Amec Foster Wheeler Shareholders are advised to read carefully the Scheme Document, the Prospectus, and the related Forms of Proxy once these have been dispatched.

20. **Listing of New Wood Group Shares, Delisting of Amec Foster Wheeler Shares and re-registration**

Application will be made to the FCA and the London Stock Exchange respectively for Admission. It is expected that Admission will become effective and dealings for normal settlement in the New Wood Group Shares will commence at or shortly after 8.00a.m. on the Effective Date.

The last day of dealings in, and registration of transfers of, Amec Foster Wheeler Shares on the London Stock Exchange is expected to be the Business Day prior to the Effective Date and no transfers will be registered after 6:00pm on that date.

Prior to the Scheme becoming effective, it is intended that applications will be made to the London Stock Exchange to cancel trading in Amec Foster Wheeler Shares on its Main Market for listed securities and to the UK Listing Authority to cancel the listing of the Amec Foster Wheeler Shares from the Official List, in each case with effect from or shortly following the Effective Date.

On the first Business Day after the Effective Date, entitlements held within the CREST system to the Amec Foster Wheeler Shares will be cancelled, and share certificates in respect of the Amec Foster Wheeler Shares will cease to be valid and should be destroyed.

As soon as possible after the Effective Date, it is intended that Amec Foster Wheeler will be re-registered as a private limited company.

If the Scheme is sanctioned by the Court, any Amec Foster Wheeler Shares held in treasury will be cancelled prior to the Scheme Record Time.
21. **Documents published on a website**

Copies of the following documents will, by no later than 12 noon on 14 March 2017, be published on Wood Group’s website at [www.woodgroup.com](http://www.woodgroup.com) and on Amec Foster Wheeler’s website at [www.amecfw.com](http://www.amecfw.com) until the end of the Combination:

(a) this Announcement;

(b) the irrevocable commitments listed in Appendix 3; and

(c) the Confidentiality Agreement, the Confidentiality and Joint Defence Agreement, the Clean Team Non-Disclosure Agreement and the Co-operation Agreement referred to in paragraph 12 above.

22. **General**

The Combination is subject to, inter alia, the receipt of the relevant clearances from competition authorities in Australia, Canada, Kazakhstan, Turkey, the United Kingdom and the US, in addition to certain foreign investment and other approvals including under the CFIUS regime in the United States. In addition, the Combination may be subject to national security review in Canada and in the United Kingdom (whether by the Secretary of State for Defence, the Secretary of State for Business, Enterprise, Innovation and Skills or otherwise). There will be other formal regulatory approval and notification requirements in a number of jurisdictions, in respect of which communications will be opened in due course. The Combination is also subject to such other conditions as are set out in Appendix 1 to this Announcement, and to the full terms and conditions which will be set out in the Scheme Document.

Wood Group reserves the right (subject to the Panel’s consent and to the terms of the Co-operation Agreement) to elect to implement the Combination by way of an Offer for the entire issued and to be issued share capital of Amec Foster Wheeler not already held by Wood Group as an alternative to the Scheme. In such an event an Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part C of Appendix 1 of this Announcement.

If the Combination is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received Wood Group intends to: (i) request the London Stock Exchange and the UK Listing Authority cancel trading in Amec Foster Wheeler Shares on the London Stock Exchange’s Main Market for listed securities and the listing of the Amec Foster Wheeler Shares from the Official List; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Amec Foster Wheeler Shares in respect of which the Offer has not been accepted.

The New Wood Group Shares to be issued pursuant to the Combination have not been, and will not be, listed on any stock exchange other than London Stock Exchange and have not been, and will not be, registered under the US Securities Act or under any laws of any state, district or other jurisdiction, of the United States, nor have clearances been, nor will they be, obtained from the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed, or registration made, under any securities law of any
province or territory of Canada, nor has a prospectus in relation to the New Wood Group Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the New Wood Group Shares to be offered in compliance with applicable securities laws of Japan, and no regulatory clearances in respect of the New Wood Group Shares have been, or will be, applied for in any other jurisdiction. Accordingly, unless an exemption under relevant securities laws is available, including the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof, the New Wood Group Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in, into or from the United States. Neither the SEC nor any US state securities commission has approved or disapproved of the New Wood Group Shares, or determined if this Announcement is accurate or complete. Any representation to the contrary is a criminal offence. See “Additional information for US investors” for additional information regarding the applicability of the United States securities laws and regulations to the Combination.

The bases and sources of certain information contained in this Announcement are set out in Appendix 2. Certain terms used in this Announcement are defined in Appendix 5.

Enquiries:

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Slaughter and May are retained as legal adviser to Wood Group. Linklaters LLP are retained as legal adviser to Amec Foster Wheeler.

**Further information**

This Announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for or otherwise acquire or dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Combination or otherwise, nor will there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Combination will be made solely pursuant to the terms of the Scheme Document, which, together with the Forms of Proxy, will contain the full terms and conditions of the Combination, including details of how to vote in respect of the Combination. Any decision in respect of, or other response to, the Combination by Amec Foster Wheeler Shareholders should be made only on the basis of the information contained in the Scheme Document.

Amec Foster Wheeler will prepare the Scheme Document to be distributed to Amec Foster Wheeler Shareholders. Wood Group will prepare the Circular to be distributed to Wood Group Shareholders and will also publish the Prospectus containing information on the New Wood Group Shares and the Combined Group. Amec Foster Wheeler urges Amec Foster Wheeler Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Scheme, the New Wood Group Shares and the Combined Group. Wood Group urges Wood Group Shareholders to read the Prospectus and the Circular carefully when they become available because they will contain important information in relation to the Scheme, the New Wood Group Shares and the Combined Group. Any vote in respect of resolutions to be proposed at the Amec Foster Wheeler General Meeting or the Wood Group General Meeting to approve the Combination, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document, the Prospectus and, in the case of Wood Group Shareholders, the Circular.

This Announcement does not constitute a prospectus or prospectus equivalent document.

The Combination will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the UK Listing Authority.

Please be aware that addresses, electronic addresses and certain other information provided by Amec Foster Wheeler Shareholders, persons with information rights and other relevant persons for the receipt of communications from Amec Foster Wheeler may be provided to Wood Group during the offer period as required under Section 4 of Appendix 4 of the City Code to comply with Rule 2.11(c).

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove (“J.P. Morgan Cazenove”), is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Cazenove is acting exclusively for Wood Group and no one else in connection with the Combination and the matters set out in this Announcement and will not be responsible to anyone other than Wood Group for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to the Combination or any other matters referred to in this Announcement.
Credit Suisse International ("Credit Suisse"), which is authorised by the PRA and regulated by
the FCA and PRA in the United Kingdom, is acting as financial adviser exclusively for Wood
Group and no one else in connection with the Combination and the matters set out in this
Announcement and will not be responsible to anyone other than Wood Group for providing the
protections afforded to clients of Credit Suisse, nor for providing advice in relation to the
Combination, the content of this Announcement or any matter referred to herein. Neither Credit
Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or
responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or
otherwise) to any person who is not a client of Credit Suisse in connection with this
Announcement, any statement contained herein or otherwise.

Each of Goldman Sachs International, BofA Merrill Lynch and Barclays, who are authorised by
the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the
Prudential Regulation Authority, are acting exclusively for Amec Foster Wheeler and no one else
in connection with the matters referred to in this announcement and will not be responsible to
anyone other than Amec Foster Wheeler for providing the protections afforded to the respective
clients of Goldman Sachs International, BofA Merrill Lynch and Barclays, or for providing advice
in connection with the contents of this announcement or any other matters referred to in this
announcement.

**Overseas jurisdictions**

The release, publication or distribution of this Announcement in jurisdictions other than the
United Kingdom may be restricted by law and therefore any persons who are subject to the laws
of any jurisdiction other than the United Kingdom should inform themselves about, and observe
any applicable requirements. In particular, the ability of persons who are not resident in the
United Kingdom to vote their Amec Foster Wheeler Shares with respect to the Scheme at the
Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court
Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they
are located. Any failure to comply with such requirements may constitute a violation of the
securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the
companies and other persons involved in the Combination disclaim any responsibility or liability
for any violation of such restrictions by any person.

This announcement has been prepared for the purpose of complying with English law and the
City Code and the information disclosed may not be the same as that which would have been
disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions
outside the United Kingdom. Unless otherwise determined by Wood Group or required by the
City Code, and permitted by applicable law and regulation, the Combination will not be made
available directly or indirectly in, into or from a Restricted Jurisdiction or where to do so would
violate the laws of a jurisdiction and the Combination will not be capable of acceptance from or
within a Restricted Jurisdiction.

Copies of this Announcement and any documentation relating to the Combination are not being,
and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or
sent in or into or from any Restricted Jurisdiction and persons receiving such documents
(including custodians, nominees and trustees) must not mail or otherwise forward, distribute or
send it in or into or from any Restricted Jurisdiction where to do so would violate the laws in that
jurisdiction, and persons receiving this Announcement and any documents relating to the
Combination (including custodians, nominees and trustees) must not mail or otherwise distribute
or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

If the Combination is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of New Wood Group Shares under the Combination to Amec Foster Wheeler Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the jurisdiction in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

The New Wood Group Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdictions.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

Notice to US investors in Amec Foster Wheeler: the Combination relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act, and it is expected that any New Wood Group Shares to be issued pursuant to the Scheme to Amec Foster Wheeler Shareholders would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof. Under applicable US securities laws, persons (whether or not US persons) who are or will be "affiliates" (within the meaning of Rule 144 of the US Securities Act) of Amec Foster Wheeler or Wood Group prior to, or of Wood Group after, the Effective Date will be subject to certain transfer restrictions relating to the New Wood Group Shares received in connection with the Combination. Accordingly, the Combination is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules and the US Securities Act. If, in the future, Wood Group exercises the right to implement the Combination by way of a takeover offer and determines to extend the offer into the United States, the Combination will be made in compliance with applicable United States laws and regulations, including any applicable exemptions provided under the US Exchange Act. Financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.
The receipt of Consideration by a US holder for the transfer of its Amec Foster Wheeler Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Amec Foster Wheeler Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Combination applicable to him.

It may be difficult for US holders of Amec Foster Wheeler Shares to enforce their rights and any claim arising out of the US federal laws, since Wood Group and Amec Foster Wheeler are located primarily in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Amec Foster Wheeler Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgement.

Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Amec Foster Wheeler will advise the Court that its sanctioning of the Scheme will be relied on by Wood Group as an approval of the Scheme following a hearing on its fairness to Amec Foster Wheeler Shareholders, at which Court hearing all Amec Foster Wheeler Shareholders are entitled to attend in person or though counsel to support or oppose the sanctioning of the Scheme and with respect to which notification will be given to all such holders.

In accordance with normal UK practice and, if applicable, pursuant to Rule 14e-5(b) of the US Exchange Act, Wood Group or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Amec Foster Wheeler Shares outside of the US, other than pursuant to the Combination, until the date on which the Scheme becomes effective or lapses or is otherwise withdrawn. In addition, in accordance with the City Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, J.P. Morgan Cazenove and Credit Suisse, while serving as financial advisers and brokers to Wood Group, and Barclays and BofA Merrill Lynch, while serving as financial advisers and brokers to Amec Foster Wheeler, will each continue to act as exempt principal traders in Amec Foster Wheeler Shares on the London Stock Exchange. These purchases and activities by exempt principal traders, which may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and are required to be made public in the United Kingdom pursuant to the City Code, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Cautionary Note Regarding Forward-Looking Statements

This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Amec Foster Wheeler and certain plans and objectives of Wood Group with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”,...
“goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Amec Foster Wheeler, and/or Wood Group in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Amec Foster Wheeler nor Wood Group assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Additional risk factors that may affect future results are contained in Amec Foster Wheeler’s Form 20-F for the year ended 31 December 2015 (available at www.amecfw.com and www.sec.gov). These risk factors expressly qualify all forward-looking statements contained in this Announcement and should also be considered by the reader.

For a discussion of important factors which could cause actual results to differ from forward-looking statements relating to Wood Group and the WG Group, refer to Wood Group’s annual report and accounts for the year ended 31 December 2015. Each forward-looking statement speaks only as of the date of this Announcement. None of Wood Group, the WG Group, Amec Foster Wheeler or the Amec Foster Wheeler Group undertakes any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except to the extent legally required. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this Announcement.

**Quantified Financial Benefits Statement**

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

No statement in the Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast or interpreted to mean that the Combined Group’s earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of Wood Group and/or Amec Foster Wheeler for the relevant preceding financial period or any other period. For the purposes of
Rule 28 of the City Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Wood Group and the Wood Group Directors.

**Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**Rule 2.9 information**

In accordance with Rule 2.9 of the City Code, Wood Group confirms that, as at close of business on 10 March 2017, being the last Business Day before the date of this Announcement, it has 381,025,384 ordinary shares of 4 2/7 pence each in issue and admitted to trading on the London Stock Exchange. Wood Group currently holds zero ordinary shares in treasury. Wood Group’s International Securities Identification Number (“ISIN”) is GB00B5N0P849.

In accordance with Rule 2.9 of the City Code, Amec Foster Wheeler confirms that, as at close of business on 10 March 2017, being the last Business Day before the date of this Announcement, it has 389,973,503 ordinary shares of 50 pence each in issue and admitted to trading on the London Stock Exchange. Amec Foster Wheeler currently holds 3,158,310 ordinary shares in treasury. The ISIN for Amec Foster Wheeler Shares is GB0000282623. Amec Foster Wheeler has an ADR programme. Each ADS represents one ordinary share of 50 pence per share in the capital of Amec Foster Wheeler. The ADSs have the trading symbol AMFW.OTC and ISIN US00167X2053.

**Dealing and Opening Position Disclosure Requirements**

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person’s interests and short positions in, and rights...
to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel’s website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel’s Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website and availability of hard copies

A copy of this Announcement and the documents required to be published by Rule 26 of the City Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Wood Group’s website at www.woodgroup.com and Amec Foster Wheeler’s website at www.amecfw.com by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

Wood Group Shareholders may request a hard copy of this Announcement by: (i) contacting Equiniti during business hours on 0371 384 2977 if calling from the United Kingdom, or +44 121 415 7053 if calling from outside the United Kingdom (lines are open from 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)); or (ii) by submitting a request in writing to Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Wood Group Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

Amec Foster Wheeler Shareholders may request a hard copy of this Announcement by contacting Capita Asset Services during business hours on 0871 664 0300 if calling from the United Kingdom, or +44 371 664 0300 if calling from outside the United Kingdom (lines are open from 9am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)); or (ii) by submitting a request in writing to Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Amec
Foster Wheeler Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.
APPENDIX 1

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE TRANSACTION

Part A: Conditions to the Scheme and Combination

The Combination will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the City Code, on or before the Longstop Date.

Scheme approval

1. The Scheme will be conditional upon:

   (A) its approval by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting, such majority representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders (or the relevant class or classes thereof, if applicable), on or before the later of (i) the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course and (ii) the Shareholder Approval Longstop Date (or such later date, if any, as Wood Group and Amec Foster Wheeler may with the consent of the Panel agree and the Court may allow);

   (B) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the Amec Foster Wheeler General Meeting or at any adjournment of that meeting on or before the later of (i) the 22nd day after the expected date of the Amec Foster Wheeler General Meeting to be set out in the Scheme Document in due course and (ii) the Shareholder Approval Longstop Date (or such later date, if any, as Wood Group and Amec Foster Wheeler may with the consent of the Panel agree and the Court may allow); and

   (C) the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to Wood Group and Amec Foster Wheeler) by the Court on or before the later of (i) the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course and (ii) thirty days after all the Conditions (other than this Condition 1) have been satisfied or waived (or such later date, if any, as Wood Group and Amec Foster Wheeler may with the consent of the Panel agree and the Court may allow) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies in England and Wales.

In addition, subject to Part B below and to the requirements of the Panel, Wood Group and Amec Foster Wheeler have agreed that the Combination will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:
Regulatory clearances (merger clearance)

2. Wood Group having received confirmation on terms reasonably satisfactory to it that there will not be a reference by the CMA of the Combination (including as a result of the acceptance of undertakings in lieu of a reference), any part of it or any matter arising from it to its chair for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013.

3. In relation to Australia, either one of the following having occurred:

   (A) Wood Group having received notice in writing from the ACCC to the effect that the ACCC does not propose to intervene in or seek to prevent completion of the Combination pursuant to the Australian Competition and Consumer Act 2010, such notice being on terms reasonably satisfactory to Wood Group; or

   (B) Wood Group having been granted clearance or authorisation in respect of the Combination by the ACCC or the Australian Competition Tribunal under Part VII, Division 3 of the Australian Competition and Consumer Act 2010 (such clearance or authorisation being on terms reasonably satisfactory to Wood Group), and no application for review of such clearance or authorisation having being made within the period prescribed by such Act.

4. In relation to Canada, either one or more of the following having occurred:

   (A) the waiting period under subsection Section 123(1) of the Competition Act (Canada) (the “Canada Competition Act”) having expired or been earlier terminated by the Commissioner of Competition or her designee (collectively the “Commissioner”) under subsection 123(2) of the Canada Competition Act, or the Commissioner having waived the obligation to submit a notification under subsection 114(1) pursuant to subsection 113(c) of the Competition Act; and

   (ii) the Commissioner having advised the parties in writing that the Commissioner does not, at that time, intend to make an application for an order under section 92 of the Canada Competition Act in respect of the Combination; or

   (B) the Commissioner having issued an advance ruling certificate.

5. All filings having been made in connection with the Combination or any aspect of the Combination and the expiration or termination of all or any applicable waiting periods (including any extensions thereof) under HSR, as amended, and the regulations thereunder.

6. Notification having been received from The Turkish Competition Authority pursuant to The Act on Protection of Competition, Law No. 4054 (Dec. 13, 1994), as amended, and Communiqué 36 No. 2010/4 on the Mergers and Acquisitions Subject to the Permission of the Competition Board of its decision that, with respect to the Combination (including,
without limitation, its implementation), it has granted approval on terms reasonably satisfactory to Wood Group.

7. Wood Group having received merger clearance in connection with the Combination (on terms reasonably satisfactory to it) from the Agency of the Republic of Kazakhstan for Competition Protection.

Regulatory clearances (other)

8. The parties having notified the Combination to CFIUS, and:

   (A) CFIUS having determined either: (i) that the Combination is not a "covered transaction"; or (ii) that it is a "covered transaction", and there are no unresolved national security issues; or
   
   (B) The parties and CFIUS having entered into a mitigation agreement pursuant to Section 721(1)(1)(A) of the Defense Production Act of 1950 (as amended) that permits the Combination to proceed; or
   
   (C) CFIUS having sent a report regarding the Combination to the President of the United States, and the President having declined to suspend or prohibit the Combination, or the time for the President to take action having elapsed.

9. In relation to Canada:

   (A) the Canadian government not ordering a national security review or issuing a notice of potential national security review in relation to the Combination or any part thereof; or
   
   (B) if the Canadian government commences the national security review process referred to in (A), the Canadian government having sent a subsequent notice concluding such process and permitting the Combination to close.

10. In the event that the UK Secretary of State for Business, Enterprise, Innovation and Skills (or such other UK Secretary of State as is applicable) issues an intervention notice to the CMA in relation to the Combination or any part thereof, the UK Secretary of State having indicated in terms reasonably satisfactory to Wood Group that it will not make a reference under section 45 of the Enterprise Act 2002 in relation to the Combination or any part thereof.

11. UK Secretary of State for Defence (or its duly authorised representative) not raising concerns in relation to the Combination or any part thereof pursuant to DEFCON 566 and any other relevant regulation or contractual provision except for any concerns that are not material in the context of the Amec Foster Wheeler Group.

General third party clearances

12. The waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or
controlled by any relevant government or state, or any other body or person whatsoever in any relevant jurisdiction (each a “Third Party”) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Amec Foster Wheeler Group taken as a whole) arising as a result of or in connection with the Combination including, without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Amec Foster Wheeler by Wood Group.

13. Other than in respect of Conditions 2 to 11 above, all necessary filings or applications having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction deemed required having been complied with, in each case in connection with the Combination or the acquisition by any member of the Wider Wood Group of any shares or other securities in, or control of, any member of the Wider Amec Foster Wheeler Group, where the direct consequence of a failure to make such a notification or filing or to wait for the expiry, lapse, or termination of any such waiting or time period would be unlawful in any relevant jurisdiction or which is material in the context of the Wider Wood Group or the Wider Amec Foster Wheeler Group, in each case, taken as a whole, or would be material in the context of the Combination.

14. All authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by Wood Group for or in respect of the Combination including, without limitation, its implementation, or the proposed acquisition of any shares or other securities in, or control of, Amec Foster Wheeler by any member of the Wider Wood Group having been obtained in terms and in a form reasonably satisfactory to Wood Group from all appropriate Third Parties or persons with whom any member of the Wider Amec Foster Wheeler Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Amec Foster Wheeler Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Combination becomes otherwise unconditional.

15. No Third Party having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

(A) require, prevent or materially delay the divestiture, or alter the terms envisaged for any divestiture, by any member of the Wider Wood Group or any member of the Wider Amec Foster Wheeler Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof;
require, prevent or materially delay the divestiture by any member of the Wider Wood Group of any shares or other securities in Amec Foster Wheeler;

impose any limitation on, or result in a material delay in, the ability of any member of the Wider Wood Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Amec Foster Wheeler Group or the Wider Wood Group or to exercise management control over any such member;

otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Wood Group or of any member of the Wider Amec Foster Wheeler Group;

make the Scheme or its implementation or control of Amec Foster Wheeler void, illegal, and/or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;

except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Wood Group or the Wider Amec Foster Wheeler Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Amec Foster Wheeler Group or the Wider Wood Group owned by any third party (other than in implementation of the Combination);

impose any limitation on the ability of any member of the Wider Wood Group or the Wider Amec Foster Wheeler Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses of any other members of the Wider Wood Group or the Wider Amec Foster Wheeler Group which is adverse to and material in the context of the Wider Wood Group or the Wider Amec Foster Wheeler Group, in each case taken as a whole or in the context of the Combination; or

result in any member of the Wider Amec Foster Wheeler Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Combination or the acquisition or proposed acquisition of any Amec Foster Wheeler Shares having expired, lapsed or been terminated.

**Wood Group Shareholder approval**

16. The passing at the Wood Group General Meeting (or at any adjournment thereof) of such resolution or resolutions as are necessary to approve, effect and implement the Combination, including a resolution to grant authority to the Wood Group Directors to allot
the New Wood Group Shares (as such resolutions may be set out in the Circular in due course (and any amendment(s) thereof)).

**Listing of New Wood Group Shares**

17. (i) The UK Listing Authority having acknowledged to Wood Group or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Wood Group Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; and (ii) the London Stock Exchange having acknowledged to Wood Group or its agent (and such acknowledgement not having been withdrawn) that the New Wood Group Shares will be admitted to trading on the Main Market.

**Certain matters arising as a result of any arrangement, agreement, etc.**

18. Except as Disclosed there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Amec Foster Wheeler Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Combination or the proposed acquisition of any shares or other securities in Amec Foster Wheeler by any member of the Wider Wood Group or because of a change in the control or management of Amec Foster Wheeler or otherwise, could or might result in:

(A) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(B) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

(C) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;

(D) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;

(E) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
(F) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;

(G) any such member ceasing to be able to carry on business under any name under which it presently does so; or

(H) the creation of any liability, actual or contingent, by any such member other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Amec Foster Wheeler Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (A) to (H) of this condition.

Certain events occurring since 31 December 2015

19. Except as Disclosed, no member of the Wider Amec Foster Wheeler Group having, since 31 December 2015:

(A) save as between Amec Foster Wheeler and wholly-owned subsidiaries of Amec Foster Wheeler and between the wholly owned subsidiaries of Amec Foster Wheeler and except for the issue or transfer out of treasury of Amec Foster Wheeler Shares or Amec Foster Wheeler Shares issued pursuant to the exercise of options or vesting of awards granted under the Amec Foster Wheeler Share Plans, issued, authorised or proposed the issue of additional shares of any class;

(B) save as between Amec Foster Wheeler and wholly-owned subsidiaries of Amec Foster Wheeler and between the wholly owned subsidiaries of Amec Foster Wheeler and except for the grant of options or awards under the Amec Foster Wheeler Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

(C) other than to another member of the Amec Foster Wheeler Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise, save for: (i) the net interim dividend of 14.8 pence per Amec Foster Wheeler Share paid on 5 January 2015; (ii) the net final dividend of 14.2 pence per Amec Foster Wheeler Share in respect of the year ended 31 December 2015 paid on 4 July 2016; and (iii) the net interim dividend of 7.4 pence per Amec Foster Wheeler Share paid on 4 January 2017;

(D) save for intra-Amec Foster Wheeler Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each
case, other than in the ordinary course of business and in any such case to an extent which is material in the context of the Wider Amec Foster Wheeler Group taken as a whole;

(E) save for intra-Amec Foster Wheeler Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital;

(F) issued, authorised or proposed the issue of any debentures or (save for intra-Amec Foster Wheeler Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;

(G) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (A) above, made any other change to any part of its share capital;

(H) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any contract with any director or senior executive;

(I) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Amec Foster Wheeler Group or the Wider Wood Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which is reasonably likely to be material in the context of the Wider Amec Foster Wheeler Group as a whole;

(J) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Amec Foster Wheeler Group or the Wider Wood Group other than to a nature and extent which is normal in the context of the business concerned;

(K) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Amec Foster Wheeler Group as a whole;

entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;

except in relation to necessary changes made or agreed as a result of, or arising from, changes to legislation, having made or agreed or consented to any change to:

(i) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Amec Foster Wheeler Group for its directors, employees or their dependents;

(ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;

(iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or

(iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made; and

to an extent which is in any such case material in the context of the Wider Amec Foster Wheeler Group:

(i) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Amec Foster Wheeler Group which are material in the context of such arrangements generally within the Wider Amec Foster Wheeler Group; or

(ii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Amec Foster Wheeler Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code,

and, for the purposes of paragraphs (C), (D), (E) and (F) of this Condition, the term “Amec Foster Wheeler Group” shall mean Amec Foster Wheeler and its wholly-owned subsidiaries.

No adverse change, litigation or regulatory enquiry

20. Except as Disclosed, since 31 December 2015:
(A) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Amec Foster Wheeler Group which is material in the context of the Wider Amec Foster Wheeler Group;

(B) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Amec Foster Wheeler Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Amec Foster Wheeler Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider Amec Foster Wheeler Group which in any such case might be expected to have a material adverse effect on the Wider Amec Foster Wheeler Group as a whole;

(C) no contingent or other liability having arisen or become apparent to Wood Group which would be likely to adversely affect any member of the Wider Amec Foster Wheeler Group to an extent which is material in the context of the Wider Amec Foster Wheeler Group as a whole; and

(D) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Amec Foster Wheeler Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Amec Foster Wheeler Group taken as a whole.

No discovery of certain matters

21. Except as Disclosed, Wood Group not having discovered:

(A) that any financial, business or other information concerning the Wider Amec Foster Wheeler Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Amec Foster Wheeler Group is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;

(B) that any member of the Wider Amec Foster Wheeler Group partnership, company or other entity in which any member of the Wider Amec Foster Wheeler Group has a significant economic interest and which is not a subsidiary undertaking of Amec Foster Wheeler is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Amec Foster Wheeler for the year ended 31 December 2015; or

(C) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Amec Foster Wheeler Group, in each case to the extent which is material in the context of the Wider Amec Foster Wheeler Group taken as a whole.
22. Except as Disclosed, Wood Group not having discovered that:

(A) any past or present member of the Wider Amec Foster Wheeler Group has failed to comply in any material respect with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be likely to give rise to any material liability (actual or contingent) on the part of any member of the Wider Amec Foster Wheeler Group; or

(B) there is, or is likely to be, for that or any other reason whatsoever, any material liability (actual or contingent) of any past or present member of the Wider Amec Foster Wheeler Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Amec Foster Wheeler Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction; or

(C) circumstances exist (whether as a result of the Combination or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Wood Group or any present or past member of the Wider Amec Foster Wheeler Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Wood Group (or on its behalf) or by any person for which a member of the Wider Amec Foster Wheeler Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider Amec Foster Wheeler Group as a whole; or

(D) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Amec Foster Wheeler Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider Amec Foster Wheeler Group to an extent which is material in the context of the Wider Amec Foster Wheeler Group as a whole.
Anti-corruption, sanctions and criminal property

23. Except as Disclosed, Wood Group not having discovered that:

(A) (i) any past or present member, director, officer or employee of the Wider Amec Foster Wheeler Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or (ii) any person that performs or has performed services for or on behalf of the Wider Amec Foster Wheeler Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or

(B) any asset of any member of the Wider Amec Foster Wheeler Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or

(C) any past or present member, director, officer or employee of the Amec Foster Wheeler Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or

(D) a member of the Amec Foster Wheeler Group has engaged in any transaction which would cause Wood Group to be in breach of any law or regulation upon its acquisition of Amec Foster Wheeler, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

For the purposes of these Conditions the “Wider Amec Foster Wheeler Group” means Amec Foster Wheeler and its subsidiary undertakings, associated undertakings and any other undertaking in which Amec Foster Wheeler and/or such undertakings (aggregating their interests) have a significant interest and the “Wider Wood Group” means Wood Group and its subsidiary undertakings, associated undertakings and any other undertaking in which Wood Group and/or such undertakings (aggregating their interests) have a significant interest and for these purposes “subsidiary undertaking” and “undertaking” have the meanings given by the Companies Act 2006, “associated undertaking” has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall...
be excluded for this purpose, and “significant interest” means a direct or indirect interest in twenty per cent. or more of the equity share capital (as defined in the Companies Act 2006).

Part B: Waiver and Invocation of the Conditions

Subject to the requirements of the Panel, Wood Group reserves the right to waive, in whole or in part, all or any of Conditions (1) to (23) above, except for Conditions (1), (16) and (17), which cannot be waived.

Conditions (16) and (17) must be fulfilled by, and conditions (2) to (15) and (18) to (23) (inclusive) fulfilled or waived by, no later than 11.59pm on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse. Wood Group shall be under no obligation to waive or treat as satisfied any of the conditions capable of waiver by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other conditions of the offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If Wood Group is required by the Panel to make an Offer for Amec Foster Wheeler Shares under the provisions of Rule 9 of the City Code, Wood Group may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

The Scheme will lapse if there is a Phase 2 CMA reference in respect of the Combination before the Court Meeting and the Amec Foster Wheeler General Meeting.

Part C: Implementation by way of Offer

Wood Group reserves the right to elect to implement the Combination by way of an Offer, subject to the Panel’s consent and the terms of the Co-operation Agreement. In such event, such Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Combination, including (without limitation and subject to the consent of the Panel) an acceptance condition that is set at 90 per cent. (or such lesser percentage, as Wood Group may, in accordance with the provisions of the Co-operation Agreement, decide) (i) in nominal value of the shares to which such offer relates; and (ii) of the voting rights attached to those shares, and that is subject to Wood Group and/or (with the consent of the Panel) any members of the WG Group having acquired or agreed to acquire, whether pursuant to the offer or otherwise, shares carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of Amec Foster Wheeler, including, for this purpose, any such voting rights attaching to Amec Foster Wheeler Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

Part D: Certain further terms of the Combination

The availability of the Combination to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.
This Announcement and any rights or liabilities arising hereunder, the Combination and the Scheme and any proxies will be governed by English law and be subject to the jurisdiction of the English courts, to the Conditions and certain further terms set out in this Announcement and to the full terms and conditions set out in the formal Scheme Document. The Combination will comply with the applicable rules and regulations of the Financial Conduct Authority and the London Stock Exchange and the City Code.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Fractions of New Wood Group Shares will not be allotted or issued to persons pursuant to the Scheme. Fractional entitlements to New Wood Group Shares will be aggregated and sold in the market and the net proceeds of sale distributed pro rata to the relevant Amec Foster Wheeler Shareholders in accordance with their fractional entitlements (rounded down to the nearest penny).

The New Wood Group Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act nor under any of the relevant securities laws of Canada, Japan or Australia and no regulatory clearance has been sought in respect of the New Wood Group Shares in any jurisdiction other than the United Kingdom. Accordingly, the New Wood Group Shares may not be offered, sold or delivered, directly or indirectly, in Canada, Japan or Australia nor in the United States, except pursuant to exemptions from applicable requirements of any such jurisdiction, including the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

The New Wood Group Shares will be issued credited as fully paid and will rank pari passu in all respects with the existing Wood Group Shares, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the Effective Date. Applications will be made to the UK Listing Authority for the New Wood Group Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Wood Group Shares to be admitted to trading on the Main Market.

Amec Foster Wheeler Shares which will be acquired under the Combination will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.

If, on or after the date of this Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of value is declared, made or paid or becomes payable in respect of the Amec Foster Wheeler Shares, Wood Group reserves the right (without prejudice to any right Wood Group may have, with the consent of the Panel, to invoke Condition 19(C) in Part A of this Appendix 1 to this Announcement) to reduce the Consideration by the value implied under the terms of the Combination for the Amec Foster Wheeler Shares by an amount up to the amount of such dividend, distribution or return of value, in which case any reference in this Announcement or in the Scheme Document to the Consideration will be deemed to be a reference to the Consideration as so reduced. To the extent that any such dividend, distribution, or other return of value is declared, made or paid or is payable and is either (i) transferred pursuant to the Combination on a basis which entitles Wood Group to receive the dividend or
distribution and to retain it, or (ii) cancelled, the Consideration will not be subject to change in accordance with this paragraph. Any exercise by Wood Group of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Combination.

The Combination is subject to, inter alia, the Conditions set out in Appendix 2 to this Announcement. The Combination is also subject to the further terms which are set out in this Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the City Code.
APPENDIX 2

BASES AND SOURCES

In this Announcement:

1. All references to Amec Foster Wheeler Shares are to Amec Foster Wheeler ordinary shares of 50 pence each, and references to Wood Group Shares are to Wood Group ordinary shares of 4 2/7 pence each.

2. Unless otherwise stated:
   (A) financial information relating to the WG Group has been extracted or derived (without any adjustment) from the audited annual report and accounts for Wood Group for the year ended 31 December 2015 and Wood Group’s results announcement dated 21 February 2017 in respect of its full year results for the year ended 31 December 2016 (which are unaudited); and
   (B) financial information relating to the Amec Foster Wheeler Group has been extracted or derived (without any adjustment) from the audited annual report and accounts for Amec Foster Wheeler for the year ended 31 December 2015 and Amec Foster Wheeler’s trading update announcement dated 13 March 2017 in respect of its full year results for the year ended 31 December 2016 (which are unaudited).

3. The value attributable to the entire share capital of Amec Foster Wheeler is calculated:
   (A) by reference of the price of £7.52 per Wood Group Share, being the Closing Price on 10 March 2017, the last Business Day prior to this Announcement; and
   (B) on the basis of the fully diluted number of Amec Foster Wheeler Shares in issue referred to in paragraph 6 below.

4. As at the close of business on 10 March 2017, being the last Business Day prior to the date of this Announcement, Amec Foster Wheeler had in issue 389,973,503 Amec Foster Wheeler Shares and Wood Group had in issue 381,025,384 Wood Group Shares. The ISIN for Amec Foster Wheeler Shares is GB0000282623 and for Wood Group Shares is GB00B5N0P849.

5. The percentage of the share capital of the Combined Group that will be owned by Amec Foster Wheeler Shareholders of 44 per cent. is calculated by dividing the number of New Wood Group Shares to be issued under the terms of the Combination referred to in paragraph 7(B) below by the issued share capital of the Combined Group (as set out in paragraph 7 below) and multiplying the resulting sum by 100 to produce a percentage.

6. The fully diluted share capital of Amec Foster Wheeler (being 394,483,515 Amec Foster Wheeler Shares) is calculated on the basis of:
   (A) the number of issued Amec Foster Wheeler Shares referred to in paragraph 4 above; and
any further Amec Foster Wheeler Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Amec Foster Wheeler Share Plans, amounting in aggregate to 4,510,012 Amec Foster Wheeler Shares.

7. The share capital of the Combined Group (being 676,888,020) has been calculated as the sum of:

(A) a total number of 381,025,384 Wood Group Shares, being the number of Wood Group Shares in issue as at the close of business on 10 March 2017, being the last Business Day prior to the date of this Announcement; and

(B) 295,862,636 New Wood Group Shares which would be issued under the terms of the Combination (being 0.750 New Wood Group Shares to be issued per Amec Foster Wheeler Share multiplied by the fully diluted share capital of Amec Foster Wheeler as referred to in paragraph 6 above).

On the date of this Announcement, Wood Group holds zero ordinary shares in treasury.

8. Unless otherwise stated, all prices and closing prices for Amec Foster Wheeler Shares and Wood Group Shares are closing middle market quotations derived from Bloomberg.

9. The premium calculations to the price per Amec Foster Wheeler Share have been calculated by reference to:

(A) the Closing Price of £7.52 per Wood Group Share and of £4.89 per Amec Foster Wheeler Share on 10 March 2017, the last Business Day prior to the date of this Announcement and

(B) the prior 30 trading day volume weighted average price of a Wood Group Share of £7.77 and of an Amec Foster Wheeler Share of £4.53, since 30 January 2017 to 10 March 2017.

10. The volume weighted average Closing Prices of a Wood Group Share and of an Amec Foster Wheeler Share per Amec Foster Wheeler Share are derived from data provided by FactSet.

11. The GBP:USD exchange rate as 4.00 PM GMT fix on 10 March 2017 from Bloomberg.

12. The synergy numbers are unaudited and are based on analysis by Wood Group’s management and on Wood Group’s internal records. Further information underlying the Quantified Financial Benefits Statement contained in this Announcement is provided in Appendix 4 to this Announcement.

13. For the purposes of the financial comparisons in this Announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Combination.

14. Earnings per share figures are stated exclusive of exceptional and extraordinary items where these have been disclosed.
15. The timing expectations set out in this Announcement assume that the Combination would become effective in the second half of 2017.

16. Certain figures included in this Announcement have been subject to rounding adjustments.
## APPENDIX 3

### DETAILS OF IRREVOCABLE UNDERTAKINGS

#### Irrevocables

<table>
<thead>
<tr>
<th>Name of Amec Foster Wheeler Shareholder</th>
<th>Number of Amec Foster Wheeler Shares</th>
<th>Percentage of Amec Foster Wheeler issued share capital as at 10 March 2017, being the last Business Day before this Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colin Day</td>
<td>24,338</td>
<td>0.01%</td>
</tr>
<tr>
<td>Ian McHoul</td>
<td>329,566</td>
<td>0.08%</td>
</tr>
<tr>
<td>Kent Masters</td>
<td>70,000</td>
<td>0.02%</td>
</tr>
<tr>
<td>John Connolly</td>
<td>94,272</td>
<td>0.02%</td>
</tr>
<tr>
<td>Linda Adamany</td>
<td>3,100</td>
<td>0.00%</td>
</tr>
<tr>
<td>Stephanie Newby</td>
<td>21,899</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Wood Group Shareholder¹</th>
<th>Number of Wood Group Shares</th>
<th>Percentage of Wood Group issued share capital as at 10 March 2017, being the last Business Day before this Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian Marchant</td>
<td>22,777</td>
<td>0.01%</td>
</tr>
<tr>
<td>Robin Watson</td>
<td>146,951</td>
<td>0.04%</td>
</tr>
<tr>
<td>David Kemp</td>
<td>2,216</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

¹ The named Wood Group Shareholders hold Wood Group Shares as beneficiaries or co-beneficiaries. Robin Watson’s shares are registered in the name of Computershare Nominees Channel Islands Limited JWW SA and TD Direct Investing. David Kemp’s shares are registered in the name of Computershare. Jeremy Wilson’s shares are registered in the name of Barclays Stockholders. Thomas Botts’ shares are registered in the name of The Thomas M. Botts Family Trust, beneficiaries of which are family members. Mary Shafer-Malicki’s shares are registered in the name of LPL IRA. Janice Brown’s shares are registered in the name of Computershare Investor Services PLC. Liz Marchant is also the beneficiary of Ian Marchant’s 22,777 Wood Group Shares. Robert Watson’s irrevocable undertaking is also given in respect of the 5,193 Wood Group Shares in Lorraine Watson’s name.
<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeremy Wilson</td>
<td>10,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Thomas Botts</td>
<td>8,500</td>
<td>0.00%</td>
</tr>
<tr>
<td>Mary Shafer-Malicki</td>
<td>3,450</td>
<td>0.00%</td>
</tr>
<tr>
<td>Janice Brown</td>
<td>11,382</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
APPENDIX 4

QUANTIFIED FINANCIAL BENEFITS REPORTS

PART A

Paragraph 4 of this Announcement (Financial Benefits and effects of the Combination) contains statements of estimated cost savings and synergies arising from the Combination (together, the “Wood Group Quantified Financial Benefits Statement”).

A copy of the Wood Group Quantified Financial Benefits Statement is set out below.

Wood Group is confident that, as a direct result of the Combination, the Combined Group could generate attractive synergies and create additional shareholder value. The Wood Group Directors have identified pre-tax cost synergies that are expected to reach a run rate of at least £110 million, equivalent to approximately US$134 million (using a dollar:sterling exchange rate of 1.2171:1 as set out in the Bases and Sources of Appendix 2 to this Announcement), per annum by the end of the third year following completion of the Combination.

These anticipated synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis.

As further information and analysis becomes available, Wood Group is also confident of realising additional synergies that cannot be quantified at this time.

The potential sources of quantified cost savings, which are in addition to savings previously targeted and already underway by Wood Group and Amec Foster Wheeler separately, comprise:

- operating efficiencies: approximately 40 per cent. of the identified cost savings are expected to be generated from economies of scale in addressable operating cost, efficiencies in operational procurement spend and the reduction of duplicate costs across country and regional leadership;

- corporate efficiencies: approximately 30 per cent. of the identified cost synergies are expected to be generated from the reduction of duplicate costs across Board and executive leadership teams, in addition to other Corporate and Group functional costs; and

- administration efficiencies: approximately 30 per cent. of the identified cost synergies are expected to be generated from the consolidation of overlapping office locations, the elimination of duplicated IT systems and the reduction of duplicate costs across central support functions.

Wood Group estimates that realisation of these synergies would give rise to one-off costs of approximately £190 million (US$231 million) incurred in the first three years post-completion.

Aside from the one-off costs referred to above, the Wood Group Directors do not expect any material dis-synergies to arise in connection with the Combination.
Bases of belief

In preparing the Quantified Financial Benefits Statement, Amec Foster Wheeler has provided Wood Group with certain operating and financial information to facilitate a detailed analysis in support of evaluating the potential synergies available from the Combination. In circumstances where data has been limited for commercial or other reasons, Wood Group management has made estimates and assumptions to aid its development of individual synergy initiatives.

The cost base used as the basis for the quantified exercise is Amec Foster Wheeler’s 2016 cost base, consistent with Amec Foster Wheeler’s 2016 unaudited full year trading update provided by Amec Foster Wheeler to Wood Group and released by Amec Foster Wheeler on 13 March 2017. Wood Group adjusted this information to take into account recent cost savings announced by Amec Foster Wheeler on 27 October 2016.

The assessment and quantification of the potential synergies have in turn been informed by Wood Group management's industry experience as well as their experience of executing and integrating past acquisitions.

In arriving at the estimate of synergies set out in this Announcement, the Wood Group Board has assumed that Amec Foster Wheeler’s support function activities, such as Finance and HR, will transition onto Wood Group’s existing systems.

In general, the synergy assumptions have in turn been risk adjusted, exercising a degree of prudence in the calculation of the estimated synergy benefit set out above.

The Wood Group Board has, in addition, made the following assumptions, all of which are outside the influence of Wood Group:

- there will be no material impact on the underlying operations of either company or their ability to continue to conduct their businesses;
- there will be no material change to macroeconomic, political, regulatory or legal conditions in the markets or regions in which Wood Group and Amec Foster Wheeler operate that materially impact on the implementation or costs to achieve the proposed cost savings;
- there will be no material change in current foreign exchange rates; and
- there will be no change in tax legislation or tax rates or other legislation or regulation in the countries in which Wood Group and Amec Foster Wheeler operate that could materially impact the ability to achieve any benefits.

This analysis assumes no business disposals.

Reports

As required by Rule 28.1(a) of the City Code, PwC, as reporting accountants to Wood Group, and J.P. Morgan Cazenove and Credit Suisse, financial advisers to Wood Group, have provided the opinions required under that Rule. PwC, J.P. Morgan Cazenove and Credit Suisse
have each given and have not withdrawn their consent to the publication of their respective report in the form and context in which it is included.

Notes

The statements of estimated synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Due to the scale of the Combined Group, there may be additional changes to the Combined Group’s operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.

No statement in the Quantified Financial Benefits Statement or in this Announcement generally should be construed as a profit forecast or interpreted to mean that the Combined Group’s earnings in the first full year following implementation of the Combination, or in any subsequent period, would necessarily match or be greater than or be less than those of Wood Group and/or Amec Foster Wheeler for the relevant preceding financial period or any other period.
The Directors
John Wood Group PLC
15 Justice Mill Lane
Aberdeen
AB11 6EQ

J.P Morgan Limited (together with Credit Suisse International, the “Financial Advisers”)
25 Bank Street
Canary Wharf London
E14 5JP

Credit Suisse International (together with J.P. Morgan Limited, the “Financial Advisers”)
One Cabot Square
London
E14 4QJ

13 March 2017

Dear Ladies and Gentlemen,

Quantified Financial Benefits Statement by Wood Group PLC

We report on the quantified financial benefits statement (the “Statement”) by the Directors included in this announcement dated 13 March 2017 (the “Announcement”) to the effect that:

Wood Group is confident that, as a direct result of the Combination, the Combined Group could generate attractive synergies and create additional shareholder value. The Wood Group Directors have identified pre-tax cost synergies that are expected to reach a run rate of at least £110 million, equivalent to approximately US$134 million (using a dollar:sterling exchange rate of 1.2171:1 as set out in the Bases and Sources of Appendix 2 to this Announcement), per annum by the end of the third year following completion of the Combination.

These anticipated synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis.

As further information and analysis becomes available, Wood Group is also confident of realising additional synergies that cannot be quantified at this time.

The potential sources of quantified cost savings, which are in addition to savings previously targeted and already underway by Wood Group and Amec Foster Wheeler separately, comprise:

- operating efficiencies: approximately 40 per cent. of the identified cost savings are expected to be generated from economies of scale in addressable operating cost,
efficiencies in operational procurement spend and the reduction of duplicate costs across country and regional leadership;

- corporate efficiencies: approximately 30 per cent. of the identified cost synergies are expected to be generated from the reduction of duplicate costs across Board and executive leadership teams, in addition to other Corporate and Group functional costs; and

- administration efficiencies: approximately 30 per cent. of the identified cost synergies are expected to be generated from the consolidation of overlapping office locations, the elimination of duplicated IT systems and the reduction of duplicate costs across central support functions.

Wood Group estimates that realisation of these synergies would give rise to one-off costs of approximately £190 million (US$231 million) incurred in the first three years post-completion.

Aside from the one-off costs referred to above, the Wood Group Directors do not expect any material dis-synergies to arise in connection with the Combination.

This Statement has been made in the context of disclosure in the Announcement setting out the bases of belief of the Directors supporting the Statement and their analysis and explanation of the underlying constituent elements.

This report is required by Rule 28.1(a)(i) of the City Code on Takeovers and Mergers (the “Code”) and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the Wood Group PLC Board to make the Statement in accordance with the Code.

It is our responsibility to form our opinion as required by Rule 28.1(a)(i) of the Code, as to whether the Statement has been properly compiled on the basis stated.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of Wood Group PLC as a result of the inclusion of this report in the Announcement, and for any responsibility arising under Rule 28.1(a)(i) of the Code to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2(b) of the Code, consenting to its inclusion in the Announcement.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We have discussed the Statement together with the relevant bases of belief (including sources of information and assumptions) with the Wood Group board and with the Financial Advisers. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.
Since the Statement and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, on the basis of the foregoing, the Statement has been properly compiled on the basis stated.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.
PART C

REPORT FROM J.P. MORGAN CAZENOVE AND CREDIT SUISSE

The Directors
John Wood Group PLC
15 Justice Mill Lane
Aberdeen
AB11 6EQ

13 March 2017

Dear Ladies and Gentlemen,

Recommended all-share offer by Wood Group to acquire the entire issued and to be issued share capital of Amec Foster Wheeler (the “Combination”)

We refer to the quantified financial benefits statement, the bases of belief thereof and the notes thereto (together, the “Statement”) made by Wood Group and set out in Part A of Appendix 4 of the Rule 2.7 announcement dated 13 March 2017 (the “Announcement”), for which the Boards of Directors of Wood Group and Amec Foster Wheeler (the “Directors”) are solely responsible under Rule 28.1(a)(ii) of the City Code on Takeovers and Mergers (the “Code”).

We have discussed the Statement (including the assumptions, accounting policies, bases of calculation and sources of information referred to therein), with the Directors and those officers and employees of Wood Group who have developed the underlying plans as well as with PricewaterhouseCoopers LLP. The Statement is subject to uncertainty as described in the announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of Wood Group and/or Amec Foster Wheeler, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any view as to the achievability of the quantified financial benefits identified by the Directors.

We have also reviewed the work carried out by PricewaterhouseCoopers LLP and have discussed with it its opinion addressed to you and us on this matter and which is set out in the announcement, and the accounting policies and bases of calculation for the Statement.

On the basis of the foregoing, we consider that the Statement, for which the Directors are solely responsible, for the purposes of the Code, has been prepared with due care and consideration.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to Wood Group, Amec Foster Wheeler or their
shareholders or any person other than the Directors of Wood Group in respect of the contents of this letter. We are acting exclusively as financial advisers to Water and no one else in connection with the Combination between Wood Group and Amec Foster Wheeler and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that Wood Group requested J.P. Morgan Limited and Credit Suisse International to prepare this report on the Statement. No person other than the Directors of Wood Group can rely on the contents of, or the work undertaken in connection with, this letter, and to the fullest extent permitted by law, we expressly exclude and disclaim all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its contents or the work undertaken in connection with this letter or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter.

Yours faithfully,

J.P. Morgan Limited and Credit Suisse International
APPENDIX 5

DEFINITIONS

“ACCC” the Australian Competition and Consumer Commission

“Admission” admission of the New Wood Group Shares to the Official List with a premium listing and to trading on the Main Market

“Amec Foster Wheeler” Amec Foster Wheeler PLC, incorporated in England and Wales with registered number 01675285

“Amec Foster Wheeler Board” the Amec Foster Wheeler Directors collectively

“Amec Foster Wheeler ADRs” American Depositary Receipts evidencing Amec Foster Wheeler ADSs

“Amec Foster Wheeler ADSs” American Depositary Shares, each of which represents one Amec Foster Wheeler Share

“Amec Foster Wheeler Depositary” Deutsche Bank Trust Company Americas, or the depositary from time to time for the Amec Foster Wheeler ADRs appointed pursuant to the terms of the Deposit Agreement

“Amec Foster Wheeler Directors” the directors of Amec Foster Wheeler at the time of this Announcement or, where the context so requires, the directors of Amec Foster Wheeler from time to time

“Amec Foster Wheeler General Meeting” the general meeting of Amec Foster Wheeler Shareholders to be convened to consider and if thought fit pass, \textit{inter alia}, a special resolution in relation to the Combination, including any adjournment thereof

“Amec Foster Wheeler Group” Amec Foster Wheeler and its subsidiaries and subsidiary undertakings

“Amec Foster Wheeler Meetings” the Court Meeting and the Amec Foster Wheeler General Meeting

“Amec Foster Wheeler Share Plans” the Amec Foster Wheeler Performance Share Plan, the Amec Foster Wheeler Restricted Share Plan, the Amec Foster Wheeler Long-Term Incentive Plan, the Amec Foster Wheeler UK Savings Related Share Option Scheme, the Amec Foster Wheeler International Savings Related Share Option Scheme and the Amec Foster Wheeler Omnibus Plan and one-off awards as Disclosed to Wood Group

“Amec Foster Wheeler” the holders of Amec Foster Wheeler Shares
Shareholders”

“Amec Foster Wheeler Shares” the ordinary shares of 50 pence each in the capital of Amec Foster Wheeler

“Announcement” this announcement

“associated undertaking” has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose

“Barclays” Barclays Bank PLC, acting through its Investment Bank

“BofA Merrill Lynch” Merrill Lynch International

“Business Day” a day, (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London other than solely for trading and settlement in Euro

“CFIUS” the Committee on Foreign Investment in the United States

“Circular” the circular to be sent by Wood Group to Wood Group Shareholders summarising the background to and reasons for the Combination, which will include a notice convening the Wood Group General Meeting

“City Code” the City Code on Takeovers and Mergers

“Clean Team Non-Disclosure Agreement” the non-disclosure agreement entered into between Wood Group and Amec Foster Wheeler on 5 March 2017 in relation to the disclosure of competitively sensitive confidential information

“Closing Price” the closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange

“CMA” the UK Competition and Markets Authority

“Combination” the proposed acquisition of the entire issued and to be issued share capital of Amec Foster Wheeler by Wood Group, to be effected by the Scheme as described in this document (or by the Offer under certain circumstances described in this Announcement)

“Combined Group” the enlarged group comprising the WG Group and the Amec Foster Wheeler Group

“Conditions” the conditions of the Combination set out in Appendix 1 to this
Announcement

“Confidentiality Agreement” the non-disclosure agreement entered into between Wood Group and Amec Foster Wheeler on 3 March 2017

“Confidentiality and Joint Defence Agreement” the confidentiality and joint defence agreement entered into between Wood Group and Amec Foster Wheeler on 6 March 2017

“Consideration” the consideration payable to Amec Foster Wheeler Shareholders in connection with the Transaction comprising 0.75 New Wood Group Shares per Amec Foster Wheeler Share

“Co-operation Agreement” the agreement dated 13 March 2017 between Wood Group and Amec Foster Wheeler and relating, among other things, to the implementation of the Combination

“Court” the High Court of Justice in England and Wales

“Court Meeting” the meeting of the Amec Foster Wheeler Shareholders (or any class or classes thereof) to be convened by order of the Court pursuant to section 899 of the Companies Act 2006 for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof

“Credit Suisse” Credit Suisse International

“CREST” the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in those Regulations)

“Dealing Disclosure” an announcement pursuant to Rule 8 of the City Code containing details of dealings in relevant securities of a party to an offer

“DEFCON 566” the standard UK Ministry of Defence condition entitled “Change of Control of Contractor”

“Deposit Agreement” the deposit agreement, including the form of American Depositary Receipt for American Depositary Shares representing deposited ordinary shares of Amec Foster Wheeler attached thereto, setting forth the terms of the Amec Foster Wheeler ADSs

“Disclosed” the information fairly disclosed by or on behalf of Amec Foster
Wheeler (i) in the annual report and accounts of Amec Foster Wheeler for the financial year ended 31 December 2015; (ii) in this Announcement; (iii) in any other public announcement made by Amec Foster Wheeler in accordance with the Market Abuse Regulation, Listing Rules, Disclosure Rules or Transparency Rules of the FCA after 31 December 2015; or (iv) as disclosed in writing prior to the date of this Announcement by or on behalf of Amec Foster Wheeler to Wood Group (or its respective officers, employees, agents or advisers in their capacity as such)

“Effective Date”

the date on which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Wood Group elects to implement the Combination by way of an Offer, the date on which the Offer becomes or is declared unconditional in all respects

“FCA”

the Financial Conduct Authority

“Forms of Proxy”

the form of proxy in connection with each of the Court Meeting and the Amec Foster Wheeler General Meeting, which shall accompany the Scheme Document

“Foster Wheeler”

Foster Wheeler AG

“HSR”

the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976

“J.P. Morgan Cazenove”

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove

“Listing Rules”

the listing rules and regulations made by the FCA under the Financial Services and Markets Act 2000 and contained in the FCA’s publication of the same name, as amended from time to time

“London Stock Exchange”

London Stock Exchange plc

“Longstop Date”

14 February 2018 or (with the prior written consent of Wood Group and Amec Foster Wheeler) 31 March 2018, or such later date as may be agreed in writing by Wood Group and Amec Foster Wheeler (with the Panel’s consent and as the Court may approve (if such approval(s) are required))

“Main Market”

the Main Market of the London Stock Exchange

“Market Abuse Regulation”


“New Wood Group Shares”

the new Wood Group Shares to be issued pursuant to the
Scheme

“NYSE” the New York Stock Exchange

“Offer” should the Combination be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the offer to be made by or on behalf of Wood Group to acquire the entire issued and to be issued share capital of Amec Foster Wheeler and, where the context admits, any subsequent revision, variation, extension or renewal of such offer

“Offer Document” should the Combination be implemented by means of the Offer, the document to be sent to Amec Foster Wheeler Shareholders which will contain, inter alia, the terms and conditions of the Offer

“Offer Period” the period commencing on the date of this Announcement and ending on: (i) the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Offer has become or been declared unconditional as to acceptances and/or the date on which the Offer lapses or is withdrawn (or such other date as the Panel may decide), in each case other than where such lapsing or withdrawal is as a result of Wood Group exercising its right to implement the Combination by way of an Offer or a Scheme (as appropriate)

“Official List” the official list maintained by the UK Listing Authority

“Opening Position Disclosure” an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position

“Overseas Shareholders” Amec Foster Wheeler Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom

“Panel” the UK Panel on Takeovers and Mergers

“Prospectus” the prospectus to be published by Wood Group at or around the same time as the Scheme Document in respect of the New Wood Group Shares to be issued to Amec Foster Wheeler Shareholders in connection with the Combination and for the purpose of Admission

“PwC” PricewaterhouseCoopers LLP
“Quantified Financial Benefits Statement” the quantified financial benefits statement set out in Part A of Appendix 4 to this Announcement

“Registrar of Companies” the Registrar of Companies in England and Wales

“Regulatory Information Service” any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements

“Restricted Jurisdiction” any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Combination is sent or made available to Amec Foster Wheeler Shareholders in that jurisdiction

“Restricted Overseas Person” Amec Foster Wheeler Shareholders resident in, or national or citizens of, Restricted Jurisdictions or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions

“Scheme” the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Amec Foster Wheeler and Amec Foster Wheeler Shareholders to implement the Combination with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Amec Foster Wheeler and Wood Group

“Scheme Court Hearing” the hearing of the Court to sanction the Scheme under section 899 of the Companies Act 2006

“Scheme Court Order” the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006

“Scheme Document” the document to be dispatched to Amec Foster Wheeler Shareholders including the particulars required by section 897 of the Companies Act 2006 and containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Amec Foster Wheeler General Meeting

“Scheme Record Time” the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date, or such other time as Wood Group and Amec Foster Wheeler may agree

“Scheme Shareholder” holders of Scheme Shares

“Scheme Shares” 1. the Amec Foster Wheeler Shares in issue at the date of the Scheme Document;
2. any Amec Foster Wheeler Shares issued after the date of the Scheme Document and prior to the Voting Record Time; and

3. any Amec Foster Wheeler Shares issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,

in each case excluding any Amec Foster Wheeler Shares held in treasury and any Amec Foster Wheeler Shares beneficially owned by Wood Group or any other member of the WG Group

“SEC”
the US Securities and Exchange Commission

“Shareholder Approval Longstop Date”
15 June 2017 or such other date as may be agreed in writing by Wood Group and Amec Foster Wheeler

“subsidiary”
has the meaning given in section 1159 of the Companies Act 2006

“subsidiary undertaking”
has the meaning given in section 1162 of the Companies Act 2006

“UK” or “United Kingdom”
the United Kingdom of Great Britain and Northern Ireland

“UK Listing Authority”
the FCA (or any successor authority or authorities, as relevant), acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

“undertaking”
has the meaning given in section 1161 of the Companies Act 2006

“US” or “United States”
the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

“US Exchange Act”
US Securities Exchange Act of 1934 (as amended)

“US Securities Act”
US Securities Act of 1933 (as amended)

“Voting Record Time”
the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined, which is expected to be 6.00 p.m. on the day two days prior to the Court Meeting or any adjournment thereof (as the case may be)
“WG Group” Wood Group and its subsidiaries and subsidiary undertakings

“Wood Group” John Wood Group PLC, incorporated in Scotland with registered number 036219

“Wood Group Board” the Wood Group Directors collectively

“Wood Group Directors” the directors of Wood Group as at the date of this Announcement or, where the context so requires, the directors of Wood Group from time to time

“Wood Group General Meeting” the general meeting of Wood Group to be convened in connection with the Combination, notice of which will be sent to Wood Group Shareholders, including any adjournment thereof

“Wood Group Resolutions” means the shareholder resolutions of Wood Group necessary to implement the Combination, including without limitation to approve, effect and implement the Combination and to grant authority to the Wood Group Directors to allot the New Wood Group Shares (and any amendment(s) thereof)

“Wood Group Shareholders” holders of Wood Group Shares

“Wood Group Shares” the ordinary shares of 4 2/7 pence each in the capital of Wood Group

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All references to time in this Announcement are to London time unless otherwise stated.

All references to “GBP”, “pence”, “sterling” or “£” are to the lawful currency of the United Kingdom.

All references to “US dollar”, “USD”, “US$” or “cents”, are to the lawful currency of the United States.

All references to “Euro” or “€” are to the lawful currency of the European Union.

References to the singular include the plural and vice versa.