

WWRD GLOBAL RISK MANAGEMENT POLICY

Introduction

This Policy covers WWRD Holdings Limited and all its subsidiaries and associate companies worldwide (“WWRD”). It also covers every individual working in or with WWRD, at any level or grade and wherever located.

Effective risk management underpins the delivery of WWRD’s objectives. It is essential to protecting its reputation and to generate sustainable shareholder value. It aims to identify key risks at an early stage and to develop actions to eliminate them or mitigate their impact and likelihood to an acceptable level. Risk management processes are embedded throughout WWRD at all levels and form an integral part of day-to-day business activity.

Who is responsible for this policy?

The Board of WWRD Holdings Limited (“Board”) is responsible for risk management. It sets the level of risk that WWRD can take on in pursuit of its strategic objectives by management without specific Board approval.

Groupwide policies and delegated authority levels set by the Board provide the means by which risks are reviewed and escalated to the appropriate level within the WWRD, up to and including the Board, for consideration and approval.

Policy objectives

Our risk management policy requires that the business identifies and assesses the risks to which it is exposed and which could impact its ability to deliver WWRD’s, objectives.

Operating in many different territories entails risks and uncertainties that need to be controlled. Although such risks and uncertainties cannot be eliminated completely, risk management systems and procedures have been established to manage their impact.

The principal risks that could adversely impact our profitability and ability to achieve our strategic objectives are

1. Health & Safety
2. Economic environment
3. Supply chain
4. People
5. Business conduct & compliance
6. Legal & regulatory
7. Financial

Policy

Identified risk events, their causes and possible consequences are recorded, analysed and, if required, additional actions are developed and put in place to mitigate or eliminate unwanted exposures.

Risk and relevant action plans are regularly reviewed, at various levels throughout the business, to identify emerging risks and update mitigation plans.

WWRD sets its risk appetite by establishing delegating authority levels and the triggers for matters requiring senior management or Board approval. This means that projects above a certain value, with certain features or that import certain risks, or a move into new markets or work types, require approval by the Board.

Reporting structures ensure that risks are monitored continually, mitigation plans are reviewed and significant exposures are escalated.

WWRD's systems and controls are designed to ensure that WWRD's exposure to significant risk is managed properly. The Board recognises that any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Central to WWRD's systems of control are its processes and framework for risk management.

WWRD's systems of control operate through a number of different processes, some of which are interlinked. These include:

- a clear system of delegated authorities from the Board to management with certain matters reserved by the Board
- the annual review of the strategy and plans of WWRD in order to identify the risks to WWRD's achievement of its overall objectives and, where appropriate, any relevant mitigating actions
- monthly financial reporting against budgets and the review of results and forecasts, including particular areas of business or project risk.
- regular reporting, monitoring and review of the effectiveness of health, safety and environmental processes. These processes are subject to independent audit and certification to internationally recognised standards
- the review and authorisation of proposed investment and capital expenditure through the Board itself
- specific policies covering the financial management of WWRD, including, controls on foreign exchange dealings and management of currency and interest rate exposures, insurance, capital expenditure procedures, application of accounting policies and financial controls
- legal compliance risks which are addressed through specific policies and training on such matters as ethics, competition and data protection laws
- WWRD's whistleblowing policy and other channels by which staff are encouraged to raise concerns, in confidence, about possible breaches of policies, improprieties on matters of financial reporting and other issues