

Risk Management Process

AMEC uses a risk management process which is incorporated into the AMEC Mandatory Procedures.

This process involves the identification of risks and action plans by projects, businesses and corporate functions. The risks are recorded in risk registers to enable the net positions to be pro-actively managed. Following a review of this process in 2007, quarterly risk review meetings comprising representatives from the businesses and functions were instigated with effect from October 2007. These meetings discuss business and functional risks; the highest risks in terms of probability and impact are then elevated to the plc risk register. The plans for mitigation of such risks are also reviewed.

The risk management and internal control processes are complemented by an annual control risk self-assessment exercise carried out by the principal businesses. This covers major risks, particularly safety, health and environmental, legal, commercial and contractual, financial, information technology and human resources. The results are reviewed by the board, through both the audit committee and the executive directors, and as part of the ongoing internal audit process.

Risk Management seven steps

The risk management process is defined into a series of seven steps which has been developed as a

best practice. The process is described in the following diagram:

