

PETROFAC LIMITED ENTERPRISE RISK MANAGEMENT POLICY

Vision

Risk is an inherent part of our business, managing our risks effectively is a critical factor in achieving our strategic objectives and meeting our regulatory requirements. Accordingly, Petrofac will maintain a systematic approach to Enterprise Risk Management, consistent with good practice principles and guidelines.

Commitment

The Petrofac Board of Directors has ultimate responsibility for Enterprise Risk Management and is committed to:

promoting an inclusive workplace where people feel they make a valued contribution and are part of the success of the business;

- ensuring Enterprise Risk Management is an integral part of our core business activities and our decision-making;
- articulating clear guidance on our risk appetite that describes the level and type of risks Petrofac shall assume in pursuit of our strategic objectives;
- providing appropriate resources, which can include but are not limited to people, processes, technologies and competencies; and
- promoting a risk-aware culture where our employees:
 - understand the risks that fall within the limits of their responsibilities and their accountability to manage those risks within our risk appetite and comply with the established Delegated Authorities; and
 - operate with full risk transparency.

The Board enables and expects the Audit Committee to monitor and review the effectiveness of the Group's Enterprise Risk Management processes and provide assurance to the Board on their effectiveness and that they are improved and adapted to meet internal and external changes.

Objectives

To meet this commitment at a Group level, Petrofac will:

- develop and implement a systematic approach to Enterprise Risk Management within the regulatory and other requirements of the countries in which we operate and in accordance with the appropriate national and international standards;
- establish management oversight and control via the Group Risk Committee in which Enterprise Risk Management roles and responsibilities are clearly defined and communicated and that a risk-aware culture is maintained;
- maintain effective processes for identifying Emerging Risks¹ and managing Principal Risks² inherent in our operations including but not limited to divisions, functions, assets, new business opportunities and the execution of projects;
- monitor compliance with group policies, standards and procedures for Enterprise Risk Management and risk guidance set by the Board;
- ensure we learn from issues experienced and apply those lessons to improve and strengthen our processes and controls; and
- remain informed on risk management good practice and establish an effective plan to enable Petrofac's Enterprise Risk Management processes to continue to be fit for purpose.

Each Petrofac business unit will:

- develop and maintain business unit and functional level relevant processes to support the effective implementation of this Policy and associated Standard(s); and
- implement this Policy through their documented business management systems and conduct periodic reviews to verify compliance and promote continual improvement.

¹ Emerging Risks- material risks which have large uncertain outcomes which may become certain in the longer term (beyond our planning horizon) and which could have a material effect on the business strategy if it were to occur.

² Principal Risks- risks that, given the Group's current position, could materially threaten our business model, future performance, prospects, solvency, liquidity, reputation, or prevent us from delivering our strategic objectives.

Responsibility and implementation

Responsibility for compliance with this policy lies with the Group Chief Executive, the Group Director of Human Resources and the business units' Chief Operating Officers. The policy will be reviewed on an ongoing basis to reflect changes in the law, and internal business requirements. Progress relating to the policy will be reviewed periodically.

The practical application of this policy falls upon managers and supervisors who are involved in the daily supervision of employees.

All employees have a responsibility to ensure that this policy is fully implemented, not only when they are working on Petrofac premises, project sites or the premises of customers but also at work related events and whilst travelling on business.



Tareq Kawash
Group Chief Executive