



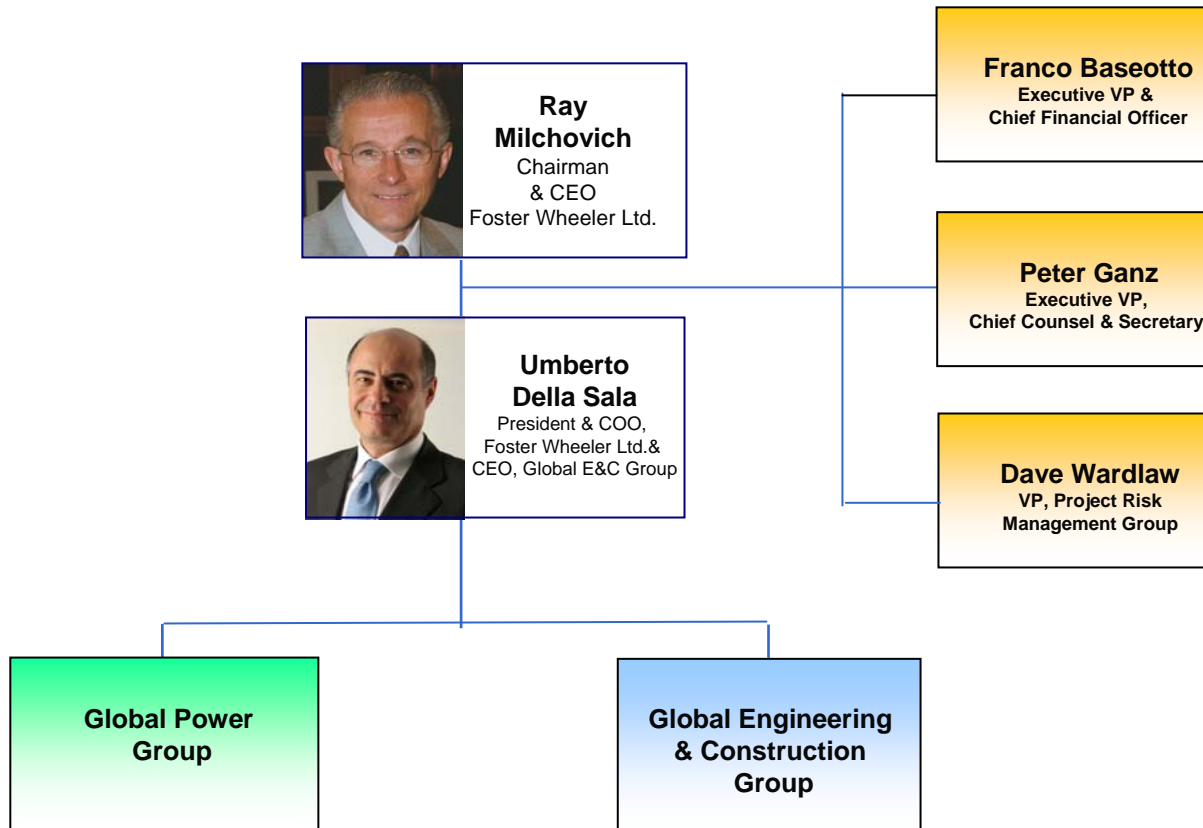
Presentation to ECRI

June 2008

Foster Wheeler – in a nutshell

- A leading international engineering, construction and project management contractor and power equipment supplier
- A reputation for safe, on-time, on-budget delivery of high-quality, technically advanced facilities and equipment, which start up as planned and perform reliably
- In business for more than 116 years
- Current market capitalization: in excess of US\$9bn
- Permanent offices in 27 countries
- Won new business in 57 countries in 2007; 53 countries in 2006
- Total workforce: approximately 14,000
- Two business groups:
 - Global Engineering & Construction (E & C) Group
 - Global Power Group (GPG)

Executive Management Team



Total global resources: around 14,000 highly-skilled professionals



- Corporate center
- Operating Unit HQs and/or main engineering centers
- Regional engineering centers
- Sales/local service offices
- Manufacturing centers

PRMG

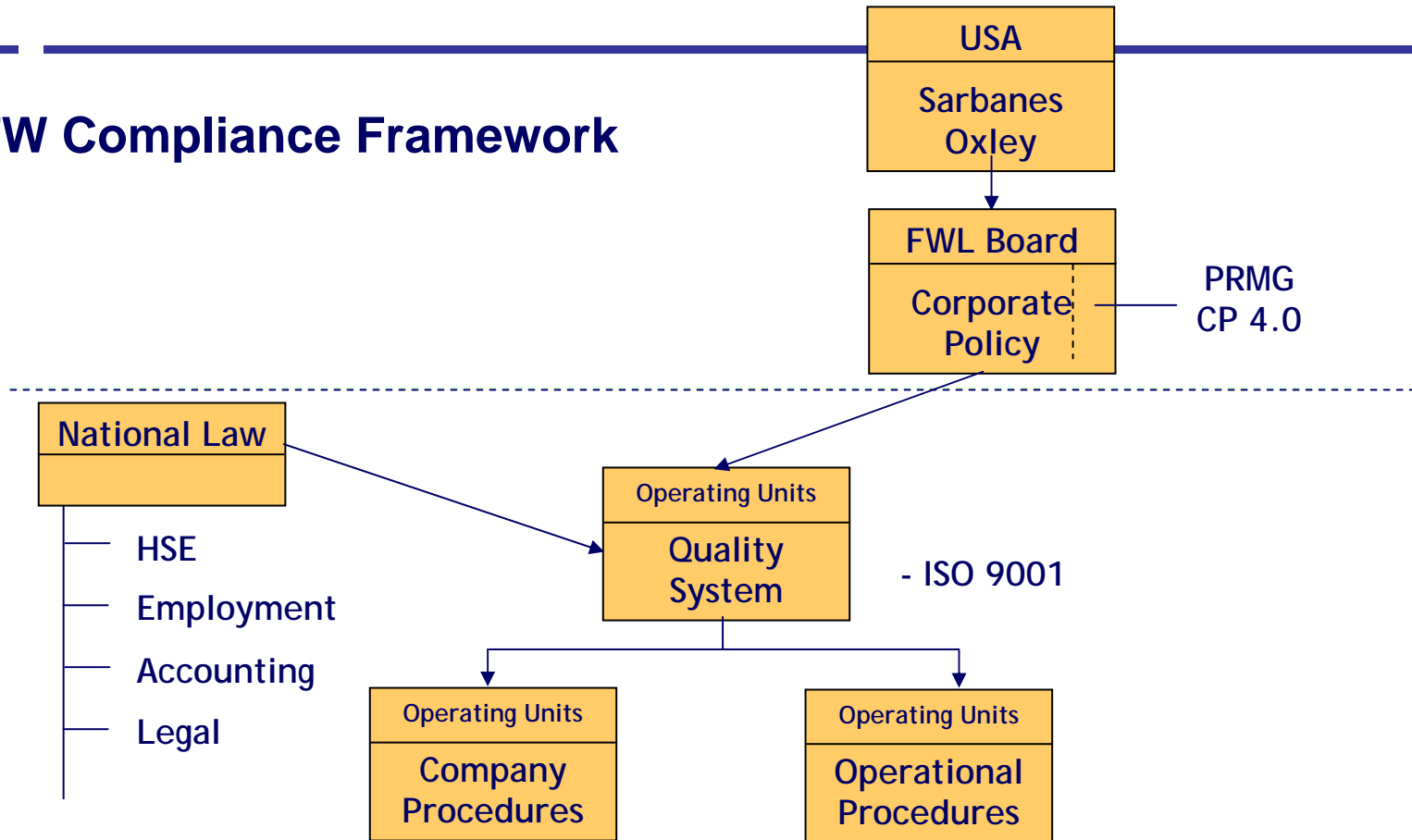
PRMG Terms of Reference

- To set risk management policy for proposal and contract operations in order **to protect FW from significant financial losses** which could arise from Operating Unit contracting operations
- To **review** Operating Unit procedures and ensure they meet policy objectives
- To **provide** and encourage industry best practices in operational risk management within Operating Units

Good Risk Management Protects both FW and Client interests

PRMG

FW Compliance Framework



PRMG

PRMG Methodology

All new business categorised according to risk to FW :

- client, technology, location, contract type

Cat 1 : **High risk**

Typically LSTK > USD 50m

Cat 2 : **Medium risk**

Typically large reimbursable or small LSTK

Cat 3 : **Low risk**

Typically small reimbursable

Bids / Projects reviewed by PRMG according to risk category

FW Risk Management Processes

Initial risk reviews are broadly:

Client – Location – Technology – Contract terms

- Used to identify areas requiring special attention

Final Risk Reviews are basically checklist driven under headings:

- Client
- Technology / Scope
- Execution / Schedule
- Construction
- Estimate
- Commercial / Contract

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