



Risk Management Policy

Introduction

It is the intent of the Board that through an effective risk management framework Clough shall demonstrate:

- Commitment to safety, sustainable development and the wellbeing of the people, communities and environments in which we operate;
- Management of uncertainty in our operating environment;
- Identification of significant opportunities for Clough, with appropriate management response leading to sustainable success; and
- Effective risk management as it is fundamental to delivering our business objectives.

Strategic Alignment

Clough's Enterprise Risk Management (ERM) program defines risk tolerance and aligns decision making concerning Clough strategic direction, business planning and operational focus. This program integrates financial, operational and strategic risk management within the 'Clough Way' of doing business incorporating health and safety, security, environment, social responsibility and business continuity considerations to present a balanced risk profile.

Building Confidence and Realising Opportunities

ERM is a key element of Clough's Corporate Governance framework. Understanding and managing risk provides greater certainty over results and builds confidence with shareholders, employees, clients, suppliers and the communities in which Clough operates. Clough's ERM program drives the realisation of opportunities encouraging growth and improved performance.

Accountability and Engagement

The Board is accountable for ensuring that management has developed a sound system of risk management. Executive Management is responsible for the design and implementation of risk management and internal control systems to manage Clough's risks and opportunities.

Clough's ERM program provides clear accountability, purpose and scope within a formal framework to drive engagement from the Board and Executive Management through to each team member to ensure effective risk management is applied to all aspects of the business. All Clough team members are expected to understand and comply with Clough's ERM program by:

- Understanding the purpose, process and outcomes of the Clough ERM program;
- Participating when required in the risk assessment process activities;
- Implementing control improvements for which they are responsible;
- Verifying that agreed risk preventative or mitigation controls are in place and effective;

All personal information obtained by Clough during the implementation of this policy will be controlled in accordance with the Clough Policy for Privacy and the Privacy Amendment (Private Sector) Act 2000.

- Considering and communicating risks in day to day activities; and
- Promoting Clough's approach and expectations within and outside the organisation.

Management of Change

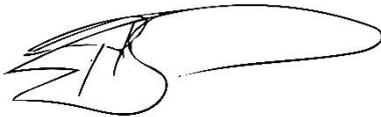
The Clough ERM program is applied to ensure that any event resulting in a change to the risk profile is identified, communicated, assessed and understood to ensure Clough's business activities are performed in accordance with Clough's risk tolerance.

Continuous Improvement

Control measures are regularly tested and reviewed to ensure risks remain in line with Clough's risk tolerance through proactive Management of Change and effective Assurance processes.

Clough regularly monitors and improves its approach to risk management to meet the needs of the business and strive for increased value for stakeholders.

Clough undertakes to communicate this policy to all persons working for or on its behalf and to the public as required. The policy will be reviewed annually to ensure relevance to Clough business activities.



Peter Bennett
Chief Executive Officer
Clough Limited
November 2018