SAVILLS plc

GROUP RISK MANAGEMENT POLICY

Policy Statement	The Savills Group's policy towards managing risk is that: ■ The acceptance and management of risk is an integral part of Savills Group and all employees are accountable for prudent management of risk within their areas of responsibility. ■ The management of risk across the business is supported by a risk management framework the purpose of which is to ensure that all key risks to the business are identified, understood, managed and reported with due regard to the strategy and objectives of the Group.
Purpose & Scope	The purpose of this policy is to outline to all areas of the business how and where we need to manage the risks that threaten our business. Effective risk management will: ■ Lead to better understanding of risks inherent in the business and their implications; ■ Enable appropriate allocation of effort and resources for the management of key and emerging risks; ■ Enhance the likelihood of achieving our business objectives; ■ Drive improvements to the overall business control environment; ■ Improve stakeholder confidence in our ability to reduce the chance of major surprises and deliver on our commitments; ■ Demonstrate effective corporate governance; and ■ Meet the requirements of our regulators.
Implementation Guidelines	This policy is to be implemented by each business within the Savills' Group in a manner consistent with the Group Risk Management Policy but appropriate to the nature and objectives of each operating company. This implementation will be supported by the Group Director of Risk & Assurance, but should include: ■ Business managers identifying key risks to the business and documenting these in a risk register; ■ Evaluating the likelihood and impact of the key risks using a risk matrix as prescribed by your regional Head of Risk or Compliance; ■ Identifying what controls are currently in place; ■ Assessing the residual risk severity and identifying further controls where necessary; ■ Defining business improvement actions with clear responsibilities and delivery dates; A formal approach to risk management should be adopted to identify the key strategic, operational, financial, legal / regulatory risks involved in key business entities / operations, business functions as well as projects, acquisitions and key decision making processes.

Roles & Responsibilities	There are a number of stakeholders within Savills with a more defined responsibility for risk management and these are: ■ The plc Board is ultimately responsible for the Group's systems of risk management, determining the Group's risk appetite and for communicating the requirements of this policy. The Group Audit Committee independently reviews the adequacy and effectiveness of risk management across the Group ■ The Group Executive Board (GEB) is responsible for ensuring that the Group's risk management policy is implemented and embedded. ■ The Group Risk Committee, chaired by the Group CEO is responsible for supervising the implementation of risk management across the Savills business in compliance with the principles established and reviewing the effectiveness of risk management processes. ■ Each Executive Board, Business Head and Group Functional Head is responsible for the identification, assessment and management of risk within their own area of responsibility and for providing assurance to the Group Risk Committee that they have done so. ■ All managers have a 'first line' responsibility for identifying, assessing and managing risk within their own area of responsibility, for implementing agreed actions to manage risk and for reporting activities or circumstances that may give rise to new or changed risk. ■ All employees are responsible for identifying and managing the risks arising within their areas of responsibility and reporting these to their manager. ■ The Group Director of Risk & Assurance provides advice and challenge on the identification, evaluation and management of risk to all Savills businesses and reports to the Audit Committee on the effectiveness of each business's risk management processes. Please direct any questions regarding the implementation of this policy to your manager in the first instance then the Group Director of Risk & Assurance.
Approved by:	S J B Shaw on behalf of Savills