

## **Corporate governance statements**

### **Section 172(1) statement**

The Board of Directors of WSP UK Limited (the “Company”) consider that they have acted, both collectively and individually, in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its sole shareholder. In this context, the Board has had regard to the stakeholders and matters set out in section 172(1) (a - f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2019. The following paragraphs set out how the Board of Directors has fulfilled its duties in relation to each of these matters:

#### **(a) The likely consequences of any decisions in the long-term**

In conjunction with its ultimate parent entity, WSP Global Inc., the Board has adopted the 2019-2021 Global Strategic Plan with a view to long-term success of the Company. The strategy evolves around our foundational pillars, namely Clients, People and Culture, Operational Excellence and Expertise. The Board is mindful of the fact that our future world will be very different from today’s in many ways and is guided by our “Future Ready” initiative to see the future more clearly through key trends in climate change, society, technology and resources, and challenge our teams to work with our clients to advise on solutions that are both ready for today and the years to come.

#### **(b) The interests of the Company’s employees**

The Company’s success is attributable to the technical expertise and commercial ability of our professionals, forged by their profound understanding of the local markets in which they operate. The Company has made extraordinary efforts to attract, develop, engage, and retain the best professionals in our fields of expertise because this is what makes us great. We care about individuals and our People and Culture strategy focuses on health, safety and wellbeing through our zero-harm culture and Thrive program, providing our people with an environment to deliver their full potential by creating professional career paths for our technical experts, thought leaders and managers, including providing extensive training and development opportunities. Our intention is to ensure fair and equal treatment of our employees by embedding a culture of diversity and inclusion.

#### **(c) The need to foster the Company’s business relationships with suppliers, customers and others**

Bringing the best of WSP to our clients is at the centre of everything that the Company has undertaken and continues to undertake. The Company regularly obtains feedback surveys from clients on their experience and actively responds to constructive advice.

The Company has worked closely with its suppliers and closely managed its relationship with the same from a commercial and compliance perspective.

**(d) The impact of the Company's operations on the community and environment**

The Company's projects are increasing in complexity due to the dynamic nature of the trends transforming our world and the importance of social acceptability. To continue to bring tangible value to our clients, the Company is building its service offering on its ability to understand and adapt to their changing needs while creating long-lasting value for our communities. The Board knows that the Company's solutions will shape the communities of tomorrow and help societies thrive sustainably.

The Company supports community involvement by its employees and encourages charitable activity and donations of both time and money.

The Board is committed to reducing the environmental impact of the Company's operations. As experts in assisting the Company's own clients in implementing carbon reduction measures, we continue to focus on reducing our own environmental impact. One of the major objectives outlined in WSP's 2019-2021 Global Strategic Plan is a global greenhouse gas reduction target to prevent significant climate change impacts from our operations.

**(e) The desirability of the Company maintaining a reputation for high standards of business conduct**

WSP's reputation is founded on the world-class work of our people and our resolute commitment to our clients and communities. The Board has put the highest ethical standards at the centre of all that it does and professionalism is inherent in our offering; it carefully considers the reputation of the Company and the WSP Global Inc. group, and the implications on reputation when making its decisions. In addition, the Company is mindful of how and with whom business is conducted and, as an example, does not engage with third parties who display unsatisfactory business conduct or ethics.

**(f) The need to act fairly between shareholders of the Company**

The Company has only one class of share in issue and all shares are held by a sole shareholder and both the Company and its direct shareholder are part of a larger WSP global group with the ultimate parent a Canadian incorporated company listed in Toronto WSP Global Inc.

## Corporate governance principles

During the year ended 31 December 2019, WSP UK Limited (the “Company”) applied the “Wates Corporate Governance Principles for Large Private Companies”. The following summarises how compliance was achieved under each of the six principles:

### **Principle 1 - Purpose and leadership**

The Company is a wholly owned indirect subsidiary of WSP Global Inc., a company incorporated in Canada and listed in Toronto, and exists to provide a broad range of engineering, consulting and advisory services relating to the built and natural environment to our clients in the UK market. WSP is one of the world’s leading professional service firms providing technical expertise and strategic advice to clients in a variety of sectors while operating within the WSP key values, which are:

- We value our people and our reputation
- We are locally dedicated with international scale
- We are future-focussed and challenge the status quo
- We foster collaboration in everything we do
- We have an empowering culture and hold ourselves accountable

In recent years, the Company has significantly increased in size via organic growth and external acquisition. During the year ended 31 December 2019, the Company had approximately 6,500 employees in the UK and expects to continue to pursue its growth strategy. The Board has adopted the 2019-2021 Global Strategic Plan with a view to promoting long-term success. The strategy requires focus around our foundational pillars, namely Clients, People and Culture, Operational Excellence and Expertise.

### **Principle 2 - Board composition**

The Company’s Board comprises Mark Naysmith, Chief Executive Officer for the UK and South Africa, Miles Barnard, Chief Financial Officer for the UK and South Africa, and Michael Rogerson, Chief Operating Officer for the UK (who held this role until October 2019 when he was seconded to lead a global strategic project). Ciaran Thompson was appointed Chief Operating Officer for the UK in October 2019 and was appointed to the Board in September 2020. The Board is advised by two, wider cross-discipline senior leadership teams called the Executive Committee (responsible for all operational matters relevant to the Company) and the Executive Leadership Team (responsible for strategic direction and client and people development).

Mark Naysmith joined the Company in 1988 and was appointed Chief Executive Officer for the U.K. and South Africa in 2016, after holding a number of senior board positions in the U.K. and the Republic of Ireland. Mark is a Chartered Engineer (CEng) with a BEng Hons (1st) in Civil and Transportation Engineering and in 2018 he was awarded an Honorary Doctorate of Engineering (Dr.Eng) by Edinburgh Napier University in recognition of the contribution he has made to the built and natural environment. Having started his career as a civil and structural engineer, Mark spent the majority of his practicing career as a transport planner. He is accountable for the day-to-day operations of the

Company and its strategic growth and direction, together with operational delivery of the Company's projects in the UK and South Africa. He is a member of the Global Leadership Team as well as the UK Executive Committee and the UK Executive Leadership Team.

Miles Barnard is Chief Financial Officer for WSP in the UK and South Africa and sits on both the UK Executive Committee and the UK Executive Leadership Team. Miles is responsible for the financial management and governance of the business including reporting and planning which encompasses the setting and delivery of the long-term goals of the business. Miles continues to draw on his knowledge implementing continuous improvements to financial systems, processes and procurement as well as assessing and completing business acquisitions. With broad international experience across different sectors, Miles has led significant business restructuring, operational and financial system improvement projects throughout his career. He was previously the Managing Director of Mouchel Limited, which was acquired by WSP in 2016.

Michael Rogerson held the position of Chief Operating Officer for the UK until October 2019 when he was seconded to lead a global strategic project on behalf of the group. As Chief Operating Officer, he was responsible for leading the day-to-day operations of the Company, ensuring the development of ethics, health and safety practices for the Company and to oversee compliance with those practices and to maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees. While on secondment, Michael has kept apprised of Company operations by joining regular internal briefings on finance and operations as well as frequent meetings with the current Chief Operating Officer, Ciaran Thompson.

Ciaran Thompson has held the position of Chief Operating Officer for the UK since October 2019. He is a Chartered Civil Engineer with extensive experience in project delivery and operational/commercial management across multiple geographies. He joined WSP in 2010 and will be appointed to the Board in September 2020. He is a member of the UK Executive Committee and the UK Executive Leadership Team.

The Board holds monthly board meetings. It reviews its composition annually and has developed a structured, medium-term plan for Board succession. The UK Executive Committee and the UK Executive Leadership Team meet frequently throughout the year.

### **Principle 3 - Director responsibilities**

The Board is responsible for all operational and compliance matters of the Company, including client service, working capital management, taxation, legal and statutory obligations. While the Company is ultimately owned by a Canadian entity, the Directors of the Company are all UK based and have a high level of familiarity, expertise and knowledge of the UK market. Evaluation of the performance of the Board and evaluation of the performance of individual Directors is conducted via the Performance and Development Review programme annually.

Throughout their tenure as Directors, the training needs of Directors are regularly considered. All Directors have the authority to obtain independent legal advice and have direct access to the UK Head of Legal and Company Secretary.

#### **Principle 4 - Opportunity and risk**

The Company is subject to a number of risks and uncertainties and is affected by a number of factors which could have a material adverse effect on the Company's business, financial condition, operating results, future prospects or achievement of its 2019-2021 Global Strategic Plan. The Company maintains and updates a Risk Register, which is overseen by the Chief Operating Officer and which captures business, operational and financial risks with associated mitigating measures. The WSP Global Inc. Board has rolled out group wide initiatives in respect of Health and Safety, Ethics and Compliance and Information Security risks to achieve improved and standardised training, tools and processes across the group, including the UK.

#### **Principle 5 - Remuneration**

The remuneration of the Chief Executive Officer is reviewed and approved by the WSP Global Inc. Board of Directors. In respect of the remuneration of the other two Directors, the Chief Executive Officer submits a recommendation to and for approval by the WSP Global Inc. Chief Operating Officer, who is also a Director on the WSP Global Inc. Board of Directors.

#### **Principle 6 - Stakeholder relationships and engagement**

As a global organisation, WSP strives to bring value to our stakeholders in a safe, ethical and sustainable manner. The Board recognises that the reputation of WSP depends on our ability to be outstanding professionals, acting with honesty, integrity and transparency in our daily dealings with all of our stakeholders in accordance with our Code of Conduct. Aside from the ultimate parent entity WSP Global Inc., our key stakeholders are our employees, suppliers and clients and WSP's approach to engaging with these stakeholders is presented within the Directors' Report.