

RISK MANAGEMENT POLICY

1. Preamble

The Board of Directors (the “Board”) of A2Z INFRASTRUCTURE LIMITED (the “Company” or “A2Z-INFRA”), has adopted the following risk management policy as defined below.

The Board/Audit Committee will review and may amend this policy from time to time. This policy is to regulate risk assessment and risk minimization procedures in the Company.

2. Document Purpose

The Risk Management Policy describes how risk management will be structured and performed on the project to ensure risk are being managed and controlled at acceptable levels. Risk in a project environment cannot be totally eliminated. The objective of a risk management process is to minimize the impact of unplanned incidents on the project by identifying and addressing potential risks before significant negative consequences occur.

3. Definition

Definition of Risk Management: The Company recognizes that enterprise risk management is an integral part of good management practice. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

Definitions of Risk:-**A potential undesirable and unplanned event or circumstance, anticipated in advance, which could prevent the project from meeting one or more of its objectives.**

4. Policy

- a. The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.
- b. The Company will keep investors informed of material changes to the Company’s risk profile through its periodic reporting obligations to the Audit Committee.

5. Risk Management Philosophy

The continued successful safeguarding, maintenance and expansion of the Company’s businesses requires a comprehensive approach to risk management.

It is the policy of the Company to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance,

brand or reputation of the Company.

Fundamental values of the Company are respect for our employees, customers and shareholders and integrity in everything we do. By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into Company's daily business practices the Company will be better equipped to achieve our strategic objectives, whilst maintaining the highest ethical standards.

All staff are expected to demonstrate the highest ethical standards of behaviour in development of strategy and pursuit of objectives. Individually and collectively the Company's employees shall:

- a. Consider all forms of risk in decision-making;
- b. Create and evaluate group-wide ("corporate"), divisional and business unit risk profiles;
- c. Continually monitor and seek ways to improve the risk management framework;
- d. Retain ownership and accountability for risk and risk management at the corporate and divisional level;

6. Risk Management Responsibilities and Authority

a. Board & Audit Committee

The Board oversees the establishment and implementation of the Company's risk management framework and shall review annually the effectiveness of that system.

The Audit Committee oversees the operation of the enterprise risk management system and ensure its adequacy. The Committee monitors the internal policies for identifying and determining key risks to which the Company is exposed.

b. WTD and CFO

The Whole-time Director and the members of the Audit Committee are responsible for monitoring and reviewing the strategic risk register at least annually for completeness, continued relevance of risk assessment, effectiveness of risk treatment plan and timeliness of implementation of risk treatment actions, taking into account changing circumstances.

The Whole-time Director and the Chief Financial Officer provide a statement to the Board in writing that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects at least on yearly basis.

c. All Staff

The effective management of risk is the responsibility of all managers, staff and others engaged to act on behalf of the Company.

7. Internal Compliance and Controls

In addition to the risk management framework, the Company has an internal compliance and control system based on the following:

- i. An internal audit program approved by the Audit Committee;
- ii. A financial reporting control system which aims to ensure that financial reporting is both accurate and timely.
- iii. The Company has a number of control processes in place to help ensure that the information presented to senior management and the Board is both accurate and timely.

The control processes include, among other things:

- iv. Annual audit and half-year review by the Company's statutory auditor;
- v. Planned review by internal auditors reviewing the effectiveness of internal processes, procedures and controls;
- vi. Monthly review of financial performance compared to budget and forecast.

8. Assessment of Effectiveness

- vii. Group Internal Audit provides the Audit Committee and management with independent and objective assurance and advisory services, and helps the Company accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance functions.

viii. The Audit Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework, the internal compliance and control systems and shall report on the same to the Board annually.