

INTERNATIONAL INDUSTRIES LIMITED

RISK MANAGEMENT POLICY

OBJECTIVE:

The objective of the Risk Management Policy is to outline the Company's practices and a Risk Management Framework for the identification and management of uncertainty with the aim of maintaining a balance between risk and return in the Company's operations to safeguard the interest of its stakeholders. The specific objectives of the Risk Management Policy are:

- a) To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated and managed.
- b) To establish a framework for the Company's risk management process and to ensure company-wide implementation.
- c) To ensure systematic and uniform assessment of risks related to the business.
- d) To enable compliance with appropriate regulation, wherever applicable, through the adoption of the best practices.

POLICY:

1. It is the responsibility of management to ensure that operations of the Company are organized, controlled and monitored at a level commensurate to meet desired objectives. Therefore, employees are responsible for identifying key risk affecting the business and implementing measures to reduce such risks. Senior management committee members are responsible to ensure appropriate policies, procedures and systems are put in place to address highlighted risks and monitoring these on a continuous basis to ensure its effective implementation.
2. BAC will support the board in fulfilling its corporate governance and oversight responsibility by monitoring and reviewing the process and risks.
3. The BoD of the Company has the overall responsibility for the risk management process and setting of risk appetite.
4. All risk management activities undertaken in areas such as_ HSE, Manufacturing, HR, IT, Finance, legal affairs, procurement, tax, treasury, projects form fully part of this process.
5. The Company has implemented a Risk Management Framework to ensure the management has oversight of material risks and internal controls. The Risk Management Framework is designed to address risks that have been identified to have a material impact on the Company's business and to ensure that the BoD reviews at minimum the risk matrix and heat maps.

6. This policy along with the following documents will form the risk management framework a) Risk Register which identifies all risks, inherent and residual risk ratings, mitigating procedures, b) risk management process, c) Key risks will be reported to the Board Audit Committee and Board of Directors.
7. To achieve this objective, it's necessary to have the following elements 1) effective risk management process with board level review, 2) committed staff, 3) proactive leadership, 4) risk culture and 5) transparency about risks affecting the business.
8. The Internal Audit function shall be responsible for providing assurance to the Board Audit Committee and the Board of Directors about the efficiency and effectiveness of the risk management process and related control systems.