ARGO GLOBAL LISTED INFRASTRUCTURE LIMITED

RISK MANAGEMENT POLICY

1. INTRODUCTION

This Policy outlines Argo Global Listed Infrastructure's (ALI) approach to risk and its risk management framework which is consistent with AS/NZS ISO 31000:2009 (Standard) and complies with the ASX Corporate Governance Principles and Recommendations.

The Company's operations are managed by Argo Service Company Pty Ltd (ASCO or Manager), which has engaged Cohen and Steers Capital Management Inc. (CNS or Portfolio Manager) to actively manage the portfolio under the supervision of the Manager. The Manager provides these services under Australian Financial Services Licence no. 470477. The Manager is a wholly owned subsidiary of Argo Investments Limited, which is a substantial shareholder of the Company.

2. RISK APPETITE STATEMENT

ALI has a generally conservative attitude to risk. It invests only in the global listed infrastructure sector, which is generally less volatile than broader equity markets. It seeks to mitigate market and sector risk with a diversified portfolio that is actively managed by a globally reputed specialist portfolio manager. Foreign currency translation risk will influence the Company's asset backing but this is accepted as part of the objective to provide low correlation with the Australian equity market.

3. RISK MANAGEMENT FRAMEWORK

A. Identify risks

What is a risk?

The Standard defines risk as the 'effect of uncertainty on objectives'. An effect is a deviation, negative or positive, from the expected. If the effect is negative, the risk is called a threat. If the effect is positive, the risk is called an opportunity. A risk may be financial or non-financial.

Identification

The business risks to which the Company is exposed are continually monitored and the business environment is regularly reviewed for new risks. Risks identified as material are captured in the Company's Risk Register and originate from a range of areas such as strategic, investment and operational.

B. Analyse, measure & evaluate risks

A deep understanding of each risk is developed, including its likelihood of occurrence after taking into account the effectiveness of existing controls and its potential consequences after taking into account mitigating strategies. The level of each risk is rated using ALI's risk matrix and a residual risk identified – this is the level of risk that remains after the application of existing controls.

C. Manage risks

The Board assesses residual risk in light of its risk tolerance for a particular category and its overall risk appetite. It may determine a risk to be acceptable or may require further mitigation measures to be added.

D. Monitor and review

The Company's Risk Register is a dynamic document that is adapted and modified as changes occur in the business environment. Management actively monitors and reviews the risk framework throughout the year including ensuring that controls are in place and remain effective.

4. RESPONSIBILITIES

The Board

The Board is responsible for setting ALI's risk appetite and ensuring that the Company maintains an effective risk management framework. Oversight of material business risk is a core function of the Board.

Audit & Risk Committee

The Board has delegated responsibilities to the Audit & Risk Committee in relation to financial reporting, internal financial controls and facilitating the external audit function. In addition, the Committee considers and reports to the Board on operational risk matters.

Management

The Manager has designed and implemented the risk management framework and regularly reports to the Audit & Risk Committee as to its effectiveness and discusses any relevant events.

The Managing Director and the Chief Financial Officer provide assurance to the Board that the declaration made in accordance with s295A of the Corporations Act regarding the Company's financial statements is founded on a sound system of risk management and internal control.

5. REVIEW

This Policy, ALI's risk appetite and its risk management framework are reviewed annually by the Board.