

NOTICE OF 2006 ANNUAL GENERAL MEETING

Notice is given that the 95th Annual General Meeting of shareholders of Alesco Corporation Limited (Company) will be held in the AGL Theatre at Museum of Sydney Corner of Phillip and Bridge Streets, Sydney on Wednesday 27 September 2006 commencing at 2.30pm (Sydney time).

A. CHAIRMAN'S ADDRESS AND THE CHIEF EXECUTIVE'S REPORT

B. FINANCIAL REPORT

To receive and consider the Financial Statements and the Reports of the Directors and the Auditor on the Financial Statements for the year ended 31 May 2006.

C. ELECTION OF DIRECTORS

1. To elect as a Director Robert Murray Aitken, who retires by rotation in accordance with Article 9.3 of the Company's Constitution, and, being eligible, offers himself for re-election.
2. To elect as a Director Sean Patrick Wareing, who retires by rotation in accordance with Article 9.3 of the Company's Constitution, and, being eligible, offers himself for re-election.

D. REMUNERATION REPORT

3. To adopt the Remuneration Report for the year ended 31 May 2006.

The vote on this resolution is advisory only and does not bind the Directors or the Company.

E. APPROVAL OF ALESCO PERFORMANCE SHARE ACQUISITION PLAN

4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"THAT approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Stock Exchange Limited for:

- (a) the establishment of a plan, to be called the Alesco Performance Share Acquisition Plan (**Plan**), for the provision of incentives to senior executives of the Company and its subsidiaries;
- (b) the issue and transfer of shares to senior executives under the Plan; and
- (c) the provision of benefits to those senior executives under the Plan, in accordance with the Plan Rules, initialled by the Chairman for the purposes of identification and described in the Notice of Meeting convening this meeting."

F. ALLOCATION OF SHARES TO THE MANAGING DIRECTOR

5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“THAT approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Stock Exchange Limited for:

- (a) if Resolution 4 in the Notice of Meeting convening this meeting is approved:
 - (i) the making of a contract between the Company and Mr Justin James Ryan for the issue of 370,000 ordinary shares in the Company to Mr Ryan in three tranches over a three year period under the terms of the Alesco Performance Share Acquisition Plan (**Plan**), and the provision of benefits under that Plan;
 - (ii) the allocation of 370,000 ordinary shares in the Company to Mr Ryan under the terms of the Plan;
 - (iii) the making of an interest free loan to Mr Ryan under the Plan for % of the issue price of the shares approved to be allocated to Mr Ryan under paragraph (ii); and
 - (iv) the provision of an award to Mr Ryan, being either a bonus with the after tax amount being applied to reduce the loan balance, or as a loan waiver and fringe benefits tax on the loan waiver, determined by the Board under the Plan, subject to the Company achieving certain performance targets based on the Company’s compound annual growth rate in earnings per share (before amortisation of intangibles and significant items) over a three year period,

as described in the Notice of Meeting convening this meeting; or

- (b) if Resolution 4 in the Notice of Meeting convening this meeting is not approved, the acquisition by Mr Justin James Ryan of up to 370,000 ordinary shares in the Company for no cash payment under the Alesco Management Share Plan on the basis described in the Notice of Meeting convening this meeting.”

G. NON-EXECUTIVE DIRECTORS’ REMUNERATION

6. To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“THAT the total amount of directors’ fees payable to the non-executive Directors of the Company, for the years from and including the year commencing 1 June 2006, be increased by \$350,000 per annum from \$650,000 per annum to such annual sum, not exceeding \$1 million per annum, as the Directors determine, to be divided among them as the Directors determine.”

H. REPLACEMENT OF THE COMPANY’S CONSTITUTION

7. To consider and, if thought fit, to pass the following resolution as a special resolution of the Company:

“THAT with effect from the close of this meeting, the constitution of the Company is repealed and the constitution in the form tabled at the meeting and initialled by the Chairman for the purpose of identification, is adopted as the constitution of the Company.”

For further information, please refer to the Explanatory Notes which form part of this Notice of Meeting.

By order of the Board

Luci Rafferty
Company Secretary
18 August 2006

1. If you cannot attend the Meeting you may appoint a proxy to attend and vote for you. A proxy form is included with this Notice of Meeting for this purpose. Alternatively, you can appoint your proxy online by visiting the Share Registrar's website at www.linkmarketservices.com.au under Proxy Voting. To do this, you will need your holder identification number (HIN) or security holder reference number (SRN), surname or company name and postcode or country code and follow the prompts.
2. You may appoint no more than two proxies to attend and vote on your behalf. A proxy need not be a member of the Company. If you appoint two proxies, the instrument may specify the proportion or number of your votes that each proxy is appointed to exercise. If it does not do so, each proxy may exercise half of the votes.
3. If you wish to direct a proxy on how to vote on any resolution, you should place a mark (eg a cross) in the appropriate box on the proxy form. Your proxy may only exercise your vote in the manner you have directed. You may specify your voting direction by inserting the number or percentage of shares that you wish to vote in the appropriate box.
4. To be effective, the Company must receive the following by not later than 2.30pm (Sydney time) on Monday, 25 September 2006:
 - Your proxy form or online proxy appointment duly completed and signed (follow the online prompts for completing and "signing" your proxy appointment online)
 - if the proxy form or online proxy appointment has been signed under a power of attorney, a copy of the power of attorney (if it has not been noted by the Share Registrar)
 - if the proxy form or online proxy appointment has been signed by another authority, a copy of the authority under which the appointment was signed or a certified copy of the authority (if it has not been noted by the Share Registrar). These documents (other than online proxy appointments) may be returned in the reply paid envelopes provided. Alternatively, you may send these documents to the Company's Share Registry, by:

Mail

Alesco Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Delivery

Alesco Corporation Limited
C/- Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Fax 61 2 9287 0309

To appoint your proxy online:

www.linkmarketservices.com.au
(go to Proxy Voting and follow the prompts).

5. Persons holding shares of the Company which are quoted securities on the Australian Stock Exchange at 7.00pm (Sydney time) on Monday 25 September 2006 will be treated, for the purposes of the meeting, as shareholders of the Company.

6. VOTING EXCLUSION STATEMENT

The Company will disregard any votes on Resolutions 4 and 5 by:

- a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- an associate of those persons.

The Company will disregard any votes on Resolution 6 by:

- a director of the Company; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders – as a whole – to ask questions about or to make comments on the Company's management or its Remuneration Report at the meeting. Similarly, a reasonable opportunity will be given to shareholders – as a whole – to ask the Company's external auditor, KPMG, questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may submit a question to KPMG online by visiting the Share Registrar's website at www.linkmarketservices.com.au if the question is relevant to the content of KPMG's audit report or the conduct of its audit of the Company's financial report for the year ended 31 May 2006.

Relevant online questions for the Company or the auditor must be received no later than 5.00pm (Sydney time) on 20 September 2006. Where appropriate, a list of those relevant questions will be made available to shareholders attending the AGM. The Company or KPMG will either answer these questions at the AGM or table written answers to them at the AGM or make them available to shareholders as soon as practicable after the AGM.

ITEM A – CHAIRMAN’S ADDRESS AND THE CHIEF EXECUTIVE’S REPORT

The Chairman will address the meeting and the Chief Executive will make a presentation on the performance of the Company during the financial year ended 31 May 2006 as well as other strategic and operational activities of the Company. The Chairman will also respond to questions raised by Shareholders at or before the meeting.

ITEM B – FINANCIAL REPORT

The Company is required by the Corporations Act and its Constitution to table before the meeting the Financial Statements and the Reports of the Directors and the Auditor on the Financial Statements, for the year ended 31 May 2006. Shareholders are not required to vote on these reports but will be given an opportunity to raise questions on the Reports at the meeting. The Auditor will be available at the meeting to answer any questions in relation to the Auditor’s Report.

ITEM C – ELECTION OF DIRECTORS

Robert (Rob) Murray Aitken BE (Chem) (Hons), MBA
Non-Executive Director Age 55
Member of the Audit & Compliance Committee

Rob joined the Board in March 2003. He is also Chairman and non-executive director of Rubicor Group Limited, API Securities Holdings Pty Ltd and Formit Services Pty Ltd and a non-executive director of Nuplex Industries Limited and YMCA Sydney. He was previously a director of B&D Limited when it was owned by Catalyst Investment Managers and was formerly Executive General Manager with Southcorp Limited and President, Formica Corporation. Rob has over 25 years experience in senior international management roles with manufacturing, industrial marketing and distribution businesses for Southcorp Limited, BTR Plc and CSR Limited.

The Board unanimously recommends that shareholders vote in favour of Mr Aitken’s re-election.

Sean Patrick Wareing FCPA, ACIS, FAICD
Chairman Age 66
Chairman of the Human Resources Committee

Sean joined the Board in September 2000 and was appointed Chairman in October 2000. He is also Chairman of Commonwealth Managed Investments Limited and The Kiwi Income Property Management Ltd (the manager of The Kiwi Income Property Trust), Director of Allianz Australia Limited, and Director and Vice President of The Royal Institute for Deaf and Blind Children. Sean has particular experience in the building and construction and finance industries and is a former Finance Director of Lend Lease Corporation Limited and Chairman of St Hilliers Holdings Pty Limited.

The Board unanimously recommends that shareholders vote in favour of Mr Wareing’s re-election.

ITEM D – REMUNERATION REPORT

The Board submits its Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out on pages 32 to 38 of the Directors’ Report. The Report:

- explains the Board’s policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- discusses the relationship between the Board’s remuneration policy and the Company’s performance;
- sets out remuneration details for each Director and each member of the Company’s senior executive management team; and
- details and explains any performance hurdles applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of and questions relating to the Remuneration Report at the meeting.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

ITEM E – APPROVAL OF ALESCO PERFORMANCE SHARE ACQUISITION PLAN

The Company continues to review and benchmark its remuneration policies and practices in order to ensure that they are consistent with its strategic goals and human resources objectives and to ensure that they are designed to enhance corporate and individual performance. This year the Company undertook a review of its long term incentive policies and practices in consultation with external remuneration specialists, Godfrey Remuneration Group.

Based on this review, the Board has decided to establish a new long term incentive plan for its most senior executives to be known as the Alesco Performance Share Acquisition Plan (**Plan**). This Plan is designed:

- to attract and retain key senior executives;
- to continue to motivate and drive performance at both the individual and corporate level;
- to be self-funding (ie achievement of performance hurdle targets will be measured after the cost of the Plan is taken into account);
- to ensure that senior executives are long term holders of shares in the Company.

Structure of the Plan

In summary, under the Plan, loans (**Loans**) will be provided to key senior executives (**Participants**) to fund the acquisition of ordinary fully paid shares in the Company (**Shares**). Ownership in the Shares vests immediately with the Participant and the Loan is (in most circumstances) fully recourse. Awards will be earned by Participants in the form of either cash bonuses (used to pay down the outstanding Loan) or Loan waivers and will be calculated by reference to the Company’s compound annual growth rate in earnings per share (before amortisation

of intangibles and significant items) over a three year period (**EPS Growth**). The Directors believe that EPS Growth is the most appropriate measurement which is directly affected by the senior executive team of the Company and the measure which will have the greatest impact on long term shareholder wealth creation.

Summary of the Plan Rules

The Board of Directors of the Company (**Board**) will administer the Plan in accordance with the Plan Rules and the terms and conditions of the specific grants to Participants. The Plan Rules include the following provisions:

- 1 the Board in its absolute discretion may determine which of the eligible persons will be offered the opportunity to participate in the Plan;
- 2 the Plan provides for the issue or transfer of fully paid Shares together with the making of loans to permanent full time executives and executive directors of the Company or its subsidiaries;
- 3 the Board may impose restrictions on the transfer of Shares acquired under the Plan;
- 4 the Board may invite a Participant to apply for a Loan for the purpose of acquiring the Shares offered to them under the Plan. The Board is given discretion to set the terms of the Loan which may be at a less than commercial rate of interest or interest-free, on a secured or unsecured basis, and to waive the Company's right to repayment of any amount of a Loan which remains outstanding on the date the Loan is due and repayable and which is in excess of the then market price of the relevant Shares. The after-tax amount of any cash distributions paid on the Shares acquired with the Loan must be applied towards repayment of interest, if any, and the principal of the Loan;
- 5 Loans will become immediately due and repayable on the earliest to occur of:
 - (a) the maturity date specified at the time of making the Loan;
 - (b) the relevant Participant becoming an insolvent under administration;
 - (c) the relevant Participant ceasing to be an employee of an entity within the Alesco group;
 - (d) a relevant third party making a takeover bid and acquiring the Shares of a relevant Participant that are subject to a Loan;
 - (e) any person acquiring the Shares under compulsory acquisition or a scheme of arrangement in relation to the Company;
 - (f) the disposal of the Shares by the Participant.
- 6 the Board may waive the Company's right to repayment of all or part of any unpaid Loan in the following circumstances:
 - (a) on the satisfaction of any conditions for such waiver set out in the invitation in respect of the Shares acquired using the Loan;
 - (b) in the event of death or total and permanent disablement of the Participant to whom the Loan is made; or
 - (c) in such other circumstances as the Board may, in its sole discretion, determine.

Terms and conditions of the current proposed Plan grants

The following summarises the key terms and conditions of the current proposed Plan grants to senior executives if the Plan is approved.

Acquisition of Shares

Shares are proposed to be issued under the Plan at a price equal to the volume weighted average price of Shares, as traded on the ASX, in the one week period up to and including the date of allocation of the Shares or otherwise acquired on-market.

Restriction on disposal

Participants may not dispose of their Shares for three years after acquisition of their Shares (**Restriction Period**) and may only dispose of them after three years if the Loan relating to those Shares is repaid. A holding lock will be placed on the Shares from the date of acquisition until the Participant is entitled to dispose of those Shares (**Holding Lock**).

Loans

Loans to Participants under the Plan are interest free and full recourse. There are two exceptions to the full recourse feature:

- (a) if certain performance hurdles are met, the Board may grant an Award and waive a proportion of the unpaid amount of a Loan, up to a maximum of 53.5% of the value of the Loan (based on the current top marginal rate of income tax of 46.5% including the Medicare levy of 1.5%);
- (b) if a Participant ceases to be employed by an entity within the Alesco group prior to the Loan being repaid, in certain circumstances, the Board has the discretion to waive the amount (if any) by which the outstanding Loan balance is greater than the market value of the Shares.

The time that the Loan is due to be repaid is 10 years from the drawdown date, or earlier in the event of termination of employment. From three years after drawdown of the Loan, the Participant may repay some or all of the Loan from his/her own resources.

While the Loan is outstanding, the after-tax amount of any cash distribution paid on a Participant's Shares will go towards the reduction of the Loan and the balance will be paid to the Participant to meet any tax liability. The Participant must also pay the proceeds of any sale of rights which he or she derives in respect of his or her Shares and any associated bonus Shares towards the reduction of his or her Loan.

Performance hurdles

If certain performance levels measured from 1 June 2006 to 31 May 2009 (**Measurement Period**) are met, the Board will recognise such performance by way of an Award related to the amount borrowed to acquire the Shares.

Performance hurdles will be calculated based on the Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items) (**EPS Growth**) over the Measurement Period. The EPS Growth will be determined by the Board as disclosed in the Company's Annual Report for the financial years ending on 31 May 2006 and 31 May 2009.

An Award will, at the election of the Company, be processed as either a bonus with the after tax amount being applied to reduce the Loan balance or as a Loan waiver and fringe benefits tax (FBT) on the Loan waiver. The maximum amount of any Award would be a bonus equal to 100% of the initial Loan amount or a Loan waiver equal to 53.5% of the initial Loan amount (being the difference between 100% and the current maximum marginal tax rate of 46.5% including the Medicare levy of 1.5%).

The scale used to calculate the Award is as follows:

EPS Growth* over the Measurement Period	% of Maximum Award	Amount of Loan Reduction as % of Initial Loan to Acquire Shares**
<5%	0%	0%
5%	33.3%	17.83%
>5% and <7%	Pro-rata	Pro-rata
7%	66.7%	35.67%
>7% and <12%	Pro-rata	Pro-rata
12% or >	100%	53.5%

* The Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items)

** This assumes a highest marginal tax rate of 46.5% (inclusive of Medicare levy).

Example

An example setting out the way the Award system operates is as follows:

Worked Example

Value of Shares allocated under the Plan on the Allocation Date	\$100,000
Initial Loan granted under the Plan	\$100,000
Amount owing on the Loan on the date the Restriction Period ends (assuming \$15,000 of the initial Loan has been repaid using cash distributions on the Shares that are paid during the Restriction Period)	\$85,000
EPS Growth over Measurement Period	10.0%
Award as % of initial Loan to acquire Shares	86.7%
Amount of Loan reduction as % of initial Loan to acquire Shares	46.367%
Dollar value of Loan reduction (46.367% x 100,000)	\$46,367
New Loan balance upon granting of Award on the date the Restriction Period ends (\$85,000 – \$46,367)	\$38,633

If the EPS Growth over the Measurement Period is less than 5% no Award will be granted and the amount owing on the Loan on the date the Restriction Period ends will be \$85,000. At 12% or higher EPS Growth over the Measurement Period the maximum Award will be granted and the new Loan balance on the date the Restriction Period ends would be \$31,500.

Note that the above example does not take into account:

- any movement in the share price between the Allocation Date and the date the Restriction Period ends. Share prices rise and fall and the value of the Shares may be lower than the value of the Shares at the time they were allocated under the Plan; or
- any personal tax implications.

The above example is not a projection or forecast of the performance of the Company or the Shares. The assumptions used in the example are used only for the purpose of illustrating how an Award may affect the outstanding Loan balance.

Requirement for approval

Shareholder approval of the Plan is sought for all purposes under the Corporations Act and the Listing Rules of the Australian Stock Exchange Limited. If approval is given the following consequences will ensue:

- Any benefits received by a Participant under the Plan upon cessation of employment will not be included in the calculation of the maximum value of retirement benefits otherwise payable without shareholder approval under section 200B of the Corporations Act. Benefits are dependant on the circumstances under which employment ceases, and may include the granting of a potential Award where employment ceases prior to the end of the Restriction Period, and the capping of the outstanding Loan balance at the market value of the Shares at the date of termination, where employment ceases prior to the Loan being repaid.
- Shares issued under the Plan will be excluded from the calculation of the maximum number of new Shares that can be issued by the Company in any 12 month period without shareholder approval (currently 15% of Shares previously on issue). In any event, the maximum number of Shares that can be issued by the Company in any five year period under all employee share plans that may involve the issue of Shares is effectively limited (subject to certain exceptions) to 5% of issued Shares, by the terms of the applicable ASIC class order prospectus exemption.
- The Company will be providing financial assistance to senior executives to acquire Shares in the Company. Under Corporations Act section 260C(4), the Company may provide such financial assistance under an employee share scheme approved by the Company in general meeting. The Company therefore also seeks approval of the Plan to ensure it may provide financial assistance to senior executives under the Plan.

RECOMMENDATION

The Directors of the Company (excluding Mr Justin Ryan who has a direct interest) believe that the Plan is an appropriately designed equity based senior executive incentive scheme, having regard to the role of the Plan in the attraction, motivation and retention of key executives and driving the improved performance of the Company.

Accordingly, noting the interest of Mr Justin Ryan (as a potential Participant), the Board of the Company recommends that you vote in favour of Resolution 4.

ITEM F – ALLOCATION OF SHARES TO MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER AND PARTICIPATION IN THE ALESCO PERFORMANCE SHARE ACQUISITION PLAN OR THE ALESCO MANAGEMENT SHARE PLAN

At the time of Mr Justin Ryan’s appointment as Managing Director and Chief Executive Officer on 1 June 2006, it was announced that as part of a long term incentive arrangement, it was intended that 370,000 ordinary fully paid shares in the Company (Shares) would be allocated to Mr Ryan in tranches over the next three years under the existing Alesco Management Share Plan (AMSP). It was noted that this allocation would be subject to the necessary shareholder approvals being obtained and that the Board would seek the approval from shareholders at its 2006 annual general meeting.

The proposed allocation of the Shares to Mr Ryan and vesting periods under the AMSP were as follows:

- Tranche 1 – 150,000 shares (issued in 2006 and vesting in 2009 subject to achieving the performance requirement described below)
- Tranche 2 – 110,000 shares (issued in 2007 and vesting in 2010 subject to achieving the performance requirement described below)
- Tranche 3 – 110,000 shares (issued in 2008 and vesting in 2011 subject to achieving the performance requirement described below)

Performance Requirement:

EPS Growth over the Vesting Period	% vesting of total shares issued under the AMSP
<5%	Nil
5%	33.3%
>5% and <7%	Pro rata
7%	66.7%
>7% and <12%	Pro rata
12% or >	100%

If the Plan is approved by the shareholders, instead of offering the Shares to Mr Ryan under the existing AMSP, the Company proposes to offer those Shares to Mr Ryan under the Plan in accordance with Resolution 5(a). If the Plan is not approved by the shareholders, the Company proposes to offer participation to Mr Ryan under the existing AMSP in accordance with Resolution 5(b) as originally intended.

Terms and conditions of participation in the Plan

The level of participation offered to Mr Ryan under the Plan has been determined having regard to his overall remuneration package including base salary and short term incentive component following consultation with external remuneration specialists, Godfrey Remuneration Group.

The Company proposes to offer the Shares in the Company to Mr Ryan in tranches over the next three years as follows:

- Tranche 1 – 150,000 shares to be issued on approximately 1 November 2006;
- Tranche 2 – 110,000 shares to be issued on approximately 1 November 2007;
- Tranche 3 – 110,000 shares to be issued on approximately 1 November 2008.

Each tranche of shares is to be funded by a Loan from the Company to Mr Ryan.

Any other issues of shares to Mr Ryan in future years must be separately approved by the Company’s shareholders.

The Shares that the Company proposes to either acquire on market for, or issue to, Mr Ryan under the Plan will rank equally with those traded on the ASX at the time of issue. If approved and the Company issues the Shares, the issue price will be the volume weighted average price of shares in the Company, as traded on the ASX, in the one week period up to and including the date of allocation of the shares to Mr Ryan. As the Shares are proposed to be issued fully paid to Mr Ryan, the only “value” accruing to them will derive from the terms of the Loan proposed to be made by the Company for the purchase price (see the paragraph “Benefit under the Plan” below).

Loans under the Plan

The terms of the Loans which the Board has agreed that the Company will make to Mr Ryan (subject to shareholder approval) in connection with his participation in the Plan will be the same as the terms of the Loans made to other Participants in the Plan (see the explanatory notes in relation to Resolution 4).

Performance requirements under the Plan

The performance requirements attaching to the Shares offered to Mr Ryan will be the same as those which currently apply to shares granted to other Participants (see the explanatory notes in relation to Resolution 4).

Benefit under the Plan

The two examples below represent an estimate of the benefit, based on certain assumptions, that would be provided by the Company to Mr Ryan in respect of his participation in the Plan, should Resolution 4 be approved and Resolution 5(a) be approved.

The estimated benefit is based on the present value of the future after tax value of the Share and Loan package held by Mr Ryan on the fifth anniversary of the Tranche 1 grant date and the following assumptions:

• share price at Tranche 1 grant date:	\$9.15
• EPS (before amortisation of intangibles and significant items) for year ended 31 May 2006:	\$0.665
• Dividend payout ratio:	85%
• Discount rate:	7.5%

EPS Growth* over the Measurement Period	Initial aggregate Loan amount (\$'000)	Aggregate Loan amount waived (\$'000)	Net distributions used to reduce loan (\$'000)	Loan balance (\$'000)	Assumed price earnings multiple	Estimated Share Price	Estimated Benefit (\$'000)
12%	3,943	2,110	1,061	772	14.8	17.35	4,716
10%	3,790	1,757	995	1,038	14.3	15.34	3,907
7%	3,603	1,285	903	1,415	13.8	12.84	2,854
5%	3,262	582	845	1,835	12.0	10.19	1,690
<5%	2,983	Nil	723	2,260	11.0	7.32	476

* the Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items)

The estimated benefit of the Plan to Mr Ryan (as described above) includes assumptions about the future share price of the Company and does not represent the cost to the Company of Mr Ryan's participation in the Plan. This can only be determined during the relevant Measurement Period, but which (on the above assumptions) would be lower than the Estimated Benefit.

The actual value of the benefits received by Mr Ryan under the Plan will differ from any estimated values, and will depend on the volume weighted average price of the Company's shares, as traded on the ASX, in the one week period up to and including the issue date, the price of the Company's shares in the future and the Company's earnings per share (before amortisation of intangibles and significant items) performance for the relevant Measurement Period.

The Directors do not believe that the Company will incur any opportunity cost or forgo any benefit by issuing the Shares under the Plan, nor will the Company forgo any benefit under the terms of the Loan that the Directors do not believe will be adequately compensated if the performance requirements for Awards are satisfied.

Funds raised from repayment of the Loan under the Plan will be applied to the Company's general capital requirements. The dilution effects on the Company's earnings per share (before amortisation of intangibles and significant items) of the issue of the Shares to Mr Ryan will be negligible.

Information about the Shares issued to Mr Ryan under the Plan, noting that approval for the issue of the Shares was obtained under Listing Rule 10.14, will be published in each Annual Report of the Company relating to a period in which the Shares have been issued.

None of the Directors of the Company other than Mr Ryan are entitled to participate in the Plan. Any executive directors who become entitled to participate in the Plan after Resolution 5 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained by shareholders under Listing Rule 10.14.

None of the Directors of the Company currently hold any shares under the Plan. Mr Ryan currently holds 76,000 shares under the AMSP.

Current remuneration of Mr Ryan

The table below sets out the actual remuneration of Mr Ryan in the period from 1 June 2005 to 31 May 2006 and his estimated remuneration for the period 1 June 2006 to 31 May 2007. The estimated remuneration is based on information available to the Company at the time of preparing the Notice of Meeting. The actual remuneration may differ, but will be reported in the 2007 Annual Report of the Company.

Mr Justin Ryan

Remuneration categories	Actual 1/6/05 to 31/5/06	Estimated 1/6/06 to 31/5/07
Base Remuneration	\$437,861	\$687,314
Short Term Incentive	\$213,750	\$525,000*
Non-monetary benefits	–	–
Superannuation benefits	\$12,139	\$12,686
Value of other equity compensation	\$210,096	**
Other long-term benefits	\$7,546	–
Total	\$881,392	\$1,225,000**

* This assumes Mr Ryan achieves the maximum short term incentive of 75% of Base Remuneration plus superannuation which is subject to achieving agreed company and individual performance criteria

** The estimated remuneration in the period to 31 May 2007 does not include the value of benefits that may be conferred under the Plan. The estimated value of benefit in participating in the Plan based on the present value of the future after tax value of the Share and Loan package held by Mr Ryan on the fifth anniversary of the Tranche 1 grant date subject to certain assumptions is set out in the Table on page 8.

Further details on the remuneration of Mr Ryan in the relevant period to 31 May 2006 and his holdings of shares in the Company are set out in the Remuneration Report on pages 35 to 38 of the 2006 Annual Report.

Tax consequences for the Company in relation to the Plan

Eligible individuals will be granted an interest-free Loan by the Company to acquire the shares. Accordingly, the Company will not derive any assessable interest income on the Loans.

No Fringe Benefits Tax (FBT) will be due on the grant of the interest-free Loan due to the “otherwise deductible rule” under the FBT Act. The “otherwise deductible rule” will apply on the basis that the Loan was used to acquire shares in the Company.

A portion of the Loan may potentially be waived. The Company will be liable to pay FBT on the waived amount. The amount of FBT the Company will need to pay has been taken into account in determining the terms of the Plan.

The Company will be entitled to an income tax deduction for the waived amount. The deduction will be incurred by the Company at the time that the Company waives the portion of the Loan.

Terms and conditions of participation in AMSP

If the Plan is not approved, it is proposed to offer the 370,000 ordinary fully paid shares in the Company (Shares) to Mr Ryan in three tranches in or around October 2006, 2007 and 2008 under the AMSP. The Shares will be acquired by the AMSP Trustee and allocated to Mr Ryan as part of his remuneration for acting as Managing Director and Chief Executive Officer of the Company. Mr Ryan will not be required to make any payment in relation to the allocation of the Shares. The AMSP Trustee will hold the Shares on trust for Mr Ryan in accordance with the AMSP Rules.

Mr Ryan will be entitled to withdraw a portion of the Shares from the AMSP Trust on specified dates in 2009, 2010 and

2011 (Vesting Dates), depending on whether the relevant performance requirement has been satisfied or exceeded. The performance requirement will be determined by the level of compound annual growth rate for earnings per share (before amortisation of intangibles and significant items) over the Vesting Periods referred to above.

Where the performance requirement has not been satisfied or if Mr Ryan has ceased to be an employee of the Company as at the Vesting Date for a tranche of Shares, the Board may determine that those Shares are to be forfeited in accordance with the AMSP Rules.

Under the AMSP Rules, a participant will also forfeit their shares where the Board determines that the participant’s employment has been terminated in circumstances involving acts of dishonesty, fraud or breach of duty. AMSP participants are entitled to receive cash distributions paid on shares held on their behalf by the AMSP Trustee and may direct the AMSP Trustee how to vote those shares.

Information about shares issued to Mr Ryan under the AMSP, noting that approval for the issue of shares was obtained under Listing Rule 10.14, will be published in each Annual Report of the Company relating to a period in which shares have been issued.

None of the Directors of the Company other than Mr Ryan are entitled to participate in the AMSP. Any executive directors who become entitled to participate in the AMSP after Resolution 5 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained by shareholders under Listing Rule 10.14.

Since the last approval of the AMSP in September 2004, 428,235 shares have been issued under the AMSP. Further details of the shares under the AMSP are set out on page 37 of the 2006 Annual Report. The shares allocated to Mr Ryan (before he was appointed a Director of the Company) under the AMSP are as follows:

Number of shares	Date of issue	Issue Price	VWAP price at allocation
15,000	February 2004	Nil	\$6.52
11,000	October 2004	Nil	\$7.50
50,000	February 2005	Nil	\$9.00

Requirement for approval

Under Listing Rule 10.14 an entity must not issue securities to a related party (such as a director or a company controlled by a director) under an employee incentive scheme without the approval of security holders. Accordingly, approval of shareholders is sought for the purpose of ASX Listing Rule 10.14 to enable the Company to issue Shares to Mr Ryan under either the proposed Plan or the existing AMSP.

Related party benefits

Under section 208 of the Corporations Act, the Company may only give financial benefit to a related party (such as a Director of the Company) if this is approved by an ordinary resolution of shareholders. Under the proposed Plan, the Company

proposes to give financial benefits under the Plan to Mr Ryan in the form of an interest free Loan and an Award which will either be processed as a bonus with the after tax amount being applied to reduce the Loan balance or as a Loan waiver and FBT on the Loan waiver.

The Directors of the Company consider the benefits proposed to be given under the Plan or the AMSP to constitute reasonable remuneration and therefore exempt from the financial benefit provisions of the Corporations Act. However, the Directors of the Company believe it would be prudent for the Company to seek shareholder approval for the making of a Loan and the grant of an Award to Mr Ryan under the Plan.

Retirement benefits

Under section 200B of the Corporations Act a company may only give a person a benefit in connection with their ceasing to hold a board or managerial office in the Company or a related body corporate if it is approved by shareholders or an exemption applies.

Accordingly, approval is also sought for any benefit which Mr Ryan may receive under the Plan upon cessation of employment with the Company. Benefits are dependant on the circumstances under which employment ceases, and may include the granting of a potential Award where employment ceases prior to the end of the Restriction Period, and the capping of the outstanding loan balance at the market value of the Shares at the date of termination, where employment ceases prior to the Loan being repaid.

Alternatively, approval is also sought for any benefit which Mr Ryan may receive under the AMSP upon cessation of employment with the Company. Benefits are dependant on the circumstances under which employment ceases. If employment ceases due to retirement or total and permanent disablement or redundancy, shares credited to his share account which are not subject to any Relevant Requirements will be transferred to him. The Board may also direct that other shares credited to his share account be transferred to him. If employment ceases voluntarily, only shares credited to his share account which are not subject to any Relevant Requirements will be transferred to him.

RECOMMENDATION

The Directors of the Company (excluding Mr Ryan who has a direct interest) believe that participation in the Plan or the AMSP by Mr Ryan, on the terms and conditions described above, is an appropriately designed equity-based incentive for this senior executive, having regard to his responsibilities and commitment and the role of the Plan or the AMSP in the attraction and retention of key executives and driving the improved performance of the Company.

Accordingly, noting the interest of Mr Ryan (as a potential participant), the Board of the Company recommends that you vote in favour of Resolution 5(a) if the Plan is approved under Resolution 4 or otherwise Resolution 5(b).

Copies of the Plan Rules and the Constitution of the Company are available on the Company website www.alesco.com.au.

ITEM G – NON-EXECUTIVE DIRECTORS' REMUNERATION

It is proposed to increase the maximum aggregate amount of Directors' fees payable to the non-executive Directors (**Remuneration Cap**) by \$350,000 from \$650,000 per annum to \$1 million per annum. Executive Directors of the Company are paid as employees and do not receive additional fees for acting as Directors. The Remuneration Cap does not include any superannuation contributions required by law.

Remuneration policy

In determining remuneration levels the Board seeks to ensure that the best qualified and experienced directors and senior executives are attracted and retained. The current remuneration structure for non-executive Directors (**NEDs**) is disclosed in the Company's 2006 Annual Report.

Reasons for the proposed increase in the Remuneration Cap

The increase in the Remuneration Cap is being sought because the Board wishes:

- (a) to provide future flexibility to increase the size of the Board, when appropriate, for succession planning purposes; and
- (b) to allow for some future increases in fees to maintain market competitiveness and to reflect increasing demands on NEDs.

With effect from 1 March 2006, and after consultation with external advisors, NEDs fees were set as follows:

Base fees

- Chairman \$252,000 (inclusive of superannuation contributions and committee fees)
- NEDs \$90,000 (inclusive of superannuation contributions)

Committee fees

Audit & Compliance Committee

- Chairman \$20,000 (exclusive of superannuation contributions)
- Members \$10,000 (exclusive of superannuation contributions)

Human Resources Committee

- Chairman \$10,000 (exclusive of superannuation contributions) (currently not paid because the position is held by the Board Chairman)
- Members \$7,000 (exclusive of superannuation contributions)

Based on the current fees stated above and the current committee structure the aggregate remuneration paid to NEDs in the financial year ended 31 May 2006 was \$625,386. This amount is just below the existing Remuneration Cap and includes superannuation contributions required by law.

The Remuneration Cap was last increased at the Company's 2003 annual general meeting. Since that time the Company has continued to grow and in December 2004 was included in the S&P ASX200 Index. In order to meet the increasing

demands on directors of listed companies, the responsibilities and time commitment of NEDs have grown considerably and the Board believes it will be necessary to appoint additional non-executive directors at some appropriate time in the future and to allocate suitable additional committee duties. Accordingly, the Board considers it is necessary and appropriate to increase the Remuneration Cap in order to ensure that it has the flexibility to allow it to appoint, at the appropriate time, further non-executive directors. The current fee cap does not provide this flexibility.

This increase will also accommodate future increases in fees to maintain market competitiveness and to reflect increasing demand on NEDs.

This approval will be treated as effective from 1 June 2006, however, it is not expected that the proposed increase in the Remuneration Cap will be fully utilised immediately.

ASX Listing Rules and Company Constitution

Shareholder approval is sought for the purposes of both Article 9.9 of the Company's Constitution and ASX Listing Rule 10.17.

Because each non-executive director has an interest in this matter, the Board does not believe it is appropriate to make a recommendation to shareholders in relation to voting on Resolution 6.

ITEM H. – REPLACEMENT OF THE COMPANY'S CONSTITUTION

The Company's constitution (**Constitution**) has not been updated in a substantial fashion since 2002. Although changes have since been made to the Constitution to address specific matters, the Company thought it appropriate to undertake a review of the Constitution to bring it into line with the current law and common corporate practice. In particular, developments in electronic commerce, and terminology changes make amendments to the current constitution advisable.

As the changes introduced affect numerous provisions in the Constitution, rather than amending the current Constitution, it is proposed that a new Constitution be adopted. The changes introduced under the new Constitution are mostly of an administrative nature, and the Company believes they will not have a significant impact on shareholders.

References to articles below are to the numbering of the Articles in the new Constitution, unless otherwise indicated.

The significant changes are:

• **Electronic notices of meetings (Article 7.3 and 17.2)**

The new Constitution will explicitly enable the Company to provide a notice of general meeting to shareholders electronically (for example by email). The Company proposes to send electronic notices to those shareholders who elect to receive notices in this manner in future to reduce costs.

• **Period for nomination of Directors (Article 9.7)**

The period in which a nominee (other than a retiring Director or a person recommended for election by the Directors), seeking election as a Director, must lodge their nomination documents with the Company, has been extended to 45 days

from 35 days before the relevant shareholder meeting. Given the long lead times involved in the production and printing of a notice of meeting and required notice periods under the Corporations Act 2001, a longer period is desirable. This will provide the Company with sufficient time to include the necessary resolution about the nomination in the notice of meeting and proxy form and meet production deadlines.

• **Notice of cancellation/postponement/change of venue of general meeting (Article 7.5 and 7.6)**

The existing Constitution does not permit the Directors to change the venue of a general meeting once it has been convened. The proposed amendments will provide the Directors with the ability to do so in the same circumstances in which they may cancel or postpone a meeting.

The existing Constitution requires the Directors to send a notice of cancellation, postponement or change of venue of a general meeting to be sent to each Member individually and any other person entitled to be given such notice. The proposed Constitution allows the notice to be published in a daily newspaper circulating in Australia, to the ASX or any other manner determined by the Directors. This flexibility will allow the Company to reduce costs.

• **Number of Directors (Article 9.1)**

Under the existing Constitution, there can be no less than three and no more than seven Directors (or a lesser number than seven determined by the Directors). The proposed Constitution gives the Directors the flexibility to increase or reduce the maximum and minimum number of Directors as the needs of the Company change.

• **Remuneration of Directors (Article 9.9)**

The existing Constitution contemplates remuneration of Directors in the form of cash only. The proposed Constitution allows for non-cash remuneration of Directors, for example share based remuneration, which gives the Company flexibility in determining how to remunerate Directors.

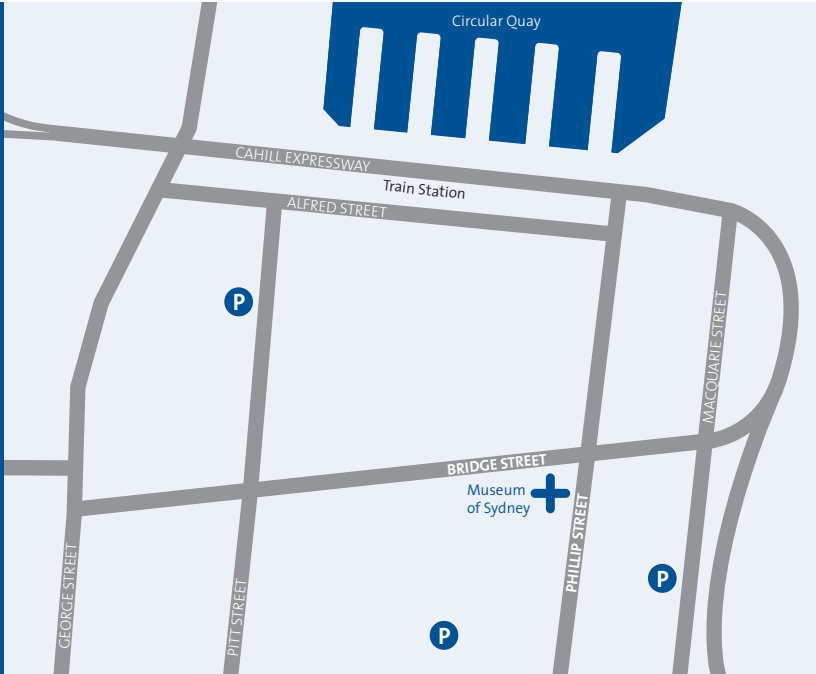
• **Terminology changes**

The terminology relating to the subregister system and the business rules has changed. The proposed new Constitution has replaced the outdated terminology with generic terminology to avoid the need for further amendments if the terminology changes again in the future. Therefore, for example, "CHESS" has been replaced with "CS Facility", and "SCH Business Rules" has been replaced with "Operating Rules of a CS Facility".

A copy of the proposed new Constitution will be available at the Annual General Meeting and will be posted on the Company website at www.alesco.com.au.

RECOMMENDATION

The Board recommends that shareholders vote in favour of adopting the new Constitution.



LOCATION

AGL Theatre
Museum of Sydney
Corner of Phillip & Bridge Streets
Sydney **Wednesday 27 September 2006**
commencing at **2.30pm** (Sydney time).

APPOINTMENT OF PROXY

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

You can also lodge your vote on-line at
 www.linkmarketservices.com.au

I/We being a member(s) of Alesco Corporation Limited and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2:30pm on Wednesday, 27 September 2006 and at any adjournment of that meeting.

IMPORTANT: FOR RESOLUTION 6 BELOW

B If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolution 6 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Resolution and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolution 6 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 6.

C To direct your proxy how to vote on any resolution please insert in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Election of Robert Murray Aitken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Allocation of shares to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Sean Patrick Wareing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Non-executive directors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Replacement of the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Alesco Performance Share Acquisition Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

D SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual) <input type="text"/>	Joint Securityholder 2 (Individual) <input type="text"/>	Joint Securityholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you mark the box under "IMPORTANT FOR RESOLUTION 6" in relation to Resolution 6, and you do not mark any of the boxes on Resolution 6 indicating your directions to your proxy, and your proxy is the Chairman of the Meeting, you will be taken to have directed the Chairman to vote in favour of Resolution 6. If your proxy is the Chairman of the Meeting and you have not directed him how to vote on any other item, you will be taken to have directed the Chairman to vote in favour of those items. If your proxy is a person other than the Chairman of the Meeting and you do not mark any of the boxes on a given item of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 2:30pm on Monday, 25 September 2006, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Alesco Corporation Limited share registry as follows:
Alesco Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website);
- delivering it to Level 12, 680 George Street, Sydney NSW 2000;
- by posting, delivery or facsimile to the registered office of Alesco Corporation Limited.