



# **ALESCO CORPORATION LIMITED**

**ABN 23 008 666 064**

## **RISK MANAGEMENT POLICY**

**Approved 25 AUGUST 2004**

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## 1. Policy

Alesco faces a range of risks in its business activities. These risks include business risks, financial risks and compliance risks. Alesco's policy is to balance these risks with the rewards in conducting its business activities so as to meets its objectives of protecting and enhancing stakeholders' interests.

## 2. Responsibilities

The Board of Alesco is responsible for overseeing the activities of Alesco, including its control and accountability systems to ensure that it is properly managed and constantly improved so as to protect and enhance stakeholders' interests. Part of these responsibilities includes monitoring and reviewing risk management systems, policies and practices and procedures to ensure compliance.

The Audit and Compliance Committee assists the Board with these responsibilities. In particular, the Committee helps to determine whether:

- ✦ the systems of control which management has established effectively safeguard the assets (both real and intangible) of Alesco;
- ✦ the accounting records are properly maintained in accordance with statutory requirements;
- ✦ financial information provided to the Board, shareholders and potential investors and to the public is relevant and reliable; and
- ✦ there is a sound system of risk oversight and management and internal control.

In addition, Alesco has an established internal audit function designed to examine and evaluate the effectiveness of internal control systems, compliance systems, financial reporting processes and potential risk areas, including fraudulent activities.

An independent external audit is also performed on Alesco's financial reporting to provide assurance that the financial reports are presented in accordance with the relevant accounting standards and other applicable reporting requirements.

Management is responsible for operational risk and the implementation of any appropriate mitigation measures in its business activities.

## 3. Management of risks

Alesco regularly conducts workshops across its businesses to identify and rank significant business risks arising from these business activities. The results of these workshops are reported to management and the Audit and Compliance Committee. Mitigation measures are considered and implemented as appropriate. External assistance is used in this process as deemed necessary in the circumstances.

## 4. Review of this policy

This policy is reviewed annually by the Audit and Compliance Committee to ensure its effectiveness and relevance.

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