

RISK MANAGEMENT POLICY

1 Risk Oversight and Management

Fleetwood Limited (**Company**) is committed to the identification, monitoring and management of material risks associated with its business activities across the Company group and has embedded in its management and reporting systems a number of overarching risk management controls.

Examples of risk management controls adopted by the Company include:

- Guidelines and limits for approval of capital expenditure and investments;
- Limits for approval of tender submissions;
- A program which transfers some risks to insurers;
- Policies and procedures for the identification and management of financial risk and treasury operations, including exposures to foreign currencies and movements in interest rates;
- Annual budgeting and monthly reporting and forecasting systems for all businesses, which enable the monitoring of progress against performance targets and the evaluation of trends;
- Policies and procedures for the identification and management of operational risks;
- Appropriate systems of internal controls relating to operational transactions; and
- Appropriate due diligence procedures for acquisitions and divestments.

Reporting to the directors of the Company (**Board**) on the effectiveness and operation of controls is via a business risk register covering compliance, business conduct, IT systems, safety, the environment, legal liability, risk identification, insurance, tax, financial controls and other matters as necessary.

2 Divisional Autonomy and Responsibility to the Board

The Company manages its subsidiary operations as autonomous divisions. The management of each division are required by the Board to design and implement risk management policies and internal control systems to best manage the material business risks of the division in accordance with the Company's risk management policy.

Divisional management are ultimately responsible to the Board for the division's internal control and risk management systems.

3 Role of the Audit Committee

The Audit Committee assists the Board in relation to risk management. The Audit Committee executes this function by reviewing compliance in the areas identified as most sensitive to risk.

4 Financial Reporting

Consistent with the ASX Corporate Governance Principles and Recommendations, and section 295A of the *Corporations Act 2001* (Cth) (**Corporations Act**), the CEO and the CFO must provide a written statement to the Board (**Declaration**) that:

- in their opinion, the Company's financial report presents a true and fair view of the Company's financial condition and operating results and is in accordance with applicable accounting standards; and
- the Company's financial records for the financial year have been properly maintained in accordance with section 286 of the Corporations Act.

With regard to the financial records and systems of risk management and internal compliance in this written statement, the Board receives assurance from the CEO and the CFO that the Declaration was founded on a sound system of risk management and internal controls and that the system was operating effectively in all material respects in relation to the reporting of financial risks.

