

RISK MANAGEMENT

AEMFC views risk management as a tool to create sustainable value for stakeholders in a responsible manner and has adopted a comprehensive approach to risk management that allows organisations to identify, prioritise and effectively manage their crucial risks i.e. Enterprise-wide Risk Management (ERM), which allows the organisation's management of risk in all major functions and activities of the institution, rather than only in selected areas, to isolate the material risks.

The Board takes overall responsibility for risk management and have implemented a process for managing risk while delegating the oversight responsibilities for risk management to the Board Audit and Risk Committee (BARC) . The BARC reviews the strategic risk register to ensure risks are being managed within a tolerable level and that risks are reduced or mitigated to an acceptable level.

The Risk Management and Compliance function supports the enterprise-wide risk approach by facilitating and coordinating the process of identifying, analysing, evaluating, measuring and monitoring organisation-wide risks and compliance in all functional areas of AEMFC. The Executive Committee is responsible for ensuring that operational management considers and implements the appropriate risk mitigations.

BOARD OF DIRECTORS (BOARD)

Ultimately responsible for risk management and should ensure that there is a formal process to manage risks within AEMFC.

BOARD AUDIT & RISK COMMITTEE (BARC)

Assists the Board in reviewing the overall quality, integrity and reliability of AEMFC's risk management processes and all significant risks.

EXECUTIVE COMMITTEE (EXCO)

Responsible for monitoring the risk profile of AEMFC and ensure effective risk mitigations are implemented.

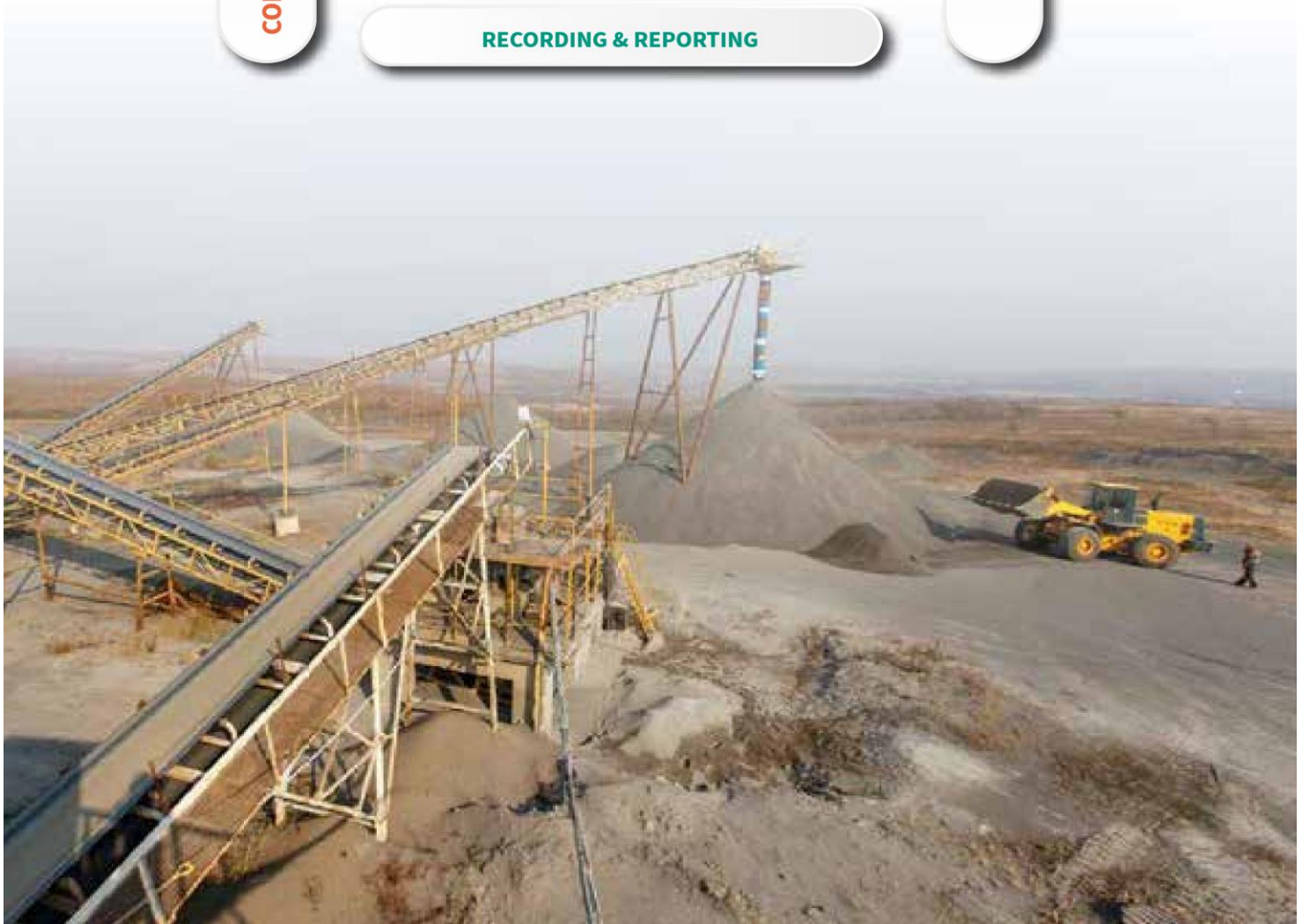
RISK & COMPLIANCE DEPARTMENT

Oversees and maintains the risk management plan and processes in line with the Enterprise Risk Management Framework approved by the Board.

BUSINESS UNIT MANAGEMENT

Responsible for managing risks for their areas of responsibility.

AEMFC's approach is to implement and maintain an integrated risk management framework, methodology and system that enables us to apply an integrated risk-based approach to our strategy, operations, business planning and business management, which ensures sustainability and resilience. Our ERM Framework and risk management process aligns with the ISO 31000 depicted in the diagram below



AEMFC RISK MANAGEMENT FRAMEWORK

AEMFC Board has approved a Risk Management Policy and Framework, which guides the management of risk. Detailed risk assessments at strategic and operational level are conducted and facilitated by the Risk and Compliance Function and mitigation plans are identified and implemented to promote sustainable business operations. Risk is managed at an operational level with operations maintaining their own risk registers, which are then consolidated at organisation level to come up with Strategic Risks which are then reviewed by the BARC which reports back to the Board.

The following provide a view of the AEMFC risk management framework. The organisational risks are ranked based on the residual risk exposure to AEMFC in accordance with the risk management framework as shown below.

