

## Risk Management

Hannas is committed to proactive risk management at all levels of the organisation and requires that Projects and their estimates comply with the requirements of AS/NZS 4360:2004 for Risk Management, that the risks and risk consequences be documented, understood and valued, and that the outcomes be taken into account in project forecasts.

The Board will be responsible for the review of the Company risk strategy and the Chief Executive Officer responsible for the implementation of this policy.

Project Managers shall ensure that

- project risks are actively and continuously identified and managed,
- all possible risks are considered in executing the project, eg: OH&S, environmental, technical, management, contractual, financial, HR, statutory,
- risks are scheduled by logical risk categories
- and the Project Manager shall ensure the Risk Schedule:
- outlines causes of the risk
- identifies risk consequences and how that consequence will be measured eg. wastage measures such as rework hours, Lost Time Injuries, business interruption, third party financial loss, etc.,
- quantifies the consequences of each identified risk and its relevant timeframe, including a description justifying the cost
- identifies and quantifies the ways in which each risk can be mitigated, eg. avoidance, reduction or transfer including contractual and/or insurance controls and/or monitoring,
- assesses the likelihood and rates the inherent and residual risk after taking into account the control strategies.

The project program should identify when each Risk is planned to retire, based on the risk mitigation activities or scheduled project activities. The Risks and their retirement dates should be monitored to assess when the risk is either no longer applicable or reduced.

Project risk controls as identified shall be continuously implemented to ensure that all adverse risks are identified and mitigated to reduce exposure to the Company and its stakeholders.

Management are responsible for ensuring adherence to the provisions of this policy. All staff are responsible to assist the Company in achieving the objectives of the policy.



**Danny Hanna**  
Chief Executive Officer  
Hannas  
05 February 2010