

FARM HOTEL AND SPA



CORPORATE RISK MANAGEMENT PLAN

**Revision 04
20XX/07/10**

INTRODUCTION

The Strategic Planning of the Farm Hotel and Spa GLOBAL was developed within a 10-year scenario, which details the Strategic, Tactical and Operational Plans. The effective implementation of the Strategic Plan involves the fulfillment of several goals, many of them involving significant investments, long implementation times and technical difficulties and may result in loss of value to the organization in case of deficient deployment. To ensure that the Objectives decided by the Board, as set out in the Strategic Plan, effectively add value, the Council indicated to the Director of the Hotel the need to implement a Risk Management Plan for each relevant Objective, following the guidelines established in Risk Management Policy. The focus is the control of the threats that can result in damage to the company. By analyzing threats, opportunities may be identified that are either incorporated in the planning as a new Objective or are of low impact and not controlled.

The threats and opportunities related to the achievement of the Objectives established in the Strategic Plan, including investment risk, result from the analysis of the organizational context. The focus of the analysis of investments is not under this document

The Management of Corporate Risks is required by the Board of Directors regarding the control of the execution of the Strategic Planning, being a fundamental tool for the Management of the Farm Hotel and Spa GLOBAL.

The fundamentals of this Corporate Risk Management Plan are in the ISO 31000 standard, which recommends the risk management structure and method followed here, starting with the identification of risks, their analysis and classification, the treatment to be given and the continuous monitoring of risks and their controls.

The decision of the Hotel is not to establish a specific organizational structure for risk management, but to use the existing organizational structure, with clear designation of "risk owner" responsible for implementing, monitoring and reporting management actions related to the risk assessment of the Objective. The "risk owner" is the "owner" of the Objective, as already established in the Strategic, Tactical and Operational Plans. It is the function of all parts of the organization to ensure the implementation and success of the Plan.

Monitoring and maintenance of this Risk Management Plan will be made in regular management meetings, following the existing practice for other dimensions of corporate planning. The review of the plan will be permanent, and each "risk owner" detail the actions, obtaining the approval of the Council and update the plan as necessary.

RISK MANAGEMENT POLICY

The Board of Farm Hotel and Spa GLOBAL requires risk management on relevant objectives that must be completed in the next five years and which aim to add value, but which may, by the various risks involved, destroy value. The risk appetite of the Board is small. The Board considers to be relevant and should be analyzed for risk all objective that can generate damage of a value equivalent to 5% of the last year revenue.

Risk Management is an integral part of the Strategic Planning and integrates all other management tools and policies used by the Hotel, being systematically monitored by the Board.

The function responsible for risk assessment is the owner of the Objective as set out in the Strategic Plan. The owner of the Objective is called "risk owner". The ultimate responsible is the Director of the Hotel. He must report to the Board any condition it deems inappropriate with respect to the achievement of Objectives or under the control of the threats. The risk owner must report to the Director relevant situations that could negatively impact his performance and may even make a direct report to the Board if he deems essential.

The owner of the risk should ensure that the Objective under his leadership effectively add value to the Hotel as set out in the Strategic Plan.

Disputes arising from shared decisions will always be brought to the attention of management, being analyzed at the monthly critical analysis meeting, in order to promote a decision and direction. Decisions about conflicts are recorded in the Minutes and systematically accompanied by the Director.

The performance of risk management is evaluated continuously, with each risk owner reporting the progress of their activities in order to promote the updating of the information. The review and continuous improvement of risk management are promoted at least once a year and reported to the Board by the Director together with the update and assessment of the Strategic Planning.

The Board requires the Director to make an annual independent audit of the Strategic Planning and controlling threats as promoted in this Risk Management Plan. The audit should cover the planning, implementation and execution of the control of the threat, and the consistency of this Risk Management Plan.

IDENTIFICATION OF OBJECTIVES REQUIRING RISK ASSESSMENT.

The Objectives have been widely studied in the Strategic Planning and already allocated to the Strategic, Tactical and Operational Plans, indicating the owner of the event, which happens to be also the risk owner associated with the Objective, as indicated below.

Risks associated to “Relevant Objectives”, as established in the Risk Management Policy, should be considered for the deployment scenario of 5 years. For strategic objectives, with implementation beyond five years, we sought to identify the partial objectives that must be completed in the next five years.

Objectives, period and risk owners are the following:

STRATEGIC PLAN (activities from 6 to 10 years)			
ACTIVITY	PERIOD (YEARS)	RESPONSIBLE	DECISIONS in the TACTIC or OPERATIONAL PERIOD (up to 5 years)
Seek partnership with international networks to act as a local extension of the activities	6	Director	Start international contacts in year 4
Implement self-sufficiency in electricity generation (solar panels, digester, agricultural residues)	7		Create Maintenance and Infrastructure Management Sector in year 4 and hire external project in year 5
Deploy convivial house and housing for the elderly, with long stays.	7		Implement geriatric service in year 5
Deploy convention center	8		None
Deploy two units in urban areas up to 500 km from the hotel headquarters	7 and 10		Start location studies for Branch in year 4
Give partnership to Managers	6		Promote study of legislation in year 4 and propose to the Board in year 5
Transform Hotel in training center for ecology education	8		None
Certify ISO 45001	6	Quality Manager	Select consultancy in year 5
Certify ISO 22000	7		None
Certify ISO 27001	8		None
Certify ISO 50001	6		Select consultancy in year 5

TACTIC PLAN (activities from 3 to 5 years)		
ACTIVITY	PERIOD (YEARS)	RESPONSIBLE
Promote the region as dedicated to ecology	3	Director
Develop partnerships with trade associations to promote events	3	
Deploy program of targeted activities for seniors	4	
Implement ISO 14001 and certify	3	Quality Manager
Extend scope of ISO 9001: 2015 to agricultural activities	4	
Implement ISO 45001	3	
Implement ISO 27001	4	
Implement ISO 22000	5	
Encourage municipal or state government to install technical courses using hotel area	3	Administrative Manager
Trainees use of municipal technical school to be mounted.	4	
Establish loyalty program for family	3	
Support municipal education with promoting events	4	
Promote invitation program for neighbors participate free of the hotel activities	3	
Act for municipality redo access road	3	
Identify flood points and work with the State to promote improvements	3	
Promoting events of interest of the city but without party ties	4	
Promote and develop local service providers	3	
Set single banking partner	4	
Promote joint activities with environmental NGOs	4	Manager of Activities and Events (to be introduced)
Approach the universities and research centers to promote joint activities, focusing on the technologies that the hotel apply	4	
Implement eco-tourism and adventure programs	5	
Implement treatment plant for water recycling	4	Head of Maintenance
Implement solar water heating	4	
Deploy surveillance and security network with central control room s motorized patrol	3	

OPERATIONAL PLAN (activities up to 2 years)		
ACTIVITY	PERIOD (YEARS)	RESPONSIBLE
Approach with the city Mayor being careful not to be involved with political party	1	Director
Strengthen the Association of Producers in the region	2	
Promote marketing program for brand awareness	1	Administrative Manager
Flag highway avoiding deviations and contact with neighbors	1	
Pay wages at least 10% above the regional average	1	
Keep alert program for customers as the flooding on the road	1	
Hiring managers with international experience in hospitality	1	
Hiring all operational personnel in the region	1	
Publicize activities of the Hotel in the neighboring cities	1	
Follow prices of international leisure centers for families	1	
Hire company specializing in audio visual techniques to entertainment	1	
Promoting the Hotel as a place of country life for the family and for ecology	1	
Work with two banks, establishing a competition	1	
Promote marketing directed to each family member	1	
Control costs and quality, deploying BSC	2	
Study the market and preferences of seniors	2	
Create ecological tourism programs	2	
Identify environmental NGOs that may be involved in the Hotel activities	2	
Identify critical points of the road and assist the municipality in maintaining	2	
Do promotions for groups	2	
Deploy animal disease control and follow good practices	1	Farm Manager

Making a detailed survey of hazards and risks of each work station and the activities involving customers	1	Quality Manager
Analyze the environmental aspects and impacts and establish critical operational controls	1	
Analyze critical points of contamination for restaurants and implement control	1	
Raise points of interface with the customer and implement work instructions	1	
Implement environmental control	1	
Deploy ISO 9001	2	
Analyze environmental aspects	2	
Implement operational control to land use and farm waste disposal in order to avoid odour	2	
Develop and train maintenance staff	1	Head of Maintenance
Improve internal infrastructure considering the most critical climatic conditions.	1	
Implementing and maintaining internal data network in fiber optic covering all parts of the Hotel	1	
Start survey of energy use	1	
Deploy emergency generator with capacity to supply essential operating load	2	
Deploy maintenance group 24X7	2	
Maintain strategic stock of spare parts	2	
Deploy standalone network access to satellite.	2	
Increase water reserve for 6 months of hotel operation	2	
Identify risk security points as the control of internal information	1	Head of IT
Deploy Security Sector for access control and supervision by visiting the areas of the site	1	Head of Security

According to the Risk Management Policy, Objectives for the next five years whose activities must be assessed for risk are those involving investment or may incur losses amounting to 5% of the previous year's revenues.

All 74 activities included in the Strategic Plan were analyzed for the threat of loss of value of 5% of revenues, and 11 were selected, which are thus classified as "relevant", with uncertainty (risk) that must be addressed in the Risk Management Plan. The activities are the following:

OPERATIONAL PLAN		
ACTIVITY	PERIOD (YEARS)	OWNER OF THE RISK
Implement and provide maintenance for internal data network in fiber optic covering all parts of the Hotel	1	Head of Maintenance
Create ecological tourism programs	2	Administrative Manager
Deploy emergency generator with capacity to supply essential operating load	2	Head of Maintenance
Deploy standalone network access to satellite.	2	Head of Maintenance
Increasing water reserve for 6 months hotel operation	2	Head of Maintenance

TACTICAL PLAN		
ACTIVITY	PERIOD (YEARS)	OWNER OF THE RISK
Establish loyalty program for family	3	Administrative Manager
Deploy surveillance and security network with central control room and motorized patrol	3	Head of Maintenance
Implement treatment plant for water recycling	4	Head of Maintenance
Implement solar water heating	4	Head of Maintenance
Implement eco-tourism and adventure programs	5	Manager of Activities and Events (Sector to be implemented)

STRATEGIC PLAN (ACTION UP TO 5 YEARS)		
ACTIVITY	PERIOD (YEARS)	OWNER OF THE RISK
Implement geriatric service	5	Manager of Activities and Events (Sector to be implemented)

All 11 activities selected as “relevant” involve deploying a new installation or start a new customer service or both. The threat is not fulfilling what is planned, with serious damage to the Hotel. To address this threat it is necessary to identify the events that may prevent or hinder the execution of the activity and fulfillment of the objective.

The events that generate risks to implement the "relevant objectives" are assessed in the context of the organization and taking into account the interested parties. The analysis should be comprehensive and is conducted in general terms for all the 11 relevant objectives. The risk owner of each one of the 11 relevant objective shall applied the general controls to their specific relevant

objectives. The risk owner has to tailor the comprehensive analysis made to follow and promote the details for its specific objective. Specific Risk Management Plans for each of the 11 relevant objectives above are an integral part of this Risk Management Plan and should be approved by the Board.

The control of the specific risk assessment is by the risk owner. In this document only the generic part of the risk assessment is included which must be taken as the basis for the specific risk assessment to be implemented by the risk owner.

RISK ASSESSMENT

Risk assessment included in this document covers a generic objective related to the implementation of a new installation or introduction of a new service, in line with the 11 relevant objectives selected from the Strategic Planning. The methodology used is based on the standard ISO 31000, The events that generate threats and opportunities are identified in the analysis of the external context of the Hotel and the events related to the weaknesses and strength of the Hotel are based on the internal context of the Hotel. For each dimension of the context of the organization, it is taken into account the vision and perceptions of relevant interested parties, either internal or external.

The nature of the events considered the internal context are the following:

- Infrastructure of the Hotel
- Personnel
- Processes
- Technology
- Governance (include finance and administration)

For the external context the following nature of events were considered:

- Economy, finance and market
- Environment and local, regional and global infrastructure
- Society
- Technology
- Politics and legislation

The following list shows the events considered and stakeholders involved, given the generic nature of the analysis and the fact that all relevant objectives are linked to implementation of an installation or a new service.

EVENTS OF THE INTERNAL CONTEXT		
Nature of the Event	Details of the Nature of the Event	Events that Generate Risks

Infrastructure	Instalations	<p>Delay due to location inadequacy to meet the activity.</p> <p>Delay due to the need for special access and proper positioning within the site or difficulty due to proximity to other installation.</p> <p>Delay due to more complex installations than anticipated, with specialized design</p>
	Equipaments	<p>Failure due to equipment not be available on time.</p> <p>Failure due to defect in equipment received.</p> <p>Failure due to transportation not considered as necessary for the activity</p>
	Maintenance	<p>Failure due to maintenance error in the process.</p> <p>Failure due to lack of spare parts for maintenance</p>
	Capital	<p>Lack of capital for maintenance.</p> <p>Lack of capital for executing the activity due to predicting capital needs lower than required</p>
	Time	<p>Delays in delivery of equipment</p> <p>Delay in preparing the infrastructure</p> <p>Delay in erection and commissioning</p>
Personnel	Quantity	Lack of sufficient operating staff, including drive
	Competence	<p>Lack of specialized personnel, including to meet legal requirement.</p> <p>The operating personnel do not have proper qualification to perform the activity</p>
	Health & Safety	<p>Accident risks in existing or in new facilities that affect the performance of the new activity.</p> <p>Epidemic or illness affecting staff</p>
	Organizational Culture and Personal Attitudes	<p>Sabotage in the implementation of the activity or other facilities affecting the activity.</p> <p>Dismissal request of trained and qualified personnel</p>
	Internal Interested Parties	No event detected

Processes	Methods	Existência de processos complexos que requerem atenção especial Falha devido dificuldade no processo de logística/transporte
	Capability	Falta de capacidade para atender ao serviço pretendido
	Stock	Falta de materia prima ou outro material essencial para o serviço devido a problemas internos de aquisição Falta de materia prima ou outro por falta de espaço para armazenamento
	Residues, Emissions and Effluents	Aumento de resíduos, emissões e efluentes devido ao serviço ou atividade
	Supplies (Materials, water, etc..)	Falta de outros insumos, que não seja a matéria prima, necessários ao serviço ou atividade
	Contracts and Suppliers	Falta de aditivo contratual para prestadores de serviço necessários para atender ao novo serviço ou atividade

Technology	Changes	Não identificado eventos pois serviço ou atividade é nova e levará em conta essa situação
	Obsolescence	Não identificado eventos pois serviços e atividades são novos e levarão em conta no próprio projeto
	IT	Falha devido a falta de integração ou adaptação de TI

Governance	Internal policies and decisions	Não identificado eventos pois serviço e atividade estão no Planejamento Estratégico
	Sections	Falha na entrega devido a falta de empenho dos setores
	Functions and Responsibilities	Falha devido falta de liderança dos donos dos riscos

EVENTS OF THE EXTERNAL CONTEXT		
Nature of the Event	Details of the Nature of the Event	Events that Generate Risks

Economy, Finance and Market	Market and Competition	Mudança no mercado que inviabilize novo serviço ou atividade
	Default, Bad Debt	Falta de recurso por parte dos clientes que gere alto nível de inadimplência
	Merge and Acquisitions	Mudança no Hotel devido M&A Mudança na empresa devido M&A
	Economy and Finance	Baixa demanda devido a recessão Aumento da demanda devido a crescimento
	Exchange Rate	Aumento de custo da matéria prima ou equipamento importado devido aumento de câmbio Redução do custo da matéria prima ou equipamento importado devido a redução do câmbio
Environment and Infrastructure	Nature and Natural Disasters	Inundação ou outro evento que dificulte transporte ou acesso Reclamação de vizinho devido ao aumento do transporte ou atividade devido novo serviço
	Infrastructure	Falta de entrega de equipamentos devido engarramento de trânsito
	Supplies (Materials, energy, water, etc..)	Racionamento ou falta de energia Racionamento ou falta de água
Society	Culture and Values	Mudança na percepção da sociedade quanto a adequação do serviço ou atividade
	Behavior	Resistência da sociedade a utilização ou mesmo a existência do novo serviço ou atividade
	Terrorism	Não considerado por falta de histórico que indique risco
	Demography	Não considerado pois atividade ou serviço é novo e levou em consideração ao decidir implantação
	External Interested Parties	Sindicato: Dificuldades na negociação das novas atividades ou serviços Vizinhos: Resistência por discordar das novas atividades ou serviços ONGs: Resistência a execução das novas atividades ou serviços
Technology	Emerging Technologies	Não considerado devido serviço ou atividade ser nova e ter projeto recente
	IT	Falta ou falha de sistemas de informação inerentes ao novo serviço ou atividade

Politics and Legislation	Change in Legislation	Mudança na legislação de importação que afete fornecimento de matéria prima ou equipamento Mudança na legislação de transporte que afete a entrega das matérias primas ou equipamentos
	Public Policies, Laws and Regulations	Mudança política que afete o novo serviço ou atividade
	Licences and Authorizations	Dificuldade no desembaraço alfandegário da matéria prima ou equipamento Falta de licença para operar

CLASSIFICATION OF RISKS

Risks are classified considering the identified events, risks, taking into account both the threats and the opportunities.

Opportunities identified are related to future favorable events as reduction of exchange rates, reduction of import time, etc., which will be exploited if they occur.

For the analysis of the threats, the selection of the events to be controlled will consider the probability that the event occurs and the resulting consequences (damage).

The grading scale includes four levels both for both the probability and for the damage. For the probability was considered the expected frequency for the occurrence of the event. In the case of damage, it was considered the impact that their occurrence has regarding fulfilment of the established relevant objective, as shown below:

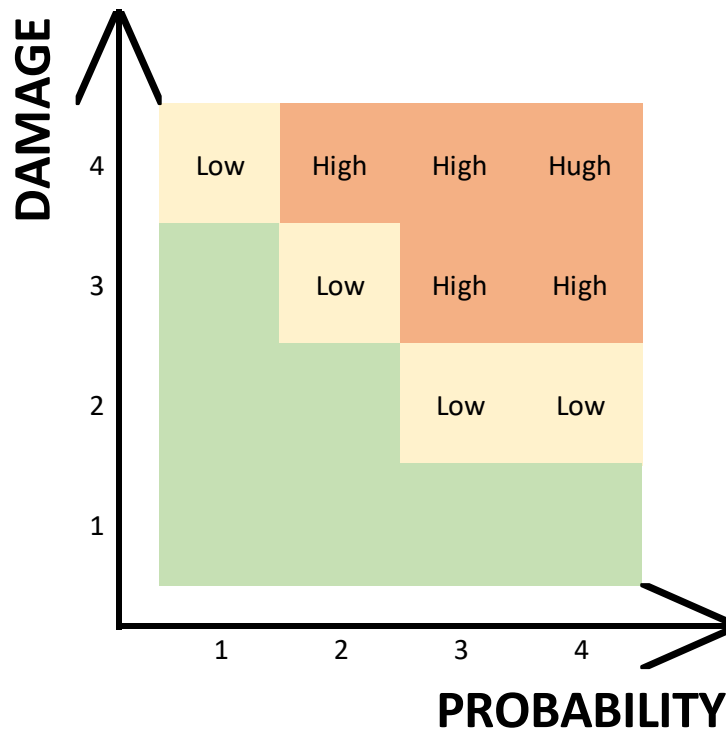
Probability:

1. Very low
2. Low
3. Average
4. High

Damage:

1. Do not affect or is regularly controlled by the Hotel
2. Affects the fulfilment of the Objective but exists control and response time is large
3. Affects the fulfilment of the Objectives
4. Affects strongly the fulfilment of the Objective

The graph for the classification of risks is indicated below with the scales for probability and damage, as established above.



Established a classification rule, we can analyze each event identified in Risk Analysis, passing the significance filter. Events are evaluated for threat and opportunity.

The events that pass the significance filter, here considered as significant events, should be treated specifically by monitoring and control actions to be done by each relevant risk owner.

The following listing shows the evaluation of events.

Events that Generate Risks	Threat or Opportunity	Probability	Consequences	Significance of the Risk
Delay due to inadequacy of location or access to meet activity	Threat	1	4	Low
Delay to the need for special access and proper positioning within the site	Threat	2	2	Accept Risk
Difficulty due to proximity to other facilities at the site	Threat	2	2	Accept Risk
Delay due to more complex installations than anticipated, with specialized design	Threat	2	2	Accept Risk
Failure due to equipment not being available	Threat	3	3	High
Failure due to defect in equipment received	Threat	3	3	High
Failure due to lack of proper transportation of equipments	Threat	2	3	Low
Failure due to error in maintenance forecast	Threat	2	2	Accept Risk
Failure due to lack of spare parts for maintenance	Threat	2	2	Accept Risk
Lack of capital for maintenance	Threat	1	3	Accept Risk
Lack of capital for performing activity	Threat	1	4	Low
Error due to low forecast of capital	Threat	2	3	Low
Delays in delivery of equipment	Threat	3	3	High
Delay in infrastructure preparation	Threat	3	3	High
Delay in erection and commissioning	Threat	3	3	High
Falta de capital para executar a atividade	Ameaça	1	4	Baixo
Erro para menor na previsão de capital	Ameaça	2	3	Baixo
Demora na entrega dos equipamento	Ameaça	3	3	Alto
Demora na preparação da infraestrutura	Ameaça	3	3	Alto
Demora na montagem e comissionamento	Ameaça	3	3	Alto
Falta de pessoal operativo em número suficiente, inclusive motoristas, se requeridos	Ameaça	3	3	Alto
Falta de pessoal especializado, inclusive para atender requisito legal	Ameaça	3	3	Alto
O pessoal operativo não tem competência adequada para realizar a atividade	Ameaça	3	3	Alto
Riscos de acidente nas instalações existentes que afetem a realização da atividade	Ameaça	1	2	Aceitar Risco
Epidemia ou doença que afete o pessoal	Ameaça	1	2	Aceitar Risco
Lack of sufficient staff	Threat	3	3	High
Lack of specialized personnel, including to meet legal requirement	Threat	3	3	High
The operating staff has no proper competence to perform the activity	Threat	3	3	High
Accident in existing facilities that affect the realization of activity	Threat	1	2	Accept Risk
Epidemic or illness affecting staff	Threat	1	2	Accept Risk

Dismissal request by trained and qualified personnel	Threat	2	3	Low
Sabotage in the implementation of the activity or other facilities affecting activity	Threat	1	4	Low
Complex processes that require special attention	Threat	2	3	Low
Failure due to difficulty in logistics / transportation process	Threat	3	3	High
Lack of knowledge to meet the desired service	Threat	2	3	Low
Lack of raw material or other essential material for service due to internal procurement problems	Threat	2	3	Low
Lack of space for storage	Threat	1	2	Accept Risk
Increase of waste, emissions and effluents due to new service or activity	Threat	3	3	High
Lack of other inputs, other than the raw material needed to service or activity	Threat	2	2	Accept Risk
Lack of contract amendment for service providers required to meet the new service or activity	Threat	2	3	Low
Failure due to lack of integration or IT adaptation	Threat	3	3	High
Failure to perform due to lack of commitment of the sectors	Threat	2	2	Accept Risk
Failure due to lack of leadership of the owner of the risk	Threat	2	2	Accept Risk
Change in the market which prevents / facilitate new service or activity	Threat / Opportunity	1	2	Accept Risk / Accept Opportunity
Lack of money of customers that generates high level of default	Threat	2	2	Accept Risk
Change in Hotel because M & A or decision of the Board to impede / facilitate projects	Threat / Opportunity	1	4	Low / Accept Opportunity
Low demand due to recession	Threat	2	2	Accept Risk
Increased demand due to growth	Opportunity	2	2	Accept Opportunity
Increase / decrease in cost of imported raw materials or equipment because of increase / decrease of exchange	Threat / Opportunity	2	3	Low / Accept Opportunity
Flood or other event that makes difficult the transportation access	Threat	1	3	Accept Risk
Neighbor complaint due to increased shipping activity or because of new service	Threat	1	2	Accept Risk
Late delivery equipment due traffic jam	Threat	1	2	Accept Risk
Rationing and lack of energy	Threat	2	2	Accept Risk
Rationing and water shortages	Threat	2	2	Accept Risk
Negative / positive change in society percepção as the appropriateness of the service or activity	Threat / Opportunity	1	2	Accept Risk / Accept Opportunity

Resistance / Encouraging by Society to the the use or even the existence of the new service or activity	Threat / Opportunity	1	2	Accept Risk / Accept Opportunity
Union: difficulties in negotiating new activities or services	Threat	3	3	High
Neighbors: resistance / support new activities or services	Threat / Opportunity	2	2	Accept Risk / Accept Opportunity
NGOs: resistance / support the implementation of new activities or services	Threat / Opportunity	2	2	Accept Risk / Accept Opportunity
Lack or failure of information systems required to the new service or activity	Threat	3	3	High
Change in import legislation affecting negatively / positively the supply of raw materials or equipment	Threat / Opportunity	2	3	Low / Accept Opportunity
Change in transport legislation affecting negatively / positively the delivery of raw materials or equipment	Threat / Opportunity	1	2	Accept Risk / Accept Opportunity
Change public policy affecting negatively / positively the new service or activity	Threat / Opportunity	1	2	Accept Risk / Accept Opportunity
Difficulty / facilitation in customs clearance of raw materials or equipment	Threat / Opportunity	3	2	Low / Accept Opportunity
Lack of Federal, state or local license to operate	Threat	3	3	High

RISK TREATMENT

The classification of the events with relevant risks associated with damages that need to be controlled, as identified in the significance filter, indicated the events that the Risk Assessment need to treat. The treatment of opportunities was already addressed with the information that they will be incorporated as they occur.

The mandatory controls to be taken by the risk owner of relevant objectives for events with risk classified as “high” are as indicated below:

Events with Risks Classified as "HIGH"	Control Actions (Mandatory for all RELEVANT OBJECTIVES as identified in the Risk Assessment of the Strategic Planning)
Failure due to equipment are not available within the time limit	Equipment manufacturing and delivery control should be done with minimum monthly basis and reported by the risk owner in follow-up meetings
Delays in delivery of equipment	
Failure due to defect in equipment received	All purchased to order equipment or classified as "complex" must have delivery inspection at the manufacturer before the equipment is shipped to delivery
Delay in infrastructure preparation	Infrastructure control should be performed monthly and reported by the risk owner in follow-up meetings. During the construction phase, monitoring and reporting should be weekly.
Delay in erection and commissioning	Monitoring the assembling and engineering should be performed weekly and reported by the risk owner in follow-up meetings
Lack of operating sufficient staff, including drivers, if required	The risk owner is responsible for leading the process, including the selection of specialized professionals, with the full support of HR. The adequacy, number and competence of staff is responsibility of the risk owner. The risk owner must report this issue in the follow-up meetings on a weekly basis
Lack of specialized personnel, including to meet legal requirement	
The operating staff has no proper competence to perform the activity	
Failure due to difficulty in logistics / transportation process	The whole process of logistics and transportation of equipment and other items required for the objective is responsibility of the risk owner that must rely on the support of sectors of the Administration working in the area. The risk owner must report the matter in follow-up meetings, with monthly and weekly during the project implementation phase.
Failure due to lack of integration or IT adaptation	The risk owner is responsible for the correct integration of the computer systems required for the activity, with the full support of the Head of IT. Obtaining specific software or hardware for the activity is also responsibility of the risk the owner
Lack or failure of information systems inherent to the new service or activity	
Union: difficulties in negotiating new activities or services	Unions involved with new activities and services must be identified by the risk owner. Contacts and preparation for good relations with the Union should be led by the risk owner. HR should give full support to this task.

Increase of waste, emissions and effluents due to service or activity	In the development and implementation of the new activity or service risk owner must identify all adaptation needs of the hotel infrastructure as the generation of waste, emissions and effluents, including as the required licenses and personnel preparation. The Maintenance sector should give all the support.
Lack of Federal, state or local license to operate	Obtaining all federal, state and local permits required for the implementation and operation of the new activity or service is responsibility of the risk owner, which shall have all the support of the Administrative Management.

For events classified with low risk it was initially identified those already addressed by the treatment of risks classified as high or that can be reclassified as acceptable risks, as indicated below:

Change in Hotel because M&A or Board decision	Risk initially classified as low, which is now reclassified as "acceptable risk"
Lack of capital for the activity	
Complex processes that require special attention	Risks already treated in the control actions for risks classified as "high"
Lack of capacity to meet the desired service	

For the remaining risks classified as low, the following control actions have to be implemented by the risk owner of relevant objectives:

Events with Risks Classified as "LOW"	Control Actions (Mandatory for all RELEVANT OBJECTIVES as identified in the Risk Assessment of the Strategic Planning)
Delay due to inadequacy of location or access to meet activity	Risk owner should work closely with Maintenance Sector to ensure that access and location of the activity or service is appropriate. Issue should be reported in follow-up meetings.
Sabotage in the implementation of the activity or other facilities affecting the objective	Risk owner should work closely with the Security Sector to ensure physical protection and adequate security for the new activity or service. Issue should be reported in follow-up meetings.
Failure due to transportation not considered as necessary for the activity	As the last activity of the project phase, the owner of the risk should promote a Verification Meeting involving at least the sectors of Acquisition, Finance, Maintenance, IT, Security in order to get approval from all involved sectors. Transport issues must be addressed in this verification meeting. Documented information should be maintained of this Meeting.
Error due to low forecast of capital	Risk owner should further evaluate costs and keep an updated assessment, with monthly review that incorporates material cost changes, as in the case of exchange rate. Cost estimates must be approved by the Administrative
Increased cost of imported materials or equipments because increased exchange rate	
Resignation request of trained and qualified personnel	Forecasting human resources should take into account the existence of multifunctionality and multiple use of staff already carrying out other activities and services at the hotel. The risk owner must ensure that more than one person is able to perform the essential activities. This issue should be reported in follow-up meetings.

Lack of raw material or other essential material due to internal procurement problems	Risk Owner must work together with the Acquisition Sector for contracts with service providers, acquisitions requiring customs and clearances for new activity or service to be provided and made in time. Issues related to acquisitions must be reported in the monthly follow-up meetings.
Lack of contract amendment for service providers required to meet the new service or activity	
Difficulties in customs clearance of imported raw materials or equipment	
Change in import legislation affecting supply of imported raw materials or equipment	Risk owner work together with the Legal Sector to assure that contractual changes that can affect import of equipment or other items needed for the new service or activity are identified and implemented. Issue should be reported in follow-up meetings.

CORPORATE RISKS MANAGEMENT PLAN

The Risk Management Plan for the Relevant Objectives identified in this document requires each Risk Owner to control the risks implementing the controls and actions indicated below:

1. Project, Acquisition, Fabrication and Delivery of Equipments

The owner of the risk shall work closely with the Maintenance Sector to ensure that access and location of the activity or service is appropriate, considering other present and future roles and activities of the Hotel. Matter should be reported in follow-up meetings.

As the last activity of the design phase, the risk owner shall promote a Verification Meeting involving at least the Sectors Acquisition, Finance, Maintenance, IT, Security in order to get approval from all involved Sectors. Transport issues must be addressed in this Verification Meeting. Documented information shall be maintained.

The manufacturing control and control of delivery of equipments shall be made with minimum monthly basis and reported by the risk owner in follow-up meetings

All purchased customized equipments or those classified as "complex" must have delivery inspection at the manufacturer before the equipment is shipped to the Hotel

The whole process of logistics and transportation of equipment and other items required for the activity is the risk owner responsibility that must rely on the support of the Administration Sector. The risk owner must report the matter monthly in the monitoring meeting and weekly during the project implementation phase. "

The risk owner must lead the Acquisition Sector for contracts with service providers, imported acquisitions and clearances required for new activity or service to be provided and be sure that all is made in time. Issues related to acquisitions must be reported in follow-up meetings. "

The owner of the risk shall work closely with the Legal Sector for contractual changes that can affect the import of equipment or other items needed for the new service or activity. Issues related to Legal Sector shall be reported in follow-up meetings."

2. Infrastructure and Erection

Infrastructure control should be performed monthly and reported by the risk owner in follow-up meetings. During the construction phase, monitoring and reporting should be weekly.

Monitoring the erection, assembling and engineering shall be performed weekly and reported by the risk owner in follow-up meetings

The risk owner responsible for the development and implementation of the new activity or service must identify all the additional needs of the hotel infrastructure as the generation of waste, emissions and effluents. The Maintenance Sector should give all the support.

3. Personnel

The risk owner is responsible for leading the process for having the personnel for the activity, including the selection of specialized professionals, with the full support of HR. The adequacy, number and competence of staff is risk of the owner's responsibility. Risk owner must report this issue in follow-up meetings on a weekly basis "

The risk owner responsible for The development and implementation of the new activity or service must identify all needs for preparation of personnel from other areas, beyond those required for the activity itself. The HR department shall give all the support.

Forecasting human resources should take into account the existence of multifunctionality and multiple use of staff already carrying out other activities and services at the Hotel. The risk owner must ensure that more than one person is able to perform the essential activities. This matter shall be reported in follow-up meetings.

4. IT

The risk owner is responsible for the correct integration of the implementation of hardware and software for computer systems required for the activity. IT Sector shall have all the support and promote the required contracts.

5. Licenses

Obtaining all federal, state and local permits and licenses required for the implementation and operation of the new activity or service is responsibility of the risk owner, which shall have all the support from the Administrative Sector.

6. Security

The risk owner shall work closely with the Security Sector to ensure physical protection and adequate security for the new activity or service. Matter should be reported in follow-up meetings.

7. Control of Budget and Costs

The risk owner shall further evaluate costs and keep an updated assessment, with monthly review that incorporates material changes and others, as in the case of exchange rate. Cost estimates must be approved by the Administrative and Finance Sectors.

8. Unions

Unions involved with new activities and services must be identified by the risk owner. Contacts and preration for good future relations with the Union shall be led by the risk owner. HR shall give full support to this task.

Additional to the control above, the risk owner shall report generally on a monthly basis and for Project and Erection on a weekly basis the following items. The report shall reflect the stage of implementation of the Relevant Objective:

budget and cost control	obtaining of human resources
project development	obtaining of licenses and permits
acquisition of equipment	software and hardware integration
manufacturing of equipment	relationship with unions
delivery of equipment	security questions
preparation of infrastructure	adequacy of maintenance
monitoring of construction and assembly	questions related to import as exchange rate, licenxes, customs, contracts

MONITORING AND IMPROVEMENT OF THE CORPORATE RISKS MANAGEMENT PLAN

Risk Management Plan is a living document that requires constant monitoring and periodic updating.

As part of the activities of the Strategic Planning, this generic Risk Management Plan and its specific annexes for each relevant Objective, as developed by the risk owner of relevant objectives, will complete annual reviews and periodic update in the monthly management meetings. The Administration Manager is the manager responsible for reporting the Plan in the meetings involving Managers of the Hotel and the Director is responsible to report to the Board. Each risk owner is responsible for the management of risk for his specific relevant objective related to the new service or designated under his management activity.

Monitoring of the Plan and its addenda inherent in each relevant new activity or service is carried out in the management monthly review meetings.