

October shipments need a decision

Constructed manufacturer, \$200m annual revenue. As of September 25, 2026.

\$250,000

EXPEDITE EXPENSE CAP

Approval needed by September 28.

RELEASE CONDITIONS

Written supplier allocation
and a feasible production
schedule.

OWNER COO

Management limit: \$100,000 in this example.

BOARD APPROVAL

Pending

Enterprise risk overview

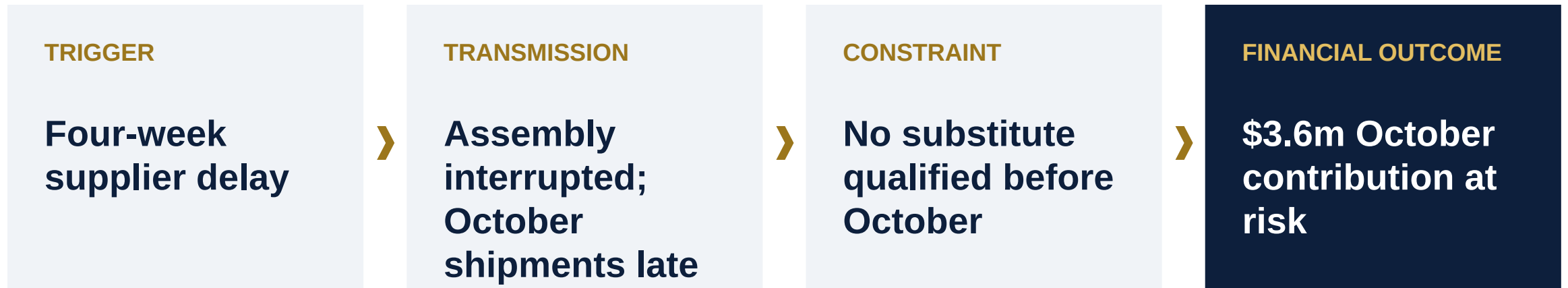
Selected risks for this illustrative reporting cycle. The full register remains in the pre-read.

Risk / direction	Objective affected	Evidence and next step
R-01 Supply Worsening	October shipments	COO: \$12m of orders exposed. Approval request on slide 1. Allocation unconfirmed.
R-02 System recovery Uncertain	Reliable operations	CIO: recovery evidence is stale. Retest before changing the assessment.
R-03 Finance coverage Stable	Timely financial close	CFO: backup coverage is in place. Reassess if the trained backup is unavailable.

Stable is not low risk. Uncertain means the evidence is insufficient.

Trace the delay into the operating plan

R-01 / October shipments. KRG Risk Chain: trigger, transmission, constraint, financial outcome.



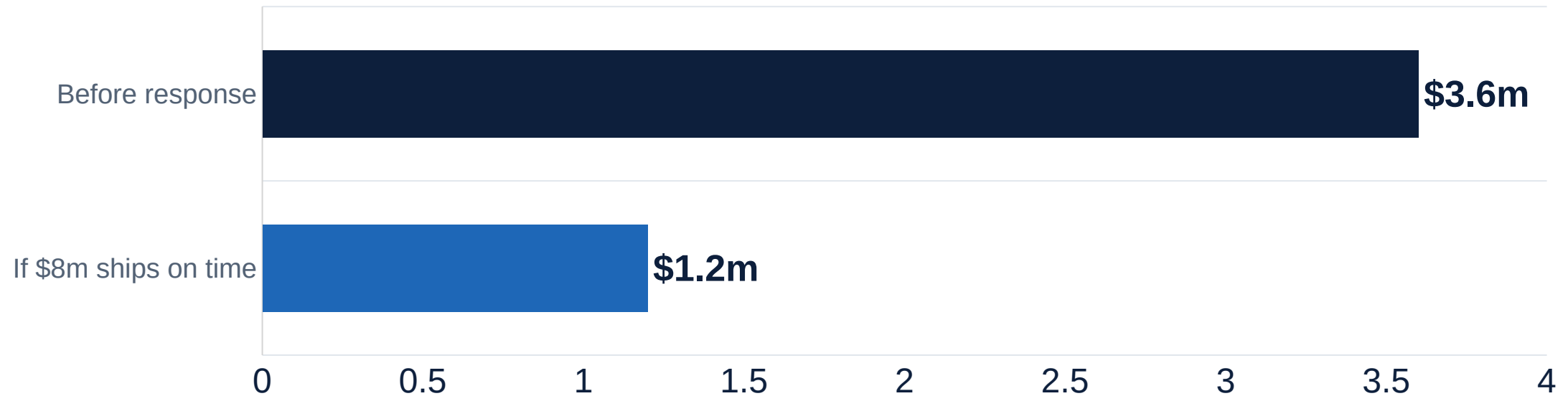
THE ASSUMPTION THAT CHANGED

Previous plan: delivery supported October shipments. Now: \$12m of orders exposed; an \$8m recovery allocation remains unconfirmed.

Confidence: medium. Written supplier confirmation is still pending.

How much October contribution is exposed?

Conditional scenario, \$ million. Contribution exposure excludes the separate response expense.



$\$12m \times 30\% = \$3.6m$ | $(\$12m - \$8m) \times 30\% = \$1.2m$

Separate expedite expense: up to \$250,000.

Timing may shift contribution between periods. These are not expected losses.

Expediting has a condition attached

Recommendation: approve a capped response only when the delivery conditions are met.

Option	Incremental expense	Tradeoff
Keep the current plan	No expedite spend.	Up to \$3.6m October contribution at risk in this scenario.
Expedite allocation	Up to \$0.25m.	Potentially \$1.2m remains at risk, excluding response cost. Supplier confirmation needed.
Qualify a substitute	Not yet estimated.	Cannot protect October. Scope and cost needed for a later decision.

Release funds only when both conditions hold. If either fails, management returns with a revised choice.

Set the next decision before the next meeting

R-01 / Illustrative decision conditions, not company-wide risk appetite. Milestones are not to scale.



If this happens	Owner and required response
No allocation by Sep 28, noon Central.	Procurement informs COO and CFO before that day’s funding decision.
Response forecast exceeds \$1.2m of October contribution at risk.	COO and CFO review. Notify board chair within one business day.
Proposed expense exceeds \$250,000.	CFO seeks renewed approval before additional commitment.

Procurement checks daily. Escalate earlier whenever a trigger is met.

Approval and recovery remain open

Working record as of September 25, 2026. All actions below are open or pending.

Deliverable / evidence	Owner	Due / status
Written supplier allocation and order mapping.	Procurement Director	Sep 28 / Open
Margin, cash timing and expense-cap review.	CFO	Sep 28 / Open
Feasible production and freight schedule.	Operations Director	Sep 28 / Open
Approval record with conditions and limits.	Corporate Secretary	Sep 28 / Pending

Next review: October 2. Verify actual shipments before changing the exposure assessment.