

ANNUAL ACCOUNTS APPROVAL PROCEDURE

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PROCEDURE VALIDATION, OBJECTIVE AND SCOPE

This NHHG internal procedure provides a detailed framework to ensure the correct issuance of the Annual Accounts of the Spanish subsidiaries of NH Hotel Group. This procedure guarantees that the Annual Accounts are formulated, audited and approved in an orderly and timely way

Version	Corporate area	Name	Action	Date
1	Legal	Jesus López	Creation	January 2023
	General Secretary	Carlos Ulecia	Validation	
	Management Committee		Approval	

WORKFLOW

Description	Deliverable/Tasks	In Charge	Receiver	Deadline
1. Preparation of Annual Accounts	<p>I. BU Finance sends the Annual Accounts of each company to:</p> <ul style="list-style-type: none"> a) HQ Conso* for review and validation b) HQ Legal for confirmation of legal aspects (correct directors and background information). <p>Companies with minority shareholders shall be given priority.</p>	BU FINANCE	HQ CONSO HQ LEGAL	<10/03 for subsidiaries with minority shareholders
	<p>Then (i) HQ Conso* and HQ Legal send the reviewed Annual Accounts of each company to BU Finance; and (ii) HQ Legal asks for an indication of the proposed formulation date for each company.</p>	HQ CONSO HQ LEGAL	BU FINANCE	<22/03 for 100% subsidiaries
	<p>II. BU Finance prepares and arranges the signing of the relevant validation template by HQ Legal, BU Finance and HQ Conso*.</p>	BU FINANCE	HQ LEGAL BU FINANCE HQ CONSO	Compliance with deadline to be secured by BU Finance

* Only apply in case of companies with Directors in HQ.

Description	Deliverable/Tasks	In Charge	Receiver	Deadline
2. Formulation of Annual Accounts	I.- BU Finance and HQ Legal agree on the formulation date of each company. Companies with minority shareholders shall be given priority.	BU FINANCE HQ LEGAL	BU FINANCE HQ LEGAL	<31/03 Compliance with deadline to be secured by BU Finance
	II.- HQ Legal calls and arranges the formulation meeting and prepares the Formulation Resolution for each company. HQ Legal prepares and arranges the signing of the relevant validation template by HQ Legal, BU Finance and HQ Conso	HQ LEGAL	HQ LEGAL BU FINANCE HQ CONSO	
	III.- The Annual Accounts are signed by the directors of each company as appropriate:			
	- HQ Legal arranges signing by minority shareholders and Chief Officers' and sends originals to BU Finance.	HQ LEGAL	BU FINANCE	
	- BU Finance arranges signing by other directors and scans and files in the appropriate sharepoint.	BU FINANCE	BU FINANCE	
	IV.- The Formulation Resolutions are signed by the directors of each company as appropriate:			
	- HQ Legal arranges signing by minority shareholders and Chief Officers' and sends originals to BU Finance.	HQ LEGAL	BU FINANCE	
	- BU Finance arranges signing by other directors and sends the originals back to HQ Legal for scanning and filing.	BU FINANCE	HQ LEGAL	

Description	Deliverable/Tasks	In Charge	Receiver	Deadline
3. Audit of Annual Accounts	I. Each of BU Finance, HQ Conso and HQ Legal names a coordinator for the audit process.	BU FINANCE HQ CONSO HQ LEGAL	BU FINANCE HQ CONSO HQ LEGAL	<01/04
	II. HQ Legal prepares: a) litigation letter b) corporate resolutions letter (attaching corporate resolutions). c) non conflict letters (<i>cartas de transparencia</i>).	HQ LEGAL	BU FINANCE HQ CONSO HQ LEGAL	<10/04
	For signing, HQ Legal prepares and arranges the signing of the relevant validation template by HQ Legal, BU Finance and HQ Conso.			
	HQ Legal arranges the signing of the above documentation, sends the originals to the auditors and shares scanned copies with HQ Conso and BU Finance.			
	III.- BU Finance requests any required comfort letters from HQ Conso . HQ Conso prepares:	BU FINANCE HQ CONSO	HQ CONSO BU FINANCE HQ LEGAL	<20/04
	a) The relevant comfort letters requested by BU Finance. b) the relevant validation template.			
	For signing, HQ Conso prepares and arranges the signing of the relevant validation template by HQ Legal and HQ Conso.			
	HQ Conso arranges the signing of the comfort letters, sends the originals to the auditors and shares scanned copies with HQ Legal and BU Finance.			
	IV.- BU Finance receives from auditors and reviews representations letters, collects comments from HQ Conso and seeks confirmation of legal aspects from HQ Legal (correct directors and background information).	BU FINANCE	BU FINANCE HQ CONSO HQ LEGAL	<20/04
	For signing, BU Finance prepares and arranges the signing of the relevant validation template by BU Finance, HQ Conso and HQ Legal.			
	BU Finance arranges the signing of the representation letters, sends the originals to the auditors and shares scanned copies with HQ Legal and HQ Conso.			
	V.- BU Finance sends the originals of the signed Annual Accounts to the auditors and files the Auditors Opinion in the appropriate sharepoint	BU FINANCE	BU FINANCE HQ CONSO HQ LEGAL	<30/04

Description	Deliverable/Tasks	In Charge	Receiver	Deadline
4. Approval Annual Accounts and appointment or renewal of appointment of auditors	I.- BU Finance informs HQ Legal of need to appoint or renew appointment of auditors.	BU FINANCE	HQ LEGAL	<15/05
	II.- HQ Legal arranges all the steps required to call and hold the General Shareholders Meetings for the approval of the Annual Accounts and, where appropriate, the appointment or renewal of appointment of auditors.	HQ LEGAL	HQ LEGAL	<30/06
	III.- HQ Legal prepares and arranges the signing of the relevant Shareholders Resolutions and related Certificates.	HQ LEGAL	HQ LEGAL	<30/06
	IV.- HQ Legal files originals of the signed Shareholders Resolutions and related Certificates and shares scanned copies of the Certificates with BU Finance.	HQ LEGAL	BU FINANCE	<30/06
	V.- HQ Legal arranges all the steps required for the filing and registration of the appointment or renewal of appointment of auditors with the Mercantile Registry.	HQ LEGAL	HQ LEGAL	<30/06
	VI.- BU Finance shares scanned copies of the Certificates and the Annual Accounts with Gestdocument for filing and registration with the Mercantile Registry.	BU FINANCE	BU FINANCE	<30/06
	VII.- BU Finance follows up process of filing and registration of the Annual Accounts with the Mercantile Registry.	BU FINANCE	BU FINANCE	<31/07