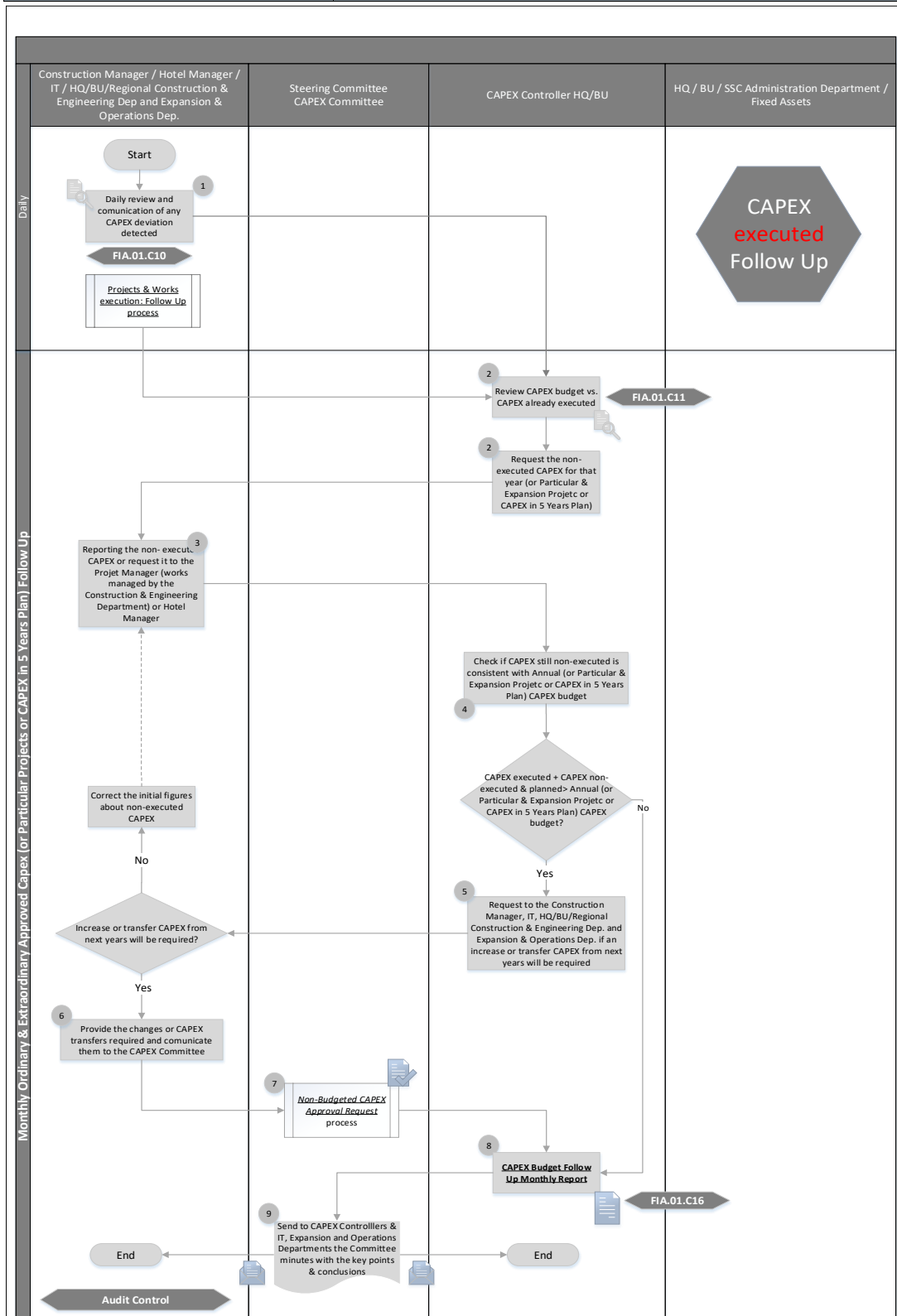


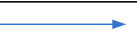



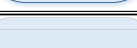
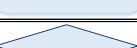




nH HOTEL GROUP		Organization - Business Transformation	
Process: CAPEX Budget			
Subprocess: CAPEX Follow Up			
Process Owner: Executive Managing Director Finance Chief Operations Officer & Global Transformation Leader		Process Leader: SVP Controlling & Strategic Planning	
Author	Miguel Pérez		
Date	12.07.2016		
Last modification date	22,12,17		
Document version	0,2		
NH Approvals			
Name	Function	Date	Comments
Executive Managing Director Finance Chief Operations Officer & Global Transformation Leader	Process Owner		
SVP Controlling & Strategic Planning	Process Leader		
Modification History			
Document Version	Date	Modified by	Comments
0.1	12.07.2016		
0.2	22.12.2017	Antonio Luna	Capex Cash flow updating

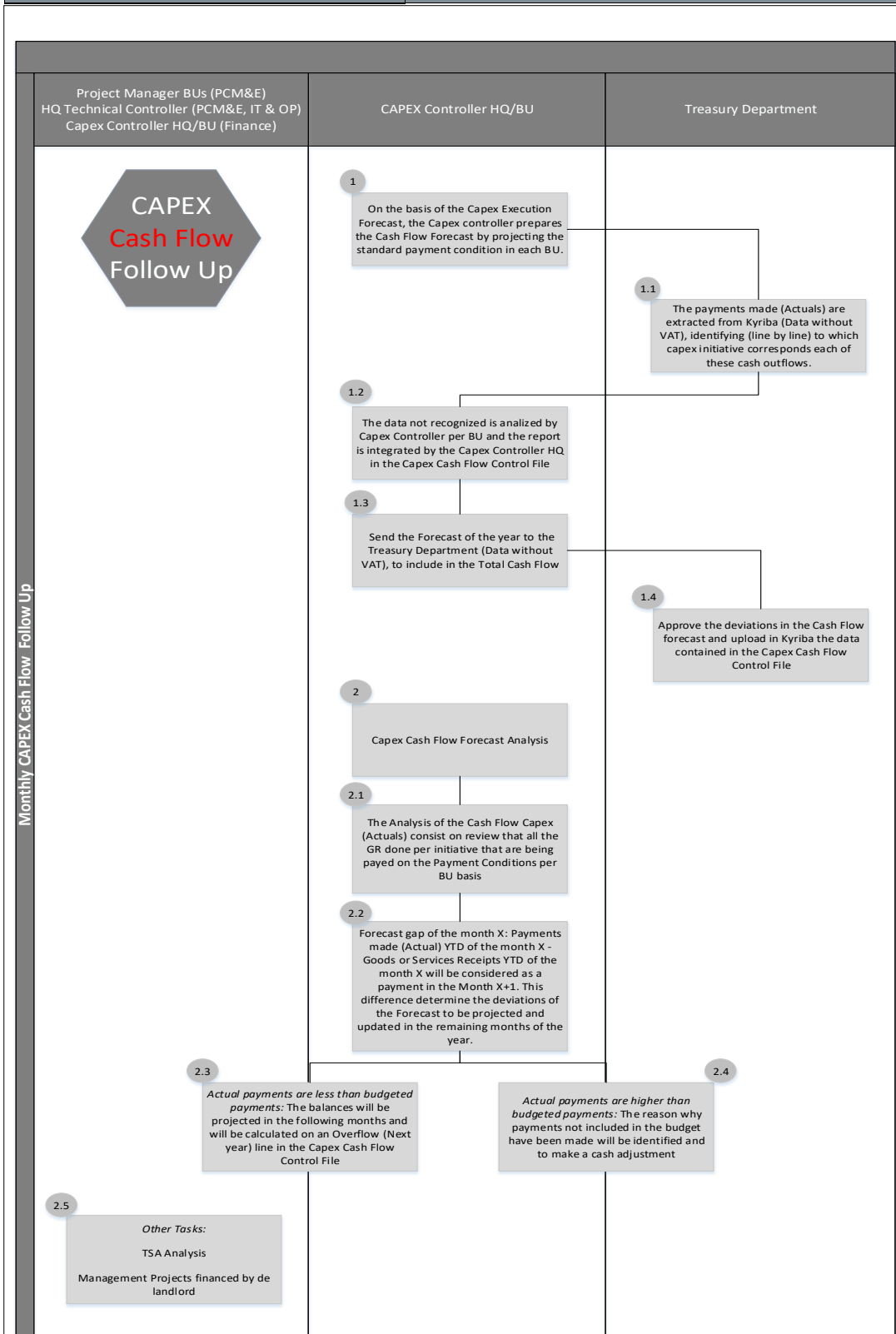
nh HOTEL GROUP		Organization - Business Transformation	
Process: CAPEX Budget			
Subprocess: CAPEX Follow Up (Execution)			
Process Owner: Executive Managing Director Finance Chief Operations Officer & Global Transformation Leader		Process Leader: SVP Controlling & Strategic Planning	

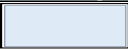



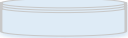
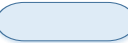
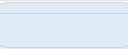





Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
	Flow direction	Input or output of the task or decision.
	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Applicatio or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
	Notifications	External/Internal Notifications.

NH HOTEL GROUP			Organization - Business Transformation			
Process: CAPEX Budget						
Subprocess: CAPEX Follow Up (Execution)						
Process Owner: Executive Managing Director Finance Chief Operations Officer & Global Transformation Leader			Process Leader: SVP Controlling & Strategic Planning			
Order	Task	Task Description (Capex executed follow up)	When	Responsible	Frequency	Tools
0	Projects & Works execution: Follow Up process	<i>This process guarantees a properly CAPEX monitoring of each project and work approved by the CAPEX and Expansion Committee.</i>	Ad-hoc	Project Manager HQ Technical Controller	Bi-monthly	SAP_IM Repositioning Plan Capex Control.xls
1	Any Capex deviation will be communicated to Capex Controller: Projects & Works execution: Follow Up process	Any deviation detected in the budget monitoring process of a project or refurbishment, (the ones corresponding to deviations in the execution of refurbishments and projects, as well as the deviations or changes in cash forecast) will be notified immediately to the CAPEX Controller.	Ad-hoc	HQ Technical Controller / Hotel Manager / IT HQ / HQ/BU/Regional Construction & Engineering Dep and Expansion & Operations Dep.	Daily	N/A
1- AI	Internal Audit Control FIA.01-C10	Any deviation detected in the budget monitoring process of a capex , (the ones corresponding to deviations in the execution or changes in cash forecast) will be notified immediately to the CAPEX Controller by the involved area (PC&E, Operations, IT and Expansion).	N/A	Capex Controller (HQ / BU)	Execution: Ad-hoc Testing: Yearly	Evidence: Email with the communication of the deviation
2	Review CAPEX budget vs. CAPEX already executed	Monthly revision of the budget deviations in the execution of the approved CAPEX (annual or for each specific project): 1.- Reviewing CAPEX already executed, according to the posted invoices and goods receipts. Purchases received or services provided with no "Goods receipts" posted in SAP (for exceptional reasons), will also be taken into account. 2.- Comparing the information in the previous point with the Annual CAPEX pending to be executed (or with the pending CAPEX by invest project or CAPEX approved within the "5 Years Plan"). Resquest this information, on each individual case, to the Construction Manager / IT / HQ, BU/Regional Construction & Engineering Dep and Expansion & Operations Dep. 3.- Budget monitoring process, including the CAPEX approved and executed within the "5 Years Plan". 4.- Bear in mind the Projects & Works execution: Follow Up process : Review and analyse the figures in the Repositioning Plan Capex Control.xls template submitted by the HQ Technical Controller. If any inconsistency is detected, HQ CAPEX Controller will request detailed CAPEX information for each project to the HQ Technical Controller	Ad-hoc	HQ/BU CAPEX Controller HQ Technical Controller	Monthly	SAP_IM Repositioning Plan Capex Control.xls
2- AI	Internal Audit Control FIA.01-C11	The Capex Controller carries out a monthly review of the budget deviations in the execution of the approved CAPEX. This review is presented to the CAPEX Committee.	N/A	Capex Controller (HQ / BU)	Execution: Monthly Testing: Yearly	Evidence: Report Cash and Capex Beta.xlsx
3	Report -or request- the non executed CAPEX	Inform the CAPEX Controller about the non-executed CAPEX or request the information to the HQ Construction Manager (for works managed by the Construction Department), Hotel Manager or any Responsible according to the type of CAPEX. Bear in mind the Projects & Works execution: Follow Up process	Ad-hoc	HQ Technical Controller / Hotel Manager / IT HQ / HQ/BU/Regional Construction & Engineering Dep and Expansion & Operations Dep.	Monthly	E-mail with details Repositioning Plan Capex Control.xls
4	Check if CAPEX executed + CAPEX still non-executed is in line with CAPEX Budget	With the information obtained in the previous point, review if there are any budget deviations (in executed CAPEX or pending to be executed). If the executed CAPEX+ pending to be executed CAPEX is higher than the budgeted CAPEX (annual or for each invest project), it will be necessary to request a non-budgeted CAPEX approval or a CAPEX transfer of coming years, included in the "5 Years Plan".	Ad-hoc	HQ Technical Controller / Hotel Manager / IT HQ / HQ/BU/Regional Construction & Engineering Dep and Expansion & Operations Dep.	Monthly	SAP_IM Repositioning Plan Capex Control.xls
5	Request if an increase or transfer CAPEX from next years will be required	Request to the IT, HQ & BU Regional Construction & Engineering Dep. and Expansion & Operations Dep. If an increase or CAPEX transfer of coming years will be required	Ad-hoc	CAPEX Controller HQ	Ad-hoc	E-mail
6	Provide the changes or CAPEX transfers	Provide the changes or CAPEX transfers of coming years required and communicate them to the CAPEX Committee	Ad-hoc	HQ Technical Controller / Hotel Manager / IT HQ / HQ/BU/Regional Construction & Engineering Dep and Expansion & Operations Dep.	Ad-hoc	E-mail with details Repositioning Plan Capex Control.xls
7	CAPEX Non-budgeted Capex Approval	Request the approval for any non-budgeted CAPEX , whether it is a global item CAPEX increase (through the Steering Committee) or a transfer or CAPEX advance of coming years (through the CAPEX Committee)	Ad-hoc	CAPEX Controller HQ Steering Committee CAPEX Committee	Ad-hoc	Capex Committee Minute NHOrg-CPX - Non-Budgeted Capex Approvals template.xlsx
8	CAPEX Budget Follow Up monthly report	Monthly report of the CAPEX Budget Follow Up in order to present to the CAPEX Committee all details and analysis required	Ad-hoc	CAPEX Controller HQ	Monthly	Office Report Repositioning Plan Capex Control.xls
8- AI	Internal Audit Control FIA.01-C16	On a monthly basis the CAPEX budget follow up report is presented to the CAPEX Committee. The conclusions and key points are send to the involved departments with action plans, if any	N/A	HQ Capex Controller	Execution: Monthly Testing: Yearly	Evidence: Office Report Repositioning Plan Capex Control Communication via mail of the conclusions and key points
9	Send the CAPEX Committee minute with the key points & conclusions	Send to CAPEX Controllers & IT, Expansion and Operations Departments the Committee minutes with key points & conclusions	Ad-hoc	CAPEX Committee	Monthly	CAPEX Committee minutes

NH HOTEL GROUP		Organization - Business Transformation
Process: CAPEX Budget		
Subprocess: CAPEX Follow Up (Cash Flow)		
Process Owner: Executive Managing Director Finance Chief Operations Officer & Global Transformation Leader		Process Leader: SVP Controlling & Strategic Planning



Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
	Flow direction	Input or output of the task or decision.
	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Applicatio or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
	Notifications	External/Internal Notifications.

NH HOTEL GROUP			Organization - Business Transformation			
Process: CAPEX Budget						
Subprocess: CAPEX Follow Up (Cash flow)						
Process Owner: Executive Managing Director Finance Chief Operations Officer & Global Transformation Leader				Process Leader: SVP Controlling & Strategic Planning		
Order	Task	Task Description	When	Responsible	Frequency	Tools
1	Capex Cash Flow Forecast Preparation	On the basis of the Capex Execution Forecast, the Capex Controller prepares the Cash Flow Forecast by projecting the standard payment condition in each BU. The control of cash flows is made taking into account the payment commitments not executed in the past, the current execution and the future or projected execution: Overflow X-1 + Execution X + Overflow X + 1.	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File.xls
1.1	Actuals payments made through Kyriba: Analysis of the Extract Data	In order to prepare the Capex Cash Flow Forecast, the payments made ("actuals") are extracted from Kyriba (data without VAT), identifying (line by line) to which Capex initiative corresponds each of these cash outflows. The Kyriba report is sent by Treasury Department to the Capex Controller.	Monthly	Treasury Department	Monthly	Kyriba / Capex Cash Flow Control File.xls
1.2	Actuals payments made through Kyriba: Not recognized data analysis	The data not recognized is analized by Capex Controller per BU and the report is integrated by the Capex Controller HQ in the Capex Cash Flow Control File.	Monthly	Capex Controller HQ/BU	Monthly	Kyriba
1.3	Capex Cash Flow Forecast. Preparing & Sending information to Treasury Department	The Capex Controller must send the forecast of the year to the Treasury Department (data without VAT), to include in the Total Cash Flow of NH-Hotel Group.	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File / Email
1.4	Approve and load the Capex Cash Flow Forecast figures in Kyriba	Approve the deviations in the Cash Flow forecast and upload in Kyriba the contained data in the Capex Cash Flow Control File .	Monthly	Treasury Department	Monthly	Capex Cash Flow Control File / Kyriba
2	Capex Cash Flow Forecast Analysis	The Capex Controller HQ will have always a total estimation for the total Strategic Plan Period. Before sending the Capex Cash Flow Forecast, the analysis of the total cash out is done according to the following rules. See tasks below	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File.xls
2.1	General task to be done as analysis of the Cash Flow forecast: Review that all the GR done are being paid on the established Payment Conditions	On a monthly basis, the analysis of the Cash Flow Capex (actuals) must consist on review that all the GR done per initiative that are being paid on the Payment Conditions per BU basis. Taking into account also the payments considered Overflow Year-1, estimations of the current year payments and payments that are considered Overflow Year+1.	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File
2.2	Capex Cash Flow Forecast (GR done pending to be paid)	The following rule is applied to determine the forecast gap of the month X: The difference between the Payments made (Actual) YTD of the month X - Goods or Services Receipts YTD of the month X will be considered as a payment in the Month X+1. This difference determines the deviations of the forecast to be projected and updated in the remaining months of the year.	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File
2.3	Capex Cash Flow Forecast Review: <u>Actual payments are less than budgeted payments</u>	In this case, the balances will be projected in the following months and will be calculated on an Overflow (Next year) line in the Capex Cash Flow Control File . In the event that at the end of the year actual payments have been lower than the budgeted payments, the balance will be projected for the following year.	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File
2.4	Capex Cash Flow Forecast Review: <u>Actual payments are higher than budgeted payments</u>	In this case, the reason why payments not included in the budget have been made will be identified and to make a cash adjustment, offsetting the excess with future payments, provided that it does not imply an increase of budget. If the deviation presupposes an increase in budget (authorized Capex), it must be requested through the Capex Committee being able to approve future budgets or extraordinary items.	Monthly	Capex Controller HQ/BU	Monthly	Capex Cash Flow Control File Capex Approval Request Process

2.5	Other Tasks	<p>TSA Analysis: Capex Controller has to follow up the inflows related to the TSA conditions ensuring that all the TSA contracts are being billing & charging on the contract conditions.</p> <p>Management Projects financed by the Landlord: Capex Controller with the info received from the PCM&E Department has to estimate the calendar of outflows and inflows related to this kind of projects.</p>	Monthly	<p>Project Manager BUs (PCM&E)</p> <p>HQ Technical Controller (PCM&E, IT & OP)</p> <p>Capex Controller HQ/BU (Finance)</p>	Monthly	Capex Cash Flow Control File
-----	-------------	---	---------	--	---------	------------------------------