

NH HOTEL GROUP

PROCUREMENT POLICY

v.2.5

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1. **PURPOSE.**

As a company listed on the Stock Exchange, NH Hotel Group must have a formal and mandatory Procurement Policy, containing the guidelines and rules that must be followed by all departments, both at corporate and business unit level, in situations that involve or may involve external contracting by the Company.

In general, this Procurement Policy will help to reinforce:

- Our commitment to guarantee transparency, honesty and ethics in the procurement function.
- The need to carry on professional procurement and contracting processes in order to optimize results.
- The need to ensure alignment with internal control guidelines, as well as on-time policy updating and communication to all employees.

2. **SCOPE.**

The rules and guidelines contained in this Policy will apply to all departments and employees of the organization that are regularly or occasionally involved in procurement and/or contracting activities.

Furthermore, these rules will apply to all goods and services contracted by the Company that are within the *Procurement Perimeter*.

Locally, the rules and guidelines contained in this Policy may be more restrictive, but never less. This Policy and all annexes mentioned will be available at the Intranet.

3. **GENERAL DEFINITIONS.**

3.1. **Internal Parties Involved in Procurement.**

- ***Requesting Entity:***
Entity, person or department, at hotel, business unit or corporate headquarters level, issuing an external contract request.
- ***Internal Client:***
Entity, person or department receiving the good or service.

- ***Coperama:***

100% subsidiary companies of NH Hotel Group. Competent entities for search, qualification, nomination, tendering and contracting of all goods and services necessary for the proper hotel management; they are also competent to delegate this role to other departments or employees of the Company according to the Contracting Delegation Limits, which are detailed in this Policy.

Each local Coperama will attend to the different Regions of their own Business Units. Coperama Holding will deal with, at a corporate level, NH Hotel Group.

3.2. External Parties Involved in Procurement.

According to the intermediation level of Coperama, suppliers can be classified into:

- **Approved or Nominated Suppliers:**

Generally, suppliers with local, national or international scope, with whom specific conditions on product, service, price or any other specific requirements by NH Hotel Group, have been agreed through a tendering and awarding process conducted by Coperama.

- **Authorized Suppliers:**

Suppliers authorized to deal with any entity within NH Hotel Group, without the involvement of Coperama in the contracting process, due to the delegation of this function following the Contracting Delegation Limits described in this Policy. In case of delegation, the contracting department will be responsible to ensure that the Contract includes the *Basic Contracting Conditions* and that the contracted supplier adheres to such conditions.

3.3. Goods and Services According to Negotiation Level.

According to the Coperama entity nominating or contracting the goods and services, these can be divided into:

- **International Goods and Services:**

Goods and services that are purchased by more than one Region. They are negotiated and nominated by Coperama Holding. Local Coperamas are not authorized to

negotiate for a Region outside its scope, unless the expressly approval by the CEO of Coperama Holding.

- **Local Goods and Services :**

Goods and services that are purchased by only one region. They are negotiated and nominated by the local Coperama.

Nonetheless, it will be Coperama Holding who will assign the negotiation and contracting of certain goods and services to international or local level, depending on the needs and specific characteristics of the goods and services to be sourced.

3.4. Rebates.

A Rebate is a commission negotiated between Coperama and a Nominated Supplier, calculated on the basis of the turnover generated as a result of the supplier's activity with any of the NH Hotel Group establishments, or any third party affiliated to Coperama to purchase in its name.

The Rebate generated by NH Hotel Group will return entirely to NH, except for a Management Fee that will stay at Coperama due to its intermediation and the collection of the Rebates from the Nominated Suppliers. Coperama and NH Hotel Group will fix the percentage of this Fee in the Affiliation Contract between Coperama and NH Hotel Group.

Rebates are an asset of the Group. Therefore, any related information is considered strictly confidential and must be kept within **Coperama, the Management Committee and the Managing Directors of the Business Units.**

It is expressly prohibited to share this information outside this scope.

3.5. Capture Rate.

The Capture Rate is the ratio of purchases to Nominated Suppliers over the total volume managed by the Coperama (Procurement Perimeter). It measures compliance level to the nominated contracts, and it is measured at hotel level, at business unit level and at consolidated level.

3.6. **Procurement Perimeter.**

All goods or services included in any category suitable to be sourced and contracted by Coperama, both at international and regional level, are considered to be within the Procurement Perimeter.

These categories are:

a) **Capital Expenses (CAPEX):** The total expenses of this category are within the Procurement Perimeter.

b) **Operational Expenses (OPEX) managed by Coperama:**

- **Food and beverage purchases.**
- **Room and restaurant supplies.**
- **Other supplies:** store and vending, golf material, intercompany supplies, cleaning supplies, office supplies & printed material, houseware & kitchenware, decoration and spa utilities.
- **Laundry & related expenses.**
- **Maintenance and cleaning.**
- **Other Work and External:** Shuttles & transports, travel expenses, vehicle leasing, machinery & installation rents, fix and mobile telephone, security services, golf equipment rents, mail and courier, TV and radio licenses, pay TV, music & entertainment, subscriptions, miscellaneous expenses.
- **Outside labour:** Outside labour and outsourcing labour.
- **IT.**
- **Professional services.**
- **Marketing and Merchandising** (except for those agreements with suppliers who hold a dominant position in the market).
- **Energy & Utilities.**
- **Insurance policies.**

OPEX expenses that remain out of the Procurement Perimeter:

- **Commissions and rebates.**
- **Bank, financial and credit card expenses.**
- **Taxes.**

- **Intercompany expenses.**
- **Water supplies.**
- **Expenses for re-invoicement to the client.**
- **Condominium & garbage expenses^(*).**
- **Sales offices expenses.**
- **NH World and IC loyalty.**
- **Accounting provisions.**

()Waste management is included within the Procurement Perimeter in some countries.*

All expenses related to Payroll and those within “*Other Direct Expenses*” categories (Rental External & Guarantee fee, Property and Real Estate Taxes, Onerous contacts, etc.) are expressly excluded from the Procurement Perimeter, and are entirely managed by the corresponding departments.

The Procurement Perimeter will be reviewed periodically by the NH Hotel Group and Coperama to ensure that it is constantly adapted to the needs of the Company.

Updated information will be available on the Intranet.

3.7. Exceptions.

- a) The NH Group Delegated Commission or the Management Committee may, due to a strategic decision or company policy, exclude any expense of the Procurement Perimeter.
- b) All hotels in the group must comply with the Purchasing Policy except for the following hotels:
 - a. ANATARA VILLA PADIERNA
 - b. ANANTARA PALAZZO NAIADI
 - c. ANANTARA NEW YORK PALACE
 - d. ANANTARA PLAZA NIZE
 - e. ANANTARA THE MARKER DUBLIN
 - f. ANANTARA VILAMOURA
 - g. NH COLLECTION GRAN HOTEL KRASNAPOLSKY
 - h. NH COLLECTION GRAND HOTEL CONVENTO DI AMALFI

Coperama will support these hotels in those categories where there is already a Nominated Supplier or because of strategic reasons it is interested in the nomination of certain suppliers.

The list of these hotels will be reviewed periodically between Operations and Coperama.

4. MAIN RESPONSIBILITIES OF COPERAMA.

1. Coperama will be responsible for **external tendering and contracting processes** on behalf of NH Hotel Group of all goods and services within the Procurement Perimeter, and in accordance with the contracting delegation limits. The Procurement Department will perform its responsibility in a professional, transparent and ethical manner when dealing with suppliers, and strictly observing NH Hotel Group's Code of Conduct at all times (*Annex 1*).

While carrying out this responsibility, it will guarantee maximum quality standards in all negotiation processes, with transparency, rigor and compliance with timings.

2. All employees of Coperama involved in the Procurement function, both at regional and international level, will sign at the time of enrollment a Declaration of Conflict of Interest (*Annex 2*).

It is the employee's responsibility to renew this Declaration in the case his/her personal situation regarding conflict of interest changes along time.

3. Coperama will be responsible for communicating to NH Hotel Group the new/changes/discharges of **Nominated Suppliers, materials and contracts**.

4. Coperama will be responsible for **respecting the technical specifications** supplied by the technical department involved, as well as for proposing valid alternatives if necessary or convenient.

5. Coperama will be responsible for the custody of **any information generated during the tendering process**, through the E-Sourcing Platform, so that it can be audited at any time.

6. Coperama will be responsible for **taking action in case suppliers deliver an unsatisfactory or poor performance in relation to the performance levels agreed**. To do so, Coperama will enable all necessary communication channels for internal customers for claiming supplier related incidents.

7. Coperama will be responsible for **ensuring the optimization and standardization** of suppliers, goods and services most adequate to the hotel activity.

8. Coperama will be responsible for **consolidated reporting on a monthly basis** on its main performance indicators and more particularly the savings generated by the procurement function, the Capture Rate and the evolution of Rebates concerning NH Hotel Group.

9. Coperama is **authorized to denounce or to report** to the NH Hotel Group Management Committee any purchase or contract that does not observe this Procurement Policy.

5. PROCEDURE FOR CONTRACTING GOODS OR SERVICES ON BEHALF OF NH HOTEL GROUP.

This chapter details **the procedure for contracting goods or services** on behalf of NH Hotel Group. All employees of NH Hotel Group who are directly or indirectly involved in a purchasing process must observe and follow to this procedure.

5.1 Request of the need of an External Contract.

The need to contract a good or service may come because of:

1. Nonexistence of a nominated good or service in a category within the Procurement Perimeter.
2. Expiration of an existing nominated contract.
3. New needs within the Company.
4. Supplier's inability to provide the nominated good or service.

At the time the new need arises, the requesting hotel or department **must first verify if there are any nominated options available that may cover the need**, by checking on the Intranet.

→ If there is a nominated option available:

As long as there is a nominated option for the supply of equal or similar goods or services, the purchase must be placed to the Nominated Supplier. In the case of lack of knowledge of Nominated Suppliers for a certain good or service, the requesting department must contact Coperama. The unawareness of this information will not exempt the compliance of this rule.

If there is a nominated option, the requesting hotel or department must observe the following procedure:

1. To search the required material on MM.
2. To submit the request for the good or service through SAP MM.
3. To follow and observe SAP procedures for order approval, reception and invoicing management

SAP Procedures are available on the Intranet.

→ If there is not a nominated option available:

In case there is not a nominated option available, or the Nominated Supplier does not have the price of the material or service closed, the requesting hotel or department must submit the request to Coperama, so that it starts a tendering and contracting process or begins the negotiation with the Nominated Supplier.

Whenever possible, the requesting hotel or department will use the Request of External Contracting Template (**Annex 3**), which is available at the Intranet.

In any case, in order to guarantee an adequate tendering process for the contract of a good or service led by Coperama, the following **requirements must be taken into account when requesting the contracting of a good or service:**

1. **The request must be submitted observing the minimum timeframe requirements, from the time of request (including all technical specifications) to the awarding:**
 - i. **STANDARD TRACK:**
 - **International Agreements: 12 weeks**, although this period may be extended if the development of prototypes is required. The review timeframe from the Legal department is 1 month.
 - **Local Agreements: 6 weeks.** The review timeframe from the Legal department is 2 weeks.
 - ii. **FAST TRACK:**
 - **Less than 2 weeks**, in cases with immediate impact on Revenue, under request of a member of the Management Committee or a Managing Director of a BU. The review timeframe from the Legal department is 1 week.
2. **Clear and specific technical specifications must be attached to the request (pre-RFP).**
3. **The scope of application, awarding date and activity start date** must be clearly stated.
4. **A budget or investment** must be provided (estimated or approved) avoiding in all cases pre-selected suppliers.

5. **Any other** relevant **information** that may affect the tendering process must be attached to the request.

5.2 Tendering Process.

In case the need of the requesting hotel or department is not **covered by a nominated option**, **Coperama** will manage the sourcing and contracting of the good or service concerned through a Tendering Process, **unless the good or service complies with the Contracting Delegation Limits**. Only those contracts that meet the requirements of the Contracting Delegation Limits can be purchased or contracted by the requesting department.

If the contract does not meet these requirements, the request must be mandatorily submitted to Coperama for tendering.

→ Contracting Delegation Limits:

All those contracting needs that meet **all of the following requirements will be automatically delegated to the requesting department**, with no need to submit any request to Coperama.

1. **There are no nominated alternatives** for the requested good or service.
2. The good or service requested is **for one hotel only or department** within NH Hotel Group.
3. The contract is valid for **1 year or less**.
4. The contract **does not exceed** the following economic limits:
 - For goods and/or services within the F&B category:
 - ✓ At hotel level: **5% of the total volume of** annual purchases.
 - For goods and/or services within the OSE categories:
 - ✓ At hotel level: **€10,000** of the annual turnover per contract.
 - ✓ At business unit level: **€75,000** of the annual turnover per contract.
 - ✓ At corporate level: **€75,000** of the annual turnover per contract.
 - For goods and/or services within the CAPEX categories:
 - ✓ At hotel level: **€10,000** of the annual turnover per project.
 - ✓ At business unit level: **€75,000** of the annual turnover per project.
 - ✓ At corporate level: **€75,000** of the annual turnover per project.

Coperama **may exceptionally and expressly delegate the contracting even if the requirements for delegation are not met**, in case of an occasional, relevant, urgent or strategic need, or for any other justifiable reason.

Coperama and NH Hotel Group will regularly review and update the Contracting Delegation Limits, according to the needs and the reality of the business at each time. These Limits will be published on the tools provided by the Company.

The Procurement Department will regularly review all contracts managed outside the Procurement Policy and report them to the Management Committee of NH Hotel Group.

5.2.1. If contracting meets the delegation's limits.

If contracting meets the delegation requirements, or it is expressly delegated, the delegated department will strictly follow the Basic Contracting Conditions described below when sourcing and contracting.

→ Basic Contracting Conditions:

All delegated purchases must observe the following conditions:

1. **The inexistence of a nominated alternative with fixed price** must be checked and proved.
2. Before the Contract signature, the delegated department must **request quotations from at least 3 different suppliers if they are non-nominated** and make a comparative study. Coperama must be informed in case this condition cannot be observed due to particular factors (such as highly specific technical requirements, exclusivity terms, etc.). Both the quotations and the study must be under custody by the delegated department and available for audit purposes at any time.

In the CAPEX categories, if the project **doesn't reach the €2,500**, it may be accepted to request only one quotation, even from a Non-Nominated Supplier.

In the event that there are approved alternatives, but without a fixed price, a quotation must be requested from different Nominated Suppliers depending on the volume to be contracted:

Less than €10,000: At least 1 Nominated Supplier

Between €10,001 and €30,000: At least 2 Nominated Suppliers

More than €30,000: At least 3 Nominated Suppliers

3. The delegated department must **assure enough and approved budget for the expected expense**.

4. The Contract must **include the payment terms and conditions** established by the Financial Department of the Company for each category. Any exception to the general payment conditions must be expressly authorized by the corporate Financial Department or the business unit Financial department, depending on the nature of the delegated department.
5. The Contract must include the contracted supplier's expressly adhesion **to the Code of Conduct for Suppliers** of Coperama.
6. The Contract **must not contain automatic renewal clauses**.
7. The Contract's validity must **not be over 1 year**.
8. The Contract must respect the general clauses established and approved by the Legal Department of NH Hotel Group. It must also observe Power of Attorney structure valid at the time of signature. In case of doubt regarding the validity of any clause, the delegated department will contact the Legal Department locally or at HQ level.
9. The delegated department **will be responsible for monitoring the contracted supplier's compliance** with all the terms and conditions of the Contract, as well as for its custody.

5.2.2. If contracting does not meet the delegation limits.

If the contracting does not meet the limits and therefore there is neither automatic nor express delegation, the tendering process will then be led by Coperama.

In order to guarantee full transparency of all agreements between Coperama and the suppliers, it is a mandatory requirement for all members involved in the sourcing function to lead a **Tendering Process⁽⁴⁾**. This tender process may be international or local, depending on the regions involved in the negotiation.

The process will be led by the buyer designated by the Managing Director of Coperama, according to the category the good or service is within, or to the convenience of the Company's needs in one particular moment in time. In any case, the Managing Director of Coperama will supervise the evolution of the tendering process and will approve the awarding.

In general, all tendering processes led by Coperama will be performed through the **E-Sourcing Tool** of Coperama, in order to guarantee the optimization, homogeneity, transparency and traceability of all processes carried out by Coperama.

→ Description of the Tendering Process:

Generally, all tendering processes led by Coperama observe the following steps:

a) Analysis and Planning:

After the reception of the request by the designated person within Coperama (buyer), he/she will analyze the starting situation taking into account, among others, the tender volume, the available and approved budget, the technical specifications, the market situation, the potential suppliers and the goals of the tender.

b) Setting the Timeframes:

Whenever possible, the buyer will observe timeframes settled by the requesting department. If the buyer considers such timeframe unachievable, he/she will inform the requesting department about the difficulties and will redefine together with the requester a new and achievable timeframe. In any case, the requesting department will respect the minimum negotiation timeframe settled in this Policy.

c) Configuration and Publication of the RFI:

At this stage, the buyer will request general information to all suppliers suitable for ask suitable for participating in the tender and that have previously registered in the E-Sourcing Platform.

This request will be made through an electronic **Request for Information Form (RFI)**.

Generally, the RFI will contain a **Qualification Envelope**, a **Technical Envelope** and **Annexes**.

If only nominated and well known suppliers are invited to the tender, the buyer may skip the Qualifications Envelope, and include the Technical Envelope in the next stage.

The **Qualification Envelope** is a general information questionnaire containing questions regarding the characteristics of the supplier's activity. The analysis of the information contained in this envelope will allow the buyer to discard suppliers that, according to the answers to the questionnaire, are not suitable due to insufficient production and/or distribution capability or to a weak financial status.

The **Technical Envelope** is a specific questionnaire for the tender, which includes scored sections and questions. This questionnaire may include sections containing general information about the supplier and sections containing specific information regarding the category, activity, good or service under tender.

In general, it will contain sections about the financial and legal situation, the human resources and procurement areas, the installations and equipment, the production, goods and services, the commitment with the environment protection and the certifications available, the situation in the market and any other additional information that may be considered necessary or useful in order to evaluate the technical capabilities of the supplier in an accurate manner. Furthermore, the buyer may

also include specific and relevant sections depending on the category of the good or service to be tendered.

Besides the Envelopes, the RFI will also contain as many **attachments** as may be necessary in order to obtain the most complete and qualified response from the supplier. In general, the following documents should be attached:

- Code of Conduct for Suppliers (*Annex 4*).
- List of Establishments with which the supplier would operate in case he was awarded. (to be updated by the department on a quarterly basis).
- Draft of the Nomination Contract
- In the case of technological suppliers, the acceptance of the new GDPR (General Data Protection Regulation) requirements.
- Any other document that the buyer may consider relevant for the negotiation.

Once the Qualification Envelope, the Technical Envelope and the attachments have been configured, the buyer **will select the participating suppliers** in the first stage of the tender. To participate in the tender, suppliers must register and self-classify in the platform beforehand.

Before publishing the RFI, the buyer may **define an Evaluation Group** for the tender.

The Evaluation Group will be composed by members of Coperama and members of the technical department involved in the specification of the good or service under tender.

The Evaluation Group will be responsible for the evaluation of the Technical Envelopes from the suppliers, once the deadline for submitting replies has expired. This evaluation will be performed through the platform and will help the buyer to obtain a more comprehensive understanding of the suppliers' main characteristics.

Once the RFI is configured, the buyer will publish the RFI **through the platform, inviting the selected suppliers simultaneously, and settling a deadline of approximately 1 week from the publication time for responses.**

d) Evaluation of the RFI:

Once the deadline set for responses expires, the members of the Evaluation Group, if defined, will receive a message to access the platform and start the evaluation of the Technical Envelope. Once finished, the supplier will start the analysis and evaluation of the responses from the suppliers (both

qualifications and technical), taking into account the comments and assessments from the Evaluation Group.

After the analysis of the responses, the buyer may discard those **suppliers that** do not meet the established requirements to participate in the second round, or those who have obtained the lowest score. In such case, the supplier will add a comment on the RFI of the discarded supplier, justifying the reasons.

If a **supplier is discarded for technical reasons**, the technical department involved must draw up a report containing the relevant reasons.

e) Configuration and Publication of the RFQ:

Once the RFI is finished, the buyer will enter the **Request for Quotation or RFQ stage**, with the remaining suppliers.

The RFQ will generally contain a **Commercial Envelope**.

If the buyer has not published a RFI, the RFQ will also contain a Technical Envelope.

The Commercial Envelope is a questionnaire in which the buyer specifies the **goods and services for which quotation is requested**. Furthermore, the buyer may also include requests for volume scales, rebates and any other parameter that may affect the final price of the good or service under tender.

Besides the envelopes, the RFQ will also contain as many **attachments** as it may be considered necessary. At this second stage the attachments will be more specific, in order to facilitate a more accurate calculation of prices by the suppliers.

Once the Commercial Envelope (and Technical Envelope, if appropriate) and the attachments have been configured, the buyer will publish the RFQ **through the platform, inviting the selected suppliers simultaneously and settling a deadline of approximately 2 weeks from the publication time for responses**.

f) Evaluation of the RFQ:

Once the deadline for RFQ responses is reached, the buyer will start the evaluation of the quotations received, using the analysis tools available on the platform in order to obtain a global evaluation of each supplier, considering the results obtained in the three envelopes: Qualification, Technical and Commercial.

The RFI and RFQ may be executed one after the other or in parallel upon the buyer's criteria.

g) Definition of the Strategy to Be Followed:

After the full evaluation of all proposals, the buyer needs to define the most suitable strategy to follow, according to the analysis and goals for the tender.

According to the results obtained in the first round of the RFQ, the buyer may:

- Open a **Second RFQ Round or “n” negotiation rounds**.
- Create an **Auction**, as long as the number of finalist suppliers, the level of competition among them and the characteristics of the good or service under tender, recommend this type of negotiation.

h) Savings Calculation and Awarding Proposal:

After the “n” rounds, either through a RFQ or through an auction, and once the results have been analyzed, the buyer will prepare an **Awarding Proposal**.

In this proposal, the buyer will include the selected supplier and a calculation of the savings achieved as a result of the tendering process.

For the calculation of the **savings achieved**, the following criteria will be observed:

- **Goods or services with purchasing background within the Company:** the volume and reference price will be those from the previous year or the previous Contract.
- **Goods or services without purchasing background within the Company or “One-Time” projects:** the reference price to calculate savings will be the best price obtained in the first round of the RFQ, as long as such price is quoted by a supplier that is still participating in the last round of the RFQ. If the best price in the first round is provided by a supplier that is discarded at any stage during the tendering process, that price will not be considered and the next best price will be taken as reference value.

The **final decision on the awarding of the Contract** will depend on the volume of the contract to be awarded:

- **If the contract does not exceed €300,000 per year in contracts under the CAPEX category or €600,000 per year in contracts under the OPEX category**, the decision will be taken jointly by the person in charge of the negotiation and the MD of Coperama, depending on the scope of the contract.

- If the contract exceeds €300,000 per year in contracts under the CAPEX category or €600,000 per year in contracts under the OPEX category, the decision will be submitted to the Awarding Committee.

i) Awarding Committee:

The mission of the Awarding Committee is to **reach consensus and decide on the awarding of relevant tendering processes led** by Coperama that directly concerns NH Hotel Group.

The Awarding Committee **will be composed by** permanent and non-permanent members:

- ***Permanent members with decision-making power:***
 - CEO of Coperama Holding
 - Chief Financial Officer of NH Hotel Group
- ***Non-permanent members with decision-making power:***
 - HQ Contracting:
 - ✓ *COO*
 - ✓ *SVP of the technical department involved*
 - BU Contracting:
 - ✓ BU Operations Director
 - ✓ BU Managing Director

The Committee is to make awarding decisions over all tenders with **an annual value exceeding €300,000 for CAPEX contracts and €600,000 for OPEX contracts.**

Nonetheless, the Committee will also evaluate all awarding proposals that, even under these values, meet at least one of the following criteria:

- If the good or service to be awarded is a **strategic or particularly sensitive element** for the Company's activity.
- If the awarding proposal **does not coincide with the natural awarding proposal** and is not the most advantageous option.
- If the buyer is aware that the awarding proposal entails a **risk of gaining or losing real or potential business** with any of the participants in the last negotiation round.

As a general rule, **the Awarding Committee will meet twice every month** in order to evaluate the proposals pending of approval and make decisions over their awarding.

During the prior week to the meeting, the responsible of the negotiation **will prepare the agenda and will call a meeting to** the members of the Committee, according to the scope of the pending awardings. Notice of the meeting will be sent at least 3 days in advance of the date of the meeting.

The members of the Awarding Committee may meet **in person or by conference call**, depending on the availability of the members of the Committee.

In case any permanent or non-permanent member is not able to attend the meeting, he/she may delegate the vote to any person with sufficient authority, seniority and knowledge to make decisions on his/her behalf.

The awarding decisions must be agreed by **consensus of at least two thirds** of the members attending the meeting.

During each meeting, the responsible for the negotiation will **write the minutes** of the meeting, which will include every awarding decision taken as well as any recommendation made by the Awarding Committee and any particular vote by any of the members.

The minutes will be sent to all members of the Committee, as well as to the SVP Audit. They will be **kept under custody** by Coperama as an **attachment** to each negotiation on the E-Sourcing Platform.

In the case any Coperama needs to submit an awarding decision to the Committee urgently and for any reason is not able to wait until the next meeting, Coperama will inform the members of the Committee, so that an **extraordinary ad-hoc meeting** can be called to evaluate the proposal.

j) Awarding and Communication:

Once the Awarding Proposal has been agreed by the members of the Committee, the buyer will proceed to the definitive and formal awarding of the tender through the platform.

Furthermore, the buyer will communicate the closing of the tender **to all the participating suppliers**, both awarded and non-awarded. Finally, the buyer will inform all **internal technical departments involved in the process**.

k) Formalization of the Awarding:

From this moment, the buyer will proceed to the formalization of the agreement, which will include the following documents:

- Nominated Supplier Contract (**Annex 5**), according to contracted category.
- Product Sheet (**Annex 6**), containing contact information for order placing and invoicing, detailed description of negotiated goods, logistics and price.
- Code of Conduct for Suppliers (**Annex 4**).
- Updated List of Establishments.
- Rebates Declaration Form, which will be updated by the Coperama's Planning and Control area and supplied to the buyers to be attached to the documentation to be sent to the awarded supplier.

5.3 Contract Review.

Prior to signing, Contracts will be reviewed by the Legal department and Coperama, as well as by the requesting department.

Each department will be responsible for reviewing a specific set of clauses:

- The **Legal Department** will review and approve the legal requirements.
- **Coperama** will review and approve the commercial conditions.
- The **requesting department** will review and approve the agreed technical requirements, the SLAs, and any other technical specifications of the Contract.

5.4 Internal Authorization.

The Contract will be authorized by each department through an **Authorization Stamp** (**Annex 7**) or an **Authorization Signature**, which verifies and validates compliance with the commercial, legal and financial terms and conditions of the Contract, according to the following **limits**:

- At **HOTEL** level, for Contracts with an annual value **OVER €10,000**:
 ✓ **Stamp/Signature of the local Coperama.**
- At **BUSINESS UNIT** level, for Contracts with an annual value **BETWEEN €75,000 AND €2,000,000**:
 ✓ **Stamp/Signature of the local Coperama.**

- ✓ **Stamp/Signature of the BU Legal Department.**
- ✓ **Stamp/Signature of the BU requesting department.**
- At **BUSINESS UNIT** level, for Contracts with an annual value **OVER €2,000,000:**
 - ✓ **Stamp/Signature of the local Coperama AND Stamp/Signature of Coperama Holding.**
 - ✓ **Stamp/Signature of the BU Legal Department OR Stamp/Signature of the HQ Legal Department.**
 - ✓ **Stamp/Signature of the BU requesting department OR Stamp/Signature of the HQ requesting department.**
- At **HEADQUARTERS** level, for Contracts with an annual value **OVER €75,000:**
 - ✓ **Stamp/Signature of Coperama Holding.**
 - ✓ **Stamp/Signature of the HQ Legal Department.**
 - ✓ **Stamp/Signature of the HQ requesting department.**

Additionally, all Contracts with an annual value over €2,000,000 must be written in English.

5.5 Contract Signature.

Once the documentation has been validated by the departments involved and according to the limits settled above, the buyer will send two copies to the **supplier for signature**.

After the signature by the contracted supplier, **Coperama** will proceed to sign the **Contract** following the existing **Power of Attorney** established by the Company.

6. CUSTODY OF DOCUMENTATION.

Once the Nomination Contract is **approved** by the departments involved, according to the Internal Authorization conditions, and **signed** by the contracted supplier and the representatives of Coperama authorized by the Power of Attorney of the Company, the Contract is from this moment considered as effective.

As long as the local Coperama or Coperama Holding, has led the good or service tendering process, it will be responsible to observe the following the **Custody Process**:

1. The buyer will send one **set of documentation signed and validated to the contracted supplier**.
2. The buyer will send **the original set of documentation signed and validated to the Legal Department**, which will be responsible for the custody of the original set, including all the attachments.
3. The buyer **will scan the set of documentation** and store it in the **Contract Management** area on the E-Sourcing Platform.

When uploading Contracts onto the platform, the following rules must be followed:

- Title: following structure must be used: Name of the local Coperama + Correlative Code + Name of Supplier + Year of Signature (4 digits).
- Classification: The Contract needs to be classified under the adequate category taking into account the nature of the good or service to be supplied, according to the settled category tree.
- Annexes: All the documents that are part of the agreement with the supplier and any other document considered relevant in the agreement execution must be attached.
- Dates: The start and end date of the agreement will be mandatorily settled.
- Expiration Alert: An automatic notification will be set to alert of the date of expiration of the Contract, so that the buyer manages enough time to start the extension of dates, renegotiation or new tendering processes.
- Activation: The Contract must be activated to allow visibility to all E-Sourcing Platform users, particularly the employees of the local Coperamas.

7. AGREEMENT NOTIFICATION TO CUSTOMER.

Once the agreement has been formalized, the person responsible for the agreement will also be responsible for the communication to **NH Hotel Group**, as well as for providing any information to guarantee ensuring a proper supply of the contracted good or service.

→ International Agreements:

The buyer will inform the Managing Directors of the local Coperamas about the terms and conditions of the agreement. These will then share the terms of the agreement within their Region to all involved employees. Such communication will include every detail of the agreement:

- Product Sheet: list of products and prices.
- Details of negotiated logistics aspects.
- Contact information for order placing and of the local sales/commercial department.
- Rebate percentage, if any, and person responsible for rebates managing.
- Supplier's invoicing information for rebate purposes.
- Indication of the need to sign agreements at local level, if necessary.

After sharing this information directly, all the agreement details concerning the operation will be available within a designated area on the Intranet.

→ Local Agreements:

The buyer will inform the Director of Operations of the Business Unit as well as the hotels affected by the agreement through the Local Newsletter, among others:

- Product Sheet: list of products and prices.
- Details of negotiated logistics aspects.
- Contact information for order placing and of the local sales/commercial department.

After sharing this information directly, all the agreement details concerning the operation will be available within a designated area on the Intranet.

8. AGREEMENT EXECUTION.

Once the good or service has been negotiated and contracted by either Coperama or the delegated department, supply chain processes and flows established by the Company will be strictly observed:

- Regarding **orders, order placement** through SAP, reception (both physical and on the system), accounting and storing procedures will be followed.
- Regarding **invoices, reception, accounting, storing** of invoices and incident management procedures will be followed.

All procedures are available on NH Hotel Group Intranet.

NH HOTEL GROUP
PROCUREMENT POLICY
ANNEXES

- 1. CODE OF CONDUCT OF NH HOTEL GROUP**
- 2. DECLARATION OF CONFLICT OF INTEREST**
- 3. REQUEST OF EXTERNAL CONTRACTING TEMPLATE**
- 4. CODE OF CONDUCT FOR SUPPLIERS**
- 5. NOMINATED SUPPLIER CONTRACT**
- 6. PRODUCT SHEET**
- 7. AUTHORIZATION STAMPS**