

# Terms and conditions for business and leisure groups

## Procedure validation

Approved by		Approval date
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1	Sales	VP Sales	Inmaculada Martinez	September 2014
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## Objective and scope

The following document is included in the scope of the Credit Policy of the NH Hotel Group, and defines the Corporate Terms and Conditions applicable for business, leisure groups and groups for congresses/fairs contracted with NH Hotel Group.

These Corporate Terms and Conditions set the guidelines related to deposit requests and cancellation conditions based on the group type, group inquiry period, deadlines and number of participants.

All group sales agents in Group Sales Office and Hotels (Group Sales Offices – Group Sales Office Agent, Hotel M&E & Group sales responsible) are responsible to apply and communicate the conditions properly.

## Summary

- 1 Periods definition
- 2 Normal periods – Business groups
- 3 Normal periods – Leisure groups
- 4 Fair periods – Business and Leisure Groups
- 5 Related documents
- 6 Templates

## 1 Periods definition

A maximum of 5 different policies concerning deposit requests and cancellation conditions are put in place depending on the period for Business. The more busy the period, the more restrictive the conditions will be.

Two periods are differentiated:

*Terms and conditions for Business and Leisure groups*

## Normal periods

Corporate policies have been defined related to deposits and cancellation conditions applicable to Business and Leisure Groups, for those groups contracted out of the fair period.

## Fair periods A, B, C, D

Policies concerning deposits and cancellation conditions have been defined at corporate level applicable to business groups which vary depending on the period.

Four fair periods are defined to identify the high demand dates per country due to huge congresses, fairs, or events which take place in the area.

BU Revenue Management department is responsible to upload in the system the information two years in advance. Beside the event name the fair periods will be identified with A, B, C or D.

If no tag exists the event is considered as a normal period.

Either in the Events tab in TMS for Meeting (TMS4M), the agents can check if a normal or fair period is applicable. The different sets of policies are uploaded in the TMS4M texts. The agent need to choose the correct deposit and cancellation policy depending on the period.

## 2 Normal periods – Business groups

For Business groups contracted in normal periods a corporate policy has been defined related to deposit requests and cancellation conditions based on quantity of rooms contracted /number of participants.

All BU's have the same brackets to apply the correspondent policy **except BU Italy**.

### **Cancellation policy:**

Cancellation condition templates are uploaded in TMS4M The agent must select the applicable one based on rooms/ participants number contracted.\*

This standard conditions of cancelation or reduction could be review within the negotiation with the client, please see *Escalation process tool*.

In case of waiving cost because of a cancellation, the decision must be communicated to the account handler. This is a very valuable information for the sales team as it is a powerful negotiation tool.

In case penalty charges apply according to the contract, the client should be informed accordingly upon making the modification/cancellation that the agreed charges will be carried out.

### **Penalty invoicing:**

For partial cancellations, penalty information to be applied on final invoices must be entered via actions option in TMS4M in order to be posted by hotel front office in the final invoice.

For total cancellations the final penalty amount must be communicated to Front Office for invoice preparation.

Post the penalty fee with the proper service code in the system. The penalty amount must be charged to the client including taxes according to the conditions signed in the contract.

\*BU Italy has different bracket of the rooms/participants to apply the right penalty fee.

*Terms and conditions for Business and Leisure groups*

BGR	
Normal policies - BGR-MEET, BGR-MICE, BGR-RO. BGR-SPORT	
Cancellation	
<b>10 to 30 participants</b> <b>* In case of Italy the right bracket is 10 to 20 rooms/participants</b> <b>max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day ^</b>	
Up to 1 month prior to arrival:	Booking can be cancelled free of charge
Between 1 month & 14 days:	50% of the total booking value can be cancelled free of charge
Between 13 & 7 days:	20% of the total current booking value can be cancelled free of charge
Cancellation less than 7 days:	No free cancellation applicable <i>In the event of no-show, the customer will, in all cases, be required to pay 100% of the reservation value (including VAT).</i>
NO SHOW:	
<b>30 to 75 participants</b> <b>* In case of Italy the right bracket is 21 to 40 participants</b> <b>max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day</b>	
Up to 50 days prior to arrival:	Booking can be cancelled free of charge
Between 49 days & 30 days:	50% of the total booking value can be cancelled free of charge
Between 29 & 7 days:	20% of the total current booking value can be cancelled free of charge
Cancellation less than 7 days:	No free cancellation applicable <i>In the event of no-show, the customer will, in all cases, be required to pay 100% of the reservation value (including VAT).</i>
NO SHOW:	
<b>75 - 150 participants</b> <b>* In case of Italy the right bracket is 41 to 70 rooms/participants</b> <b>max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day</b>	
Up to 60 days prior to arrival:	Booking can be cancelled free of charge
Between 59 days & 35 days:	50% of the total booking value can be cancelled free of charge
Between 34 & 7 days:	20% of the total current booking value can be cancelled free of charge
Cancellation less than 7 days:	No free cancellation applicable <i>In the event of no-show, the customer will, in all cases, be required to pay 100% of the reservation value (including VAT).</i>
NO SHOW:	
<b>150 - 200 participants</b> <b>* In case of Italy the right bracket is 71 to 90 rooms/participants</b> <b>max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day</b>	
Up to 90 days prior to arrival:	Booking can be cancelled free of charge
Between 89 & 42 days:	50% of the total booking value can be cancelled free of charge
Between 41 & 7 days:	20% of the total current booking value can be cancelled free of charge
Cancellation less than 7 days:	No free cancellation applicable <i>In the event of no-show, the customer will, in all cases, be required to pay 100% of the reservation value (including VAT).</i>
NO SHOW:	
<b>200 &gt; participants</b> <b>* In case of Italy the right bracket is &gt;91 rooms/participants</b> <b>max 2 nights/days &gt; for additional night penalty ad hoc</b>	
Up to 120 days prior to arrival:	Booking can be cancelled free of charge
Between 119 days & 56 days:	50% of the total booking value can be cancelled free of charge
Between 55 & 28 days:	20% of the total current booking value can be cancelled free of charge
Cancellation less than 28 days:	No free cancellation applicable <i>In the event of no-show, the customer will, in all cases, be required to pay 100% of the reservation value (including VAT).</i>
NO SHOW:	

i.e: 20 people for 2 days step 1 apply, 20 people for 3 days step 2 apply, 20 people for 4 days step 3 apply and so on.

### **Deposit requests:**

- Agencies or companies without credit granted:

Deposit request ranges are uploaded in TMS4M The agent must select the applicable one based on rooms / participants number contracted.\*

To calculate in an easy way the percentage required for the deposits, use the Macro created for deposit calculation. See: Macro for deposit calculation

Introducing in this tool group details, the deposit conditions are automatically calculated.

Afterwards, fill in manually the deposit tab, date, amount and remarks in TMS4M application. This information will be printed out in the contract to be communicated to the client.

The standard conditions concerning deposits required could be reviewed within the negotiation with the client, please see *Escalation process tool*.

The 100% of the deposit is required for any group at least 7 days before arrival, except for more than 200 rooms / participants (91 in case of BU Italy).

For groups under 50.000 € and depending of the customer needs only 2 deposit payments can be accepted. First one as set in the policy, final payment keeping the timing brackets as negotiation field.

Anyway should the client want to make only 1 deposit payment, then the payment should be received before the last free cancellation date.

<b>BGR*</b>	
<b>Normal policies - BGR-MEET, BGR-MICE, BGR-RO. BGR-SPORT</b>	
<b>Deposit - Negotiation Margins within Policy</b>	
<b>10 to 30 participants</b> <b>* In case of Italy the right bracket is 10 to 20 rooms/participants max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day ^</b>	
Once the contract is signed	10% once the contract is signed
Between 1 month & 14 days:	40% of the total amount
Between 13 & 7 days:	30% of the total amount
7 days Before arrival	20% of the total amount
NO SHOW:	No free release applicable
<b>30 to 75 participants</b> <b>* In case of Italy the right bracket is 21 to 40 participants max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day</b>	
Once the contract is signed	15% once the contract is signed
Between 49 days & 30 days:	35% of the total amount
Between 29 & 7 days:	30% of the total amount
7 days Before arrival	20% of the total amount
NO SHOW:	No free release applicable

Terms and conditions for Business and Leisure groups

<b>75 - 150 participants</b> <b>* In case of Italy the right bracket is 41 to 70 rooms/participants max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day</b>	
Once the contract is signed	20% <i>once the contract is signed</i>
Between 59 days & 35 days:	30% <i>of the total amount</i>
Between 34 & 7 days:	35% of the total amount
7 days Before arrival	15% of the total amount
NO SHOW:	No free release applicable
<b>150 - 200 participants</b> <b>* In case of Italy the right bracket is 71 to 90 rooms/participants max 2 nights/days &gt; for every additional night/day move one conditions steps for every night/day</b>	
Once the contract is signed	25% <i>once the contract is signed</i>
Between 89 & 42 days:	35% <i>of the total amount</i>
Between 41 & 7 days:	30% of the total amount
7 days Before arrival	10% of the total amount
NO SHOW:	No free release applicable
<b>200 &gt; participants</b> <b>* In case of Italy the right bracket is &gt;91 rooms/participants max 2 nights/days &gt; for additional night penalty ad hoc</b>	
Up to 120 days prior to arrival:	30% <i>once the contract is signed</i>
Between 119 days & 56 days:	35% <i>of the total amount</i>
Between 55 & 28 days:	25% of the total amount
28 days Before arrival	10% of the total amount
NO SHOW:	No free release applicable

\*For BU Italy always 10% of the Deposit is non-refundable.

○ Agencies or companies with credit granted:

All Invoices will be paid within 30 days after the date mentioned on the invoice. Use the "Macro for deposit calculation template" to determine which maximum amount can be invoiced to credit. (amount indicated in "3<sup>rd</sup> Payment" excel cell when select BGR in type of congress).

If the meeting reservation has F&B items or has requested other services to a vendor, it would be necessary to request to the agency or company a prepayment at least a 50 % of detailed concepts.

Unless otherwise agreed by contract, during high demand dates or fair periods use the "Macro for deposit calculation template to calculate" in an easy way the percentage required for the deposits (select FAIR in the type of congress).

### 3 Normal periods – Leisure groups

#### **Cancellation policy:**

In case of Leisure Groups the following cancellation policy has been defined applicable at corporate level.

Follow the penalty invoicing instructions provided below:

LGR	
Cancellation	
Up to 1 month prior to arrival:	No cancellation fee
Between 1 Month & 22 days:	10% of the total amount
Between 21 & 15 days:	50% of the total amount
Between 14 & 7 days:	80% of the total amount
Cancellation less than 7 days:	100% of the total amount 90% in case of German Hotels
NO SHOW:	100% of the total amount 90% in case of German Hotels

#### **Deposit requests:**

Different payment conditions are requested if the agency has credit or not granted.

- Agencies with credit granted:

All Invoices will be paid within 30 days after the date mentioned on the invoice.

If the meeting reservation has extra F&B items not included in the original rate or has requested other services to a vendor, it would be necessary to request to the Agency a prepayment at least 50 % of detailed concepts.

Unless otherwise agreed by contract, during high demand dates or fair periods use the Macro for deposit calculation template to calculate in an easy way the percentage required for the deposits. Deposit needs to be settled before the cancellation policy becomes effective.

- Agencies without credit granted:

NH Hotel Group will request full prepayment prior to the groups arrival and before the cancellation policy becomes effective.

Should payment not be received by Hotel within indicated period, the Hotel reserves the right to cancel the reservation.

Should payment not be received by Hotel within given period, even after one reminder, the Hotel is obliged to charge the legal interest.

For BU Italy always 10% of the Deposit is non-refundable.

Terms and conditions for Business and Leisure groups

## 4 Fair periods – Business and Leisure Groups

As described in periods definition section, different deposit requests and cancellation conditions have been defined at corporate level which vary depending on the fair period.

Group sales agents always check TMS4M application in order to know which fair period is applicable and choose the right text in TMS4M for deposit requests and cancellation conditions.

### **Cancellation policy:**

Cancellation conditions templates are uploaded in TMS4M. The agent must select the applicable conditions based on fair type (A,B,C and D).

This standard conditions of cancelation or reduction could be reviewed within the negotiation with the client, please see *Escalation process tool*.

In case of waiving cost because a cancellation, the decision must be communicated to the account handler. This is a very valuable information for the sales team as it is a powerful negotiation tool.

In case penalty charges apply according to the contract, the client should be informed accordingly upon making the modification/cancellation that the agreed charges will be carried out.

### **Penalty invoicing:**

For partial cancellations, penalty information to be applied on final invoices must be entered via actions option in TMS4M in order to be posted by hotel front office in the final invoice.

For total cancellations the final penalty amount must be communicated to Front Office for invoice preparation.

Post the penalty fee with the proper service code in the system (RCLX – Room cancelation fee and BCXL – Banqueting cancelation fee for charges related to M&E).The penalty amount must be charged to the client including taxes according to the conditions signed in the contract.

Find below the deposit requests policy depending on the A, B, C, D fair period:

Congress/Fa	
Cancellation	
A	
Cxl before 365 days prior to arrival	Booking can be cancelled free of charge
date: 365-184 days prior to arrival date:	50% of the total booking value can be cancelled free of charge
183-92 days before the congress	10% of the total current booking value can be cancelled free of charge
date: 91 - 0 days before the congress	<i>No free cancellation applicable</i>
date:	In the event of no-show, the customer will, in all cases, 100% of the reservation value (including VAT) will be applied as NO Show fee. *
B	
Cxl before 183 days prior to arrival	Booking can be cancelled free of charge
date: 183 - 122 days before the	50% of the total booking value can be cancelled free of charge
congress date: 121 - 92 days before the	25% of the total current booking value can be cancelled free of charge
congress date: 91 - 0 days before the	<i>No free cancellation applicable</i>
congress date:	In the event of no-show, the customer will, in all cases, 100% of the reservation value (including VAT) will be applied as NO Show fee. *
C	
Cxl before 122 days prior to arrival	Booking can be cancelled free of charge
date: 122 - 92 days before the congress	50% of the total booking value can be cancelled free of charge
date: 91 - 61 days before the congress	25% of the total current booking value can be cancelled free of charge
date:	<i>No free cancellation applicable</i>
60 - 0 days before the congress date:	In the event of no-show, the customer will, in all cases, 100% of the reservation value (including VAT) will be applied as NO Show fee. *
D	
Cxl before 92 days prior to arrival date:	Booking can be cancelled free of charge
91 - 61 days days before the congress date:	50% of the total booking value can be cancelled free of charge
60 - 31 days before the congress date:	25% of the total current booking value can be cancelled free of charge
30 - 0 days before the congress date:	<i>No free cancellation applicable</i>
NO SHOW	In the event of no-show, the customer will, in all cases, 100% of the reservation value (including VAT) will be applied as NO Show fee. *

### Deposit requests:

Deposit request ranges are uploaded in TMS4M. The agent must select the applicable one based on fair type (A,B,C and D).

To calculate in a easy way the percentage required for the deposits use the Macro created for deposit calculation. *See Macro for deposit calculation*

Afterwards, fill in manually the deposit tab, date, amount and remarks in TMS4M application. This information will be printed out in the contract to be communicated to the client. Send the proforma invoice to the client showing, due dates and bank details for the payment.

The standard conditions concerning deposits required could be reviewed within the negotiation with the client, please see *Escalation process tool*.

The 100% of the deposit is required for any group in fair periods at least 30 days before arrival, different escalation is defined in each fair period.

*Terms and conditions for Business and Leisure groups*



Congress/Fairs	
Deposit - Negotiation Margins within Policy	
A	
Once the contract is signed	10% of total amount *
365-184 days prior to arrival date:	40% of the total amount
183-92 days before the congress date:	40% of the total amount
91 days before the congress date:	10% of the total amount
B	
Once the contract is signed	20% of total amount*
183 - 122 days before the congress date:	25% of the total amount
121 - 92 days before the congress date:	30% of the total amount
91 - 0 days before the congress date:	25% of the total amount
C	
Once the contract is signed	25% of total amount*
122 - 92 days before the congress date:	20% of the total amount
91 - 61 days before the congress date:	30% of the total amount
60 - 0 days before the congress date:	25% of the total amount
D	
Once the contract is signed	30% of total amount*
91 - 61 days before the congress date:	20% of the total amount
60 - 31 days before the congress date:	25% of the total amount
30 - 0 days before the congress date:	25% of the total amount

**\* Once contract is signed a 10% Deposit is Non-refundable – for all BU's**

Anyway should the client want to make only 1 deposit payment, then the payment should be received before the last free cancellation date.

**Very Important:** Any different or special condition signed with agencies or companies related to these general terms and conditions, must be expressly reported to the hotels and Commercial Handlers involved in a M&E.

## 5 Related documents

- [M&E Terms and Conditions Escalation Process](#)
- [AR1.1– Credit Concession – M&E](#)
- [AR2.0 - Credit Management](#)
- [AR3.0 - Collection Management](#)
- [Credit Policy - Quick Reference Guide](#)

## 6 Templates and file

- [M&E Macro Deposit Calculation](#)

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