

<i>Date</i>	<i>Issued by</i>	<i>Validated by</i>	<i>Scope</i>
02/2024	Business control Director - Christelle MOSSERI Procurement Director - Margaux LAJOIE	CFO – Christelle RAMEN	NAM resorts (excluding FWI)

1. Objective

Define responsibilities, limits and conditions for approval and signature of contracts between the Villages and Miami's Office Teams.

2. Scope

This note applies to all NAM's following population:
Finance Managers, Chiefs of Village, Stock and Procurement Managers (SPM), Procurers, Chiefs of services.

3. Effective date

Immediate

4. Responsibility and communication in Villages

The 'Chief of Village' and 'Finance Manager' of the Resort oversee applying and respecting this procedure.

5. Implementation

Contract negotiations and expenditures management

The resort (under the supervision of the Financial Manager) has the ability to negotiate a local agreement directly with the supplier after collecting 3 quotes if they spend less than 20,000 USD per year.

It is necessary for the product owner (Miami OPS team) to validate the products/needs before initiating the negotiation, to ensure consistency of the client offer.

The supplier template can be used, but the Legal department of Miami must review the contract before validation.

Purchasing department in Miami is responsible to negotiate the financial conditions of the contract when the expenditure is superior to 20,000 USD per year.

Miami's Legal Department is responsible for reviewing all terms and conditions of EVERY contract, review legal status of parties and do initial insurance review. Smaller contracts can also represent big liabilities, it is imperative for legal department to review before signing.

Miami legal team will assist the Resort providing a 'Club Med template' to formalize the contract.

Expenditure thresholds define the level of user autonomy.

It is necessary to involve the departments for the following cases:

1. For expenditures < 20K USD

- Purchasing department => NO involvement
- Legal department => Involved

2. For expenditures > 20K USD < 50K USD

- Purchasing department => Involvement case by case depending on the issue** (*economic and risks*)
- Legal department => Involved

3. For expenditures > 50K USD

- Purchasing department => Involved
- Legal department => Involved

***** All contracts related to security, excursions, transfer = risky activities shall be automatically handled by Miami whatever the amount is.***

The Stock and Procurement Manager (SPM) or the Procurer (under Smart Supply Chain/Cluster organization) can place the order once the contract is signed.

Corporate Guidelines for contracting a new supplier:

- Before signing the contract, price and quality evaluation must be done.
 - Price comparison: use the quotation received. Ensure that the price given is the final and no other additional cost such as transportation, insurance, exchange rate, imported item taxes etc. will be added. If there's any advance payment requested, it should be taken in consideration.
 - Other criteria should be taken in consideration during price evaluation are, payment & credit terms, refund & return, discounts, rebates, guarantees, emergency needs etc.
 - Quality should be evaluated depending on the origin: All should match the local and group health & safety requirements, and should be tested or evaluated by available means (catalogues, website, feedback from clients etc.)
 - Other factors such as reliability, specific standards for specific items, delivery schedules and volume requirements also need to be taken in consideration during full evaluation.

- Usually, the lowest price should be the one chosen. If otherwise, the reason should be clearly stated and justify.

Contract formalization & signatures

All contracts must be signed by the VP Operations regardless the amount.
Only the VP Operation is entitled to sign all NAM's contracts (Olivier Rozier)

All contracts shall be uploaded in S@fe :

- the Financial Managers when the contract is local,
- Buyers when it is managed by Miami.

6. Controls

The Financial Manager is responsible of timely update the status summary of the contracts (purchasing/services) and control the yearly expenditures threshold for the local suppliers.

Same for the insurance, financial manager is responsible to request the updated insurance policies after the 1st year.

Every semester, this summary should be sent to Miami purchasing department.

The Financial Manager shall provide the scan copy of the final signed/chopped contract (up to 50k USD) to Miami purchasing department for record in the S@fe contract Database.