

# Contract Review and Approval Process

## 1. Overview

The Contract Review and Approval Process is designed to ensure that every contract entered into by Company K is legally compliant, aligned with the company's business objectives, and contains adequate risk mitigation measures. This standardized process helps avoid inconsistencies across departments and ensures legal soundness, minimizing the potential for complications in the future.

- Purpose: To ensure that all contracts are thoroughly reviewed for legal and business alignment, helping Company K avoid legal disputes, operational issues, and financial risks.

## 2. Submission Guidelines

Proper submission and use of contract templates help streamline the review process and reduce the likelihood of errors.

- Initiation: Contracts must be submitted to the legal department at least 30 days before the desired execution date. This timeline ensures that there is sufficient time for a thorough review.

- Templates: Where possible, standard contract templates should be used. These templates are pre-approved to meet Company K's legal and business requirements, reducing the chance of omissions or errors.

- Types of Contracts: This process applies to a wide variety of contracts, including but not limited to:

- Service Agreements: Contracts for services provided to or by the company.

- Partnership Agreements: Contracts detailing the terms of collaboration with other businesses.

- Non-Compete Agreements: Agreements preventing former employees or partners from competing with the company for a specified period.

- Vendor Contracts: Contracts involving the supply of goods or services to the company.

- Employment Agreements: Contracts defining the terms of employment, including roles, responsibilities, and compensation.

## 3. Review Process

The contract review process involves multiple departments to ensure both legal compliance and business alignment.

- Initial Review: The legal department conducts the first review of the contract to ensure it complies with all applicable laws, such as labor laws, intellectual property laws, and any relevant industry-specific regulations.

- Business Review: After the legal review, the department heads responsible for the contract's subject matter will review it to confirm that it aligns with Company K's business goals and operational needs.

- Risk Assessment: The risk management team assesses potential risks associated with the contract, including financial, operational, and reputational risks. If significant risks are identified, mitigation strategies may be proposed or contract terms renegotiated.

- Final Approval: Contracts that exceed \$100,000 or involve long-term commitments must be approved by Company K's senior executives. This additional layer of scrutiny helps ensure that high-value or high-stakes contracts align with the company's strategic interests.

#### 4. Compliance Requirements

All contracts must meet certain compliance standards to ensure legal and regulatory alignment.

- Legal Compliance: Contracts must adhere to relevant industry regulations, including but not limited to labor laws, data protection laws (such as GDPR), and other applicable compliance frameworks.

- Signatories: Only authorized personnel from both parties are allowed to sign contracts. In the case of high-value contracts, at least one senior executive from Company K must sign, ensuring that leadership is aware of significant contractual obligations.

- Record Keeping: Once signed, all contracts must be stored in a digital repository for future reference, audits, and reviews. This helps maintain transparency and ensures easy access to documents for any required legal or business audits.

#### 5. Amendments and Renewals

Contract amendments and renewals must undergo the same level of scrutiny as the original agreement to ensure ongoing compliance and alignment with business goals.

- Amendments: Any proposed amendments to the original contract must follow the same review process. This ensures that all changes are legally compliant and aligned with company policies.

- Renewal Process: Contracts that are nearing their expiration date must be reviewed at least 60 days prior to renewal. This allows adequate time for renegotiation or amendments. Automatic renewals are generally discouraged unless both parties have explicitly agreed upon them, ensuring that contracts remain relevant and beneficial for both sides.