

Valamar's Purchasing Policy

The goal of Valamar Purchasing is to support the fulfilment of the vision and mission of Valamar Riviera d.d.

Valamar's Vision:

To be the leader in leisure tourism and create authentic guest experiences in partnership with our destinations.

Valamar's Mission:

To create unforgettable guest experiences by using innovative services in leisure tourism.

To develop a stimulating corporate culture where guests and employees come first.

To deliver new value for shareholders through corporate responsibility by promoting sustainable development and supporting local communities.

In line with the main goal, we have established the following **Purchasing Guidelines**:

1) Be a reliable partner to guests and suppliers.

Valamar will act as a true partner and buyer towards its suppliers, one who respects agreements and fosters fair and transparent relationships with all suppliers. A true partnership also includes proactivity, accuracy, flexibility and creativity.

We also expect true partnership from our suppliers: they must listen, understand and care for our needs and deliver impeccable service anytime and in the shortest time period possible.

2) Deeply respect the principles of business ethics.

Valamar expects professionalism and the constant upgrade of the partner's (and Valamar's) skills and know-how. We expect responsibility, cooperation and reliability from our partners. All business arrangements, terms and conditions, prices, data and information confidentiality are defined between partners who act accordingly. Partners do business according to the relevant laws and regulations, and they can expect Valamar to do the same.

3) Deliver results that are not merely financial.

Valamar is the leading tourism group in Croatia – we expect our suppliers to be committed to being or becoming the leading company in Croatia and deliver to Valamar, as one of their key clients, their own top quality and results. We expect our supplier to fulfil their promises and accomplish their goals and meet our expectations and needs in the best way possible.

4) Achieve sustainable competitive advantage.

Purchasing at Valamar is tasked with providing an efficient management of the supplier network to support customer satisfaction growth, innovation and profitable company growth by ensuring that our supplier network delivers the following:

- product quality and high service level in line with company requirements

- competitive import value of goods and a strong and constant productivity pace, while considering the time necessary for product development and placement
- cost reduction achieved by focusing on a smaller number of suppliers while avoiding excessive dependency on one individual supplier and vice versa.

5) Consistently apply the main criteria for deciding to start new business activities and conduct specific business.

The main criteria are the following:

- a) offered price
- b) product quality
- c) reliability of supplier (particularly regarding distribution/ logistics, references, experience etc.)
- d) stability (particularly regarding a supplier's financial status and similar)
- e) other general conditions offered (payment terms, guarantees, etc.)

6) Sustainability matters to us.

Valamar sources local products and uses the services of local businesses if possible and feasible.

If it is possible, we also give precedence to: sustainable production and purchasing, goods made of recycled materials or that can be recycled, products carrying the Eko/ Fair trade/ FSC/ MSC labels and similar, products that use less packaging, save energy sources and preserve the environment.

All our suppliers and contractors will receive a copy of our Quality and Sustainability Policy.

Poreč, 27 June 2016

Dragan Vlahović
Purchasing Director