

 Samsonite® POLÍTICA LATINOAMÉRICA		REFERENCIA AGING
CONTENIDO: Política Reserva Obsolescencia	FECHA DE EMISION Dic/204	PAGINA 1 de 3

REGIONAL POLICY AGING AND OBSOLESCE RESERVE

1. INTRODUCTION

1.1. Objective

Determine the calculation of the reserve for obsolescence of inventories in all countries in Latin-America where Samsonite operates.

1.2. Scope

This methodology is the base for calculating obsolescence reserve of all inventories belonging to the business units of Samsonite in Latin-America.

1.3. Definitions

- **Inventory reserve:** are those created with the purpose of absorbing future write-offs of inventories. The obsolescence reserve is applied for futures sales where the sold price is lower than the cost.
- **Months of inventory:** KPI used for measurement of inventories based on the actual sales of the Company. It can be determined based on historical or forecast sales. For this methodology, it'll be used the actual sales of the past 12 months.

Months in Inventory

$$\frac{\text{Units in inventory}}{\text{Average Sales Last 12 months}}$$

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Example:

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Stock Units	150	
Sales 18 Mths	180	
Avg Sales	10	Sales / 18 months
Months of Inventories	15	= Stock (150) / Average Sales (10)


2. POLICY COMPLIANCE

Position/Role	Compliance	Monitoring
Regional Finance Director		X
Finance and Accounting Teams	X	

3. GENERAL OUTLINES

3.1. Provision Evaluation

- Provisions must be made based on the evaluation of the quality of the inventory, considering aging, that is, how long the material has been in our stock since its entry date and the nature and amount of it.
- **Accounting of the Provision:** The provision will be evaluated and determined monthly according to the structure in this Policy. The following scenarios will be considered for approval:
 - If needed to make an additional adjustment to the monthly evaluation of the provision, whether it increases or decreases the value of the provision, according to the structure determined in this policy, it will be reviewed with the America's CFO and will have the approval of the Financial Director for Latin America prior to its accounting.
 - Monthly, the determination of this reserve must be documented by the Finance teams and maintained for future reviews or audits.

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4. VALIDATION PROCESS

Operation	Names	Position	Date
Written by	Carlos Espinoza	Regional Finance Director	November 2024
Reviewed by	Don Walden	Samsonite CFO Americas	November 2024
Effective date: December 2024		Version: 03	

5. CHANGE CONTROL

- Update 2024: a new provisioning modality is determined according to the age of the inventory, the months of inventory and the type of inventory.