

Baird Group Limited
Business Expenses Policy for all Overseas Division Employees
Updated April 2018

It is the company's policy to reimburse employees for all necessary travel, accommodation and other expenses, including the entertainment of clients, incurred while employees are engaged upon authorised company business.

The company will set levels of expenditure that are deemed appropriate and which may only be varied at the discretion of the company. It is the responsibility of all employees to minimise expenses wherever possible.

The level of reimbursement allowed will be sufficient to provide a standard and quality which will adequately meet the needs of employees from the viewpoint of both comfort and acceptability for the effective conduct of company business.

The application of the business expense policy must be strictly controlled by all parties who both incur and authorise transactions involving business expenses. Checks will be conducted to ensure that all parties adhere to the policy set out herein. Any divergence from the policy will be referred to the Chief Executive, who will determine what action should be taken to rectify same.

Failure to comply with this policy may be treated as a disciplinary matter.

1. Guidelines

1.1 Timeliness

Expenses should be submitted as soon as possible after they have been incurred. However, it does cost a certain amount to process each claim and so claimants should endeavour not to submit claims for less than \$10 unless they represent the total expenses in a 3 month period.

ALL EXPENSES MUST BE SUBMITTED WITHIN 3 MONTHS FROM THE EXPENSE BEING INCURRED OTHERWISE THEY WILL BE REJECTED.

1.2 Receipts

Original receipts including taxes must accompany all claims, including business mileage claims. Credit card slips or statements will not be accepted as evidence of business expenditure. A receipt must include the name and address of the retailer, the retailer's tax registration number, the date of purchase, details of the goods or services purchased and the sales tax inclusive value.

1.3 Claim submission

All expenses should be submitted electronically via the Oasys system. If necessary, manual official expense claim forms can be obtained from the Finance department, Leeds. The claim form needs to show the amount, date, place and business purpose of each item of expenditure.

Receipts should be numbered and clearly referenced to the claim form and attached to a print out of the electronic submission or the manual claim form. These forms should then be signed by the employee and submitted to the Finance department, Leeds. Claims will not be paid until the receipts are received.

For manual claim forms these need to be authorised in line with the limits set out below in 1.4 before submission to the Finance department, Leeds.

A separate claim must be submitted for UK and foreign expenses.

1.4 Authorisation of expenses

All expenses must be authorised off by the appropriate line manager up to the following limits.

Table 1

Claims up to \$ or € inc. Sales Tax	Authorised by
0 – 1,500	Area Sales Manager/Chicago/TESS
Above 1,500	Chief Executive or Finance Director

Authorising managers must ensure that they are happy with the claim or reject it for correction or further information.

1.5 Help with expenses

If you require any assistance then please contact the finance department, Leeds.

2. Types of Expenditure

2.1 Company Credit Cards

Company credit cards are issued to staff on a business case basis.

Company credit cards can only be used for business expenses.

Monthly statements will be issued to the cardholder. Electronic claims are to be completed and submitted to Finance with the statement and receipts attached as set out above. These should be submitted to finance on a monthly basis.

As a condition of having a company credit card, employees are required to agree that where credit card expenses are above the allowances set without adequate explanation or where appropriate supporting documentation for the claim has not been received 3 months after the statement has been posted then these amounts will be deducted from any personal expenses. In the absence of any personal expenses then the amount will be deducted from their salary.

In addition, repetitive late submission may result in the card being suspended.

2.2 Cash expenses

Cash expenses must be authorised in accordance with the approval limits set out in Table 1 above and following approval will be paid by BACS.

3 Claimable Expenses

Expenses are only to be claimed for the items listed below except where authorised in advance by the relevant Divisional Director/Managing Director or Chief Executive.

Train Travel

- Standard class tickets, with reserved seats, are allowed for journeys that have been approved by the appropriate Executive or Director.
- All train travel must be booked in advance where possible.
- First class rail travel premiums will only be reimbursed with the prior approval of the Chief Executive

Air Travel

- Any proposed air travel for Branch Managers must be submitted for approval by the Area Sales Manager. This must be accompanied by a trip rationale with quotes and must also be approved by the Divisional Director.
- All air travel must be at Economy Class, except where a flight or flights are for more than a duration of eight hours in which case Premium Economy Class is acceptable. If a flight is in excess of 12 hours then Business Class is acceptable.
- The company will also reimburse the cost of any associated Visa entry costs.

Taxis

- The use of taxis is only permitted where public transport is not available or when travelling before 6.30am and after 9pm.

Company Cars

- The company is responsible for all car servicing and replacement parts (tyres etc) but not non-fixable extras (i.e. mats etc).
- Maintaining the cleanliness of the car is the responsibility of the car user. Car valeting, washing etc are non-claimable expenses.
- Servicing should always be carried out so as not to disrupt the normal running of the business.
- Parking, congestion charges, fixed penalty and motoring offence fines are the responsibility of the company car driver.

Own Car Use

- Prior authority must be obtained from the Area Sales Manager for any employee to use their own vehicle for business use. It is the responsibility of the car owner to ensure that their insurance cover includes business use. In addition, Baird Group Limited accepts no liability for loss or damage to private vehicles being used for business purposes
- Business mileage is considered to be any additional mileage incurred in excess of your normal commute to work.
- The business mileage incurred is to be supported by details of the starting and ending locations including information about any detours to the journey. If the mileage cannot be confirmed then the claim will be rejected.
- Tax Receipts for the fuel used are to be submitted with the claim.
- **Mileage should be claimed at the rate of \$0.41c per mile in USA and €0.20c per Kilometre in Europe**

Car parking

- The company will reimburse the cost of car parking when employees are away from their normal place of work.
- The company will not reimburse the cost of car parking at the employee's normal place of work.

Business Entertainment

- The company will reimburse the reasonable cost of meals (food/beverages) during the time in which business discussions are being held, and at which those present include representatives of organisations which have business with the company.
- The purpose of the entertainment and the business relationship of the person being entertained should be included on the expense claim form.
- The number and names of both company and non-company personnel must be detailed on the business expense claim.
- Failure to include all this information on the expense claim will result in the claim being rejected and returned.

Staff Entertainment

- All staff entertainment must be agreed in advance in line with the approval procedure in Table 1.
- The number and names of the personnel must be included on the expense claim form.

Mobile Telephones

- Provision of this equipment requires the authorisation of the Chief Executive. The equipment being provided is based upon job need rather than status.
- The phone is provided for business use and the company reserves the right to charge users in the event of any abuse of this facility.
- Employees who have purchased their own mobile phones, primarily for personal use, should not expect the Company to contribute to either running costs or call charges.

It should be noted that Health and Safety regulations require Hands free facility in vehicles when driving.

Home Telephone Costs and Broadband Internet

- No Branch Managers can claim for home telephone costs or home broadband costs, however Area Sales Managers may claim the cost of these back as they are essential to their job role.

Overnight Hotel Accommodation

- Where possible all hotel accommodation should be booked in advance
- The attached summary schedule indicates the appropriate cost of hotel accommodation (including breakfast).
- The company will not reimburse the cost of no show charges for cancellation unless this has been agreed in advance and is the company's responsibility.
- Incidental costs (including the mini bar, newspapers, laundry, videos etc) are the responsibility of the employee.

Overnight Allowances

- The company will reimburse the cost of an evening meal when staying overnight. This has been limited to a maximum of \$25 or €22 including sales taxes.
- No other allowances can be claimed for staying overnight.

Postage and Stationary

- Receipts must be submitted for postage stamps that are purchased. If large mail-outs are required, this should be done via Leeds HO.
- All stationary purchases must be made through Leeds, Head Office. No stationary is to be purchased through expenses.

Gifts

- All gifts (including items such as flowers) to employees and clients must be approved in advance by the Chief Executive and is subject to a limit of \$30 or €40.

Professional Subscriptions and Courses

- These are allowable expenses provided that they are incurred wholly, exclusively and necessarily in the performance of your duties.

Clothing Vouchers

- All overseas staff are entitled to Clothing Vouchers or Clothing Allowance. For full time staff members this is twice per year.
 - The staff vouchers for Men are to the value of a 3pce suit at ALIII grade
 - The clothing allowance for Females is up to €350 for Europe and \$350 in USA. This must be claimed all on one claim.

EXPENSE LEVELS – SUMMARY (Updated April 2018)

Claim Type	ALL STAFF	Additional details to be included on the expense claim form
Train Travel	Standard	
Air Travel A total of under 8 hours A total of more than 8 hours A total of more than 12 hours	Economy Premium Economy Business	
Mileage rates – own car use All USA Employees All European Employees	\$0.41c per mile €0.20c per Kilometre	✓ Details of business mileage including starting and ending locations
Entertaining	Up \$40/€30 per head (MAX) depending on event (<i>Including Sales Taxes</i>)	✓ Purpose of the entertainment (Business/Staff) ✓ Total number and the names of the persons attending
Overnight Hotel (inc Breakfast) (<i>including VAT</i>) Central London Other UK Europe USA	£180 £100 €95 \$120	
Overnight allowances (<i>including Sales Tax</i>) Meal - USA - Europe	\$25 €22	

- The rate of re-imburement is set at levels contained in the above schedule, these are the **maximum levels** of expenditure allowed, however all employees are encouraged to minimise expenses wherever possible.
- **Sales Tax inclusive receipts must be obtained and submitted with all claims otherwise the claim will be rejected.**
- When claiming overseas expenses the applicable exchange rate at the time of the expense is to be used to calculate the maximum levels of expenditure allowed.

Relief Manager Claimable Expenses		USA	Europe
Hotel	up to	\$120	€95
Overnight allowance*	day	\$25	€22
Use of Branch Manager's Car Branch Manager Claims	day	\$15	€12
Use of Own Car	\$c/mile or €c/km	\$0.41	€0.20

*Must be accompanied by receipts to support the costs incurred