

COMPANY VEHICLES POLICY

Introduction

The Company have sent a considerable amount of time, effort and money on improving the Company vehicle provision and producing this policy.

The views of staff have been considered, together with requirements for the Company image, as well as budget factors. The resulting policy provides for:

- An improved standard of vehicle
- Greater choice (cars only)
- A structured replacement programme
- Easier maintenance arrangements

This review also enables the incorporation into the policy, confirmation of existing vehicle procedures, and the introduction of new requirements that are common to most companies. For the policy to work and to allow it to operate to the benefit of users, the procedures must be properly adhered to.

There will be a greater onus on the vehicle user to maintain the vehicle properly, drive more carefully, and to follow the administration procedures exactly.

Scope and Entitlement

Criteria for Company Car Entitlement

To qualify for a Company vehicle, an employee must:

- Be in full time employment
- Hold and continue in a position that requires frequent road travel as an essential part of the job, and exceed 10,000 miles per annum (business mileage)
- Have final approval of the Managing Director whether the above criteria are met or not

Car Allowances

At the discretion of the Managing Director, a car allowance may be given where a Company vehicle is not appropriate.

Driving Licences

All authorised drivers (including employee's spouse) must provide a copy of their current driving licence to be held by the Company on file.

If the status of an employee's driving licence changes, e.g. by endorsement, points, etc., this must be notified to the Company.

The Company reserve the right to restrict or cancel the employee's entitlement to a Company vehicle, in any way it sees fit, as a result of licence endorsement.

If an employee loses the right to drive or surrenders their drivers license for any reason, the Company reserve the right to fully investigate which might result in formal disciplinary action being taken or termination of your employment.

Changes in Employment

Termination

Where employment is terminated by either the Company or employee, the Company reserve the right to:

- Recover certain costs from the employee relating to personal upgrades/extras (see later notes) or due to damage other than fair wear and tear.
- Substitute the vehicle for another vehicle of lower or higher grade during any notice period.
- Not replace the vehicle due for renewal within, or leading up to, the termination notice period.

Promotion/Demotion

Where an employee is promoted from one vehicle to a higher vehicle level, the employee may have to wait until the next renewal cycle before the vehicle is upgraded.

Where an employee is demoted from one vehicle level to a lower vehicle level, or to a position that does not qualify for a Company vehicle, the vehicle may be downgraded or removed as appropriate.

Absence, Sickness, Holiday, etc

Where the employee is absent for longer than two weeks, the Company reserves the right to temporarily re-allocate the vehicle for use elsewhere in the business or to require the vehicle to be returned to Head Office for safe keeping.

Allocation of Vehicle Levels, Categories

Vehicle levels and categories are allocated according to the following criteria:

- Level of position in the Company
- Type of image to be portrayed to the customer/public
- Use of the vehicle (e.g. carrying people, equipment, etc.)
- Cost of running the vehicle.

Vehicles are allocated as follows:

| Category | Position | Vehicle |
|----------|---------------------------------------|---------|
| A | Managing Director | Car |
| B | Director | Car |
| C | Senior Management | Car |
| D | Area Manager | Car |
| E | Mobile Night Manager/ Area Supervisor | Car |
| F | Contract Manager | Van |
| F | Specified Site Supervisors | Van |
| S* | Special Case Status | |

Vehicle Choices (Car Category only)

Car category employees will be allowed a degree of choice (within parameters) in the vehicle they can have.

*Special case category allows Senior Management to propose any employee’s vehicle allocation to be improved in special recognition of circumstances. (To be authorised by Managing Director).

Monthly Cost

The monthly cost for the category is the maximum that the Company will fund for the purposes of acquiring the vehicle. The employee will be provided with a list of models that fall into the relevant category.

N.B. What you can get for your relevant monthly cost may change up or down depending on the manufacturer and supplier deals, model price changes and interest rates applicable at the time of the order.

Mandatory Items

The vehicle must have metallic paint and run on unleaded or diesel fuel or be electric/hybrid.

Restrictions - The following are not permitted:

- Bull bars
- Soft tops
- Sports or coupe models
- Models designated to comfortably carry less than 4 adults
- Left hand drive vehicles
- Engine sizes of 2 litres or more (except Categories A and B)

Upgrades and Extras

The following items are allowed within the relevant monthly cost for the category:

- Automatic transmission
- Cruise control
- CD player/auto changers
- ABS
- Power steering
- Air conditioning/climate control
- Sunroof
- Additional airbags
- Electric windows/mirrors
- Leather upholstery

Personal Upgrading and extras

An employee may contribute an additional amount above the allocated relevant monthly cost, to incorporate any of the above upgrades/extras, or to obtain a better model of vehicle. Personal contributions will be deducted from the employee via the payroll over the life of the contract. The remainder will be deducted from the final payrolls if the employee leaves within two years of the start of the vehicle contract. An employee may choose to down grade a level or chose a lower cost vehicle. However, the choice of vehicle will be subject to final approval by the Managing Director. No payment of any kind will be made to any employee who takes this option.

Nearly New Vehicles

An employee may also choose a nearly new (up to one year) vehicle. This will be cheaper than a new vehicle and therefore may allow the employee to have a better model or more extras for the same relevant monthly cost.

An employee shall not have any right to remove any personal upgrade or extra or receive any payment for their sale.

Tax Liabilities

An employee should understand that the provision of a Company vehicle and fuel for business use are taxable benefits and that a change in vehicle may result in a change in tax paid. This is the responsibility of the employee and will not be subsidised by the Company.

Some of the factors affecting the tax liability include:

- List price (new) of the vehicle.
- List price (new) of any accessories/extras, etc
- Engine size of the vehicle
- Personal Mileage
- Personal contribution paid towards upgrades/extras

It will be important to record business mileage which has to be declared to HMRC. The burden of proof lies with the employee and inaccurate or late mileage recording may result in a higher tax burden. Mileage records must now be submitted monthly in a timely manner. Any sheets not submitted by the date that the annual P11Ds are completed will result in a nil mileage being declared for that month.

Ordering and Renewal of Vehicles

Ordering

Employees required to drive vans will not need to be involved with ordering as this will be done centrally.

Employees required to drive cars should follow the following procedure for ordering their vehicle:

- i. Check which category applies to your position.
- ii. Check which relevant monthly cost applies to that category.
- iii. Check the vehicle listing from the Contract Hire supplier that relates to the Category and Cost from i. and ii. Above.
- iv. Research the vehicle further from brochures relating to the available vehicles and visit showrooms if required. N.B. The vehicle may not be purchased from these showrooms so you must not give any commitment to a dealer or enter negotiations. Any test drives will be under your own personal insurance. This is not covered by the Company.
- v. Make a shortlist of 2-3 vehicles.
- vi. Consider any extras that you may require.
- vii. Contact Monitor Group Co-Ordinator to arrange for a quotation on the selected vehicles, with any extras, at the specified average mileage allocated to your category. The quote must be faxed to Monitor Group Head Office.
- viii. Check that the quote is within your relevant cost limit including any personal contribution.
- ix. If the cost is beyond the allowed limits, consider a quote on a nearly new (up to one year) vehicle which may bring the cost in line. Alternatively, make another choice starting from item ii. above.
- x. Once you have finally decided on your choice, submit the quotation, together with an approval form to the Managing Director for final approval.
- xi. If the choice is approved, an order will be placed with the supplier.

N.B. Employees should be aware that the delivery times of new vehicles will vary depending on the manufacturer, model and specification of the vehicle. Also, that the relevant cost may achieve a better or worse deal depending on when the order is made, due to different deals or financial circumstances prevailing at the time. Therefore, it is advisable not to delay your choice too long.

Renewal

Vehicle contracts are for a three-year period.

Employees will be notified approximately three months before the expiry date so that the ordering process may begin. Orders will be based on the vehicle levels, categories and relevant monthly costs prevailing at the time.

Delivery

Delivery will be to Head Office so that appropriate checks and paperwork can be completed.

The employee will be responsible for checking that the vehicle is in good order. Damaged vehicles should not be accepted.

The employee is responsible for immediately transferring all Company or personal equipment and belongings from the old vehicle to the new vehicle on the day of delivery.

Old Vehicles

The old vehicle will be taken away immediately or shortly after delivery of the new vehicle. It is the employee's responsibility that the old vehicle is returned in a clean condition internally and externally.

If the employee is interested in purchasing the old vehicle, the Company must be notified at the time the order for the new vehicle is made. The vehicle will be offered to you at a price set by the Company. If you accept the offer, the vehicle must be paid for in full before delivery of the new car.

Maintenance and Expenses

The Company pays for the following costs:

- Contract hire
- Maintenance
- Breakdown recovery
- Servicing
- Fuel for business and private use (see below*)
- Insurance for business use
- Road fund license

The employee will be responsible for costs in the following circumstances:

Vehicle Hire

Where an alternative vehicle is hired due to a Company vehicle becoming not available for use during private use, e.g. accident on holiday

Insurance

The cost of insurance for holiday travel outside the UK. Drivers other than the employee or their spouse (authorised users only)

Travel Abroad

The employee must notify the Company if they wish to use the vehicle abroad.

The employee will be responsible for arranging any additional insurance and for arranging for a green card. Breakdown recovery is provided as part of the Company vehicle provision.

Maintenance

The employee is responsible for maintenance or repair costs resulting from a negligence or improper use of the vehicle.

Fuel for Private Use

The employee is responsible for the cost of fuel for private use, e.g. travel to or from work, holidays, social use, etc.

Parking or other fines

The employee is responsible for these costs in all circumstances. Fines notified to the Company will be paid by the Company and deducted from the employee via the payroll.

Carwash and Valeting

The employee is responsible for the cost of washing and valeting the vehicle.

There is a general duty to keep the vehicle in a clean and tidy condition.

Maintenance and Servicing

General

This will be provided by the centres approved by the Contract Hire supplier. The employee is responsible for reporting all or any defects or damage to the Company. You will be given a central number to call to arrange maintenance and servicing.

You should arrange for collection and return of the vehicle and availability of a courtesy vehicle as appropriate. Appropriate notice should be given to ensure availability and avoid the cost of hiring another vehicle.

Charges for maintenance and servicing will be recorded for each vehicle and reports provided to the Company to monitor running costs.

Tyres, Exhausts, Windscreens

These will also be provided by centres approved by the Contract Hire supplier.

Fuel and Oil

These will be purchased through a card scheme organised by Head Office.

N.B. It is important that you give your vehicle mileage each time you use the card. This will allow the reports generated through the scheme to accurately reflect the running costs.

Fuel and oil should only be purchased using this card scheme.

The employee should not need to submit an expense claim for any costs relating to the running of the vehicle.

Breakdown and Recovery

A breakdown, recovery and at home service will be provided. This includes cover in Europe.

You should keep the card with your vehicle at all times and follow the procedure prescribed by the service.

You must report motorway breakdowns using the emergency telephone. This allows the police to confirm your location and know that assistance is on the way.

Vehicle Care

It is the employee's responsibility to take good care of the vehicle and in particular:

- Drive carefully and lawfully
- Keep the vehicle clean and tidy
- Adhere to service frequencies

- Endeavour to use the lowest price fuel
- Park safely and avoid tyre damage
- Carry out all water, fuel, oil, tyre, windscreen, lights and other checks at the frequencies recommended in the vehicle's handbook.
- Pay attention to security, e.g. locks alarms, valuables, etc.
- Allow only authorised drivers to use the car (The Company must hold a copy of the driver's current license)

Health & Safety

The employee must familiarise themselves with and abide by the separate procedures on Driving Company Vehicles which is in the Health & Safety Procedures Manual.

Accident Procedure

You must stop. Do not admit liability even if the accident is your fault.

Exchange name, telephone number, company name address, registration number with the other driver. Also get the name and address of the other driver's insurance company.

Note in full, details of any witnesses.

Note in detail any observations relating to the vehicles and any persons involved, as well as observations of the surroundings, weather, conditions and circumstances relevant to the accident.

If anyone is injured or the other driver leaves the scene refusing to exchange details, then the police should be called.

All accidents must be reported to the Company and an accident form completed.

Other Incidents

If the employee or vehicle the employee is using is involved in other incidents, e.g. attempted break-ins, being stopped by the police, etc. this must also be reported to the Company.

At Fault Accidents

Unfortunately, there has been a noticeable increase in the number of accidents involving company vehicles which result in damage to the vehicle and a claim on our vehicle insurance policy. On each occasion a claim is made, the company is charged an excess of £250.

Many of these accidents are caused by drivers of our company vehicles not taking sufficient care and attention. You are reminded that in the event of an accident that is caused by driving carelessly or negligently, a driver will be required to pay the £250 excess, subject to management discretion. Normally the money will be deducted from salary over an agreed period of time. Any driver who reaches two at fault accidents will also be subject to disciplinary action.

It has been necessary to introduce these measures to help reduce accidents and insurance claims, so – do please drive safely.

Should you have any questions, please do not hesitate to contact Head Office.