

STAFF TRAVEL AND EXPENSES POLICY AND PROCEDURES

1. PURPOSE

This document sets out London & Partners' policy and procedures on staff travel and expenses. The policy has been designed to ensure that staff are promptly reimbursed for all reasonable authorised business expenses.

2. RESPONSIBILITY

The responsibility for this policy and adherence to the procedures rests with the Chief Operating Officer.

3. SCOPE

These policies and procedures apply to and cover all individuals working for London & Partners at all levels and grades, both in the UK and overseas; and to individuals such as contractors, consultants, volunteers and agency employees who are not employees but who work at or for London & Partners (collectively 'staff'). Failure to comply with any part of this policy will result in the non-payment of applicable expenses. Furthermore, breaches of these policies and procedures by employees may be dealt with under London & Partners' disciplinary procedure and, in serious cases, may be treated as gross misconduct. Breaches of these policies and procedures by agency employees and contractors will be dealt with under the relevant supplier contract and, in serious cases, may result in the termination of the contract.

5. SUMMARY

London & Partners will reimburse necessary and reasonable expenses incurred by employees and (where provided for in the relevant contract and agreed in advance) contractors, in the performance of their duties on behalf of London & Partners. The liability for all expenses remains with the individual staff member until such time as the staff member's expense claim is approved. Whilst being fairly reimbursed for expenses, staff are expected to seek to minimise costs wherever possible in the interests of London & Partners.

Wherever possible, suppliers should be asked to invoice London & Partners following the issue of a purchase order, and staff should only incur expenses requiring reimbursement when this is not possible.

When arranging travel all staff should seek to:

- Achieve value for money; and
- Where practical and economical, choose a mode of transport which minimises the impact on the environment (see 99.1.1 below).

6. EXPENSE CLAIMS

6.1 Employees

Claims for payment by employees should be made by completing an expenses claim form, copies of which are available on Sharepoint and submitting it to the finance team. Claims received (with all supporting documentation and authorisations where applicable) by the 5th of each month will be paid in the payroll for that month.

As a minimum all claims **MUST**:

- Be supported by a receipt for the full amount of the transaction (see **Receipts** below).
- State clearly what the expenditure relates to and why it was incurred e.g. Taxi fares – state where you were going and why - to what event, meeting etc. Entertainment – state who was entertained and why, how many staff, how many guests.
- Show the account code for each transaction (see **Account Codes** below).
- Be submitted monthly as requested on the month end timetable issued by the finance department. London & Partners reserves the right to decline to pay any expense claim where the expenses incurred are more than three months old.
- Be properly authorised (See **Authorisation** below).
- Be entered on the relevant commitment record.

6.2 Contractors

Claims for payment by contractors under the terms of their contract should be made by invoice. Each invoice should be supported by receipt(s)/invoice(s) for the full amount of the transaction and state clearly what the expenditure relates to and why it was incurred

7. AUTHORISATION

Claim forms must be authorised by an authorised signatory (Budget Holder, Head of Department, member of the Executive Team or Chief Executive). The Chief Executive's expenses are authorised by the COO up to £5,000 then by the Chair. The Chair's expenses are authorised by a member of the Audit Committee.

Contractor invoices must be authorised in accordance with London & Partners' Procurement Policy.

8. RECEIPTS

All claims **MUST** be supported by a valid receipt or invoice, which in the case of expenses incurred in the UK means a VAT receipt/invoice. This is a receipt or invoice which details the goods or services purchased and gives the supplier's VAT number. As credit card authorisation slips or credit card statements rarely detail this information, neither constitutes a valid receipt. Receipts should be numbered to correspond with the entry on the expense form and attached to the form in numerical order.

9. ACCOUNT CODES

It is important that all expenditure is coded in a way that reflects the nature of the expenditure. Please consult London & Partners' Finance Department if you are unsure which code to use.

10. TYPES OF EXPENSE

10.1 Travel

Where staff are required to travel on London & Partners' business the following arrangements apply. On those rare occasions when a different mode or class of travel may be more appropriate than that indicated below, approval should be obtained in advance from the Chief Executive.

10.1.1 Minimising the impact on the environment

When arranging travel all staff should, where ever practical, choose a mode of travel which minimises the impact on the environment. This will normally mean using:

- Public transport in preference to taxis; and
- Using trains in preference to planes when travelling within the UK or to those parts of Europe served by a high speed train service.

10.1.2 Ordinary Commuting

HM Revenue & Customs rules do not permit London & Partners to reimburse travel between an employee's home and London & Partners' offices (i.e. 'ordinary commuting'). In addition, staff may only claim for the cost of journeys that are substantially different from ordinary commuting and where the cost is over and above the cost of the normal journey to and from work. For example, London & Partners will not reimburse the cost of traveling from home to a location within the same travel zone as London & Partners' offices.

10.1.3 By Rail

The normal method of rail travel is standard class within the UK and on Eurostar. First class is not permitted under normal circumstances. Any business reason for travelling First class needs to be agreed by a Director or Chief Executive in the case of a Director's travel.

10.1.4 By Air

All staff should have air travel pre-agreed by their Director and Directors should have their own air travel pre-agreed by the Chief Executive.

The normal method of air travel for all staff is:

- flights of less than three hours – economy class.
- flights of over three hours and under eight hours - premium economy or equivalent (see exception below).
- Flights of between six and eight hours at night where the individual is working on the day of arrival - business class
- Flights of over eight hours – business class

Occasionally, it may be necessary for staff to travel in a lower class for budgetary reasons. Exceptions to the policy may be made to staff where there are health-related issues.

A quote should be obtained from Flight Centre who will provide 3 options and this should be compared to an online quote from SkyScanner or similar equivalent. If the online price is cheaper then Flight Centre should be asked to match the lower price. Note if a budget airline is available to the destination, this will normally be the cheapest option therefore if this applies this should also be included in the comparison along with discounted tickets and tickets through gateways outside of the country of origin. The lowest priced option that meets the requested route and time of travel should normally be taken. Staff should look to use a restricted, rather than a flexible ticket wherever possible. Please retain a brief note of the quotes and attach them to the expense claim or if booking via Flight Centre provide a budget code and it will be billed centrally with the details.

To achieve maximum savings tickets should be booked as early as possible, ideally 15 days or more in advance of the date of travel. London & Partners recognises that when booking restricted tickets that a small percentage of these may need to be cancelled or change fees applied when circumstances change, however in most cases this will still be economical compared to late bookings. There is no VAT on air travel.

10.1.5 By Personal Car

Use of personal car for business use must be pre-agreed with a Director.

Where staff use their own cars with the agreement of London & Partners and for approved business purposes, a mileage allowance will be paid in line with HM Revenue & Customs guidelines. Staff who use their vehicle for business **MUST** ensure that it is insured for that purpose and London & Partners may ask the staff member to provide evidence of this. Each claim for Car Mileage **MUST** show the start, finish and purpose of each journey, car engine capacity (CC), mileage rate and the number of miles covered. There will be no reimbursement for home/work/home mileage. The distance of travel will be verified as the shortest accessible distance between the point of departure and the point of arrival.

The mileage rate to be used is the HMRC approved rate at <http://www.hmrc.gov.uk/paye/exb/a-z/m/mileage-expenses.htm> or the IRS approved rate for the USA.

10.1.6 By Hire Car

The hire of self-drive cars for the conduct of business requires prior approval from an Executive Director and normally the lowest available practical engine capacity should be hired.

10.1.7 Parking and Congestion Charge

Parking fees will be reimbursed where the cost is incurred whilst travelling on London & Partners business. Parking charges at your permanent workplace or at a home station for rail travel to your normal place of work cannot be claimed on expenses. A receipt for any parking charges must be provided. London & Partners will not pay parking fines or traffic violations in any circumstances. Charges for the congestion zone will not be paid without the prior agreement of a Director.

10.1.8 Taxis

Staff travelling in London are expected to use public transport except in the following circumstances where a taxi is permitted:

- After 9pm at night when travelling alone;
- If there is a requirement to carry equipment or other large loads;
- If there is a group of four or more travelling together and it is more cost-effective to use a taxi;
- In exceptional circumstances if it is the quickest means of reaching the destination or urgent business needs to be done en route, with the budget holders approval, which may have to be sought retrospectively
- Due to illness or disability with budget holder approval; or
- If needed to carry out familiarisation trips or client visits etc and approved by the budget holder.

London & Partners maintains an account with its chosen Taxi supplier (Addison Lee), which should only be used when on official business typically accompanying clients or for the above reasons when booking a taxi in advance – note there is no need to add tips to the payment on account. Staff should not use these accounts for personal travel. Travel to and from home to the airport is likely to be cheaper by using a local taxi company in which case this should be arranged and the cost claimed on expenses with receipts attached.

10.1.9 Transport for London

For journeys within London it is cheaper to use an Oyster or contactless debit/credit card to pay for the travel, and all staff are recommended to use this form of payment where possible. However, London & Partners will not normally reimburse staff when they top-up a card, unless the amount equals the cost of the journey and is supported by an Oyster statement. Instead, staff should register their Oyster or contactless debit/credit card with Transport for London and attach a journey summary (which can be printed on-line at the TfL web site once the card is registered) to their expenses claim, highlighting those journeys undertaken on London & Partners business and the reason (eg the event, meeting etc) on the summary.

10.2 Accommodation and Meals

10.2.1 Accommodation – Working outside London or Abroad

Hotel accommodation may only be arranged where it is necessary to the performance of ones duties. Approval to stay in a hotel in London must be obtained in writing in advance from the

Chief Executive (please attach the approval, e.g. an email, to the expense claim). As a general rule staff should stay in accommodation graded no higher than 4-star (or equivalent). Bookings should be through partner hotels or preferred agents where possible or through local offices where they will have favourable corporate rates. An exception being where an event or conference is held in a higher grade hotel and it is necessary to stay in that hotel. London & Partners will only reimburse the cost of room and meals. **Claims for ‘mini bar’, newspapers, videos etc will not be met.**

If booked centrally, hotels will be pre-paid. If a hotel is not pre-booked and the staff member does not hold a London & Partners corporate credit card, they will need to use a personal card and reclaim the cost or request currency or travellers cheques, in advance of travelling, for making payments.

10.2.2 Meals – Working outside London or Abroad

As a guideline London & Partners would not normally expect to pay more than:

- £25.00 for an evening meal.
- £10.00 for breakfast.
- £10.00 for lunch.

Reasonable expenses in respect of drinks may only be claimed if taken at dinner or form part of entertainment expenses (see 10.3).

10.2.3 Meals – Exhibitions/Trade Shows within London

When staff attend an exhibition or trade show in London, then London & Partners would not normally expect to provide breakfast or lunch unless it is over a weekend. However, if the show is being held in a venue that is deemed expensive or where outside refreshment shops are unavailable, then London & Partners will pay for a lunch not exceeding £10. London & Partners will meet the cost of two non-alcoholic drinks per day at a maximum cost of £2.50 per drink.

10.2.4 Other expenses

London & Partners will not pay for personal items such as medicines or repairs to clothing. Where it has been necessary to stay away from home on business for five or more consecutive days, hotel laundry costs will be paid up to the maximum value of £40.00 for each 5-day period.

10.2.5 Tips

Tips and gratuities will only be reimbursed where a service charge has not been made and should be of a reasonable amount (.i.e. no more than 10%).

10.3 Business Entertainment

Business Entertainment means the provision of free or subsidised hospitality (i.e. food & drink) and/or entertainment to anyone other than London & Partners staff and includes costs which are incidental to that entertainment (e.g. any costs that relates to London & Partners staff hosting a business meal). All claims for entertainment must state the name of the person(s) entertained, the organisation(s) they represent, the London & Partners’ staff present and a clear rationale for the purpose of the expenditure. Business entertainment specific rules and guidance are contained in the Gifts and Hospitality Policy. Please note that all items >£50 must be approved

in writing **in advance** by the Executive Director (and the CEO if >£250). Please attach evidence of this approval to the expense claim.

Since expenditure on business entertainment is not an allowable deduction for the purposes of Corporation Tax it is **ESSENTIAL** that only the cost of providing hospitality and entertainment to non-London & Partners staff are coded to this expense.

10.4 Staff Entertainment

All expenditure on Staff Entertainment, other than that which is incidental to business entertainment, must be approved in writing in advance by the Executive Director up to £250 and by the Chief Executive or Chief Operating Officer for amounts over £250.

10.5 Telephones

10.5.1 Home Telephones

The cost, including VAT, of business calls made from a home telephone may be reclaimed. A copy of the phone bill must be attached to support any claim.

10.5.2 Mobile telephones

Staff may claim for the cost of necessary and reasonable business calls. The cost of personal calls must be deducted from any invoice submitted with an expense claim. Staff with company phones should inform the finance team of any personal calls made with the phone that incur a charge. Staff should avoid the use of premium text messages or any other premium service. It is recommended that employees use Skype, Whatsapp or other free web based services where possible instead of a mobile phone when overseas.

The use of telephones from hotel rooms should be avoided wherever possible.

If you are unclear about any expense you have to incur, or the procedure by which the expense can be redeemed or authorised, please contact your Departmental Manager BEFORE this expense is incurred.

11. CASH ADVANCE

On occasions it may be necessary for a cash advance to be provided to cover business expenses but these should be kept to a minimum and issued only when it is essential for the purpose of the event. Cash advances in foreign currency are available for overseas trips. All requests for such advances should be authorised by the appropriate budget holder and submitted to the finance director using the cash advance claim form. All advances should be fully reconciled and/or repaid within 5 working days of return to the office.

Staff will not be allowed to take out a second advance if the first has not been reconciled and/or repaid.

12. COMPANY CREDIT CARD

The following are the terms and conditions for use of company credit cards:

- a. The liability for all transactions remains with the staff member until such time as the person's expense claim is approved. London & Partners reserves the right to deduct from an individual's salary the cost of any transactions undertaken with a company credit card that are not supported by a valid expense claim.
- b. The card is to be used ONLY for company business.
- c. Orders placed over the internet must be over a secure network.
- d. Cash withdrawals should be kept to a minimum and fully accounted for.
- e. Staff should never disclose the card number to anyone other than counterparties as needed to make payments and other London and Partners employees only as necessary for practical arrangements and as approved by the card holder.
- f. Lost or stolen cards must be reported to HSBC immediately.
- g. Cards must be surrendered upon notification of resignation.
- h. A valid receipt or invoice must support each transaction. Credit card authorisation slips or credit card statements do not constitute a valid receipt.
- i. The finance team will forward monthly statements to cardholders for them to complete a credit card expense claim form.
- j. Staff must follow the terms and conditions set by HSBC, a copy of which is held by the Finance Department and is issued with each new card.

13. TRAVEL INSURANCE

London & Partners UK staff are covered by the company's Group Travel policy in respect of medical expenses, injury and loss of luggage when travelling on business in the performance of their duties on behalf of London & Partners.

London & Partners will reimburse necessary and reasonable expenses incurred by staff in the performance of their duties on behalf of London & Partners **only** to the extent that those expenses are covered by the company's Group Travel insurance policy (with the exception of acts of God that are not covered e.g. volcanic ash, earthquakes etc). It is important therefore, that you follow the procedure set out in the policy with regards incurring medical expenses and reporting losses, otherwise our claim against our policy may be invalid and we will be unable to reimburse you or cover the expense. Please take a copy of the Company policy with you before travelling in order that you know the precise steps to take in the case of needing to make a claim. The policy is available on Sharepoint.

In case of an emergency please call Ace Europe on +44 (0)20 7173 7796 quoting:

- Policyholder: London & Partners Limited

Staff Travel and Expenses Policy and Procedure

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