

OVERVIEW

This document sets out the principles and procedures which blu-3 Holdings Ltd and all subsidiary companies (blu-3) will follow when reimbursing employees who have incurred expenses while on company business, including the giving and receiving of corporate hospitality.

The policy applies to all directors and employees who work for blu-3, whether full time, part time, temporary or casual. It operates in conjunction with:

- blu-3 Holdings Ltd Anti-Fraud, Corruption and Bribery Policy
- blu-3 Holdings Ltd Global Mobility Travel & Expense Policy

This policy is to be read in conjunction with the Anti-Fraud, Bribery & Corruption and Conflict of Interest.

The objective of these policies and guidance is that they meet the requirements of the following stakeholders:

HMRC only permits the tax-free reimbursement of expenses which can be proven to be "incurred wholly, exclusively and necessarily in the performance of duties of the employment". Any other reimbursement would be classed as earnings, subject to income tax and national insurance.

Clients may require expenses claims associated with their contracts to be fully justified. Any expenses which the clients reject is classed as costs to the project. This is only applicable on certain contracts but should be adhered to in all cases.

blu-3 Departments must be able to justify their expenses when their budgets come under internal review. Excessive or unjustified expenses may affect the department's Key Performance Indicators.

UK and International Law places requirements on blu-3 to produce fair and honest accounts, and to comply with anti-corruption, bribery and fraud legislation.

blu-3 Employees expect to be reimbursed in full for legitimate business expenses, within a reasonable timeframe.

PURPOSE

Employees and Directors are responsible for submitting their own expense claims in good time, ensuring that valid receipts are uploaded, and all relevant information is correctly entered. If they have appointed a **Delegate** to submit their expenses, it remains their own responsibility to provide their delegate with complete information and receipts in good time.

Line Managers are responsible for approving or returning their subordinates' expenses claims for reimbursement within seven days of receipt. They should only approve claims when they are satisfied that all costs are assigned to the correct expense types and project codes, that all necessary information and receipts are provided, and that the claims are for reasonable expenses.

The **Finance Department** (accounts@blu-3.co.uk) reviews expenses, maintains this policy, and any significant changes must be approved by the **Board of Directors**.

General Principles

The following principles must be adhered when following this policy:

- Travel should only be undertaken when necessary.
- All travel including train, flights, parking should be booked through Gray Dawes with appropriate authorisation where applicable.
- Any expense incurred on the Gray Dawes should not be claimed as an expense.
- Any travel expense incurred outside of the Gray Dawes, without reasonable excuse, will not be reimbursed.
- Employees should consider if alternatives to travel are appropriate e.g. teams' meetings.
- Claims for reimbursement should be made at the end of the month being incurred, but no later than 3 months after the end of the month being incurred. Any claims later than this date will not be reimbursed, unless exceptional circumstances have occurred.
- Only one expense claim should be submitted per month.
- Receipts should be entered individually into the one claim and should not be grouped into one line item for ease. Any grouped receipts will be rejected.
- If there are two or more blu-3 employees present when the expense is being incurred, the expense should be made by the most senior member of staff. This is to ensure the expense claim is reviewed by an employee not present at the time.
- Expenses will only be reimbursed where they are facilitating the blu-3 employee or a pre-approved business purpose.

Claiming and Reimbursement Procedure

Employees should record their expenses in the Concur online software as soon as possible after they are incurred.

Employees should group their expenses into claims and submit them to line managers for approval.

Claims will be reimbursed monthly, on the last Friday of each month, but this will need to be submitted and approved by line managers 10 days before this date for inclusion in the payment. Any submissions or approvals after this date will be held until the following month.

Supporting Evidence

All expense claims must be supported by original receipts, invoices or similar from the supplier. Credit card purchases should be supported by the supplier's invoice or itemised receipt, not the credit card transaction confirmation slip. Expenses for which there is no supporting evidence will not be reimbursed, unless approved by exception.

All digital copies of receipts uploaded to the expense's software should be legible, so that all the information on the original document can be discerned – if the receipt continues over multiple sides, all sides must be uploaded. Expenses for which the uploaded receipt is incomplete or unclear will not be reimbursed.

Even after a complete digital copy of the receipt has been uploaded, the employee must retain the original receipt until the expense has been reimbursed. Once the expense is reimbursed, the employee should keep the receipt for their own tax records for as long as is recommended by HMRC: www.gov.uk/keeping-your-pay-tax-records

Employees should always request a VAT invoice on any expense where VAT is charged. The company can only reclaim VAT when a valid VAT invoice is provided, showing:

- Supplier's business name and address
- Supplier's VAT registration number
- Unique receipt or invoice number
- Description of goods/services supplied.
- Transaction date
- The rate(s) of VAT charged.

Where employees incur a VAT expense but cannot provide valid VAT receipts, the VAT cannot be recovered and the cost centres their expenses are charged to will bear the full cost of the expense including VAT.

Supporting Information

All expenses submitted must be submitted with complete and accurate information, including all the fields marked as mandatory within the online expense's software. Expense claims which do not include complete and accurate information will not be approved for reimbursement, or in the case of credit card expenses, will be charged to the card holder. Receipts must be uploaded with any claims submitted.

Authority & Responsibility

Approvers are empowered with the responsibility to ensure compliance with this policy and that expenses incurred are wholly, exclusively and necessary for the business of blu-3.

All claims approved by line managers will be subject to final review from Finance with any non-conformance issues will be reported to line manager to resolve.

Allowable Business Expenses

Travel & Accommodation

All bookings for travel and accommodation, should be made through Gray Dawes.

Air Travel:

- As per the Global mobility policy, all rotational flights are required to be booked 6 weeks in advance. Should this not be met without reasonable excuse, blu-3 reserve the right to deduct the difference of the increased flight price compared to an average flight.
- Commuter flights should be booked at least 2 weeks in advance, but further if possible.
- All flights require approval from line managers and will not be booked until this has happened.
- Economy seats should be booked for all flights, no upgrade will be authorised.
- Flights should be booked to depart either before 9am or after 4pm to avoid unnecessary business disruption, unless specified in your assignment letter.
- Flight changes should not be facilitated unless there is a valid business reason.
- Parking for airports should be arranged via Gray Dawes
- The cap for European flights is £400 per round trip, anything above this will need to be justified with comparison flights provided.

Train Travel:

- All train travel including travel cards should be booked via Gray Dawes. This includes international trains, where available.
- The only exception to the above point is where you are booking seasonal tickets or Gray Dawes do not cover the specified area.
- We will not facilitate top ups on Oyster Cards, the only way to claim travel is through providing evidence from TfL or other sufficient vendor.

Hotel Accommodation

- Hotels should be booked at the same point as flights, where applicable, but at least 2 weeks in advance
- Hotel rates are subject to a room rate of £120 per night maximum, unless otherwise authorised.
- blu-3 will not provide any upgraded room, should this be selected, we will recharge the additional cost to the employee.
- Breakfast should be booked with the hotel, if possible
- Accommodation will not be provided to third party consultants.

Taxi

- Employees should only use taxis where suitable public transport is not available.
- A supporting receipt must be provided, ideally detailing the to and from location for the trip.

Motor Expenses

Personal cars:

- Employees are only allowed to use their cars during company time if they have a valid driving license, and business level insurance.
- You will need confirmation from the fleet manager that you are covered to use a personal vehicle and recover any incidental costs incurred.
- Reimbursements for business travel will be made in accordance with local mileage rates and local regulations.
- If the employee receives a car allowance the mileage rate may be apportioned as part of the rate may be included within the allowance
- Mileage cannot be claimed for travel from home to permanent place of work

Car Hire:

- Car hire should only be booked when public transport system is not suitable.
- Short-term car hire can be booked through Gray Dawes for a maximum 4-week period.
- A small car should be booked for use through Gray Dawes, unless expressly permitted by the fleet manager. Any upgrade in car booked will be recharged onto the employee.
- Any hire of greater than 4 weeks is considered long term and therefore, should be book through the fleet manager.
- Car hire is only permitted when on travel for business purposes.
- Parking and traffic/speeding offences whilst using hire cars will be paid or charged to the employee using the vehicle at the time and not blu-3's cost.
- blu-3 reserves the right to deduct any of the parking or penalty charges from the employees pay following notification to the employee.
- When car hire is booked for employees, a hire vehicle may result in shared vehicles being provided which will need to be accommodated.
- When booking a hire care in any location outside of United Kingdom or Ireland, ensure to book the additional insurance (excess waiver) coverage that is available, this will be reimbursed.
- Before taking/accepting the car from the hire company, take photos of the vehicle to avoid any damage queries that were existing at point of hire.
- Ensure any hire vehicle is refuelled using your fuel card before returning as per hire company requirements, to ensure premiums are not being paid unnecessarily.

Company Cars

- All company car orders must be made through the fleet manager.
- The employee using the company car remains ultimately responsible for the upkeep and maintenance of the car.
- All cars provided under the salary sacrifice scheme are company cars and remain the property of blu-3.

Fuel Cards

- When provided with a company car or on travel away from your home country employees may be provided with a fuel card.
- Employees must provide valid vehicle details at the time of purchasing fuel.
- Only company vehicles and car hire are eligible to claim fuel expense.
- Abuse of the fuel card will result in it being withdrawn and additional costs being recovered from the employee.
- blu-3 will not reimburse any fuel expenses via receipt claims, only fuel spent on valid fuel cards will be incurred, unless exceptional circumstances have occurred.

Toll costs and parking fees

- blu-3 will reimburse toll costs and parking fees incurred on business trips.
- All cost reclaims must be supported by a valid receipt.

Other Travel-related Costs

Visa application costs will be reimbursed if required for allowable business travel. blu-3 will only reimburse fees in relation to passport extensions, not renewals or replacements.

Other Business Expenses

Subsistence

The term "subsistence" refers to meals and any other necessary costs of travelling and staying away from home.

- The employee stays away from their residence for at least 24 hours.
- All meal expenses must be supported with an itemised receipt.
- If the meal is for more than one person this will form either a staff or client entertaining claim, not subsistence.
- The cost of one reasonable meal per day (£25) will be covered by blu-3 with at most one alcoholic beverage. Alcohol only claims will not be reimbursed as subsistence.

Business Entertaining

- Business entertaining costs should only be incurred by a Tier 2 or above.
- Any expense being incurred requires pre-approval from a board member and this should be provided with the receipt when submitting the expense.
- Names of all employees and clients will need to be provided at the time of submission.
- Any rejection in claims, due to the above not being followed, will result in the cost being incurred by the employee.

Staff Entertaining

- When paying for staff entertaining the most senior member of the team present should incur the cost to ensure the approver is not present at the meal
- Before incurring the cost, the party members require approval from either the department head or project budget holder, to where the cost is being charged.
- Budget holders will be ultimately accountable for total staff entertaining costs incurred.

Training Courses and Events

- Accommodation, subsistence and transport in conjunction with training courses is subject to the same rules as for other business travel.

Professional memberships

- The Company will pay subscriptions to approved professional bodies on behalf of employees where an employee is requested to take up membership by the Company, in the interests of the Company.

Telephone Costs

- Mobile phones will be provided to employees, where appropriate. The phones can be used for both business and personal purposes, however personal calls can only be for domestic calls and not on business time.
- Should you require apps to be downloaded on the company mobile, please consult with IT (email) before downloading to check it is on our approved app list and avoid any security breach.
- Mobile phone usage will be subject to regular reviews to ensure compliance with this policy and any breach that results in charges to blu-3, will be passed on to the employee and deducted from the next payroll.
- If unclear, please contact your line manager or a member of the IT team to understand which locations your phone can be used in.
- If needed phones can be accessed remotely to remove or lock certain functionality and to make any business-related updates. Documents and conversations held on the equipment are subject to being checked and used if required for business needs.
- Claims for personal mobile contracts or equivalents, will not be reimbursed.

Material Costs

- blu-3 will not reimburse material costs under any circumstances; any material costs should be requested via the requisition form that can be found on Sharepoint.

CIJC Scheme

blu-3 employees who are deployed within the UK to projects greater than 50 miles away from their permanent residence may qualify for a tax-free allowance of £50.65 per night they stay away from home under the CIJC scheme.

To qualify for this scheme, you must meet the following criteria:

- Employee has been sent away to work at a temporary place of work.
- Must have dependants living at their permanent address or the employee must pay the costs to keep the permanent home whilst working away.
- There is a requirement to maintain a daily travel calendar of all the days that the employee stays away from home, which must be forwarded to the payroll department monthly.
- It cannot be claimed for days the employee is not staying away nor can it be offered whilst they are on annual leave.
- The employee may not claim these accommodation costs through the expense system and duplicate their claim.

If the above criteria are met and agreed as part of the remuneration package, the CIJC self-declaration form must be completed, and monthly submissions for nights stayed away submitted to the payroll department for inclusion in the monthly payments.

Use of Company Credit Cards

In principle, company credit cards should only be used where they are the only possible method of payment. Wherever possible, routine purchases should be arranged through the Procurement team, in accordance with their procedures.

Credit card claims must be kept up to date and submitted within 30 days of the end of the month. Finance will carry out regular reviews of outstanding claims and issue chasers to any late claims. Any employees who do not bring the claims up to date or are repeat offenders will have their card stopped or ultimately cancelled.

Credit card expenses which are not submitted within sixty days of the statement date may be treated as personal expenditure and re-charged to the cardholder.

Finance will carry out regular reviews on spending to ensure the credit limit provided is suitable for the employee and spending being undertaken.

Any abuse of the credit or out of policy spending e.g. materials, travel that should be booked through Gray Dawes etc. will result in the card being withdrawn.

Should a credit card holder be working their notice period, the credit card will be withdrawn at least 1 month before their last working day, if not before.

Any policy violations will be reviewed on a case-by-case need, individuals will be contacted by either the P&C team or their line managers. This could lead to non-reimbursement and in severe cases of abuse of the policy this could lead to disciplinary actions being taken.

DEFINITIONS

N/A

PROCEDURE/PROCESSES

Supporting procedures/processes are available on SharePoint; contained within the Procedure & Process section of the IMS.

Danny Chaney



Chairman

Gerry Curran



Chief Operations Officer

Ramnik Kapur



Chief Financial Officer

Paul Zeevaart



Chief Commercial Officer

Richard Hope



Chief Delivery Officer