

Expenses, Hospitality and Entertainment Policy

Rev 1

Issued April 2024

Managing Director - Kevin Hague



AARSLEFF CENTRUM



**CANNON
PILING**
a part of Aarsleff Ground Engineering Limited

POLICY STATEMENT

1.1 This policy applies to all companies within Aarsleff Ground Engineering Ltd UK and Avoncross Ltd, including companies trading as Centrum Pile and Cannon Piling (referred to in this statement as 'The Company').

1.2 This policy is non-contractual, and the Company reserves the right to amend or withdraw the policy at any time at the Company's discretion.

1.3 The Company has established this Policy to document the Company's guidelines for Travel, Hospitality and Entertainment expenses incurred by employees, as well as the reimbursement of business-related travel expenses.

1.4 The primary purposes of these guidelines are to control costs, to ensure that employees are properly reimbursed for business expenses, to provide security and safety for our travellers, and to ensure that these expenses are treated appropriately for tax purposes.

1.5 The standards outlined in this document are minimum standards applicable to all Aarsleff Ground Engineering Ltd UK employees.

1.6 This Policy supersedes and replaces any and all previous Expenses Policies, practice or customs that employees may have been eligible to participate in or benefited from in the past.

1.7 This Policy is not intended to form a contractual entitlement, or to change the employment status of any employee. The Company reserves the right to alter, amend, or terminate this Policy at any time and at its sole discretion.

2. PURPOSE

2.1 The Company will reimburse employees reasonable and necessary Travel, Hospitality and Entertainment expenses incurred in the conduct of Company business away from the employees primary work location (or as otherwise permitted by these Guidelines and Procedures).

2.2 Amounts listed within this document are denominated in £ sterling. Employees using other currency should calculate the equivalent of the listed £ sterling amount.

2.3 In order to be reimbursed, an employee must show that his/her expenses were incurred for legitimate Company business purposes and must provide all required documentation (including receipts). All expenses must be claimed through the software provided at the time and not via paper applications or petty cash.

2.4 In addition, there are several other Company policies that are relevant to some of the materials discussed in this Policy. For example, the Company has prescribed policies governing the personal use of Company-provided vehicles. Employees are responsible for understanding and complying with all Company policies, where applicable.

2.5 Aarsleff Ground Engineering Ltd UK Group employees are required to comply with this policy. If an employee violates this policy or other business specific policy, the Company may take one or more of the following actions:

2.5.1 Delay or deny reimbursement

2.5.2 Suspend use of Company credit card or travel card.

2.5.3 Impose disciplinary action up to and including termination of employment.

2.6 Employees are expected to be responsible in their spending, while Managers are expected to be diligent in their review.

3. RESPONSIBILITIES

3.1 Employee Responsibilities - Each employee is responsible for the following:

3.1.1 Questioning and determining if there is a way to meet business objectives without travelling. Teleconferencing, videoconferencing, or webinars may meet business needs and result is less cost and less time away from home and work.

3.1.2 Reasonably managing how the Company's funds are spent and providing details as to the business reasons for those expenses through the approval process.

3.1.3 Ensuring that all expenses incurred are in compliance with the standards of business conduct as part of the Company values and other Company guidelines regarding ethical conduct

3.1.4 Taking proper precautions to ensure personal safety by utilising the tools, systems and processes that have been established within the Company for travellers.

3.1.5 Prevent theft or loss of Company property.

3.1.6 Complying with the Company's Expenses, Hospitality and Entertainment Policy requirements, submission of all required receipts, and proper expense documentation.

3.1.7 Reviewing their expenses reports before submitting.

3.2 Manager Responsibilities - Managers are responsible for the following:

3.2.1 Ensuring that employees understand the Company's Guidelines and Expenses, Hospitality and Entertainment Policy including the requirements for supporting documentation and submittal of expense reports.

3.2.2 Reviewing and validating employee's expenses to ensure that they are reasonable and consistent with business travel requirements, and

3.2.3 Taking necessary steps to investigate all suspected violations of this Policy and taking appropriate action (including discipline, where warranted) when violations have been confirmed.

4. APPROVAL PROCESS

4.1 All business expense reports must be approved by the employee's direct Line Manager, as well as other approvers required by local approval compliance processes. Some types of travel will require pre-approval, and this will be confirmed in the relevant policy document. Employee's should ensure completed expense reports are submitted to their Line Manager. The Line Manager is required to approve or reject the completed expense claim.

5. BUSINESS TRAVEL CONDUCT

5.1 The Company values of Trust, Responsibility and Life and Health remain one of its most important assets. The Company is committed to maintaining visible leadership in this area promoting the highest level of integrity throughout the organisation.

5.2 Employees must possess unyielding commitment to integrity, and words and actions must demonstrate that commitment. Employees are expected to conduct themselves in the most professional manner at all times when travelling or representing the Aarsleff Ground Engineering Ltd UK Group on Company business. Failure to do so can reflect negatively on the Company and may result in appropriate disciplinary action up to an including termination of employment.

6. BOOKING AGENTS

6.1 Where a booking agent has been appointed by the Company locally then employees are required to use this agent, or otherwise show that their chosen travel booking is cheaper than that offered by the Company's preferred option.

6.2 Where there is no local preferred supplier, employees should ensure that their means of booking ensures that travel costs are kept as low as possible and where possible a designated person responsible for travel bookings must be used.

7. REQUIRED RECEIPTS

7.1 All expenses must be supported by individual receipts from the merchant, not just the credit card statement.

7.2 All business travel expenses, regardless of type or amount, must be submitted as part of the expenses form through the employee's designated expense system or process.

8. EXPENSES MONTHLY REPORT AUDIT

8.1 All employees must submit their expenses monthly, on a timely basis within 30 calendar days of the date expenses are incurred.

8.2 The Company's Finance department will periodically audit expense reports for the following:

8.2.1 Business purpose provided in sufficient detail including the nature and scope of meeting, not just a one- or two-word response.

8.2.2 Entry or accounting mistakes (supporting documentation when exchange rates are overridden, hotel charges in alignment with authorised expenses, etc).

8.2.3 Appropriate approval documentation as required by the Policy.

8.2.4 Adequate explanations for miscellaneous and other charges requiring descriptions.

8.2.5 Appropriateness of the expenditures to ensure that amounts are not excessive or improper.

8.2.6 Auditing of tax deductibility.

8.2.7 Supporting documentation (receipts, attendee lists, etc).

8.3 Discrepancies will be addressed directly with the employee and/or his/her line manager.

9. REPORTING EXPENSES

9.1 Employees should summarise and report expense claims using the Company Expenses System, access for the system will be provided by the central finance team.

10. OVERNIGHT ACCOMODATION

10.1 Preferred Hotels - The Company has a number of hotels with negotiated corporate rates at frequently travelled locations.

10.2 The employee should always use the Company's preferred hotels whenever possible. Reservations for personal use will be the responsibility of the employee and are not reimbursable by the Company.

10.2.1 Best Practice – Lower Rates. It is always a best practice to ask if there is a lower rate at the hotel at check in.

10.2.2 Best Practice – Distance. Please discuss the relevance/ requirement for overnight accommodation with your Line Manager prior to booking. In some circumstances it may be more appropriate to travel to and from the destination within the same day.

10.2.3 Cancellation of Reservations – It is the employee's responsibility to be sure that the guaranteed hotel reservations are cancelled if they will not be used. Itineraries should be checked for the required cancellation notice period.

10.2.4 Business Charges – Business expenses such as internet connection and business centre charges are reimbursable. Use of the in-room hotel phones should be avoided due to the high fees that are often charged.

10.2.5 Personal Charges – Personal expense such as spa fees, in-room movies, health club, mini bar or merchandise should be charged to the employee's personal credit card or paid with cash. If such expenses are charged to the employee's room, they must be excluded when submitting expenses, as they are not reimbursable.

11. MEALS

11.1 Multiple Attendees (General Business Meals): Reimbursement of expenses incurred for business meals in the company of suppliers, customers, or other employees.

11.2 The following information will likely be required during submittal of expenses form:

11.2.1 Business Purpose – include a brief summary, providing sufficient detail, of the nature and scope of the business activity or discussion.

11.2.2 List of attendees.

11.3 The most senior Company employee present at the meal is expected to expense the cost of any such meal.

11.4 Employee Only Meals: Reimbursement of expenses incurred for meals by an employee eating alone or paying individually while travelling for the Company on business.

11.5 While we cannot provide exhaustive guidance for providing meal expense reimbursements, we ask that each employee claim only those meals that occurred while travelling on company business.

11.6 General guidelines for meal expenses are as follows:

11.6.1 Breakfast – a maximum of £6 for breakfast if the employee leaves their residence before 6.30am for Company business. This excludes working from your contracted place of work.

11.6.2 Lunch – a maximum of £10 for lunch when out on Company business and away from home for more than 12 hours.

11.6.3 Dinner – a maximum of £20 for dinner payable when staying away on business only.

11.7 Employees and approvers are expected to exercise sound business judgment while incurring and approving meal expenses. In low-cost locations actual meal costs are expected to be considerably lower than these maximum upper limits.

11.8 Drinks

11.8.1 The Company will pay for two drinks, accompanying an evening meal, and occasionally for socialising in the evenings with customers, employees or suppliers.

11.8.2 The Company will not pay for heavy and sustained personal consumption of alcohol whilst staying away from home and/or entertaining customers, employees or suppliers.

11.8.3 Pre-approval from your line manager is required prior to the event if increased levels are required and you are reminded that you are representing the Company at all times when entertaining.

12. GROUND TRANSPORTATION (Auto, Train, Other)

12.1 Company Cars

12.1.1 Normal running costs involved with your vehicle are not to be put on your company credit card, and in normal circumstances should be charged direct to the relevant lease company. For Company owned vehicles, please refer to your 'Owner Pack' and contact the Office Administration team to organise any purchase orders that may be required.

12.1.2 Parking fines should not be claimed as a business expense unless in exceptional circumstances and with the approval of a member of the Board of Directors.

12.1.3 Please note that tyres, servicing and general maintenance, needs to be booked through your car leasing company as they are responsible for paying for this. For Company owned vehicles, please refer to your 'Owner Pack' where details of how tyres, servicing and general maintenance can be arranged. Please contact the Office Administration team to organise any purchase orders that may be required.

12.1.4 No car repairs should be put on your credit card without first contacting the accounts and fleet management department. It may be beneficial to claim on the Company insurance.

12.2 Rental Car

12.2.1 Employees can rent a car to travel to their destination when driving is more cost effective than airline or rail travel. At the destination, employees can rent a car when it is less expensive than other transportation, such as taxis and airport shuttles.

12.2.2 It is the responsibility of the employee to determine the most economic and productive mode of transportation. If the destination is relatively close by, it may make best sense to use a taxi or shuttle service versus the rental of a car.

12.2.3 Car Categories – An employee travelling alone or with one additional person may be eligible for up-to a mid-size/intermediate vehicle. An employee may book a car size one-level higher (full-size) when three or more Company employees or customers are travelling together or when an upgrade is available at no additional costs. Any exceptions to the car category size should be approved in advance by the employee’s department or functional manager.

12.2.4 Fuel (Petrol/Diesel) or Electric charge - It is required that all employees should return the rental vehicles with a full tank (or at the same charge level as received). Exceptions might occur as a result of traffic delays or difficulty finding a filling station; however, these should be rare occurrences and the employee should plan accordingly to allow time to refill. As a general rule, when renting a car, the employee should decline the fuel option programs, but ensure the vehicle is refuelled prior to returning to the rental agent.

12.2.5 Insurance – Accepting or waiving insurance coverage at the time of rental (Collision, Loss Damage Waiver, etc.) will depend on the country where the employee travels or pre-negotiated preferred rental car agency agreements.

12.2.6 Accident Reporting – If an employee is involved in an accident while driving a rental car on Company business, the employee must report the accident immediately to the Rental Car company, the local police, and the employee’s supervisor. The rental car company’s accident claim form should always be completed by the renter as soon as possible following the accident. If the employee is injured and unable to make the required notifications, the employee’s supervisor or other designated person should report the incident to the respective parties on behalf of the injured employee.

12.2.7 Cancelling Reservations – Travellers are responsible for cancelling rental car reservations. It is recommended to request and record the cancellation number in case of billing disputes.

12.2.8 Sat-Nav - Rental costs when travelling in areas/regions that are unfamiliar are reimbursable expenses.

12.3 Other Fees - Bridge, tunnel, tolls, and other fees incurred as part of valid business travel are reimbursable through the expenses process and should be categorised appropriately within the reporting process/system.

12.4 Parking

12.4.1 Necessary and reasonable parking expenses incurred while travelling on Company business are reimbursable through expenses and should be categorised appropriately within the Company Expenses reporting process/system. Please use good judgment when selecting a parking vendor for stays longer than 24hrs by choosing a discount/long-term parking option.

12.4.2 Any fines incurred for non-payment including admin fees will be recharged to the employee and deducted from the next salary payment.

12.5 Personal Vehicle

12.5.1 Mileage Reimbursement: An employee may use his/her personal vehicle for business purposes if it is less expensive than renting a car, taking a taxi or alternative transportation.

12.5.2 Employees should aim to utilise a pool vehicle for business travel where practical and if available. Please contact the Office Administration team to check availability and to arrange booking of a pool vehicle.

12.5.3 The Company will reimburse employees only for mileage that qualifies as business mileage under the applicable HMRC definition.

12.5.4 Where an employee is entitled to a car allowance or elects to take a car allowance in lieu of a Company car, mileage incurred on Company business will be refunded at the appropriate HMRC rate per mile.

12.5.5 In cases where an employee does not receive a car allowance, then the employee will be refunded mileage at the appropriate rate. The reimbursement is intended to cover fuel, operating expenses, repairs/maintenance, depreciation, and insurance.

12.5.6 Business travel that begins or ends at the employee's residence on a normal business day must be reduced by the distance that the employee would normally incur in commuting to or from his/her residence and the location of normal place of work.

12.6 Personal Vehicle Insurance

12.6.1 An employee who uses a personal vehicle on Company business is required to carry the minimum automobile liability (per person and per accident) insurance required by law. It is the responsibility of the traveller to ensure the insurance coverage complies with these minimums prior to using a personal vehicle on Company business. Such insurance must specifically permit the use of the vehicle by the insured in connection with the insured business.

12.7 Shuttles/Taxi

12.7.1 Hotel shuttle services should always be used if they represent the most economical means of transportation.

12.7.2 The Company will reimburse an employee for normal, business related expenses for taxis. The costs of taxis may be reimbursable if it is a cost-effective form of travel (particularly for groups of employees travelling together).

12.8 Trains

12.8.1 Employees should not travel first class for any journey, normal standard fair only applies. At the discretion of the Managing Director first class travel may be approved for example for travel so that work can be carried during the journey. This must be approved prior to travel.

13. ENTERTAINMENT

13.1 Employee Related Activities (Activities that focus on employees, not customers.)

13.2 Reimbursement is permitted for events that are intended to promote team morale, foster collaboration within a team, or provide special recognition. Reimbursable expenses include, but are not limited to, those related to Christmas parties, retirement parties, Company milestone (anniversary) events, or team building events, including the cost to rent the facility, meals, and entertainment. Requestor must seek and retain evidence of pre-authorisation from their approving manager. The Company will not fund employee related activities which have no direct business or team building benefit. Annual limitations also apply to events which can be discussed with the Finance department prior to booking.

13.2.1 Requirements: Expenses for each event must be deemed reasonable. A key factor in making this determination is how often such events are held and how many times any individual employee attends them. For example, it would be reasonable to spend more for a one-time retirement party or Christmas party than it would for a monthly team-building event attended by the same employees each month.

13.2.2 Reimbursement is not permitted for “adult entertainment” (see Adult Entertainment section following).

13.3 Customer or Supplier Related Activities: Activities or events that are focused on customers or suppliers should not be confused with Employee Related Activities as described above.

13.4 Entertainment expenses are reimbursable only if they are directly related to Company business. There must be an expectation that the Company will derive a business benefit from the entertainment (other than the goodwill of the person or persons entertained). This does not mean that the Company is required to show that income or another business benefit resulted from each and every entertainment expenditure. Please also refer to the Anti-corruption, Fraud and Bribery Policy for further guidance.

13.5 The HMRC defines annual limits to entertainment expenditure, please be mindful of these limits when completing entertainment expense claims. Details of all annual limits can be found on the HMRC website.

13.6 In alignment with the Company values, employees must avoid situations where it might appear that business entertainment is being offered in exchange for a particular business benefit, such as a contract for purchase of product, services, or equipment. Rather, business entertainment events should be used as an opportunity to promote the Company’s products and services, the suppliers’ capabilities, and/or to learn more about the customer or supplier’s business.

13.7 In order to qualify for reimbursement, the employee must be able to provide the business purpose and documentation for the amount of each expense, the date, place of entertainment, and the business relationship of the persons entertained. Where customers and suppliers are involved, full details must also be provided to the Marketing team for the hospitality log in line with IMS Procedure COM-01.

13.8 All business and entertainment events must be recorded including who the attendees were, and where and what was the expense at each individual expense including hotels and travel.

14. ADULT ENTERTAINMENT

14.1 Adult entertainment is not a reimbursable expense. Regardless of whether this might be an accepted business practice with some suppliers or customers; the Company will not tolerate the use of Company funds at adult entertainment establishments. "Adult entertainment" is defined as nightclub type entertainment that includes shows or other activities with an overtly sexual content.

14.2 Use of the Company Corporate Card or submission of expense receipts for expenditures related to "adult entertainment" (business or personal) will result in disciplinary action, up to and including termination of employment).

15. ENTERTAINMENT EXPENSES INCURRED AT HOME

15.1 Entertainment of customers, suppliers and business associates at an employees' home/residence is considered a personal expense and not generally reimbursable by the Company. For insurance and liability purposes, advance approval from a member of the UK Board is required for reimbursement of expenses associated with entertainment in an employee's home.

15.2 Reimbursement will be limited to reasonable out-of-pocket expenses appropriate for the necessary scale of entertainment. A list of attendees and summary of the business purpose must be submitted for reimbursement.

16. GIFTS

16.1 Employees should categorise the following expenses as "Gifts". Employees must specify recipient's name and the purpose of the gift to qualify for reimbursement.

16.2 Internal Gifts

16.2.1 Gifts to employees for length of service or safety must be approved by a member of the UK Board and invoiced direct to company where possible.

16.2.2 Occasional gifts to employees (or members of their families) for special events such as births, deaths, serious illness, retirement and Company milestones may be processed through expenses as long as the value of the gift does not exceed £35 or applicable value outside these regions.

16.2.3 Expenses greater than £35 must be approved by the UK Board Members and be processed through Accounts Payable and the corresponding approval process.

16.2.4 Gifts should not be in the form of cash or vouchers.

16.3 External Gifts

16.3.1 In general, and consistent with Aarsleff UK Group`s values, gifts to customers and suppliers are discouraged.

16.3.2 Gifts to customers or suppliers worth £35 or less may be processed through expenses.

16.3.3 Gifts in excess of this amount must be processed through the business' accounts payable and respective approval process. Before purchasing a gift for customers or suppliers, approval must be sought from the UK Board Members.

16.3.4 Gifts should not be in the form of cash or vouchers.

17. PHONE AND TELECOMMUNICATIONS CHARGES

17.1 Telecommunication charges incurred on behalf of the Company.

17.1.1 The Company issued mobile phone should be used when possible while travelling to avoid the high charges on hotel and/or air phones. Employees are limited to a reasonable amount of personal calls while travelling.

17.1.2 Charges related to phone, fax, or Internet should be categorised under "Phone/Fax/Internet".

17.1.3 Charges relating to Apps or game/ in-game purchases will not be paid for by the Company and IT approval should be sought prior to the downloading of any external App/ Game software. Please also refer to the IT Policy for more information

18. LAUNDRY

18.1 Expenses for necessary laundry and dry cleaning are only allowed when the trip exceeds five (5) consecutive days away from the Employee's regular business location or home. Receipts must be included in the expense report.

19. TIPS

19.1 Cash gratuities to waiters and taxi drivers should be included in the cost of meals and taxi fares and should not be separated as tips. Employees should use discretion and tip as they would in their own personal activities (i.e., not to excess) and in alignment with country norms.

20. MEMBERSHIPS

20.1 Initial and annual fees for personal membership in professional, business, or civic organisations are allowable for reimbursement through the expenses reporting system. Reimbursable memberships are only those necessary for the employee's job and must be approved in advance by the employee's department manager.

21. AIR

21.1 Lowest Fare Requirements - Employees are expected to take the lowest fare when making flight reservations, unless there is a valid business reason to take an alternate flight. Employees should consult their managers with questions pertaining to what constitutes a valid business reason.

21.2 Incremental Charges – Extra Baggage. Many airlines are charging incremental fees for extra baggage and other services that were free or included in the past. The traveller will be reimbursed for reasonable baggage fees as part of business-related travel. Efforts should be made by travellers to avoid or minimise incremental charges.

21.3 Early Ticket Purchasing - Employees should make every effort to book their travel at least 14-days in advance and non-refundable tickets. In most cases, even if plans change, non-refundable tickets may be reissued for a fee against another trip within one year, as long as the trip is cancelled prior to departure date.

21.4 Insurance - Air flight and other travel insurance should not be purchased as the Company provides this insurance without additional costs.

21.5 Class of Service - Economy/Coach class is generally required for all flights unless approved by the Managing Director.

21.6 Upgrades - It is the responsibility of the traveller to obtain status upgrades. Upgrades at the expense of the Company are not permitted.

21.7 Frequent Flyer Points and Other Benefits

21.7.1 Any frequent flyer points or other benefits accumulated by the employee on business travel may be retained by the employee for personal use. Employees are not permitted to select or arrange a more expensive flight in order to gain additional points or benefits.

21.7.2 Any tax consequences are for the account of the employee.

22. NON-REIMBURSABLE EXPENSES

22.1 The Company will not reimburse the following expenses:

22.1.1 Membership fees for airline, hotel, rental vehicle and frequent flyer clubs

22.1.2 Air flight and other travel insurance unless in the rare cases where the Aarsleff location does not have employee coverage.

22.1.3 Parking fines/traffic violations.

22.1.4 Personal credit card fees.

22.1.5 Personal expenses incurred in employee's absence (child or pet care, lawn care, etc).

22.1.6 In-room movies during hotel stays or charges for in-flight movies on airlines.

22.1.7 Items or services for personal use such as for barbershops, beauty salons, massages, shoeshine, magazines, newspapers, or similar items.

22.1.8 Clothes or toiletries, except if as a result of airline delay or overbooking of airplane reservations.

22.1.9 Fitness centre fees.

22.1.10 Loss or theft of personal property or personal funds through the employee's negligence.

22.1.11 Any other unreasonable item not linked to the business or where there is not a business need.

23. GROUP TRAVEL, MEETINGS OR CONFERENCES

23.1 Meetings Involving Company Employees Only

23.1.1 When planning a meeting that will be attended by Company employees only, choose a location on Company premises whenever possible to avoid the higher costs of renting space in hotels, conference centres, etc.

23.1.2 When locations on Company premises are not practical or available, choose a location that will require the lowest expenses in air and ground travel for all attendees. Advance approval is required by the Managing Director.

24. GENERAL ADMINISTRATION

24.1 There may be valid reasons for making certain exceptions to this Policy; however, such exceptions must be for business reasons and due to special circumstances. At a minimum, any exceptions must be discussed with the employee's direct manager and the designated approver if special authorisation is required by the Policy.