

Sample Company Car Policy 2009

1. Introduction

The "Sample" Car Benefit Scheme offers choice and flexibility to employees who are eligible for a company car where agreed as part of their Terms and Conditions. This document details the options available to eligible employees and the actions and conditions required for the use of cars on company business.

Company cars are permitted to be used for private motoring as well as the Company's business use. Private usage must be restricted to social, domestic and pleasure purposes only and excludes rallies, motor sports, driving tuition, use for any other business, plying for hire or transportation of goods or persons for payment.

2. Eligibility Criteria

For eligible drivers in Grades I, II and III "Sample's" chosen leasing partner, Sandiccliffe Motor Contracts, will provide a list of vehicles per grade from which the driver will make their choice. In view of the current economic climate Rand will take advantage of any special offers on new or ex-demonstrator vehicles, which may result in a lowering of costs to the business. Examples of typical cars are shown below but these may vary depending upon offers and availability at the time of ordering. Where possible we will look to ensure that the cars have Bluetooth connectivity. Some vehicles may also have additional extras which will benefit the driver. However it must be understood that these cannot be guaranteed and this will again be dependent upon availability at the time of ordering.

We will endeavour to obtain vehicles that minimise employees personal tax liability (ie with low emitting vehicles) and advice can be obtained on these costs from Sandiccliffe Motor Contracts as detailed in Section 2.

All car selection and ordering processes will be carried out by Sandiccliffe Motor Contracts, of whom further details are contained later in this document.

Examples of the types of vehicle available per grade are shown below:

Level I

- Ford Focus 1.6TDCI Zetec 5dr Estate (110)
Monthly tax @ 20% Basic rate = £41.75
Monthly tax @ 40% Basic rate = £83.42
- Peugeot 308 1.6 HDI 110 S 5dr Hatch
Monthly tax @ 20% Basic rate = £51.75
Monthly tax @ 40% Basic rate = £103.50

Level II

- Peugeot 407 2.0 HDI Diesel Saloon 140 SR Smartnav 4dr
Monthly tax @ 20% Basic rate = £71.73
Monthly tax @ 40% Basic rate = £143.47
- Peugeot 407 2.0 HDI Diesel Estate 140 SR Smartnav 5dr
Monthly tax @ 20% Basic rate = £75.23
Monthly tax @ 40% Basic rate = £150.46

Level III

- VW Jetta 2.0 TDI Sport 4dr with Air Conditioning
Monthly tax @20% Basic Rate = £68
Monthly tax @20% Basic Rate = £135.42
- VW Passat 2.0 TDI Sport 4dr with Alloys, Bluetooth and Multi Function Steering Wheel
Monthly tax @20% Basic Rate = £77
Monthly tax @ 40% Basic Rate = £153.92

NB. All vehicles shown are examples of likely vehicles but specifications and models will vary depending upon availability at time of order.

2. Emission Based Tax Liability

Car benefit tax liability will be based on the emissions rating of the employee's car, combined with the P11D value of the car when new. Further details of this calculation can be obtained from Sandicliffe Motor Contracts (Please contact Phil Elms on 0115 9466 466) or via various websites such as www.comcar.co.uk .

3. Driving a Company Car

Prior to handover, company car drivers should:

- Ensure that they possess a current and valid driving licence for the relevant type of car
- Complete a drivers declaration form for insurance purposes. Their spouse or partner and children may be eligible to drive the car provided they are over 21 and also complete a drivers declaration form. If the driving licence form has not been completed the company reserves the right to suspend the usage of the vehicle.

4. New Starters

New starters will be allocated a car from the pool fleet if there is one available, until such time as any probationary period has been successfully completed. If

there is no available pool car then Sandicliffe Motor Contracts will provide a suitable hire vehicle for the drivers' probationary period.

Upon successful completion of the employees probationary period Sandicliffe Motor Contracts will contact the driver to arrange for a new car to be ordered in line with their grade and entitlement. However, the company may insist on the driver taking an existing vehicle from the fleet until its lease contract expires. Upon expiry of this contract the driver will be able to order a new vehicle.

5. Promotion

If an employee is promoted they may be eligible to a car from a higher band. They can only receive the car from the higher band when the lease period of their current car has expired.

6. Leaving the Business

- Upon leaving the business the Company Car must be returned on the specified date i.e. on or before the end of any notice period or on the last day of employment or as agreed in writing by the line manager.
- Cars should be returned to the company clean, tidy and free of mechanical defects.
- It is the responsibility of the driver to return any tool kit, spare wheels, accessories and duly stamped service book with the car. If any of the above items are missing when the car is returned the driver will be liable for a charge. All expenses incurred to repair/clean the car after it has been returned will be directed towards the employee.

7. Renewals

- Cars will typically (but not exclusively, at the companies discretion and depending upon individual circumstances) be renewed at 3 years or 68,000 miles, whichever is the sooner. When the car is due for renewal the employee will be contacted by Sandicliffe Motor Contracts and requested to place their new car order in line with the grade and the corresponding policy
- At the renewal date employees will be able to purchase their current company car from the lease company. They can obtain the value from Sandicliffe Motor Contracts.

8. Accident Management

- In the event of an accident, company car drivers should only discuss the circumstances with the police or another authorised body. **On no account should any admission of liability be made.**
- The following procedure should always be followed and the driver should:
 - Provide the company name and his/her business address and insurance details
 - Obtain the name, address and insurance details of the third party
 - Obtain the name and addresses of any witnesses and the rank, number and station details of any police officer present

The accident should then be reported to **xxxxxx** who will advise of the next steps.

9. Insurance

Comprehensive cover is provided. Each company car driver is responsible for driving safely in line with the companies' policies shown in this document. In the event of an "at fault" accident each employee is entitled to have one of these incidents in a three year period. In the event of more than one "at fault" incident occurring the employee must reimburse the cost of the Insurance Excess prevailing at the time that the incident occurs, currently £XXX. The company reserves the right to withdraw the use of the company vehicle should any driver have two or more "at fault" claims within a twelve month period.

10.Theft

Company property (e.g. mobile phones and laptops) must not be left unattended in a car. It is recommended that employees cover all personal items under their home insurance policy

11. MOT and Tax Discs

All company cars will be provided with a tax disc. Sandiccliffe Motor Contracts will manage the process for the replacement of tax discs. Sandiccliffe Motor Contracts will remind company car drivers when the cars MOT is due, although the first MOT is due three years after the first registration date.

12. Service & Repairs

Employees are expected to take good care of their company cars and keep them clean and tidy. If an employee find a fault with their company car they should report this to Sandiccliffe Motor Contracts as soon as possible on 0115 9466466. If any fault or damage to the car is considered to be due to negligence or misuses of the car on the part of the employee concerned, the Company will seek to recover the full cost of the necessary repair from that employee. Employees are responsible for ensuring that the car is regularly serviced, in accordance with the schedule set out by the manufacturer.

To organise a service, maintenance or a repair, employees should call Sandiccliffe Motor Contracts on 0115 9466466 who will make the necessary arrangements with an approved service agent. The service agent must obtain authorisation prior to commencing any work. Employees should ensure that their service book is stamped after a service.

13. Motor Offences

The registered owner of "Sample's" company cars is the leasing company concerned (Sandiccliffe Motor Contracts). Should the registration of a leased car be reported to, or noted by, the police for any reason, or taken by a speed camera, the police will contact the leasing company to establish who is the driver or leaser of the car. The leasing company are obliged to supply the name and address of the principal driver to the police as and when requested. In some

cases the leasing company will pay a fixed penalty notice and seek to recover this from the company, including an administration fee. Rand accepts no liability for fines incurred following offences involving the use of a company car. Therefore in such cases the Company will recover all costs from the employee involved where relevant and with consent, for fixed penalties, and for any road traffic offences where an employee is subsequently charged and convicted.

If an employee who drives a company car receives penalty points on, or endorsements to, his/her licence then he/she must show the amended licence to their line manager.

It is the employees responsibility to effectively carry out the duties for which they are employed. In the event of an employee being disqualified from driving, he/she should discuss this with his/her line manager and seek to agree an alternative approach that enables the employee to effectively carry out his/her duties. Any additional costs incurred will be the responsibility of the employee.

The company reserves the right to withdraw the company car benefit from any employee convicted of the following motor offences:

- Careless driving
- Dangerous Driving
- Driving whilst under the influence of drink or drugs

14. Driving Abroad

If an employee wishes to drive their company car outside of the UK they should contact Sandicliffe Motor Contracts who obtain the necessary permission to travel documentation. Any costs involved will also be the responsibility of the employee.

Before travelling the employee must ensure that they have the necessary equipment (eg spare bulbs, warning triangle etc) and that they have AA 5 Star Insurance or equivalent.

If an employee travels abroad without obtaining the necessary paperwork they will be personally liable for any breakdown costs, repatriation charges etc.

15. Duty of Care/Health & Safety

- Drivers are responsible for organising tasks and work to reduce their risk of injury through driving. This involves sensible journey planning and ensuring that suitable breaks are taken during long journeys – as a minimum drivers should take a 15 minute break every 2 hours
- It is the drivers responsibility to carry out safety checks to their car before starting any journey
- The company may seek medical opinion to determine fitness to drive of any employees who are required to take drugs for therapeutic or medicinal purposes
- Company car drivers should comply with local and national speed limits and road traffic regulations at all times
- Company car drivers should use alternative transport if they consider themselves unfit to drive or if they consider the driving conditions too dangerous

16. Driving Licence

All company car drivers must hold a full valid driving licence and will be required to complete a DVLA licence check authorisation form to enable the company to conduct regular automated online driving licence checks. Under no circumstances can a person drive a company car without a full valid licence. Upon joining the company employees will be required to provide a copy of their driving licence and to complete the DVLA online authorisation form.

Any driver convicted of a serious motoring offence, or incurring points on their licence, must inform their line manager who will inform the company's insurers. If prior notification is not given to the insurance company and an accident occurs, then they may not be covered by the policy and all costs incurred will be the responsibility of the employee/driver.

Any driver holding a foreign licence must check with the DVLA personally if there is any doubt as to the validity of their licence. Licences from some countries are only valid for a certain length of time. If the holder is resident in the UK, the driver must exchange their current licence for a British licence before the expiry date.

17. Mobile Phone Use

The company strongly recommends that all company car drivers park their car before responding to or making a telephone call. However, with the line managers' authorisation the Company will meet the cost of a hands-free kit to be installed for company car drivers who travel regularly as part of their job.

Employees should bear in mind that whilst hands-free devices are safer than hand-held devices, both have an adverse effect on drivers' attention. Before using a hands-free device when driving a car, the employee should be confident that answering the call will not affect their own safety or that of other road users.

Employees should also bear in mind that following the amendment to the law in 2003, offences of driving without due care and attention, careless driving or potentially reckless driving could be committed where driving standards are shown to be materially affected by the use of any communication device whilst at the wheel (whether hands-free or not).

Where a car driver is prosecuted for any such offence they should be aware that the offence carries penalty points and a fine and that these are the personal responsibility of the driver.

UNDER NO CIRCUMSTANCES SHOULD EMPLOYEES USE A HAND-HELD PHONE TO MAKE OR RECEIVE CALLS OR TEXT MESSAGES WHILST DRIVING.

18. Breakdown & Emergencies

When a breakdown or emergency occurs an employee's first concern should be to, where possible, secure their safety, secure the safety of others and provide whatever assistance they can to others. They should then make sure that their car is in a safe position with hazard lights on to avoid danger to other road users.

- Wear high visibility clothing if available

- Be prepared for such a situation by having the breakdown recovery phone number available
- If a breakdown occurs on a motorway employees may use a mobile phone instead of the roadside emergency phones, but will need to give full details of their position
- Following a breakdown be aware of the dangers of accidents, particularly on motorways. Although less likely be also alert to the dangers from personal attack
- If their car has caught fire move away from the car (at least 20 metres), do not attempt to retrieve personal items. Have regard to the other traffic that may still be moving, and avoid moving into an area that might have restricted escape routes

19. Car Care, Maintenance & Driver Responsibilities

- All cars must be maintained to a high standard and serviced in accordance with manufacturers recommended service schedule. Failure to service their car at the appropriate intervals or attend to repairs promptly may result in the company withdrawing the company car benefit
- Oil/water/tyre pressures must be checked regularly by the employee, ensuring that any required action resulting from these checks is carried out
- Lights, wipers and screen wash should be fully operational
- A valid tax disc should be displayed in the front
- The interior and exterior of the car must be kept clean and free of marks, subject to fair wear and tear
- Employees must read the drivers manual to familiarise themselves with the car
- Any maintenance costs incurred, as a direct result of drivers misuse will be recharged to the individual
- Employees should also refer to their cars handbook for additional maintenance and safety information

20. Driving Safety

Employees should ask themselves the following questions before making a long business journey:

Is the journey necessary or can objectives be met some other way e.g. video conferencing, telephone, can the journey be made using public transport?

Before commencing the journey employees should:

- Plan the journey and ensure that sufficient time is available
- Plan to take breaks
- Where possible avoid long journeys after a full day at work
- Avoid, where possible, travelling after 2am and before 6am when employees might be sleepy (or are used to being asleep)
- Be aware that if they are running late for a meeting or an appointment it is not a reason to drive in a way that would increase the risk to themselves or other road users
- Where practical car share

- Where applicable consider an overnight stay. The company will pay any reasonable costs in line with published guidelines
- Not drink alcohol and drive and be aware that alcohol (and its effects) takes time to clear from the body. After drinking late into the evening or after heavy consumption, employees may still be affected, or even be over the legal limit several hours later
- Not take drugs, including some prescription drugs, and drive. Certain medical conditions may restrict employee's ability to drive; if employees are in any doubt they should check with their doctor and inform the company as soon as possible
- Ensure that they meet the standard eyesight level required for driving a car in the UK, as it is the employee's responsibility for ensuring their eyesight meets this level.
- If they feel sleepy or drowsy whilst driving, take a break; pull off the road to a safe place, open the windows, take a stroll, have a drink of tea or coffee. They should not resume the journey until they feel more alert.