

**Contract Hire Lease Car Scheme**  
**Scheme Rules - Terms & Conditions of Use**

**Introduction**

1. The scheme shall be known as the Employer Lease Car Scheme, hereafter referred to as 'the scheme'.

**Definitions**

"The employer" shall mean the Organisation offering the scheme

"The employee" shall mean an employee of the Organisation entering into this agreement.

"Line manager" shall mean the employees direct supervisor who would sign mileage returns

"Budget Holder" shall mean the senior manager accountable for financial expenditure.

"Scheme" shall mean the Lease Car Scheme.

"Scheme Manager" shall mean Knowles Associates Total Fleet Management Ltd T/A Knowles Fleet

**Eligibility**

2. At their discretion, the employer may invite or permit any member of their staff to join the scheme. All agreements will be subject to the terms and conditions contained herein.

**Duration of Scheme**

3. Entry to the scheme will be entirely voluntary but employees who decide to enter the scheme will sign an undertaking with their employer to participate in the scheme for a set period (normally three years) or any such other period that is agreed.

**Note: The scheme will place a long-term financial commitment on employees, and employees should study carefully all the conditions contained in this document and the quote before applying to join. Employees submitting an online application and signing an agreement will be deemed to have entered into a binding long-term agreement. Any agreement that is a salary sacrifice arrangement the agreement is deemed to be variation to the terms and conditions of your employment.**

4. The scheme is based on a binding agreement between the employer and a specified named person (hereafter referred to as 'The Employee').

**Your Right to Cancel**

This is NOT a regulated agreement, but you may cancel this agreement by email (applications@knowlesfleet.com) or post to Red Lion House, The Green, Great Bentley, Essex, CO7 8QG. You have FIVE WORKING DAYS from the date that you submitted your application to take this option. If you cancel this agreement within the cancellation period, any money you have paid will be returned to you and you will not have to make any further payment.

**Cancellation Charge**

5. If you cancel the application after the five-day period has expired, you will be required to meet all costs associated with the cancellation by payment directly to the Scheme Manager. Failure to pay the Scheme Manager will result in the balance being recovered from your net salary. You are advised to contact the Scheme Manager before you cancel the application. An administration charge will also apply, and this will be advised at the time of cancellation.

**Data Protection**

6. Confidentiality will be assured throughout your contract period, information you provide will be used primarily for the provision of management and support services to you but also in related purposes including updating and enhancing client records, analysis to help us to manage the service, statutory returns, and legal and regulatory compliance.

The Scheme Manager will only collect information from an individual that is necessary and adequate for the performance of our service to that party. All data will be fairly and lawfully processed, and accuracy of data will be paramount. All information will be secure at all times and processed in accordance with the Data Protection Act 2018 and GDPR 2016/679.

We will use your data for the purpose of managing the lease contract and we will only share your data with suppliers where it is necessary to enable them to conduct their contractual obligations, including connected services. In addition, we will share data where we are required to by law or under a statutory obligation.

We will maintain our data protection register and make certain that our licence is current. We will ensure that our suppliers or third parties conform to the requirements of the data protection act.

More information regarding the use of data can be found in our Privacy Policy <http://www.knowlesfleet.com/privacy-policy.html>

**The Nature of the Scheme**

7. Under the scheme the employer shall arrange through a lease company for the employee to be provided with a new motor vehicle as specified which will be taxed and fully maintained by the lease company or authorised third party. In addition, full comprehensive insurance cover will be arranged on behalf of the employee. The employer reserves the right to decline a vehicle selection if it is considered inappropriate.
8. The employee is required, as a condition of the car being made available for their private use, to enter into an agreement with the employer to pay the full cost of the car and services provided by the employer. The monthly cost will be determined by the employer at

the beginning of the agreement. On signing the agreement to enter the scheme the employee will voluntarily forego entitlement to any contractual private car mileage allowances or cash allowances.

9. The Lease car payment can be adjusted (subject to entering a new salary sacrifice or salary deduction agreement and changes to terms & conditions) for any event that is considered to be a result of a lifestyle change as defined by the HMRC from time to time. It may be necessary to change the terms of a salary sacrifice arrangement where a lifestyle change significantly alters an employee's financial circumstances.
10. The employee agrees to the payment being made from their salary monthly with effect from the first pay period following delivery of the chosen vehicle.
11. The employee understands and accepts that the first payment may, therefore, be made in the month after the delivery date of the vehicle and that the payments may continue after the vehicle has been returned OR pro-rata to take into account any arrears.
12. The employee agrees that the payment will continue until they have paid the total number of payments due.

**N.B. The employer reserves the right to discontinue the scheme at the end of the agreement and decline any application should it be determined that it is not in the best interest of the employer.**

#### **Reimbursement of fuel for business use**

13. Employees will be required to refuel/recharge their lease car and submit monthly returns showing business and private mileage where appropriate.
14. The lease car charge may be adjusted (subject to entering a new salary sacrifice or salary deduction agreement and changes to terms & conditions) at any stage of the contract due to any variations between the estimated and actual mileage resulting from a lifestyle change. Mileage adjustments can be made at the request of the employee or following a recommendation by the Scheme Manager. Although the Scheme Manager will endeavour to inform the employee of any required variations it is the employee's responsibility to inform the Scheme Manager of any variations to the contract mileage.
15. Failure to submit business mileage returns will result in the associated fuel reimbursement not being paid. It will be at the employer's discretion if reimbursement is made for a late return.
16. Continued failure to submit mileage returns may result in the business allowance being removed (where applicable) and the full cost of the vehicle being charged.
17. Where other employees or persons authorised by the employer are conveyed in the vehicle, passenger allowances will NOT be paid.

### **TERMS & CONDITIONS OF USE**

#### **Hire**

18. The employer has agreed to hire out and the employee shall take the vehicle and the word "Vehicle" shall include any and all replacements of component parts and all additions and accessories in any way affixed to the Vehicle during the subsistence of this agreement subject to the terms and conditions set out in this agreement, including the schedule, for the period of hire and at the rentals stated in the agreement.
19. The employee chooses to enter into such an agreement for use in the performance of their duties and/or for social, domestic, pleasure and commuting purposes. The employee acknowledges that they have selected the vehicle, and that the employer has entered into a contract hire agreement with a leasing company for the purposes of this agreement at the request of the employee.

#### **Payment**

20. The employee authorises the employer to deduct the rental and any other amounts, which may be due or become due under any part of this Agreement, from any remuneration due to the employee from the employer. These will include but not be restricted to the following:
  - a. Monthly Hire Payment.
  - b. Any excess mileage charge during the agreement period and on return of the car.
  - c. Any charges resulting from excess wear and tear at the end of the agreement or on termination.
  - d. Any payment for fixed penalty fines, parking fines, parking charges or any other costs for motoring offences charged to the employer including administration fees.
  - e. Any early termination charge that is attributable to the employee including optional extras such as electric car charge points.
  - f. Any insurance policy excess charges imposed that may be attributed to the employee.
  - g. Any increase in the annual car insurance premium.
  - h. Any increase in the annual cost of Vehicle Excise Duty.
  - i. Any increase in the rate of Value Added Tax.
  - j. Any recharge as a result of over payment of the business mileage allowances.
  - k. Any other charges imposed by the supplier that may be attributed to the employee.

### **Employee's Obligation**

21. The employee shall pay the rentals and excess mileage charge (if any) specified in the quotation/order and all other moneys falling due under the terms of this agreement punctually at the times specified in this agreement or at such other times as the employer may notify to the hirer. Any such payment must include the appropriate amount of VAT.
22. Throughout the period of hire the employee agrees that they will not use or cause the vehicle to be used in any way that may result in the breach of any of the covenants, restrictions and any stipulations contained in this agreement.
23. The employee understands that the provision of a vehicle from their employer for private use is classified as a taxable benefit by HMRC and accepts that if their employer does not tax benefits at source, they will need to contact HMRC with the vehicle details within the first month of the car being provided to ensure a prompt change of personal allowance.
24. The employee agrees that if the payments due cannot be taken in a pay period, this will automatically be rolled forward and the payment due will be made in the following pay period(s), as proportionately appropriate. This will continue to be rolled forward until all arrears have been fully settled. The employee understands that if settlement cannot take place, the Scheme Manager will review the circumstances with them, which could result in the immediate hand back of the Vehicle. In addition, the employee agrees to repay any outstanding arrears directly to the Supplier to meet the monies owed. The employee understands and accepts that the cost owed will be based on the gross value and they may lose the beneficial tax treatment should their standard payment be made as part of a salary sacrifice arrangement.

### **Salary Sacrifice Agreement**

25. HMRC will only allow an employee to opt in, opt out or vary the payments of this agreement where a lifestyle change "significantly alters" employee's financial circumstances. The employee has the burden of proof to provide evidence to validate the claim. Should HMRC audit the agreement and feel that a significant lifestyle change has not occurred then they may be liable for repayment of the savings generated from the arrangement. As a general rule, if an employee swaps between cash earnings and a non-cash benefit whenever they like, any expected tax and National Insurance contributions advantages under a salary sacrifice arrangement cannot apply.
26. The employee accepts that if their employment contract is voluntarily varied to reduce their contractual pay/hours during the agreement they will ensure that their post-sacrifice salary remains above the national minimum wage. If the national minimum wage level is breached, the employee will need to contact the scheme manager to arrange for their agreement to be terminated and pay the associated cost as detailed in the scheme application document.

### **Penalty Notices, Fines and Charges**

27. Initially the issuing authority, whether it is the police, local authority or private parking company will apply to the DVLA to establish the registered keeper of the vehicle and in most cases, this will be the leasing company. Within the leasing company contract they will apply to the issuing authority to redirect the notice to the Employer C/O the Scheme Manager who will in turn apply to redirect the notice to the employee.
28. Redirection of the notice enables the response period to restart and provides the employee with an opportunity to make representation or challenge the charge; to make a representation the Scheme Manager will be required to provide the employee's name, home address and contract details to the issuing authority. If you do not wish your details to be passed on, the vehicle keeper (leasing company) will pay the fine and recharge the cost plus an additional administration fee. Please note once the fine has been paid it will not be possible to make a representation or challenge the notice. If you do not wish your details to be provided for the redirection of fines, you must notify the Scheme Manager before the vehicle is delivered.
29. Any escalation charges or excess parking charges will be recharged to the employee.
30. Where a penalty notice, fine or charge cannot be redirected to the employee, the notification of the amount to pay will be notified to the employee by email, failure to supply your current email address to the Scheme Manager may result in additional charges or legal action from the issuing authority.

### **Exclusion of Liability**

31. Except in respect of death or personal injury arising as a result of the negligence of the employer or its employees (other than the employee leasing the vehicle) the employer shall not be liable for any damage, loss, charges or expenses arising out of or in consequence of the use of or any accident involving the vehicle.
32. The employee hereby undertakes to indemnify and keep indemnified the employer and the leasing company from any liability arising from death or personal injury or damage to or theft or loss of property caused by or to the vehicle, unless such death, injury or damage is caused by the negligence of the employer or the leasing company (as appropriate) or their respective employees (except the employee leasing the vehicle) or agents.
33. Understand and agree that the Employer shall be entitled to deduct from salary, or other payments due to them, any money which they may owe or be liable to pay in respect of the Vehicle arising from their use of it at any time pursuant to the terms of this Agreement and the terms of the Scheme Policy. The Employee accepts that if the Employer is unable to recover any amounts owing from the Employee by way of such deductions, then the Employee must pay to the Employer the relevant amounts owing as a debt and upon demand.

## **COSTS BORNE BY THE EMPLOYEE**

### **Monthly Payment**

34. The employee will pay the monthly contributions agreed at the commencement of the agreement and shown on the quotation form and confirmed on the signed agreement.
35. On entering the lease car agreement, the employee will have established and accepted any effect of this agreement may have on their retirement pension or other financial or personal circumstances.
36. Where an employee has a period of absence with reduced or zero pay e.g. long-term sickness, maternity leave, or other types of family leave. the employee can normally retain the vehicle and continue to make payments to the employer by salary deduction. Please note that if your current payment is made by way of a salary sacrifice agreement then this change will increase your overall net cost.
37. If a lifestyle change results in the risk of employee falling below the national minimum wage or national living wage the employee is entitled to opt out of the salary sacrifice scheme and change the payment method to salary deduction. In some circumstances with the agreement of the employer the vehicle can be returned, and the contract terminated, this will result in an early termination cost.

### **Variation to Charges**

38. The employer may vary the lease car payment to take into account any increases resulting from changes to government policy or legislation, vehicle insurance premium, vehicle excise duty, VAT legislation or contract hire variations due to changes in mileage. In these circumstances the employer or Scheme Manager will make every reasonable effort to notify employees of changes in advance, but it will not accept liability for additional costs.
39. Additional costs attributable to the employee will be those arising from employee's actions or from misuse, negligence or breach of the contract conditions contained herein or contained within the manufacturers handbooks and other publications issued from time to time. Failure to ensure that the vehicle is serviced at the recommended intervals or failure to maintain correct air and fluid levels will constitute negligence or breach of contract and may result in additional costs being levied on the employee.
40. The lease car payment will be based on the latest price issued by the lease company applicable at the time of delivery of the vehicle. The price may vary from the quotation provided at the time of application. The employer and Scheme Manager will make every reasonable effort to notify employees of changes, but it will not accept any liability for additional costs.
41. Should any modifications be required to the vehicle due to statute, the employee will bear the cost.
42. The employee will pay for all fuel, electric charge, the provision of all vehicle top-up fluids and car cleaning.
43. The employee will pay any fines or penalties incurred by the leased car and issued by any Local Authority or Police. The employee will also pay any parking charge raised by a private parking company in accordance with the Protection of Freedoms Act 2012. The employee will also pay any reasonable related legal, administrative or maintenance costs which arise from such acts. In certain circumstances an administration charge may apply.
44. The employee will pay any insurance policy excess charges, for claims for accidental damage, fire, or theft, including windscreens, window glass, mirrors, and headlight replacement as they apply to the insurance policy in force at the time.
45. The employee will pay the costs of repairs and replacements to the car made necessary as a result of abuse or neglect of the vehicle. Any such costs, that the employer considers having been caused by such abuse or neglect, must be reimbursed to the employer by the employee on receipt of an account for the amount due.
46. A nominated representative of the employer may make an inspection of the car at any reasonable time. Any damage found at that time should be rectified immediately.

### **Contract Terms**

47. Save as expressly provided in this Agreement the employer does not supply the vehicle with or subject to any warranty express or implied by statute or otherwise as to capacity, age, quality, state, condition, or fitness for any purpose whatsoever.
48. The employee must not sell, assign, re-hire, charge, or part with possession of the hired vehicle or attempt to do so except as authorised under the terms and conditions.
49. The act of omission of any person authorised by the employee to use the vehicle shall for the purposes of the Agreement be deemed to be the act or omission of the employee.
50. The employee shall permit representatives of the employer or the contractor to inspect the state and condition of the car at any reasonable time.
51. Subject to the employee continuing to be eligible under these terms and conditions they will normally have the option at the end of the contract period to either:
  - a. Enter into a new agreement. Or
  - b. Use their own car for official employer business.

### **Health and Safety at Work**

52. The Health and Safety at Work Act 1974 revised 1999 states that a vehicle is 'a place of work'. Health and Safety as it applies to motor vehicles, places an absolute 'duty of care' on management applicable to vehicle users.

## Employee's Responsibility

53. Whilst the employer will actively manage 'at work' road risk, employee's must remain responsible for their own and others safety on the road. Employees must retain responsibility to themselves to drive safely complying with Road Traffic Acts and the Highway Code. Under the Health and Safety at Work Act, employees should co-operate with the employer to enable the employer to comply with their Health and Safety duties. In this respect, they should take reasonable care of their own health and safety and that of others who might be affected by their actions, and they should use equipment provided to them correctly.
54. The employee/hirer and each driver named by the employee to drive the vehicle should comply with and be familiar with any Driver and Vehicle Policy and Car Scheme Policy that the employer may hold.
55. The employee understands that the provision of a vehicle from their employer for private use is classified as a taxable benefit by HMRC and accepts that if their employer does not tax benefits at source, they will need to contact HMRC with the vehicle details within the first month of the car being provided.

## Use of Car

56. The car will generally be used only by the employee and by anyone authorised by the employer, provided that they are properly qualified drivers holding a valid driving licence and are included on the insurance policy. Business use is restricted to when the employee is using the car on the official business of the employer.
57. The employee will submit a copy of a driving licence for each driver named by the employee to drive the vehicle and will be responsible for notifying the Scheme Manager of any changes including any driving offences or penalties awarded against the nominated driver. The hirer will also notify the Scheme Manager of any illness or disability suffered by any approved driver, which may affect the employer's vehicle insurance.
58. The vehicle can only be used for your employer's official business and normal social, domestic, pleasure and commuting purposes. The vehicle cannot be used for any other organisations business activity without express written approval from the insurer and Scheme Manager.
59. The employee must not use, or permit to be used, the vehicle in breach of any sub-clauses of this clause nor for hire, reward, competition, trials, or pace making. The vehicle may only be used for driving tuition with the expressed written approval from the Scheme Manager.
60. Use in Europe is permitted subject to prior written approval from the Scheme Manager. Maintenance costs and Breakdown are not covered when the car is abroad, it is the employee's responsibility to make special arrangements to cover this period. The minimum acceptable cover is that provided under AA European Breakdown Cover or equivalent. Employees will be advised on the maintenance requirement when written permission is given.
61. As the UK is part of the Green Card Free Circulation Area, which comprises all 30 European Economic Area (EEA) countries as well as Andorra, Bosnia & Herzegovina, Montenegro, Serbia and Switzerland, employees are not required to carry green cards. Travel outside of this area will require a Green Card and you will need to contact the Scheme Manager to discuss.
62. If during the period of hire the vehicle becomes un-roadworthy for any reason the employee's obligations to make the hire payments to the employer under this Agreement and any tax implications will remain the same.
63. All official business mileage will be undertaken in the lease car rather than use public transport or travel with an officer claiming mileage allowance in a private car.
64. The use of a private vehicle for business use during the period of the lease is not permitted unless in exceptional circumstances to be agreed by the employer. Permission to use a private vehicle must be obtained via the Scheme Manager before any journeys are undertaken. Any journeys will be paid at the current lease car fuel rate.

**Note: All private vehicles used for official business must meet the full insurance requirements paying particular attention to cover during business use by the employee on behalf of the employer.**

65. At all times to park the vehicle in such a manner as to minimise the risk of damage or theft and the vehicle should be secured. Employees should, whenever possible, avoid leaving the vehicle parked on a public highway overnight. The hirer must inform the Scheme Manager of any change of address at which the vehicle will be kept or garaged.
66. Relief Vehicles: The employee does not have an automatic entitlement to a replacement vehicle if the lease car is unavailable. A relief vehicle is available as an optional extra at the start of the contract and the employee will meet the full cost. Where the employer provides a hire car, for business use, the type of vehicle will be dependent on the work requirement and may not be of the same specification as the lease car. Employees will contribute for the hire car if it is used privately.
67. The employee may be permitted to tow a caravan, boat or trailer provided prior approval in writing is obtained from the lease company through the Scheme Manager. Approval will not be forthcoming if the employee's choice of vehicle is not suitable for the proposed towing. Any caravan, boat or trailer shall be towed only in conformity with all legal requirements and the manufacturer's specification.
68. Should the lease company choose to charge an increased amount to the employer to cover the lower residual value and higher maintenance costs which result from towing this charge will be paid in full by the employee.

## Accessories

69. The employee may request either at the time the vehicle is ordered, or at any subsequent time, subject to written approval, the addition of any accessories approved by the leasing company. An approved dealer will then add these to the vehicle at the employee's expense. The employee will not be entitled to remove from the vehicle, either before or after the expiration of the contract period, any such accessories so fitted with the written approval of the leasing company. Except as permitted above, no accessories may be fitted to the vehicle.

Where your employer has opted to allow Dashcams to be installed as part of the lease car scheme you are required to have it installed within 90 days of delivery, installation requests made after this time cannot be facilitated.

70. Income tax is chargeable on all accessories fitted to the vehicle. Therefore, it is the responsibility of the employee to notify the Scheme Manager of the item and the full list price excluding VAT of the item and the price paid.

## Smoking

71. The employer has a strict no smoking policy, and all vehicles are no smoking areas, including the use of e-cigarettes/vaping. This policy applies to all official vehicles whether owned, leased or hired by the employer. Drivers are responsible for ensuring that they and their passengers observe and adhere to the law in regard to cars defined as 'Smoke Free' vehicles.

## Maintenance and Repair

72. The scheme incorporates full maintenance which includes the cost of all servicing in accordance with the manufacturer's recommendations, mechanical or electrical repairs, replacement of tyres, batteries, exhaust except:
- Where the need for repair or replacement arises by virtue of any breach of the terms of this Agreement by the employee (when the employee will be responsible) or
  - Where in the opinion of the contract hire company, it would not be economic to repair the vehicle.

73. Breakdown and Recovery services are included in the scheme, including home start. The breakdown agent is appointed by the Lease Company through the dedicated driver line.

Roadside – If the vehicle breaks down more than a quarter of a mile from home, a patrol will attend and attempt to fix the car either as a temporary or permanent repair.

Recovery – If the patrol is unable to fix the vehicle at the roadside, they will recover the vehicle to the nearest main dealer or Lease Company approved garage. Please note recovery home is not guaranteed and is down to the discretion of the patrol unit and Lease Company. When out of hours breakdown the recovery agent should recover to a safe location if unable to fix at roadside.

Home start - If the vehicle breakdown is at home or within a quarter of a mile from home the same benefits as roadside will apply.

74. In certain cases, repairs to tyres (i.e. punctures) will be the financial responsibility of the employee although faults in tyres due to a problem in manufacture will be the financial responsibility of the servicing agent. Damage caused by accidents or running over debris etc will be classed as accident damage and subject to insurance excesses.
75. An approved dealer, who is acceptable to the lease company, the employer, and the employee, will conduct all servicing, maintenance, and repair. A franchised dealer must undertake all warranty work. Unauthorised maintenance/repair work could result in the withdrawal of a hired vehicle from the employee.
76. Driver information about the vehicle will be available to the employee when the car is delivered, this will be in the form of a handbook, contact VCF file or FAQ section of the website. The employee must familiarise themselves with the instructions contained therein for dealing with repairs to the vehicle whether arising by virtue of an accident or otherwise and comply with the same.
77. The employee must not commit the employer, or the contract hire company to any expenditure for repair, unless in an extreme emergency occurring outside working hours, without the express consent of the Leasing company.
78. Employees will be expected to arrange service/repairs in their own time.

## Employee's Responsibilities

79. The employee has specific responsibility for the following:

- a. Keeping the car in a clean condition.
- b. At regular intervals checking the oil, water, lights, battery, brake and any fluid levels, tyre pressures and the condition of tyres and taking necessary corrective action.  
**N.B.** Undue wearing of, or damage to tyres must be reported to the Scheme Manager immediately and the car must not be used unless the tyres conform to all relevant legal requirements. The employee will not change the car's tyres or battery without the consent of the Scheme Manager.
- c. Taking all reasonable precautions against frost damage and ensuring the anti-freeze content within the engine coolant system is of adequate strength.
- d. Observing any recommended "running in" speeds and complying with any other recommendations concerning the running of the car during a "running in" period.
- e. Reporting defects promptly to the appropriate dealer and the Scheme Manager.
- f. Ensuring that the appropriate repairer conducts servicing and maintenance at the intervals recommended in the car manufacturer's handbook.
- g. Ensuring that an MOT test is conducted in sufficient time for the lease company to receive the certificate and obtain a valid road fund licence. The employee should ensure that the service agent submits the MOT certificate directly to the contractor with their repair invoice. Where an MOT is due to coincide with the end of contract the MOT must be completed before the vehicle can be collected.
- h. Ensuring the reasonable security of the car at all times, any cost of garaging to be borne by the employee and any change of address to be given in writing to the Scheme Manager.
- i. Conforming to all instructions and recommendations in the manufacturer's handbook (electronic or hard copy) and all other instructions and advice given by the Contractor or the employer.
- j. Not altering, modifying, or removing any parts from the vehicle, nor changing any of the identification marks or numbers, without prior consent in writing of the Leasing company. Fitting cherished number plates without consent will invalidate the insurance cover.
- k. Not overloading, overworking, or otherwise subjecting the vehicle to stresses for which it is not designed, nor using the same to carry goods for which it is not suited.
- l. Notifying the Scheme Manager as soon as reasonably practical of any defect or failure of the odometer or milometer attached to the vehicle. In which event, the employer may in its absolute discretion estimate unrecorded mileage upon the average distance covered during the last complete year before such failure, or defect was discovered and such other relevant information as it chooses to consider.

80. The agreed salary reduction with the employee is on the assumption that the car will be kept in good condition and to the same high standard as if the employee owned the car. It is, therefore, in the interest of all parties that this standard is maintained particularly in ensuring that the car has a maximum value when returned at the end of the hire period.

## AT THE END OF THE CONTRACT PERIOD

81. At the end of the contract hire period the employee must immediately deliver up the vehicle to the leasing company in good repair and condition (fair wear and tear only accepted) and free from any defects other than those already notified by the employee to the employer. Payments will continue until the car is collected.
82. The car will be appraised for condition in the presence of the employee who may be required to reimburse the leasing company the cost of any repairs that the leasing company considers are needed to return the vehicle to good condition taking fair wear and tear into account. The lease company are under no obligation to complete the repairs but reserve every right to charge for the estimated repair cost.
83. In default of delivery of the vehicle upon termination, the employer will be entitled without notice to retake possession of the vehicle and all costs and expenses incidental to the recovery of the vehicle, incurred by the employer, must be repaid to the employer by the employee.
84. The employee will be liable for any aborted collections fees levied by the lease company if the vehicle cannot be collected due to the vehicle not being roadworthy or the employee or representative not being available to hand over the vehicle. The lease company will not be able to collect the vehicle, from the employee, if the vehicle is not in a roadworthy condition. This may include, but not limited to; tyres being under the legal limit, the vehicle does not have a valid MOT, or a vehicle warning light is on.

## VEHICLE PURCHASING

85. At the end of the contract hire period, or on early termination of the contract, the employee will be given the opportunity to purchase the vehicle at a rate agreed with the leasing company and subject to an administration charge by the Scheme Manager.

## TITLE TO THE VEHICLE

86. Nothing in this Agreement is to be construed as implying that title to the vehicle can or shall at any time pass to the employee. However, between the date of the agreement and the time when the vehicle is actually returned to the employer, the employee is responsible for any notices served upon or proceedings instigated against the employer or the leasing company in respect of any offence allegedly committed or excess charge allegedly incurred in respect of the vehicle during the aforesaid period the employer and the leasing company shall be at liberty to take such action in relation thereof as the employer or the leasing company in their reasonable discretion deem fit (including paying any fines, penalties, or excess charges whether legally demandable or not, or defending such proceedings) and the employee shall indemnify the employer to the leasing company in respect of fines, penalties, excess charges costs or legal expenses and shall further indemnify the employer against their administration costs involved. The employee should notify the line manager of any such fees, penalties or excess charges incurred during the course of the employee performing their duties.

## INSURANCE REQUIREMENTS

87. Employees must make themselves familiar with the insurance arrangements and will, as part of the application provide details of all additional drivers of the vehicle and where the vehicle will be kept. Employees must submit a copy of each driver's licence and a DVLA check code as required by the employer and notify the Scheme Manager of any changes. A copy of the insurance policy and schedule will be retained by the Scheme Manager and made available to the employee on request.
88. Hire cars, relief vehicles and courtesy cars shall be at the risk of the employee. Employees must ensure that they notify the Scheme Manager by email (MID@kafleet.com) when a relief vehicle or courtesy car is to be used providing full details of the car including the registration number and the dates when the vehicle is being used.
89. Employees will not allow other drivers to use their vehicle without express consent from the Scheme Manager, charges for additional drivers may apply.
90. The employer will arrange and automatically renew the cover annually. Employees will ensure that they keep in force and do not by any act or omission invalidate the insurance cover.
91. The policy excesses may vary from time to time and will be advised in the event of any claim. Additional excesses may apply in the event that the vehicle is being driven by or is in the charge of for the purpose of being driven by any young person and any person who holds a driving licence other than a full driving licence for less than 12 months immediately preceding the claim. In the event of an accident the dashcam footage must be uploaded to the website, failure to provide footage when requested may result in an additional £500.00 excess.
92. In the event of a claim for a windscreen or glass only replacement (and the insurance policy, in force at the time, includes an excess) the excess will be paid by the employee either directly to the windscreen provider, to Knowles Fleet or to their employer.
93. The standard policy may provide limited cover for any loss or damage to personal effects in or on the insured vehicle if they are lost or damaged.
94. All personal effects are left in the vehicle at the employees' risk, the employer will not accept any liability for their loss or damage. Employees are advised to ensure that insurance cover is adequate for their needs; additional cover should be taken out if necessary. Personal effects are normally covered under domestic household contents policies.
95. The insurance premium quoted does not include an indemnity against financial loss consequent upon the early termination of the contract hire vehicle contract.

## Accident Damage

96. In the event of any accident that may result in a personal injury claim, the employee must report the incident immediately to the Scheme Manager. Any correspondence received from a third party must be posted to the Scheme Manager without delay. There is a legal requirement to acknowledge personal injury claims within a prescribed time scale, failure to do so may prejudice any defence and may result in costs being awarded against the employer and/or the driver.
97. Employees are responsible for informing the Scheme Manager of all accidents and uploading dashcam footage where applicable via the online portal the next working day. Any claims not reported to the Scheme Manager within 90 days may become invalid and all costs will be borne by the employee. Employees should also enact all repairs necessary to restore the vehicle to its former condition prior to the accident; as soon as possible after authority has been given.
98. **Repairs must be commenced within 90 days of the date of the incident**, failure to commence repairs within this timescale may result in the claim being closed, and all costs being borne by the employee.
99. Employees must report full details of the accident and provide the postcode/location of the scene. In addition, they must take photographs of the scene, before any vehicles have been moved, including roundabouts, road junctions, road markings, road/scene conditions, traffic lights and signs. Take pictures of the third-party vehicle and any damage as well as anything else that will help prove liability and blame. All sketches must be accurate and to scale, printing the scene from google maps or other map product will greatly assist with accuracy.
100. Dashcams when fitted should be left on at all times and in the event of an accident, the employee should immediately remove the memory card from the dashcam to preserve the footage. The footage must be sent to the Scheme Manager as soon as possible. The footage remains the responsibility of the employee and should be kept secure at all times.
101. Where damage is light, the employee may choose to pay for the cost of repairs rather than submit a claim, subject to notification to the Scheme Manager.
102. In the event of a total loss of the vehicle, the employee will continue to pay their agreed monthly lease payment until such time as settlement has been made. Any early termination cost as a result of a total loss may be payable by the employee.

### 103. Type of Cover provide by the employer

- a. Fully comprehensive all risk fleet insurance, including cover for accidental damage, fire, theft and windscreen to your vehicle, and third-party vehicle and third-party property damage.
- b. Any person may be able to drive the vehicle with the written permission of the Scheme Manager and subject to the terms of the insurance policy in force at the time.
- c. Limitation of use for social, domestic and pleasure in connection with the private use of the vehicle for all drivers and the business use of the employer for the main driver only.
- d. The vehicle is not covered for the business use of any other business or employment or for any other drivers.
- e. The policy does not cover any privately owned cars.

104. Employees must ensure that they familiarise themselves with the limitations of cover and if necessary, seek advice from the Scheme Manager before the vehicle is used for any other activity.

### 105. Accidental Damage Excesses

The insurance is subject to a policy excess, under the Terms and Conditions of this agreement the treatment of excess payments will be as follows:

"In all cases" the employee (driver) will be liable to pay the excess. If, subsequently, any third-party claim is successful, refunds will be made following recovery of the excess from the third party.

The limitations of use and policy excesses may change each year at renewal of the insurance. You are advised to check with the Scheme Manager the current excess in the event of an accident or if young or inexperienced drivers are using the car.

Please note that it is in the best interest of the employer and employee to keep additional named drivers to a minimum.

If the employer offers a Dashcam as part of the lease car scheme and if the employee opts out of having a dashcam in their vehicle, they may be subject to a higher excess.

If a dashcam is fitted but not used the higher excess may also apply. The additional excess will be confirmed as part of the application and will be readvised to the employee in the event of an accident.

### 106. Claims Reporting

All claims must be reported promptly to the scheme administrator to facilitate the repair of your vehicle, failure to report in a timely manner may lead to the claim being rejected by the insurance underwriter.

If the vehicle is not driveable the employee should contact the breakdown and recovery service to be taken to the nearest approved repairer. If the vehicle is driveable the accident should be reported via the online portal where the hirer can select a repairer.

It is the responsibility of the employee to arrange with the selected repairer to have the repairs estimated.

### 107. Accident Courtesy Car

A courtesy car will be provided when the vehicle is being repaired subject to availability. While using a courtesy car, the employee will be responsible for any costs incurred, including but not limited to tyre damage, parking fines, and speeding fines.

### Early Termination of the Contract

108. If any of the following events occur the employee's right to a car within the scheme will discontinue forthwith. Any costs resulting from the early termination of the contract will be borne by the employer or the employee as described below:

- a. The cessation of the employer's entitlement to possession of the vehicle under its agreement with the leasing company.
- b. The vehicle for whatever reason becomes, in the opinion of the leasing company, uneconomic to repair and/or maintain.
- c. The total loss, whether by theft or otherwise of the vehicle.
- d. The termination of the employee's contract of service with the employer whether by virtue of death, voluntary resignation, dismissal, redundancy, retirement or otherwise.
- e. The employee commits any breach of the terms of the hire agreement, express or implied.
- f. Any meeting of the employee's creditors is called, or the employee commits any act of bankruptcy, or any attempt be made to levy distress against the vehicle because of the employee's indebtedness.
- g. Prolonged absence by the employee from their official duties.
- h. The vehicle covers private mileage, which in the opinion of the Scheme Manager is abnormal.
- i. Failure to pay money due to the employer from the employee under this agreement within thirty days of the same becoming due.

- j. The employee becoming disqualified from holding or for any reason ceasing to hold a valid licence entitling him/her to drive a car.
  - k. In the absence of any of the aforementioned events, the expiration of the period of hire specified above, or any extensions of the same.
  - l. When, in very exceptional circumstances an employee applies to terminate their participation in the scheme.
  - m. The gross earnings of the employee fall below the national minimum wage (in the case of Salary Sacrifice)
  - n. Any other very exceptional circumstances not provided for in subparagraph a to m above.
109. If it is the employee's choice to terminate the vehicle, the employee must provide the Scheme Manager with at least 2 months' notice of their intention to terminate, failure to do so may result in additional costs which will be borne by the employee.
110. It may be possible for the scheme administrator to reallocate the chosen vehicle rather than terminate the contract with the leasing company. In such circumstances, the scheme administrator reserves the right to charge the employee a fee for reasonable administration, vehicle refurbishment and movement costs.

#### **Costs borne by the Employer**

111. In the event of the employee's death in service or on early termination through capability due to ill health, due to either a long term/terminal condition which prevents the person working in the future (This will be for the employee to prove) there may be no financial penalty to the employee or their estate on account of the early termination of the contract. The employer will not be liable to pay early termination fees if dismissal through capability is linked to lateness, absenteeism, or persistent absence through illness or injury either or short or long term where the employee will be capable of future employment.

#### **Costs borne by the Employee**

112. In the event that an employee is absent from work on sick leave, maternity leave or on approved training, the employee, if they are paying for their vehicle by salary sacrifice, may choose to continue the use of the car under salary sacrifice or switch to salary deduction. If the employee has contracted under salary deduction, they may choose to continue the agreement. If the employee chooses to return the vehicle to the employer, they will be liable for a financial penalty, on account of early termination of the contract, except in exceptional circumstances to be determined by the employer.

#### **Change to employment conditions**

113. If the employee leaves their employment and moves to another organisation the vehicle may transfer to the new employer with the new employer's and current employer's agreement and subject to agreement from the lease company and payment of an administration charge. If the employee changes jobs or voluntarily takes on a new role with their current employer, they may choose to keep the car. If the employee chooses to return the vehicle, they will be liable for a financial penalty on account of early termination of the contract. If the employer prefers to terminate the contract under these circumstances, there may be no early termination penalty to the employee subject to the discretion of the employer.
114. In the event of early surrender of the car for any reason not covered above, the employee could be liable to pay the early termination charge imposed by the leasing company plus an administration charge. The calculation of the charge varies between leasing companies, the charge is higher in the first year and reduces during the contract. The actual cost will be provided by the Scheme Manager on written request.

**Note: It is especially important that at least two months' notice is given of early termination of the contract. Failure to provide adequate notice could result in a delay in the final payment of salary due, in order to resolve any problems.**

115. In the event of early termination detailed above, the employee will be liable to pay:

- a. Any early termination charge plus administration charge.
- b. Any outstanding insurance premium.
- c. Any costs arising from the condition of the car or excess mileage on handover.

116. Employees are advised to seek independent advice before terminating this agreement.

117. Should employment with the employer end prior to the collection of the vehicle then the insurance provided as part of the lease arrangement will no longer authorise the employee to use the vehicle without written permission from the Scheme Manager.

#### **Mechanical Relief Vehicle**

118. Where a 'Knowles' relief vehicle has been added to the contract, the Scheme Manager will be responsible for the provision of a relief vehicle (where applicable).
119. The employee must contact the Scheme Manager to activate the relief vehicle. The vehicle supplied will be a standard car (Volkswagen Golf size) with manual transmission (automatics will be provided subject to licence restrictions).
120. Whilst the Scheme Manager will endeavour to provide a vehicle that is of the same fuel type as your leased vehicle, it cannot be guaranteed.
121. Larger vehicles or vehicles with automatic transmission can be supplied at an additional cost to the employee.

122. During working hours (Monday – Friday 8:30am – 5:30pm) replacements will be provided within twelve working hours of the Scheme Manager being notified. The scheme is subject to the availability and access to daily rental vehicles. Very occasionally, on weekends or bank holidays etc outlets may be closed, or demand may restrict availability.
123. The scheme covers any mechanical defects where the vehicle cannot be driven due to a breakdown or deemed unsafe to drive by the roadside patrol or repairing garage (subject to meeting the conditions contained below).
124. Cars will be delivered and collected from an agreed location or from a local outlet. Different delivery & collection points may incur additional charges not covered by the Scheme Manager.
125. The relief vehicle will be covered by full maintenance including servicing in accordance with the manufacturer's recommendations, mechanical or electrical repairs, replacement of tyres, batteries, exhaust, except where the need for repair or replacement arises by virtue of accidental damage, driver error/negligence or punctures.
126. The hirer has specific responsibility to keep the vehicle in a clean condition and at regular intervals check the oil, lights, fluid levels, tyre pressures and condition of tyres and take correction action where necessary. All defects should be promptly reported to the Scheme Manager.
127. The hirer will pay for all fuel, electric charge, the provision of all vehicle top-up fluids and car cleaning. Additional charges will be made if the vehicle is not returned with the equivalent amount of fuel or charge as when delivered.
128. The hirer will immediately pay all fines for unlawful parking of the relief vehicle and any other fines including, but not limited to congestion charges, bus lane fines, Dart charges which arise through the use of the vehicle including administration charges. Failure to make prompt payment will result in the Scheme Manager settling the amount(s) due and arranging with your employer for the amount(s) due to be recovered directly from the hirer's net salary.
129. Delivery and collection will be arranged from an agreed location, if the hirer fails to be available for the delivery or collection, they will be liable for any extra associated costs associated incurred.
130. In the event that the provided vehicle is damaged or stolen, the employee must immediately notify the Scheme Manager and the Police.
131. The employer has a strict no smoking policy, and all vehicles are no smoking areas during working time, including the use of e-cigarettes/vaping. This policy applies to all official vehicles whether owned, leased or hired by the employer. Drivers are responsible for ensuring that they and their passengers observe and adhere to the law in regard to cars defined as 'Smoke Free' vehicles.
132. The scheme manager is under no obligation to provide an electric or plug-in hybrid vehicle or to reimburse employees for costs associated with use of a different fuel type to their lease vehicle.
133. At the end of the hire period the Scheme Manager will arrange for the vehicle to be collected which can take up to three working days. It is the employee's responsibility to notify the Scheme Manager that the relief vehicle is no longer required. Additional charges may be incurred if the vehicle is not made available for collection within one working day of the Lease Car being repaired and available for collection from the repairing garage.
134. The Relief Vehicle must be returned if the repairing garage have offered and provided a loan car though Warranty repair.
135. The employee will remain a member of the relief vehicle scheme for the duration of the agreement with the employer, it is not possible to remove the cover once the contract has commenced.
136. If the employee transfers employment to another employer during the course of the contract and the Scheme Manager is no longer providing management services, then the relief vehicle coverage will cease with immediate effect.
137. **Exclusion of cover**
  - a. In certain cases, where the lease vehicle cannot be repaired at the roadside and needs to be recovered, it will be possible to obtain a free of charge replacement vehicle from the recovery agent for 48 hours. Where this service is available the Scheme Manager will not provide a vehicle for the first 48 hours.
  - b. Any travel outside of the UK mainland, with the exception of organisations based in Northern Ireland where ROI coverage will be provided.
  - c. Any vehicle off the road due to damage as the result of an accident claim whether fault, or non-fault.
  - d. Any 'Lead in Vehicle' or 'Short-term hire' would not be covered by the scheme, only contract hire contracts.
  - e. When the Lease Vehicle is off the road due to a Puncture / damaged Tyres.
  - f. The relief vehicle scheme does not cover routine maintenance or servicing of the lease vehicles where a courtesy vehicle is not available.
  - g. The scheme will not provide a vehicle or may be withdrawn, if the need for repair arises due to neglect, driver error and/or lack or servicing. Any hire charges incurred maybe recharged to the employee.

- h. Additional charges may be made if the collection and delivery address is different or if collection or delivery are out of hours; prices will be given on request. Mileage is limited to 2,000 miles per 28 days hire (or pro-rata). Excess mileage will be charged at 30 pence plus VAT per mile.
- i. Any damage found on the vehicle upon collection which is not noted on the vehicle collection report may be recharged to the employee.
- j. Coverage will be limited to the term of the original contract period plus any formal extension, in-formal extension periods are excluded.
- k. The maximum number of hire days covered in any rolling 12-month period is 28 days.

#### **Electrical Charging points**

- 138. The scheme manager may, with your permission, arrange for your details to be passed to a trusted charging point provider to arrange for the installation of a charging unit at their home address.
- 139. The Scheme Manager in conjunction with the employer may allow for the cost a home charging unit to be included within the employee's monthly charge.
- 140. Where the cost has been incorporated into the monthly cost, it is for a 'standard installation' only and therefore you must fall within the supplier's standard installation guidelines. Should additional work at the property be required, for example extra cabling or upgrading to the electrical system, the supplier will provide a price directly to the employee and this will not form part of any agreement.
- 141. In the event of the vehicle being returned prior to the end of the agreed contract date with the employer then the employee will be liable for an early termination penalty on a pro-rata basis.
- 142. If the employee transfers employment to another employer during the course of the contract and the Scheme Manager is no longer providing management services, then the outstanding balance of the charge point will be recharged to the employee.
- 143. under any circumstance will the scheme manager or Employer accept any liability for any loss, costs, or consequential damage due to the use and/or misuse of the hardware or software products except where this is caused by their negligence.
- 144. In no event will the Scheme Manager or Employer accept any liability for any loss, costs, or consequential damage due to the aborted installation of a home charge point where it is not safe or practical to install. This includes, but is not limited to, issues related to land ownership or power which cannot be assessed prior to install.
- 145. The employee is liable for any costs incurred due to the supply of false, inaccurate, or incomplete information to suppliers in relation to any of the services offered.

#### **General**

- 146. The rights and remedies of the employer hereunder shall not be affected by any giving of time, or any other concession or indulgence granted by or neglect of the employer to the employee.
- 147. The employee shall not assign transfer charge the benefit of or in any way make over this agreement nor pledge or purport to pledge the employer's credit.
- 148. All amendments to this Agreement shall be made in writing.
- 149. The employee must immediately report any change of address where the car will be kept to the Scheme Manager.

#### **Communications**

- 150. Any communication required or permitted under the terms of this agreement shall (unless otherwise provided) be in writing and shall be delivered in person or sent by registered mail or emailed as appropriate to:  
***Knowles Associates Total Fleet Management Ltd, Red Lion House, Great Bentley, Essex CO7 8QG or [support@knowlesfleet.com](mailto:support@knowlesfleet.com)***