



SUBSISTENCE & TRAVEL POLICY

Contents

1.	POLICY OBJECTIVES.....	3
2.	THE GENERAL GUIDING PRINCIPLES OF THIS POLICY	3
3.	MODE OF TRAVEL.....	3
4.	TRAVEL ARRANGEMENTS.....	4
4.1	Domestic Air Travel.....	4
4.2	Travel by Rented Vehicle	5
4.3	Travel by Own Vehicle	5
4.4	Travel by Public Transport (bus, taxi, train, Uber, etc.).....	6
5.	ACCOMMODATION.....	7
5.1	Private Accommodation Arrangement (friends or family).....	7
5.2	Accommodation General.....	7
6.	SUBSISTENCE ALLOWANCE	8
7.	INCIDENTAL ALLOWANCES.....	9
8.	INSURANCE	9
9.	CORPORATE CREDIT CARD	9
10.	INCOME TAX LEGISLATION.....	10
11.	DEVIATIONS FROM THIS POLICY	10
12.	NON-COMPLIANCE TO THIS POLICY	10
13.	QUERIES	10

1. POLICY OBJECTIVES

This Policy defines and documents the parameters within which Montego will provide for and/or compensate eligible parties for travelling, subsistence, and other related costs incurred while away from the office for official business purposes.

The *Subsistence & Travel Policy* only applies to travel for business or training purposes and not when extended hours or overtime are worked at the main or other premises/offices.

- To ensure that any person travelling on behalf of Montego for official business purposes shall not be economically disadvantaged in so doing. Therefore, Montego will pay for or reimburse approved travel costs incurred.
- To implement effective internal control measures to manage subsistence, travel expenditure and related costs.
- To define “reasonable” travel expenditure for business purposes.
- To provide management information with regards to travelling expenditure for decision-making and amendment to this Policy, if applicable; and
- To provide the Traveller with a framework for the arrangement of official Montego business travel.

2. THE GENERAL GUIDING PRINCIPLES OF THIS POLICY

Prudent resource management: To avoid fruitless and wasteful expenditure by ensuring travel arrangements are made only if entirely necessary for furthering the objectives of Montego and costs of travel must be optimally managed, e.g., if telephone calls, video conferencing or e-mails can be used to avoid travel, this method should be used as a preference.

Prohibition of inappropriate conduct: To prevent the use of Montego resources for personal purposes or gain.

Compliance with legislation: To ensure compliance with laws and regulations governing travelling within South Africa or outside its borders. All Travellers are expected to be aware of the applicable laws and government regulations governing travel within the country of travel.

The integrity of the Traveller: The integrity of the Traveller is assumed, and the onus for submitting accurate, valid, and compliant travel claims will rest on the Traveller.

The applicable rates Will be reviewed regularly to accommodate the effect of inflation and changes in legislation.

The purpose of travel: It should be to deliver on the mandate of Montego Pet Nutrition.

3. MODE OF TRAVEL

The delegation of Authority must approve the mode of transport before undertaking the travel.

4. TRAVEL ARRANGEMENTS

- It is advisable that air travel, accommodation and vehicle hire bookings should be made through the delegated person within Montego or a contracted Travel Agency that will make the necessary arrangements.
- The most cost-effective mode of transportation should always be employed. Travellers should use public transport or car hire when travelling to/from the airport if it is more cost-effective than the cost of taxi/shuttle/ride share (*Uber*) services.
- When travelling by air for a one-day visit to another city/town, where possible, arrange with the relevant institution or available Montego employee member to be picked up from and dropped off at the airport.
- Montego will not be held liable in the case of an accident or any other loss or damage if non-employees are transported in privately owned, hired or institutional fleet vehicles during official trips.

4.1 Domestic Air Travel

CLASS OF TRAVEL	
TRAVELLER	DOMESTIC TRAVEL
Executive Committee (EXCO)	Economy class
All other employees	Economy class (Employee may opt to upgrade to business/first class for their account)
Any other person or entity as required by activities in line with Montego's mandate.	Economy class (Employee may opt to upgrade to business/first class for their account)

- If additional cost, with regards to air travel, is incurred by Montego for reasons other than for business purposes the cost will be regarded as personal and recouped from the Traveller. Example:
 - Change of scheduled flight for personal reasons
 - Fine for excess personal luggage
 - Missed flights due to the fault of the employee, etc.
- All *Frequent Flyer Rewards* gained for Montego-related travel must be allocated to Montego Pet Nutrition's Business Profile since Montego is the financier of the flight. Accumulated rewards may, by pre-approval of the Directors, be used to pay for future business or any related travel or, in certain instances, be used to upgrade a flight from *Economy* to *Business Class* (this would need to be motivated). An employee may not make use of these rewards to pay for a flight and then claim the value thereof as a cash refund from Montego and
- Air travel must be planned appropriately to ensure that restricted airline tickets are used instead of more expensive flexible tickets. In exceptional cases, the directors may approve changes to airline tickets due to changes in schedules or trips.

4.2 Travel by Rented Vehicle

EMPLOYEE DESIGNATIONS	BIDVEST VEHICLE CATEGORY
Executive Committee (EXCO)	Premium, four (4) – five (5) door vehicle with air-conditioning (Group A - H)
All other Montego employees or any other person/entity as required by activities in line with Montego's mandate	One (1) – two (2) persons travelling: Bidvest Group Vehicles Class A – D. Three (3) – four (4) persons: Bidvest Group Vehicles Class E
Group of five (5) or more	Standard or Full-Size Vehicle (Group I - Z)
Disabled or physically challenged - who are only able to drive a specific type of vehicle and Traveller possessing a driver's license for the particular vehicle	Each case will be handled by request aligned with the specific disability.

- Where a different class/group of vehicles from the above classification is required for terrain or to cater for the unique needs of the employee's job requirement, such a vehicle may be hired with the prior written approval of their Senior Manager.
- The Traveller should only book a rental vehicle for the period that is required for official business, as the car rental companies charge a full daily rate for a twenty-four (24) hour cycle or part thereof. If the vehicle is returned after the twenty-four (24) hours, the cost will be calculated based on a two (2) day rental.
 - The Traveller will be held responsible for the additional charges for the late return of the vehicle or charges (extension/earlier rental) incurred as a result of the Traveller using the vehicle for personal use unless valid reasons are provided.
- The employee will also be held liable for any *Traffic Fines* or violations incurred while driving a Montego vehicle or his/her vehicle while travelling for business purposes.
- For any deviation, the Traveller must obtain prior approval and a voucher from the Travel Agency.
- The Traveller should conduct a *Vehicle Trip Inspection*, verify and complete the *Quality Check Card*, both on collection and return of the rental vehicle, before leaving the car rental premises. Failure to complete the *Quality Check Card* could result in the Traveller being held personally responsible for any damages.
- In the event of an accident, the Traveller must notify the car rental company immediately and report it within twenty-four (24) hours at the nearest Police Station (SAPS) to obtain a *Case Number*. The Traveller should also notify Montego Management and the Travel Agency and submit all the required *Incident Reports* timeously.

4.3 Travel by Own Vehicle

- Montego will reimburse travellers for official business travel at an amount calculated from month to month. The calculation will be based on the Petrol / Diesel price per litre (as per the AA Fuel Pricing Guide for Unleaded 95 Inland and Diesel 50 ppm

Inland) at the beginning of each month; therefore, the tariff for reimbursement may increase or decrease monthly.

- The number of kilometres claimed should be the kilometres travelled from the employee's home to the client or place of destination or if they travel from the office to the client or place of destination. Travelling between residence and Montego offices is excluded and will not be reimbursed. This also applies to kilometres claimed for driving to the airport and back, and should the distance between their home and the office be deducted from the distance between the Travellers' home and the airport, the difference may be claimed.
- A proper *Logbook* of distances travelled (*Odometer Reading* at the start and *Odometer Reading* at the end of the trip) should be kept and submitted with the *Subsistence & Travel (S&T) Claim Form*.
- Prospective employees (before appointment/interview date) will be reimbursed at the SARS specified rate per kilometre for travel with their vehicle for distances travelled more than two hundred kilometres (200km) (return trip).
- Montego shall reimburse Travellers for other costs incurred (other than kilometres travelled) whilst using his/her vehicle subject to the Traveller providing Montego with the necessary proof.
 - Examples of other costs are parking and toll fees. These should all be submitted along with the *Subsistence & Travel (S&T) Claim Form*.
- **Kindly follow the following guidelines for parking:**
 - One (1) day parking – choose open parking.
 - Two (2) to five (5) days of parking – choose undercover parking.
 - For five (5) days and more, please make use of a lift or *Uber* to avoid unnecessary parking fees.
- The Traveller should ensure that their vehicle is appropriately insured, and Montego may not be held accountable for any claim that may arise from the Traveller or third party in respect of any loss, damage or injury incurred as a result of a private vehicle utilised for business travel, including *Traffic Fines*.
- The Traveller will also be held liable for any *Traffic Fines* or violations incurred while driving a Montego vehicle or their vehicle while travelling for business purposes.

4.4 Travel by Public Transport (bus, taxi, train, Uber, etc.)

- The Traveller may claim the public transport fare and related costs incurred for business travel. The Traveller should submit the necessary proof along with the *Subsistence & Travel (S&T) Form* before the claim can be processed. Please note that tips will be for the Traveller's account.
- If a company credit card is used to pay for public transport, proof of payment and invoices should be submitted.
- Shuttle Services can be used under exceptional circumstances where public transport, pool vehicles and own vehicles are not available. Travellers should make use of Shuttle Services if the cost of such a service is lower than the cost of renting a vehicle. Analysis should consider the petrol, distance, parking, claimable kilometres, etc.

5. ACCOMMODATION

ACCOMMODATION ARRANGED BY MONTEGO		
TRAVELLER	DOMESTIC TRAVEL	BREAKFAST NOT INCLUDED
Executive Committee (EXCO)	R2 300.00 *p.p.n.	R2 200.00 *p.p.n.
Other Managers and employees or other persons/entities as required by activities in line with Montego's mandate	R1 800.00 *p.p.n.	R1 700.00 *p.p.n.
*Per person per night (p.p.n.)		

- Accommodation bookings should be made by the delegated official within Montego Pet Nutrition unless circumstances require the Traveller to make their booking.
- The set amount for accommodation should include breakfast. If breakfast is not included in the accommodation, the meal allowance for breakfast may be claimed.
- Should meals be offered in addition to the cost of accommodation, the *Subsistence Allowance Guideline* should be used as a benchmark for what may be spent.

5.1 Private Accommodation Arrangement (friends or family)

A Traveller may elect not to make use of accommodation arranged by Montego and opt to make their arrangements. In such an event, Montego shall not pay for accommodation, but the *Subsistence Allowance* for meals will be in accordance with the *Meal Allowance Guidelines*.

As a gesture of goodwill, the Traveller may purchase the host a thank-you gift of two hundred and twenty rand (R220.00).

5.2 Accommodation General

Miscellaneous charges: Travellers may not incur charges on accommodation accounts for items such as laundry (unless the period of the trip requires that laundry be done), mini-bar, tips, alcohol expenses, movie hire, and ancillary services (purchases of medicines from hotel pharmacies, gift shops, etc.). These expenses are personal and should be paid by the Traveller upon "check-out"/departure.

"No show" fees: Should a Traveller fail to take up confirmed accommodation and the establishment charges Montego a "no show" fee, the cost thereof will be deemed private expenditure and will be for the Traveller's account unless the Traveller Senior Manager authorises the reason for this expense.

Overnight accommodation must be limited to instances where the distance by road exceeds five hundred kilometres (500km) to and from the destination (return journey) for a single-day trip or exceeds two hundred kilometres (200km) to and from the destination (return journey) for a trip lasting more than one (1) day. Montego offices are regarded as primary departure/arrival.

6. SUBSISTENCE ALLOWANCE

- A *Subsistence Allowance* is payable to a Traveller, not in possession of a corporate credit card, for each night away from home while travelling for business purposes or training purposes when Montego Pet Nutrition requires such training to enable the employee to perform his/her duties and to meet requirements of the specific job profile.
- Travel for training or further studies, which is not a company requirement, is not included.
- The allowance to be paid to a Traveller is determined in accordance with the *"Determination of the daily amount in respect of meals and incidental cost by SARS"*.
 - The amount is currently at five hundred and twenty-two rand per day (R522.00 p/d) and will be revised annually.
 - Should breakfast be included in the accommodation, an amount of four hundred and fifty rand per day (R450.00 p/d) will become payable to cover lunch and dinner costs.
 - The Traveller is not required to submit receipts for the amount spent. The *Subsistence Allowance* will reflect on the employee payslip; however, it is a non-taxable income as prescribed by the *Income Tax Act 58 of 1962*.
- The Authoriser of the *Travel Request Form* may approve lower *Subsistence Allowance* per day due to *inter alia* the following:
 - Number of Travellers travelling for the same business purpose.
 - Budgetary constraints; and
 - Nature of travel, e.g., travel emanating from a contractual agreement where another entity or any other business-related activity covers some costs.
- A claim may be submitted by completing the *Subsistence & Travel (S&T) Application Claim Form*, signed off by the employee's Head of Department (HOD) and forwarded to the Creditors Department for payment by way of an *EFT* payment.
 - The form should then be submitted to Riaan Enslin / Beverly Du Toit for capturing on the Payroll System.

Example: Mr A is an employee of Montego. His usual place of employment is at the premises in Graaff Reinet. Mr A undertakes a trip to the Gauteng facility. He leaves on a Monday morning and sleeps over in Pretoria on Monday evening. He returns to Graaff-Reinet on Tuesday afternoon.

Result: Mr A will be entitled to claim, depending on whether breakfast is included in his accommodation, five hundred and twenty-two rand (R522.00) / four hundred and fifty rand (R450.00) for the night away from home as well as one hundred and sixty-one rand (R161.00) for the Tuesday that he was away from his usual place of work to cover incidental costs for the Tuesday.

7. INCIDENTAL ALLOWANCES

Day Travel (no sleepover)

If the Traveller is away from their place of work and starts travelling in the morning and only returns in the afternoon after 3:00 pm, an incidental allowance of one hundred and sixty-one rand (R161.00) may be claimed to cover meals.

This clause does not apply to depot drivers, depot driver assistants, sales consultants, and merchandisers whose primary job requirement is to travel daily to clients or potential clients.

Example: Mr A is an employee of Montego. His usual place of employment is at the premises in Graaff Reinet. Mr A undertakes a day trip to work at the Depot in Port Elizabeth. With his Manager's permission, he purchased lunch while away on the day business trip.

Result: The reimbursement paid to Mr A will be one hundred and sixty-one rand (R161.00) and will not be taxable.

8. INSURANCE

The loss, damage, or theft of personal items (including privately owned vehicles) while travelling for business purposes will be regarded as individual and the responsibility of the Traveller and should, therefore, be insured by the Traveller.

Employees will also be held liable for loss, damage or theft of the employer's items due to the employee's negligence.

9. CORPORATE CREDIT CARD

Authorised usage (also refer to the *Credit Card Usage Policy*): The corporate credit card may be used by the authorised user to pay for expenses listed in the guideline document as it relates to *Subsistence and travel (S&T)*, and the expenditure for travel, accommodation and meals paid for by the Traveller through his/her credit card must be in line with the Policy Regulations regarding the prescribed rates set out in clauses 4, 5, 6, & 7.

Personal expenses: The corporate credit card may not be used for personal expenditures or joint official / private transactions. Should such an infringement occur, it shall be dealt with in terms of the non-compliance clause.

Loss of corporate credit card: If the corporate credit card is lost or stolen, the authorised user should immediately notify the bank of the *Lost Cards Division* telephonically, and a *Cancellation Reference Number* must be obtained. The Financial Director / Financial Manager or delegated officials must be notified thereafter to ensure that a replacement card is arranged. If the loss of such a card is due to the fault of the user, the cost of replacing the card shall be borne by the user.

Ownership of the corporate credit card: The Montego corporate credit card shall remain the property of Montego and shall be returned by the authorised user upon termination of service.

Cancellation of corporate credit card: The Financial Director shall retain the right to cancel the corporate credit card at any time.

Conditions of employment: The corporate credit card shall not be regarded as a condition of employment nor an employee benefit but merely a method of defraying actual business-related expenditure.

Supporting documentation: The authorised user shall submit to the Finance Department within seven (7) days after month-end a schedule containing details of all corporate credit card transactions at month-end, including the purpose of the expense, budget allocation codes, and other information as required by this Policy.

This schedule should be accompanied by original invoices/ receipts, and credit card vouchers shall not be regarded as sufficient proof of payment. Unsubstantiated expenditure shall be considered personal and recovered from the authorised user subject to clauses 11 and 12.

10. INCOME TAX LEGISLATION

All allowances and reimbursements of costs incurred in connection with this Policy are subject to taxation as prescribed by *SARS*, where applicable.

11. DEVIATIONS FROM THIS POLICY

The delegated official must approve changes to existing reservations after approval.

For international trips that have financial implications, a new submission explaining the reason or amendments and costs must be approved by the delegated official within five (5) working days. Any change from the authorised travel arrangement that took place without the prior approval of the delegated official about the class of travel, air and car rental, and exceeding the accommodation limits must be reported to the Financial Director / Financial Manager. The cost incurred because of the change requested by the Traveller will be the Traveller's cost, which should be recovered from the Traveller.

12. NON-COMPLIANCE TO THIS POLICY

Transgression of this Policy constitutes financial misconduct, and the Montego Disciplinary Code will apply.

13. QUERIES

Please get in touch with the Human Resources Department should you have any questions or queries about this Policy.