

ARVAL IGNITION COMPANY VEHICLE POLICY

The

easy and

tax

efficient

way to

save

money



The finance cost
of the vehicle



Insured company
vehicle



Online quote and
order system



Driver support
line 24/7



ARVAL
BNP PARIBAS GROUP





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1. Introduction

Please read this policy thoroughly as you will need to provide electronic acceptance of it to enter the ARVAL Ignition Vehicle Salary Sacrifice Programme ('the Programme').

This policy applies when you, an employee of Jaguar Land Rover Limited ('JLR, 'we', 'us') join the Programme and order an ARVAL Ignition Vehicle ('the Vehicle'). You can choose one of the following models

1. I-PACE HSE with Metallic Paint & Privacy Glass
2. I-PACE HSE with Metallic Paint, Privacy Glass & Panoramic Roof
3. I-PACE HSE with Metallic Paint, Privacy Glass, Panoramic Roof & Black Pack (with Black Alloy Wheels or Black/Silver Alloy wheels at no cost)

When you join the Programme you will be required to enter a 'salary sacrifice' agreement with JLR, under which you formally agree to accept a reduction in your gross salary in return for JLR providing you with:

1. An insured company vehicle, with maintenance cover, provided by Arval Total Care;
2. The option of an electrical wallbox to enable you to charge the Vehicle at home.

Entering into a salary sacrifice arrangement could affect other salary related payments and will affect your taxable earnings. This could affect the assessment of your income for other financial products including mortgage applications. However, JLR will continue using your pre-sacrifice basic salary to calculate pay rises, bonus and pensionable pay.

1.1 Eligibility

Eligibility to join the Programme is at JLR's sole discretion and we reserve the right to withdraw eligibility. To be eligible to participate in the Programme you will have to:

- Be a permanent employee on JLR's UK payroll
- The salary sacrificed must not take you below the national minimum wage
- Be at least 21 years of age and no older than 70
- Have at least 2 year's driving experience with a full UK/ European driving licence
- Have not had more than 2 at fault incidents in the previous 2 years
- Have no more than 6 points on your licence at point of entry to the Programme
- Have not been subject to a driving ban in the last 5 years.

You will be asked to use JLR's calculator to check if you meet the national minimum wage requirements.

Vehicles obtained under this Programme can be driven by you and your immediate family members who meet the age and driving criteria for additional drivers (see below). Immediate family members means spouse, partner, mother, father, child or step-child, brother or sister. You may ask Arval to add to the policy a member of your immediate family who does not live in the same household as you and Arval has absolute discretion on whether to accept your request. Please note the employee is at all times, fully responsible for the vehicle and associated costs incurred, regardless of the driver of the vehicle. When you order the Vehicle, you must always disclose the postcode where the Vehicle will be kept overnight. You and all additional drivers will be able to use the Vehicle for social, domestic, pleasure and business purposes.

All drivers will be required to complete a driving licence check upon entry to the Programme.

The eligibility criteria for additional drivers are below:

- Be at least 21 years of age and no older than 70
- Have at least 2 years driving experience with a full UK/ European driving licence
- Have no more than 6 points on your licence at point of entry to the Programme
- Have not had more than 2 at fault incidents in the previous 2 years
- Have not been subject to a driving ban in the last 5 years
- Meet any additional acceptance criteria of the provider.

You will be required to complete any handover process as prescribed by JLR on how to use the Vehicle before collecting the Vehicle, which includes (but is not limited to) watching videos relating to the controls, features and benefits of the Vehicle. Please note that you will not be allowed to collect the Vehicle without having first completed the handover process.

1.2 Excess mileage

When you return the Vehicle, the total mileage travelled by the Vehicle will be compared to the original contracted mileage. If the total mileage travelled by the Vehicle exceeds the agreed mileage, JLR will recharge these costs to you at the rate identified on your quotation and order document. Any under mileage will not be credited.

Please ensure that you estimate your anticipated mileage as accurately as possible when placing your order.

1.3 Amending your contracted mileage

It is not possible to amend your annual mileage during the term of the agreement, refer to 1.2 excess mileage for charges you incur for exceeding the contracted mileage. Please ensure you request your quote with sufficient scope to cover your personal and business mileage per annum.

1.4 Additional salary deductions

You will be responsible for any additional costs associated with the Vehicle incurred during the agreement and on termination. JLR will deduct these additional costs from your net salary through payroll. Typical additional costs could include (but are not limited to):

- **Fines** – any fines received and/or paid by Arval plus an administration fee
- **Items not covered by maintenance** – unless these have been claimed under Arval Total Care
- **Customer Incident Charge (CIC)** – if you or another driver have an at fault incident you will be liable for a CIC. Further details can be found in clause 2
- **Insurance invalidation** – if you or another driver invalidate the vehicle's insurance cover and are found to be at fault for a road traffic incident as a result, then you could be liable for the associated costs
- **Excess mileage charge** – at the rate identified on your quotation, charged when the Vehicle is returned if appropriate
- **Unreasonable damage and end of contract recharges** – when the Vehicle is collected by Arval it will be assessed for damage using the British Vehicle Rental and Leasing Association (BVRLA) Fair Wear and Tear Guide to determine if the Vehicle meets the agreed return conditions. If damage exceeds the allowed amount this will be recharged to you. Please see clause 4.1 for more details
- **Early termination fee** – this applies if you decide to leave the Programme early. Please see clause 3.1 for details
- **Loss or theft of the Vehicle** – if the Vehicle is lost or stolen and you or another driver is at fault
- **Costs relating to unreasonable use or neglect** of the Vehicle by you or another driver
- **Costs relating to use of a non-approved garage** – you will be liable to pay any charges as determined by Arval if you use a garage that is not approved by Arval to repair or maintain the Vehicle.

Any charges are immediately repayable in full to JLR. JLR reserves the right to recover these through a net salary deduction through payroll as and when they arise.



2. Insured company vehicle

The Vehicle provided will be maintained and insured through Arval Total Care ('Arval Total Care').

Vehicles may only be driven by you or your immediate family member declared to Arval. All drivers must meet the eligibility criteria. The Programme is limited to use for social, domestic, pleasure and business (excluding Hire & Reward).

Should you or another driver be responsible for an incident in your Vehicle, then you will be required to pay a Customer Incident Charge or CIC. The first incident will be charged at £250, the second incident will be charged at £350 and it will increase to £750 thereafter.

2.1 Eligibility criteria

To be eligible for Arval Total Care you must:

- Be a permanent employee on JLR 's UK payroll;
- The salary sacrifice must not take you below the national minimum wage
- Be at least 21 years of age
- Be not more than 70 years of age
- Have at least two years driving experience with a full UK/ European driving licence
- Have no more than 6 points on your licence at point of entry into the Programme
- Have not had more than 2 at fault incidents in the previous 2 years
- Have not been subject to a driving ban in the last 5 years
- Meet any additional acceptance criteria of the provider.

To be eligible for Arval Total Care immediate family members must:

- Be at least 21 years of age
- Be not more than 70 years of age
- Have at least two years driving experience with a full UK/ European driving licence
- Have no more than 6 points on your licence at point of entry into the Programme
- Have not had more than 2 at fault incidents in the previous 2 years
- Have not been subject to a driving ban in the last 5 years
- Meet any additional acceptance criteria of the provider.

2.2 Coverage and exclusions

Arval Total Care covers:

- ✓ Third Party Liability
- ✓ Own Damage Protection (including fire and theft)
- ✓ Glass Protection
- ✓ Courtesy vehicle (where available and upto a maximum of 30 consecutive days for any one event)
- ✓ European Cover

Arval Total Care does not cover:

- ✗ Personal Injury to the driver when at fault
- ✗ Personal Belongings
- ✗ Legal and Medical Expenses

3. Change in circumstances

The general rule is that you will retain your Vehicle until the end of the agreement, unless you experience a lifestyle change such as the following:

- Redundancy
- Death of a child/partner
- Redundancy of a spouse/ partner
- Leaving JLR
- Maternity, paternity and adoption
- Long term sick

If you do decide to leave the Programme early, you cannot rejoin the Programme at a later date. This is to avoid HMRC not viewing the Programme to be a true salary sacrifice arrangement and charging you tax at pre-salary sacrifice levels. Please note that the termination fee applies if the agreement is terminated early.

3.1 Leaving JLR

On serving notice to JLR it is your responsibility to return the Vehicle one month prior to your last day of employment. You are responsible for paying the early termination fee, any unreasonable damage and excess mileage charges and any other additional charges as determined by Arval or JLR.

Arval will levy an early termination charge if you decide to end the agreement within the agreed period (e.g. leaving JLR/lifestyle change). This cost will be recharged to you via payroll out of your net pay.

The early termination fee charged to you will be no more than the equivalent of 2 months of contributions.

Any Vehicle damage should be repaired prior to it being returned. Excess mileage will be charged on all terminations including early termination, but on a pro-rata basis.

In the event that it is not possible to recoup all monies owed from your final salary, you will be required to arrange an alternative method of payment, e.g. cheque, and if necessary, agree a repayment schedule via direct debit or standing order.

3.2 Contact details

To ensure that Arval can contact you in the event of queries around the Vehicle, please ensure that you notify us of any changes to your contact information. If there is a change in the overnight postcode of the Vehicle then this must be notified to Arval and this could impact the cost of the Vehicle.

3.3 Long-term absence

If any long-term absence occurs whilst participating in the Programme you can:

- Opt out of the Programme. LTS is classified as a lifestyle change allowing you to opt out. If you do opt out you will still be subject to the early termination fees.

- Continue with the Programme but you will still need to cover the gross sacrifice amount. It is not possible to use statutory sick pay to cover the sacrifice amount, therefore payments will need to be made from an alternative source to your payroll.

If you know you are not going to return to work you will need to decide at what point you wish to opt out of the Programme and pay any early termination fee and other monies due.

3.4 Redundancy

In the event of redundancy, JLR will pay any early termination fees due. You will still be liable for excess mileage, any unreasonable damage and any other additional charges as determined by Arval or JLR.

3.5 Maternity / Paternity / Adoption

Those employees who take maternity, paternity and adoption leave during the agreement period will have the option of a "lifestyle" event allowing you to opt out. If you do opt out you will still be subject to the early termination fees. Salary sacrifice may affect the sum/s you are entitled to under statutory maternity, paternity and adoption pay.

Please note that under HMRC rules it is not possible to use Statutory Maternity/ Paternity/ Adoption Pay to cover the salary sacrifice. If this occurs payments will need to be made for the gross monthly values from an alternative source to your payroll; or opt out of the Programme.

3.6 Tax credits

It is probable that your entitlement to Tax Credits will be affected – the amount of the credit may increase or decrease. On HMRC's website there is a calculator which you can use to help you work out your entitlement to Tax Credits in a range of different circumstances. The calculator can be found at www.hmrc.gov.uk/taxcredits. Alternatively, contact the HMRC Tax Credits Helpline on 0845 300 3900.

3.7 Impact on State benefits

The salary sacrifice agreement reduces your basic salary and therefore the income tax and National Insurance you pay. This may affect the level of certain state benefits you may be eligible to receive including statutory sick pay and the state pension. If entering the Programme takes your gross pay below the annual Lower Earnings Limit, this may also affect your entitlement to certain state benefits including the state pension and statutory maternity and adoption pay. The salary sacrifice is not permitted to take your salary below the national minimum wage or national living wage, as appropriate.

More details on salary sacrifice and the impact on benefits are available on the HMRC Website at http://www.hmrc.gov.uk/specialist/salary_sacrifice.pdf



4. End of the agreement

4.1 End of agreement recharges

The Vehicle will be assessed for damage when it is collected in line with the industry guidelines – BVRLA's guide to fair wear and tear. A copy of this guide can be found on here arval.co.uk/portal/web/guest/returning-vehicles

You can expect to incur charges if the Vehicle is returned with an unreasonable level of wear and tear at the end of the agreement.

End of agreement recharges will be deducted from your net salary through payroll, not through salary sacrifice.

Please ensure that the Vehicle is maintained in line with the manufacturer's recommendations throughout the agreement and all damage is reported to Arval accident management as and when it arises. Please do not wait until the end of the agreement to report any damage.

You will be notified six months in advance you are coming to the end of your agreement. At this point it is advisable to check the Vehicle over and report any damage to Arval accident management so that it can be repaired.



5. Changes to policy / Legislative changes

This policy will be regularly reviewed and may be changed or modified at JLR's discretion. The latest version of the policy will always be available on the Arval Ignition website.

In the event of changes in the calculation of VAT, tax, National Insurance or other Government levies affecting the calculation of the costs of the vehicle chosen after delivery of the Vehicle, you also authorise JLR to increase/ decrease the reduction in your gross monthly salary (as required).

6. Data protection

To administer the Arval Ignition Programme Arval, and where necessary Arval's third party suppliers, will collect, store and process the personal data of drivers.

Full details of how we process data can be found in our Data Privacy Notice - <https://www.arval.co.uk/dataprivacy>



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