



Lease Electric

Fleet Electric Leasing Ltd

Unit Q1

Quadrant Distribution Centre

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Hardwicke

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GL2 2RN

Electric Vehicle (EV) Salary Sacrifice Scheme Employee Agreement

Variation to an Employees Contract of Employment

An agreement between **[Employer]** (hereinafter referred to as the Employer) and **[Employee]** (hereinafter referred to as the Employee) for the provision of a **[Vehicle]** (hereinafter referred to as the Vehicle) under a salary sacrifice arrangement via Lease Electric Leasing Ltd (hereinafter referred to as the Broker), Lex Autolease Ltd (hereinafter referred to as the Funder) and Lloyd Latchford (hereinafter referred to as the Insurer).

Scope of this Agreement

This Agreement documents and describes the Employees participation in the Employers Electric Vehicle (EV) salary sacrifice scheme. Under the terms of the agreement, the Employee will be provided with an EV for the minimum term as detailed on the Vehicle Order Form (or until termination of employment, if sooner).

Before signing this Agreement, the Employee should read the associated Terms and Conditions.

The Vehicle

The Employer will provide the Vehicle specified by the Employee on the Vehicle Order Form, which the Employee agrees to retain for the minimum term. The Employee agrees to pay all associated costs including excess mileage, damage and any other charges arising as detailed in the Terms and Conditions and acknowledges that they will be liable for company car tax and responsibility for all tax liabilities arising.

The Motor Insurance Policy

The Motor Insurance Policy for the Vehicle will be provided by the Insurer in the name of the Employee. The Employee is responsible for all required notifications and claims in respect of the Motor Insurance Policy. The Employee acknowledges that the insurance premium is based upon the information provided and agrees to the associated Terms and Conditions.

Gross Salary Sacrifice Deductions

The effect of this Agreement varies the Employees Terms and Conditions of Employment and by entering into this agreement, the Employee is accepting of a new remuneration package, and the associated gross salary sacrifice deduction of the amount as detailed on the Vehicle Order Form. The Employees new remuneration package will come into effect on the date of delivery of the Vehicle.

Net Salary Sacrifice Deductions

The Employee agrees to the deduction from their net salary of any other costs arising in respect of the use by the Employee of the Vehicle, for example, damage and excess mileage costs. If any costs cannot be collected by deduction from the Employees salary, the Employee agrees to settle these within two weeks of notification.

Employee Declaration

I agree to the variation in my Terms and Conditions of Employment in the manner described above and I agree to abide by the Terms and Conditions of this Agreement. I hereby authorise the Employer to reduce my salary accordingly and collect other payments due in connection with this agreement from my net salary.

Print Name:

Signed:

Date:

Employer Declaration

On behalf of the Employer, I hereby confirm that the Employee is authorised to order the Vehicle shown in the Vehicle Order Form.

Print Name:
Signed:
Date:

SAMPLE

Terms & Conditions

1. Delivery of the Vehicle

- 1.1. Upon delivery of the Vehicle, the Employee must carefully inspect it and ensure that it meets the specifications of the Vehicle ordered. If it is not satisfactory, the Employee must detail as such on the delivery note and advise the Broker immediately.
- 1.2. The Employee will be responsible for any loss, theft or damage to the Vehicle from the date of delivery until the Vehicle is collected at the end of the contract.

2. Use of the Vehicle

- 2.1. The Employee must keep the Vehicle in good repair and condition, subject to fair wear and tear.
- 2.2. The Vehicle is for the sole use of the Employee and any other drivers named on the insurance policy. The Employee must not lend, sub-let or sell the Vehicle to any other person.
- 2.3. The Vehicle may be used for social, domestic and pleasure purposes and also used for business purposes in connection with the Employee's employment with the Employer, subject to the following:
 - 2.3.1. The vehicle must not be used for the carriage of passengers for hire or reward, racing, pacemaking, speed trials, off-road or any sporting competitions;
 - 2.3.2. The Employee must only permit the Vehicle to be driven by a person who holds a valid licence and is insured to drive under the motor insurance policy;
 - 2.3.3. The vehicle must not be used for tuition.
- 2.4. If the Employee wishes to take the Vehicle abroad, they must obtain written permission from the Funder and ensure that appropriate documentation is applied for in advance.
- 2.5. The Employee must not carry out any modifications to the Vehicle without the written consent of the Funder.

3. Vehicle Maintenance

- 3.1. The Employee must ensure that the Vehicle is kept in good condition and is maintained in accordance with the manufacturer's guidelines through an approved manufacturer service agent. The Employee is responsible for ensuring that all fuel and lubricants are of the correct type and level, and tyres are above the legal minimum requirement.
- 3.2. The Vehicle is inclusive of servicing and maintenance and, subject to prior authorisation with the Funder, the following items will be covered:
 - 3.2.1. The cost of routine service and maintenance in accordance with the manufacturer's guidelines and necessitated by fair wear and tear;
 - 3.2.2. The cost of repairs or replacement of tyres necessitated by fair wear and tear;
 - 3.2.3. Rescue and recovery services as per Section 4.
- 3.3. It is the responsibility of the Employee to arrange for servicing, maintenance, and repairs to be carried out via the Funders' support team or network of approved service agents.

3.4. The Employee's Responsibilities

- 3.4.1. The Employee is responsible for the following costs associated with the Vehicle:
 - 3.4.1.1. Repairs to the windscreen or other body glass, aerials, paint or body work, including interior and exterior trim;
 - 3.4.1.2. Maintenance of accessories other than factory-fitted options;
 - 3.4.1.3. Replacement oils or other fluids except in the course of scheduled servicing;
 - 3.4.1.4. Repairs as a result of accident or vandalism, including any insurance excess;
 - 3.4.1.5. Repairs due to misuse, neglect or abuse of the Vehicle;
 - 3.4.1.6. Repairs carried out abroad, except in the case of a breakdown, however reimbursements will be considered at the scale of repair charges applicable in the UK.
 - 3.4.1.7. Cleaning and valeting of the Vehicle.

3.5. The Employee must not drive the Vehicle if it is in an unroadworthy condition. If there is any defect, damage or missing items on the Vehicle, the Employee must arrange for it to be rectified promptly. Any defect, damage or missing items not rectified will be charged to the Employee at the end of the term.

4. Rescue and Recovery Services in the Event of a Breakdown

4.1. The following services are included:

- 4.1.1. Roadside assistance away from the Employee's home;
- 4.1.2. Recovery to any UK mainland destination if the Vehicle cannot be repaired;
- 4.1.3. Assistance at home, including a tow to the nearest repairer;
- 4.1.4. 48-hour hire vehicle if the Vehicle is not repairable, subject to availability.

4.2. The Employee will be responsible for the cost of any parts or any other instance of breakdown not included in the above.

5. Motor Insurance Policy

- 5.1. A Motor Insurance Policy is provided on the terms outlined and is based upon the information provided by the Employee at the time of quotation.
- 5.2. Any increase in premium due to a change in circumstances will be payable by the Employee in full at the time of change and will not be included within the salary sacrifice.
- 5.3. The Employee is responsible for all administration in relation to the motor insurance policy, including making claims and giving prompt notification of any changes in circumstances which may affect the cover or premium.
- 5.4. The Employee understands that if they do not advise the insurance company of any material fact, then they may not be insured.
- 5.5. The Employee is responsible for payment of any excesses in connection with the motor insurance policy.

6. Other Sums Chargeable to the Employee

- 6.1. Under the Agreement, the Employee authorises the Employer to deduct from their net salary any sums paid by the Employer to the Funder relating to:
 - 6.1.1. Charges for defects, damage, missing items or excess wear and tear;
 - 6.1.2. Excess mileage charges;
 - 6.1.3. Charges relating to increases in road fund licence during the term;
 - 6.1.4. Repairs resulting from negligence;
 - 6.1.5. Fines for road traffic offences and any administration charges levied by the Funder;
 - 6.1.6. Motor insurance excesses or other amounts not covered by the Motor Insurance Policy;
 - 6.1.7. All costs relating to non-return or recovery of the Vehicle at the end of the term;
- 6.2. The Employer agrees to give the Employee at least 14 days' notice prior to deducting amounts from salary.
- 6.3. Should it not be possible to deduct sums due to insufficient pay or if the Employee has left employment, the Employee will be charged directly and payment must be made in full within 14 days of the invoice date.

7. Taxation

- 7.1. The Employee acknowledges that they will be liable for company car taxation from the date of delivery of the Vehicle. The Employer will notify HM Revenue & Customs that the Employee is in receipt of a company car.
- 7.2. It is the Employee's responsibility to ensure that their PAYE tax code is changed promptly to ensure that they do not underpay tax.

8. Absence

- 8.1. There might be circumstances in which the Employee is absent from work for long periods, for example, parental leave or sick leave. The salary sacrifice will remain effective if the Employee continues to be paid a salary during a period of leave. During periods of unpaid absence, the Employee's salary sacrifice will be suspended.
- 8.2. If there are periods where the salary sacrifice would reduce the Employee's pay below the National Minimum or National Living Wage, the salary sacrifice will be suspended.
- 8.3. For absence due to parental leave, the Employee can either terminate the hire of the Vehicle prior to the expiry of the term or continue to hire the Vehicle.
 - 8.3.1. If the hire of the Vehicle is terminated during the first 6 months of the term, the Employee will pay an Early Termination Payment (equal to 50% of the remaining rentals).
 - 8.3.2. If the hire of the Vehicle is terminated after the first 6 months of the term, the Employee shall pay the lower of the amount that is equal to 3 monthly rentals or the Early Termination Payment.
 - 8.3.3. If the Employee continues to hire the Vehicle, the salary sacrifice deductions will continue until such time as would reduce the Employee's pay below the National Minimum or National Living Wage, after which the salary sacrifice will be suspended for a maximum of 12 months, or until the end of the term.
 - 8.3.4. If the Employee continues to hire the Vehicle but has not paid a minimum of 6 monthly rentals then the Employee shall pay an amount equal to the difference between the balance paid to date and 6 monthly rentals.
- 8.4. For absence due to any one of the following, the hire of the Vehicle will be terminated, and the Employee shall return the Vehicle, and there shall be no costs associated with the early termination of the Vehicle. The Employee will be required to pay any other amounts outstanding in respect of items listed in Section 6.
 - 8.4.1. The Employee has their driving licence revoked due to ill health or following a Health Risk Assessment;
 - 8.4.2. The Employee goes on long-term sick leave;
 - 8.4.3. The Employee dies in service;

9. Leaving Employment

- 9.1. The minimum contract term is as stated on the Vehicle Order Form. If the Employee leaves employment before the end of this term for the following reasons, the Employee will be required to return the Vehicle to the Funder and pay the associated termination fees.
 - 9.1.1. The Employee's employment is terminated due to resignation, dismissal or redundancy.
 - 9.1.2. The Employee goes on secondment or otherwise has a career break (excluding parental leave);
 - 9.1.3. The Employee has their licence revoked for any reason other than ill health;
 - 9.1.4. The Employee retires from employment with the Employer;
 - 9.1.5. The Employee's hours of employment are reduced;
 - 9.1.6. There is a breach of the national minimum wage requirements;

In addition to the termination fees, the Employee will be required to pay any other amounts outstanding in respect of items listed in Section 6.

- 9.2. If the hire of the Vehicle is terminated during the first 3 months of the term, the Employee will pay an Early Termination Payment (equal to 50% of the remaining rentals), thereafter, the Employee shall pay the lower of the amount that is equal to 3 monthly rentals or the Early Termination Payment.
- 9.3. The termination fee and any other amounts will be deducted from the Employee's net salary. If no further salary payments are due or the termination fee and other amounts exceed net salary, the Employer will require settlement of any outstanding liabilities within 14 days of employment ceasing.

- 9.4. If the Employee does not return the Vehicle immediately upon leaving employment, the Vehicle will be recovered by the Funder and the Employee will be required to pay any recovery costs.
- 9.5. If the Employee is made redundant by the Employer, the Employee will not be required to pay termination fees. The Employee will be required to pay any other amounts outstanding in respect of items listed in Section 6.

10. Termination

- 10.1. The Agreement remains in force until the minimum contract term has expired and the Vehicle has been returned to the Funder. The Employee will not be able to voluntarily terminate the Agreement whilst employed by the Employer without payment of termination fees and all other liabilities arising in respect of the Vehicle.
- 10.2. The Agreement will automatically terminate under the following circumstances:
- 10.2.1. The Agreement has reached the end of its term and the Vehicle has been returned to the Funder; or the Employee is no longer employed by the Employer;
 - 10.2.2. The Employee is disqualified from driving;
 - 10.2.3. The Vehicle is written off;
- 10.3. The Employer reserves the right to terminate the Agreement in the event of:
- 10.3.1. Any breach of the Agreement by the Employee;
 - 10.3.2. Misuse of the Vehicle provided under the Agreement;
- 10.4. On termination of the Agreement, the Employee will still be liable for any sums due under Section 6 or Section 7.