



EXPENSE, MILEAGE AND ALLOWANCE SETTLEMENT PROCEDURE

PADM-01.v01

1. Purpose

This procedure was drawn up to define the activities and requirements relating to the settlement of travel and other expenses on behalf of the company.

2. Scope

This procedure applies to all travel expenses, defined as any domestic intercity or international travel of less than three months and other expenses incurred by the company for all Aqualia's employees, including its branches and subsidiaries.

3. Documents for consultation

FCC Code of Ethics and Conduct

FCC Gift Policy

FCC Internal Regulations Manual

FCC-DC-PRI-04.14 – Travel Procedure

4. Expense settlement procedure

4.1. General expense settlement standards

When there is a need for advance payment to cover the expected disbursement on behalf of the company, it shall be requested via form ADM.01.01 - Advance Payment Request and approved by the hierarchical superiors up to at least the Department Director and subsequently applied in the settlement of expenses by attaching the original of the approved request for the advance payment.

Cash expenses paid by employees for travel must be justified within 7 days of the end of the trip.

Expenses paid by a corporate credit card (international only) shall be justified within 15 days after the end of the month to which they relate.

Subsistence expenditure must be considered, appropriate and commensurate with the circumstances by those who incur or authorise it. In this regard, the following shall be taken into account (in International the amount shall be adjusted to the local currency and to the customs and practices of the country):

- Training Courses: Meals (lunches/dinners) during the course of the Training Courses shall not exceed a maximum cost of: €25 per person/meal
- Business Travel/Meals: When travelling for work, meals may not exceed a maximum cost of: €30 per person.
- Fairs, Exhibitions and Special Events: With Aqualia Group presence, the cost of meals for displaced or contracted personnel will be: €30 maximum per person.
- Meals with third parties: Business meals with third parties considered to be of special interest to the Aqualia Group must not exceed a maximum cost of: €75 per person. If this amount is exceeded, it will have to be justified in the corresponding settlement of expenses.

For expenses incurred for meals, the following items shall be specified on the back of the invoice:

- Total number of diners, indicating:

- Number of Guests
- Aqualia and/or FCC Group staff
- Invited company/organisation, stating the reason for the invitation

As a general rule, all supporting documents proving the incurred expenditure must be attached to the expense settlement requests or, for attendance at conferences, training courses, etc. organised outside the company, a copy of the certificate of participation in the conference, diploma or course certificate, etc., shall be attached.

No expenditure may be authorised for payment unless strictly in accordance with this procedure.

Expense settlements will be approved by the hierarchical superiors up to at least Department Director or Country Manager for International, and will be validated by the administration area who will check that the expenses are duly justified, do not exceed the limits established in the policy, are duly approved and that the arithmetical calculations of the settlements are correct. Once approved, any advances that may have been made as payments on account shall be deducted from the amount to be received by the employee.

All reimbursements will be made by bank transfer to the account provided by the employee for the payment of the payroll. Transfer dates are the 1st, 11th and 21st of each month.

No cash payments will be made except for settling expenses with an associated advance payment, since advances are not managed in Incorpora.

4.2. National intercity and international travel

As a general rule, the line manager shall not approve any travel expense settlement without the corresponding travel approval as set out in the *Travel Procedure (FCC-DC-PRI-04.6)* available on the FCC travel portal or in the applicable regulations in each subsidiary.

Employees who have been assigned a company car do not require approval for the trip as long as they do not stay overnight, although they must justify the reasons for the trip in the settlement.

4.3. Urban/local travel

Public transport should be used whenever possible for urban or local journeys where possible and, failing that, taxis should be used.

No approval of the travel request shall be required for this type of travel and expense settlements shall follow the provisions of points 4.1 and 4.5.

4.4. Other costs incurred on behalf of the company

This heading includes, but is not limited to, the following categories:

- Stamps, fees paid in cash
- Professional association dues
- Meals with customers, Group staff, suppliers, consultants, etc.
- Training Courses
- Fairs, Exhibitions and Special Events
- Taxis
- Parking

- Public transport journeys in urban areas.
- In general, anything not directly associated with a trip.

No prior authorisation is required for this type of expenditure and the corresponding settlements will follow the provisions of points 4.1 and 4.5.

4.5. Processing of expense settlements

4.5.1. Employees with access to Incorpora

All employees with access to Incorpora must process their expense settlements through this portal (<https://incorpora.fcc.es/irj/portal>) following the instructions given in the [Expense Settlement Request Manual](#) available on this portal and attaching all supporting documentation in digital format at this stage of the process.

Expense settlements shall be approved in accordance with point 4.1 and documented via the computerised approval register.

The user will receive an e-mail notifying them that expense settlements were approved, at which time they will have the cash form available on the Incorpora portal, which they must print out and sign.

The signed cash form together with all original expense vouchers shall be submitted to the Administration Area assigned the function of paying expense settlements.

4.5.2. Employees with no access to the Incorpora Portal

Expense settlement requests shall be made using form ADM.01.02 - Expense Settlement, in which all the original supporting documents of the expenses shall be attached to the appropriate accounting application (Navision, SAP or, failing that, digital files shall be kept). They should also indicate:

- Name of the employee
- Accounting Division
- Company
- Expense date
- Route / Reason
- Expense amount

Payment acceptance is approved as set out in point 4.1 and must be documented by including the names and signatures of the requester and the approvers on the "Expense Settlement" form.

The expense settlement form with all approvals and the original expense vouchers, once the transfer has been processed by the administration area, will bear the receipt of the user in question.

5. Mileage and allowance settlement

Due to the taxation that may exist in different countries on mileage expenses for the use of own vehicles, allowances and per diems, these expenses will be settled separately from other travel expenses and will be

approved by the hierarchical superiors up to the Area Director or Area Manager in the case of production and the General Manager in the case of central services.

The allowances may only be paid in those cases in which it is contemplated by the collective agreement or the agreement or regulation of the workplace in force.

Whenever possible, the use of private vehicles on intercity journeys shall be avoided, leaving the exceptional use of private vehicles to the good judgement of the person proposing or authorising the trip, depending on the circumstances of each case (absence of alternative means of public transport, timetables, the nature of the tasks to be carried out, etc.).

Employees are accountable for any infringement of traffic regulations, regardless of whether they hire or use their own vehicle, and are obliged, in addition to complying with these regulations, to drive safely and responsibly.

Prior to the approval of any mileage allowance, the person responsible for the approval shall check that the person requesting the allowance does not make use of any company car.

For this purpose, the area fleet manager shall arrange:

- For non-commercial nominative vehicles: an updated list of vehicles indicating the employee to whom each vehicle is assigned.
- For group vehicles: a detailed monthly record will be collected of all drivers using the vehicle, indicating the date and time of vehicle pick-up and drop-off, and the reason for the journey (as set out in Aqualia's Vehicle Assignment Policy) in accordance with format ADM.01.04.

5.1.1. Employees with access to Incorpora

All employees with access to Incorpora must process mileage and/or allowance payments through this portal (<https://incorpora.fcc.es/irj/portal>) as per the indications given in the [Expense Settlement Request Manual](#) available on this portal.

The approval of the settlement is documented through the computerised approval register.

The user will receive an e-mail notifying him/her that the settlement was approved and will be paid in the next payroll.

5.1.2. Employees with no access to Incorpora

The settlement request for mileage or subsistence allowance shall be made on form ADM.01.03 - Mileage and Allowance Settlement, attaching all original supporting documents and indicating, as appropriate:

- Name of the employee
- Accounting Division
- Company
- Posting date
- Route / Reason
- Mileage
- No. of days with subsistence allowance or half subsistence allowance

The acceptance of the payment is approved according to point 5 and is documented by the signature of the requester and the approvers on the form "Mileage and allowance settlement"

6. Records

All digital and physical records associated with this procedure must be kept on file for a period of at least 15 years, and the person in charge of the corresponding area (Human Resources in the case of records in Incorpora and Administration for other records) shall be responsible for their safekeeping.

7. Forms

Form ADM.01.01 – Advance Request

Form ADM.01.02 – Expense Settlement

Form ADM.01.03 – Mileage and allowance settlement

Form ADM.01.04 – Group Vehicle Use Control

8. Annexes

Not applicable.

VERSION	DATE	CHANGE	AUTHOR	APPROVED BY
v01	December 2020	New document	Accounting Standardisation and Procedures Dept.	Economic and Finance Division