

Procurement, Expense and Travel Policy

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PURPOSE

This policy covers all scenarios under which employees (including executives, head of division, directors, permanent and casual staff) of ELMO Software Limited and its subsidiaries (together 'ELMO' or the 'Company') may be required to spend Company money for the purposes of performing their jobs, these being:

- I. **Planned expenditure procurement:** Procuring of necessary goods or services for the benefit of the Company.
- II. **Travel and entertainment ('T&E'):** T&E directly related to servicing clients, or at the request of the Company; and
- III. **Out-of-pocket expenses:** Generally, these expenses are incurred by employees who do not hold an ELMO Corporate Card, these expenses are deemed necessary for employees to do their jobs and be in the interest of the Company.

The policy is governed by five overarching principles:

1. **Purpose:** Employees must ensure any expenses incurred are solely or primarily for the purpose of conducting ELMO business (e.g., customer meetings, conferences);
2. **Value for Money:** Employees must ensure that Company money is spent in a way that derives value for ELMO i.e., spend is efficient, effective and makes economic sense.
3. **Good Faith:** Employees are expected to act honestly, ethically and in good faith when using and accounting for Company money.
4. **Personal Responsibility and Accountability:** Employees are personally responsible for use of Company money and should consider how ELMO's stakeholders (being debt holders, management, employees and customers) would perceive their use of these resources, in particular for travel and entertainment.
5. **Conditions:** Conditions are placed on all employees (e.g., spending limits, and authorisation requirements) to ensure that the appropriate checks and balances are maintained over Company expenditure. Employees should not spend Company money until all such checks have been completed.



SECTION 1: PLANNED EXPENDITURE PROCUREMENT

What expenditure does this cover?

Procurement is the general term given to the acquisition of goods and services for the Company. This section covers all expenditures with the exception of travel expenses, ad hoc client and staff entertainment, and emergency expenditures.

Examples of expenses covered under this section include (but are not limited to)

- Subscription software (Free and paid);
- Expenditure of a capital nature (e.g., IT hardware, office furniture etc)
- Contractors and professional services.
- Staff Welfare and Amenities (incorporating large events such as End-of-year staff parties, Christmas parties, milestone events etc)
- Marketing expenses (events, conferences, sponsorships etc).

What system is used to manage the process?

Zudello is the chosen system to raise purchase requests, progress such requests through the required stages of review and authorisation, and obtain a Purchase Order Number which can then be provided to the supplier in order to complete the transaction.

What is the process that governs the above expenditure?

All goods and services procured under this section of the Policy require a Purchase Order in order to be executed. Prior to obtaining a Purchase Order, a purchase request is subject to the following levels of review:

Type of Review	Focus of the review (examples; not exhaustive)	Reviewer / Delegated Authority	Spend threshold (per transaction)
IT	Compatibility with tech stack; overlap with existing subscriptions; implementation requirements	IT Support	Discretion of IT Support
Security	Compliance with ELMO Security protocols; Risk management; ISO 27001 compliance	Data Security	Discretion of Data Security Team
Commercial	Contract negotiation assistance; budgetary compliance; Business Case review	Finance	Discretion of Finance Dept.
Legal	Contractual terms and conditions; legal risk management; Legislative requirements (modern slavery, money laundering etc)	General Counsel	Discretion of General Counsel
Authority / budgetary	Business case review; confirmation of budgetary inclusion	Line manager	<\$1,000
		Head of Division	\$1,000 – \$5,000
		Executive approval	\$5,000 – \$25,000
		CFO	\$25,000 – \$100,000
		CEO	>\$100,000

How are these Goods and Services paid for?

All procurement expenses will be settled directly between ELMO Finance and the counterparty.

Employee credit cards are NOT to be used.



SECTION 2: TRAVEL AND ENTERTAINMENT

What expenditure does this cover?

This section covers all travel and entertainment expenditure directly related to servicing clients, or at the request of the Company.

Examples of expenses covered under this section include (but are not limited to)

- Transport: Flights, car hire, train travel, taxis, and Uber
- Accommodation: Hotels and serviced apartments
- Meals: Restaurant meals with clients and/or employees

What system is used to manage the process?

- Travel Platform (Corporate Traveller): For flights and accommodation
- Webexpenses: For all other T&E expenditure (use of corporate credit card and claim back)

What is the process that governs the above expenditure?

The five expenditure principles included within this policy should govern all T&E expenditure.

Flights and Accommodation: These are to be booked in advance using the preferred service providers preloaded in the Travel Platform, and authorised by:

- Line Managers, Heads of Division or an Executive for domestic travel within policy limits;
- CFO for out of policy domestic travel;
- CFO or CEO for all international travel.

Other T&E expenditure: Where practical, expenditure should be discussed and agreed in advance with line managers. The purchase of alcohol (including from venues, off-licences and bottle shops) is not permitted on any corporate card without the prior written approval from the CFO.

Domestic Travel Parameters

- All Travel is to be booked through the Travel Platform
- No flights or hotels are to be booked outside of this system, even where the price is advantageous
- All domestic flights taken must be in economy class
- All flights are to be booked on a fixed, not fully flexible fare and at the lowest fare available on airlines listed on the Travel Platform.
- Hotel bookings are to be made on the Travel Platform, and only those hotels that are designated as in policy
- Taxi or ride platforms may be used for local business travel where public transport is not available or not time efficient or where approved by a manager. Taxi and ride platforms are not to be used for commuting to the office/usual place of work or for work-related events (e.g. functions, End of Year Party). Taxi or ride platforms can be used when attending an offsite client event, including when hosted by ELMO.

International Travel Parameters

- All Travel is to be booked through the Travel Platform
- No flights or hotels to book outside of this system, even where the price is advantageous
- International flights of less than 5 hours – economy class



- International flights of greater than 5 hours – premium economy
- CFO approval is required for any cabin class above premium economy
- All flights are to be booked on a fixed, not fully flexible, fare
- Hotel bookings are to be made in Corporate Traveller and only those hotels that are designated as in policy

Per diem policy

- Per diem rates for domestic stays of \$80 per day. Per diem includes meals and other reasonable consumables whilst travelling. Per diem does not extend to the purchase of alcohol or personal entertainment (e.g., tickets for events)
- Unused daily amounts do not accumulate during the stay

How are these Goods and Services paid for?

All T&E expenditure is incurred on an employee's corporate card and claimed back at the end of the relevant period. All expenditures, including per diem, must be supported by receipts and claimed on the Webexpenses platform within 5 business days of the end of the month. Any claims not submitted are liable for employee reimbursement at the discretion of ELMO Finance.

SECTION 3: OUT OF POCKET EXPENSES

This section covers all other expenditures not covered previously and relates to employees who do not hold corporate cards.

What system is used to manage the process?

Costs are to be incurred by the employee (either in cash or on a personal card) and charged back via Webexpenses.

What is the process that governs the above expenditure?

Where practically possible, all such expenditure greater than \$250 should be requested and approved in writing by the employee's line manager.

How are these Goods and Services paid for?

All costs incurred by an employee, supported by receipts, need to be claimed and approved through the Webexpenses platform within 5 days of the month's end. Once approved, the expenses will be remitted to the employee's bank account within two weeks.

Anti-avoidance provisions

The CEO and CFO retain absolute discretion to sanction individuals without warning or notice who either (i) act contrary to the guidelines set out in this policy, or (ii) are deemed to not act within the spirit of the principles embodied within this policy.

Sanctioning of individuals may include (but not be limited to) suspension of or removal of corporate card access, refusal to reimburse expenditures deemed outside of policy, or employment disciplinary actions, including termination of employment in cases of repeated non-compliance and identification of fraud.

