



Cash Advance Process

Europe

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Revision History

Version Number	Process No.	Date Updated	Revision Author	Summary of Major Changes
V1.0	NIO-TRE-EU-002	2023/1/5	Finance Treasury Department	First Edition

1 Summary

This process objective is to strengthen management of cash advance, reduce occupation of funds and improve efficiency of capital usage. Cash advance is the money borrowed by internal employees and can be used for minor disbursements, recurring purchasing and business trip expenditure, which should be used in conjunction with [NIO Delegation of Authority \("DOA"\) Matrix](#).

2 Scope

This process applies to all the NIO staff in Europe except for NIO GmbH and NIO Performance Engineering Limited.

3 Process

3.1 Application

3.1.1 General Requirements

If credit card is unavailable, employees are encouraged to apply for cash advance under the following circumstances:

1. Travel: estimated total cost for business trips reaches 2,500 EUR. A business trip plan and estimated cost should be provided when applying in Concur system or submitting an offline application form.
2. Procurement: purchase payment by the employee reaches 2,500 EUR. An explanation of the business scenario and supporting documents should be provided when applying in Concur system or submitting an offline application form.

3.1.2 Application Information

The applicant for the cash advance should be an employee who signed the labor contract with a NIO European company, except for intern and ESP.

The applicant should fill out cash advance application form in the Concur system (Concur Route: Request>Create New Request-Request Policy choose "NIO Cash Advance Policy").

Following information should be provided for approval:

- Reasons for application of cash advance: Fill in "Purpose"
- Expected return date of the cash advance: Fill in "Planned Return Date"
- Amount of requested cash advance: Fill in "Cash Advance Amount" (Concur Route: Create Request-Request details-Add Cash Advance-Cash Advance Amount)

- For cash advance arising from petty cash purchases, the approved petty cash PR number should be noted in the "Comment"

For the entities without Concur system, the applicant should fill out [Cash Advance Application Form](#) and send email for approval.

In principle, cash advance can only be applied by individual himself/herself. When the previous cash advance is not repaid, the company has the right to reject another cash advance application from the same employee. In special circumstances, approval of the Finance Treasury Department is required.

Once the travel credit card is provided, the company, in principle, will not accept cash advance requests for travel from the cardholders. In special circumstances, approval of the Finance Treasury Department is required.

Please note that a cash advance application is not a substitute for a purchase request or a payment request. If the purpose of applying for cash advance is to use it for purchases, please follow the corporate procurement process.

3.1.3 Approval

The application should be approved according to [NIO Delegation of Authority \("DOA"\) Matrix](#) by following departments:

- User Department
- Finance Controlling & Planning Department
- Finance Treasury Department

3.1.4 Expected Repayment Date

Taking treasury benefit into consideration, applicant should return or reimburse against the cash advance before due date, which is finance quarter end of the application. The due date of the cash advance shall be no later than the last day of the application quarter. If the application takes place in the last month of the quarter, the due date can be extended to the end of the following quarter. In special circumstances, additional approval of the Finance Treasury Department is required.

3.2 Repayment/Reimbursement

3.2.1 Repayment/Reimbursement Workflow

For travel

The applicant should timely reimburse against the cash advance by providing the relevant supporting document in Concur system. Unused cash advance should be returned to the company bank account and inform Treasury Department before the due date.

For the entities without Concur system, when the applicant's reimbursement request is approved, it will be paid to the applicant rather than reducing the outstanding cash advance balance. The applicant should repay the full amount of the cash advance before the due date.

For procurement

The applicant should follow Guidance on Petty Cash Purchasing and repay the full amount of the cash advance before the due date.

3.2.2 Overdue Repayment

If the applicant fails to return the cash advance balance by the due date, the Finance Treasury Department will inform him/her and the corresponding FBP for solid explanation, including an application for postponed repayment and a detailed repayment plan.

For applicant whose repayment has been overdue for more than one month and the applicant hasn't applied for postponed repayment, he/she needs to provide the corresponding project implementation plan and repayment plan which require the approval of the business L2 department head and the FBP L2 department head or above.

If the cash advance has been overdue for more than 3 months and the applicant hasn't applied for postponed repayment, the Finance Treasury Department has the right to directly contact HR to deduct the overdue cash advance from the employee's salary if it doesn't violate local law (please note that the remaining salary after the deduction should be no less than the minimum wage locally required by the law).

3.2.3 Departure Repayment

Employees should repay all the cash advance before departure, or the Finance department is

entitled to reject the handover.

As one of the demission procedures, Human Resource Department shall inform the Finance Treasury Department to check whether the cash advance repayment has been settled and inform Human Resource Department about the results. Unsettled cash advance principal and interest should be deducted from the employee' s final payment if it doesn' t violate local law.

- End -