Policy Name:	Meal & Entertainment Policy
Attention:	LSH Group Australia Employees
Version:	2.2
Last Reviewed:	1st April 2026
Effective From:	1st April 2026
Approved By:	GCEO / Corp Review / MD

Meal & Entertainment Policy

1. Purpose

This policy aims to:

- Ensure appropriate governance and control over Company-funded meal and entertainment expenses;
- Provide clear guidance to employees and managers on acceptable business-related expenditure;
- Ensure consistency, transparency, and accountability in approving and reimbursing expenses;
- Ensure compliance with applicable legislation, including taxation, employment, anti-bribery and privacy laws, and Company policies.

2. Scope

This policy applies to all employees, contractors, and representatives of LSH Group Australia incurring or approving meal and entertainment expenses.

3. Guiding Principles

All meal and entertainment expenses must:

- Be incurred for a legitimate business purpose;
- Be reasonable, proportionate, and not excessive;
- Avoid any actual or perceived conflict of interest or improper influence;
- Comply with Company spending limit;
- Be capable of withstanding external audit and regulatory scrutiny, including under Australian Taxation Office Fringe Benefits Tax (FBT) rules.

4. Authorisation & Approval

- All meal and entertainment expenses must be pre-approved in line with the Company's spending limit unless impractical.
- Claims must be submitted via the approved expense system (e.g. SAP Concur) with:
    - Valid tax invoice/receipt;
    - Business purpose;
    - Names of attendees and their organisation;

    - Date and location of the event.
- Expenses without sufficient documentation may be declined.

5. Taxation & Compliance (FBT Considerations)

- Meal and entertainment benefits may attract Fringe Benefits Tax (FBT) under Australian Taxation Office rules.
- The Company will determine FBT treatment (e.g. minor benefits exemption, property or meal entertainment method).
- Employees must ensure accurate and complete information is provided to support compliance.
- Non-compliant claims may be rejected or treated as taxable benefits.

6. Meals & Entertainment Categories

6.1 General Entertainment of Employees

- Limited Company-sponsored employee entertainment programs may be approved annually.
- Any additional initiatives require prior approval from the Managing Director and FC (or delegate).
- Alcohol must be consumed responsibly in line with workplace health and safety expectations.

6.2 Meals Whilst Travelling

- Employees travelling for business are eligible for a daily meal allowance of up to $75, unless otherwise approved.
- Where meals are provided or paid for by a third party:
    - The allowance cannot be claimed for that portion.
- Business entertainment while travelling:
    - Requires prior approval where practical;
    - Must include attendee details and business justification.
- All claims must include receipts and be submitted via the expense system.
- Employees are not allowed to use the allowance for more than 2 standard alcoholic beverages.

6.3 Christmas Function

- The Company may sponsor an annual Christmas function.
- Requirements:
- Open invitation to all employees (and partners if approved);
- Budget per employee approved annually by the Managing Director and FC;
- Consideration of FBT implications (on-site vs off-site events).
- Documentation must be retained for 7 years in line with taxation and record-keeping obligations.

6.4 Business Unit / Team Celebrations

- Permitted up to once per quarter, subject to:
    - Demonstrated business achievement;
    - Pre-approval by Dealer Principal, Managing Director, and FC (or delegate);
    - Inclusion of all team members.
- Spend limits apply (Appendix C).
- Must not be excessive or frequent to avoid FBT exposure.

6.5 Dealer Recognition Programs

- Approved business-led recognition programs may include employee attendance.
- Employees are expected to represent the Company appropriately.
- Benefits must be reasonable and consistent with those provided to external guests.
- Events must not create conflicts under anti-bribery or inducement standards.

6.6 Farewell / Retirement Functions

- Applicable for employees with 10+ years of service.
- Must:
    - Be inclusive of the relevant team;
    - Be reasonable in cost (Appendix C);
    - Be held preferably on Company premises to minimise FBT exposure.

6.7 Learning & Development Activities

- Catering may be provided where:
    - There is a genuine business purpose, structured agenda, and minimum half-day duration.
- Appropriate catering includes:
    - Light refreshments for short sessions;
    - Meals for full-day or multi-day sessions.
- Alcohol should be limited and appropriate to the setting.

6.8 Team Building Events

- Permitted up to once per quarter per team.
- Requirements:
    - Open to all team members;
    - Pre-approved by Department Manager or above;
    - Spend limits apply (Appendix C).
- Cannot be combined with team celebrations in the same quarter.
- Attendance records and receipts must be retained for 7 years.

7. Prohibited Expenditure

The following will not be reimbursed:

- Personal or private expenses;
- Excessive, lavish, or frequent entertainment;
- Expenses that may be perceived as bribes, inducements, or conflicts of interest;
- Cash payments without supporting documentation;
- Entertainment that breaches Company conduct, WHS, or anti-discrimination policies.

8. Record Keeping & Privacy

- All records must be retained for a minimum of 7 years in accordance with taxation law.
- Personal information collected (e.g. attendee names) will be handled in accordance with the *Privacy Act 1988*.
- Access to expense data will be restricted to authorised personnel only.

9. Breaches of Policy

Non-compliance may result in:

- Rejection of claims;
- Disciplinary action (in line with the *Fair Work Act 2009*);
- Potential tax implications for the employee.

10. Policy Status

This Policy does not form part of any employee's contract of employment. It is a lawful and reasonable direction of the Company with which compliance is required. Any statement in this Policy about what the Company will or will not do does not create a legally binding obligation on the Company.

This Policy may be amended from time to time to reflect changes in legislation, regulatory requirements or organisational needs.

Appendix A: Collective Benefits Application

Authorisation Form for COLLECTIVE BENEFIT of a non-recurring nature	
Provide details of the Occasion or Reason for the Employee Gifts or Entertainment:	
Total cost of gifts or entertainment event:	
Cost Centre to be charged:	
Recipients:	
By which general criteria is the group defined? Please specify:	
Number of employees in group:	
Are you a Level E1 Manager? If Yes, you can authorise collective benefits.	☐ YES ☐ NO (please complete next section)
Does the group consist equally of employees from **several functions** in the business unit?	☐ YES (Authorisation can be issued by the Managing Director of the respective business division of the local entity) ☐ NO (please complete next section)
Does the group consist mainly of employees from **one function** in the business unit?	☐ YES ☐ NO
Authorised by: (First Name/ Surname)	
Function (title/BU) and hierarchy level of authorising party:	
Authorising party: Signature: Date:_ _	

Appendix B: Individual Benefits Application

Authorisation Form for INDIVIDUAL BENEFIT of a non-recurring nature	
Provide details of the Occasion or Reason for the Employee Gifts or Entertainment:	
Total cost of	
Recipients:	
First Name, Surname:	
Employee Number:	
Department:	
Authorised by: (First Name/ Surname)	
Function (title/BU) and hierarchy level of authorizing person	
Authorising party: Signature: Date:_ _	

Appendix C: Allowance

Occasion	Maximum Amount Australia: AUD	Type
Travel Daily Allowance	$75.00 per day	Food & Beverage Only
Christmas Party	Amount determined by MD & CFO and communicated to all Business leaders.	Onsite Site or Offsite Event
Team Celebration (e.g. achievement of challenging targets)	Amount determined by MD & CFO and communicated to all Business leaders.	Onsite Site or Offsite Event
Resignation / Retirement of Long Serving Employees/ Farewell Function (>5 years)	$10 per person	Onsite Event.
Team Building Event (e,g. BBQ)	$15 per person	Onsite Site or Offsite Event