

# Norkol Travel & Expense Policy Purpose & Enforcement

Norkol has developed this Travel & Entertainment (T&E) policy to provide our employees with a clear and consistent understanding of expense reimbursement policies, procedures, and allowances for business travel and related expenses. The philosophy underlying this travel policy is that we should use prudent judgment when incurring business travel costs and not spend the company dollars more freely than we would our own. The policy seeks to strike a balance between; (1) employee comfort and convenience when traveling on behalf of the company, and (2) cost containment. Business travel and related expenses are a significant portion of Norkol's operating expenses each year. The focus on reducing spending in this area supports our shared value of financial responsibility and prudence.

## **Purpose:**

- Ensure employees have a clear and consistent understanding of policies and procedures for business travel and related expenses.
- Provide guidance on allowable and non-allowable expense types.
- While this policy is intended to be comprehensive, it is impossible to anticipate every situation encountered. Employees are expected to apply this policy on a conservative basis that is consistent with normal living standards and, when the policy may not be explicit, to exercise good judgment.

## **Scope:**

- This travel & entertainment policy applies to Norkol employees with the exception of commissioned sales representatives that are responsible for their own travel and entertainment expenses, and independent contractors (1099's).

## **Employees/Managers Responsibility and Enforcement**

Norkol employees traveling on behalf of the company or submitting other business expenses are responsible for complying with the terms of this policy. **Managers** are responsible for reviewing their employees' expense reports prior to approval to ensure that the expenses submitted for reimbursement are in compliance with this policy. Expense reports are considered business documents and therefore, must be accurate. By submitting and/or approving expense reports, all employees are certifying to the truth and accuracy of the document/s.

Employees will be reimbursed for all reasonable and necessary expenses that are in compliance with this policy while traveling on authorized Company business. Norkol assumes no obligation to reimburse employees for expenses that are not in compliance with this policy.

Employees who do not comply with this travel & expense policy may be subject to:

- Delayed, partial or forfeited reimbursement
- Progressive disciplinary action up to and including termination of employment.
- Employees are responsible for ensuring that they strictly comply with all aspects of this Policy and do not abuse this Policy and/or misuse the corporate credit card.
- The decision of whether to take disciplinary action and the extent of such is made in the Company's sole discretion.
- Any deviations must be explained on the expense report with the approval of the areas Manager noted. Explanations that are inappropriate or inadequate may result in delayed, partial, or forfeited reimbursement.
- Temporary or permanent suspension and/or cancellation of Corporate American Express credit card

## **Policy Exceptions and Questions**

- For employees with special travel needs that require a deviation from this policy, the employee must have such special need(s) pre-approved by the Manager of the employee's respective function in writing. This pre-approval must be submitted via email prior to travel.
- Periodic audits will be randomly performed to ensure compliance with this policy. If discrepancies are noted during the audit, the employee shall be notified and requested to supply additional documentation or further detail. Inappropriate or inadequate explanations may result in delayed, partial, or forfeited reimbursement.
- Any questions regarding this travel policy may be directed to Mike Kerr EVP-COO or Chris Kouros CFO.

# Travel Arrangements

## Reservation Procedures

Employees are required to book business travel arrangements including changes on their own. It is highly suggested that employees pursue multiple quotes for airfare and lodging prior to booking. This will ensure that Norkol's travel expenses will remain reasonably low and within an acceptable range.

Group and meeting travel events involving four or more participants should be approved by the Managing Supervisor for that group prior to making travel arrangements.

## Trip Cancellations

Cancellation of all travel arrangements (including air, hotel and car rental) must be done in accordance to cancellation policies so Norkol does not incur a penalty.

When canceling a reservation directly with the airline, hotel or car rental agency, be sure to note the cancellation number, date and time, and the name of the representative if you called the vendor directly.

Unused tickets should be used for a future Norkol business trip that is approved by the group manager so applicable credits and refunds can be used to offset future travel costs.

## Passports and Visas

The employee is responsible for ensuring all international travel documents meet requirements. Passport, visa, tourist card or other entry costs and immunization expenses are not reimbursable if required for business travel purposes.

## Corporate T&E Card (If applicable)

Certain employees using a corporate card furnished by Norkol are required to charge all reimbursable travel and entertainment expenses to a Company-issued credit card (American Express). In instances where American Express is not accepted, a personal card or cash may be used. An explanation should be provided in the expense report as to why the Company-issued card was not used. The American Express T&E Corporate credit card is intended for business use only, and should not be utilized for personal expenses. Expense reports must be submitted within 3 business days of month end on Concur ([www.concursolutions.com](http://www.concursolutions.com)).

Any personal expenses incurred on the American Express T&E Card must be remitted directly by the employee to Norkol immediately. Failure to remit payment to Norkol for personal expenses may result in the American Express T&E Card being suspended until payment is received.

Lost or stolen corporate credit cards must be reported to American Express immediately.

The American Express T&E Corporate credit card will be cancelled immediately upon an employee's termination of employment.

## Expense Reporting

### Expense Report Completion and Submission

In order to receive reimbursement for business travel related expenses, all individuals must complete the approved company expense report through Concur expense management ([www.concursolutions.com](http://www.concursolutions.com)).

All expenses charged to the Corporate T&E Card will be reimbursed directly to American Express by Norkol. Individuals using the corporate American Express Card must submit an expense report form along with itemized receipts within 3 business days of month end in Concur ([www.concursolutions.com](http://www.concursolutions.com)).

For those individuals using cash or a personal credit card. Reimbursement will be made via manual check within 15 business days of final approval / audit of the expense report. Employees must submit itemized receipts along with the approved company expense report in Concur ([www.concursolutions.com](http://www.concursolutions.com)) to receive reimbursement. Those individuals seeking reimbursement must submit their reports within 3 business days of month end.

Employees are required to file expense reports timely and at a maximum must submit expenses for payment within 30 days of incurring the expense. Employees who do not file their expense report within 30 days:

- may not be reimbursed
- may be subject to progressive disciplinary action
- will be responsible for paying any delinquency and suspension fees on their corporate or personal credit card
- may be subject to temporary or permanent suspension of Corporate American Express credit card

When an employee terminates employment with Norkol any outstanding business expenses must be submitted for reimbursement as soon as practicable and within no event greater than 30 days of termination. Any balance remaining after final payment of business expenses must be paid in full by the employee.

### **Documentation Requirements**

The Company requires itemized receipts. The following documentation should be submitted with all expense reports:

- Air/Rail – invoice, itinerary, and proof of payment
- Hotel – hotel folio plus charge card receipt or other proof of payment, if applicable
- Rental Car – rental agreement plus charge card receipt or other proof of payment
- Meals – must be the restaurant's itemized receipt inclusive of each charge for each person that was present at the meal (charge card receipts that do not include itemization are not acceptable). The highest ranking employee in attendance at the dinner is required to pay the check regardless of the function sponsoring the event. In the event of an extenuating circumstance, where the highest ranking employee is unable to pay an explanation must be submitted on the employee's expense report. Split checks for employee only expenses are not allowed. Split checks should only be used for charges related to non-reimbursable expenses.
- All other expenses:
  - Itemized receipt
  - Detailed phone bill (for telephone reimbursement)

In addition, employees must provide the following information in order to be reimbursed for business meals:

- Full name (first and last) of each person present, their titles and, where applicable their company/institution's name
- name and location of where the meal or event took place
- exact amount and date of the expense
- specific business topic discussed

### **Foreign Currency Conversion**

Expenses in foreign currencies are converted into local currency as follows:

- Expenses paid directly using the employee's personal or corporate card are converted at the actual exchange rate and can be reported directly on the expense report.
- Expenses paid by cash or other form of payment will be converted using the exchange rate on that specific day. Exchange rates can be found at [www.oanda.com](http://www.oanda.com).
- All expenses must be recorded in the local currency, with the currency conversion rate clearly noted on the expense report and all supporting documents. Any discrepancy between the amount on the attached receipts and the amount claimed on the expense report must be accompanied by a written explanation.

When the travel audit reveals non-compliance with this Policy, reimbursement may be delayed until those exceptions can be corrected. In certain circumstances, in the absence of reasonable corrections, reimbursement may be denied.

## Approval Process

Managers are responsible for reviewing their employees' expense reports prior to approval to ensure that the expenses submitted for reimbursement are in compliance with this policy. All expense reports must be approved by the employee's immediate supervisor or the next higher authority. Managers are expected to review expense reports promptly to ensure payments can be made on a timely basis.

It is the manager's responsibility to review the expense report for reasonableness of business purpose, policy compliance and proper supporting documentation. When the expense report review reveals a violation of this Policy, lack of receipts, or other problems, reimbursement will be delayed until those exceptions can be corrected. In certain circumstances, in the absence of reasonable corrections, reimbursement may be denied.

Employees are not authorized to approve their own, a peer's, or a superior's travel expense report.

## Incorrect or Incomplete Expense Reports

Expense reports that are incorrect or incomplete will be returned to the employee's manager for corrective action and may result in delay or non-reimbursement of specific items. Altering of receipts can result in disciplinary action up to and including termination of employment.

# Policy

## Airline Travel

### *General Guidelines*

- Employees should book air travel as far in advance as possible to take advantage of fourteen (14) and twenty-one (21) day advance fares. Except in extenuating circumstances, air travel is expected to be booked fourteen (14) days in advance of departure.
- In-country and intra-continental travel should be approved by the employee's manager prior to booking.
- Intercontinental travel should be pre-approved by the CEO, EVP, CFO and /or Owner of Norkol. Executive management may require additional information prior to booking such as an estimate of airfare costs.
- Absent extenuating circumstances, no more than three Senior Management Executives and, no more than ten employees are permitted to fly on the same commercial aircraft.
- Additional charges for priority boarding/seating, seat upgrades, etc. are not reimbursable unless prior manager approval is received.

### *Class of Service*

Non-refundable, coach class tickets are required for all flights with the following exceptions:

- Business class fares may be booked for flight segments greater than eight (8) hours.
- Non-refundable, coach class tickets are not available

### *Lowest Fare*

The following criteria will be used in determining and booking the lowest logical fare:

- The carrier will be determined by the best available fare.
- The flight's departure or arrival time is within one hour before or after the requested departure or arrival time.
- Employees should accept the lowest airfare for their eligible class of service. (It would not be expected for employees to select certain discount airlines with poor service records such as Spirit, etc.)

### *Air travel changes, cancellations, and refunds*

Change fees pose a significant cost to Norkol. Employees should use prudent judgment when requesting a change to air travel. This should include confirming the cost of the change prior to accepting the change.

Unused tickets should be reported to your group manager so applicable credits and refunds can be used to offset future travel costs.

## **Lodging**

### *Hotel Reservation Guidelines*

Employees are required, whenever possible, to:

- Use a Corporate block for group meetings
- Book a standard single occupancy room

If a company-negotiated or special hotel rate is not available, employees should use the following guidelines in selecting lodging:

- Mid-range price hotel chains such as Hilton, Marriott, Sheraton
- Norkol has set a targeted rate at \$175 per night excluding taxes. It is understood that there are circumstances where rates may be higher as they relate to areas with high costs of living such as New York, Chicago, San Francisco, etc. Mid-range hotel chains should be utilized in high cost regions as well.

### *Room Guarantee and Hotel Payment Procedures*

Unless otherwise instructed, all rooms should be guaranteed for late arrival with the traveler's personal credit card, or corporate credit card as applicable.

### *Hotel Cancellation Procedures*

Employees should be generally aware of the cancellation policy for the hotels that they are staying in. Employees should note the cancellation deadlines shown on the itinerary, usually 4pm to 6pm on arrival date. Certain hotels require a minimum notice of 24 hours to cancel without penalty.

Should travel plans change, employees must cancel the room reservation to avoid a "no-show" charge.

Employees should request and record the cancellation number in case of billing disputes. Without a cancellation number, the employee has no documentation that the reservation has been cancelled.

## **Car Rental / Other Transportation**

### *Car Rental Guidelines*

Cars should be rented by employees only when other means of transportation are unavailable, costlier, or impractical.

Employees are required, whenever possible, to use:

- Mid-size vehicles should be rented for Company business, except when special circumstances require a larger rental. The extenuating circumstances should be documented on the expense report.

Expenses incurred in the operation of a rental car including gasoline, toll charges and reasonable parking fees are reimbursable with proper receipts. Employees are required to refuel rental cars prior to returning it to the agency.

If traveling within the U.S., car rental insurance is typically covered under one's personal car insurance policy and/or credit card used for purchase, therefore, car rental insurance is not reimbursable. If an employee does not have coverage under a personal car insurance policy or credit card, they must obtain manager approval for the purchase of car rental or supplementary insurance prior to rental.

At the time of rental, the car should be inspected, and any damage found should be noted on the contract before the vehicle is accepted. Rental cars should be returned on time to avoid additional hourly charges. Fines for traffic or parking violations will not be reimbursed.

## *Car Services*

Use of a private car service (e.g., limousines, SUVs, "black cars") are discouraged and should only be used if three or more persons traveling together require the service. More cost-effective means of transport including taxis, UBER, and hotel vans and shuttle services should be utilized.

## *Personal Car Usage and Reimbursement*

Employees may use their personal car as an alternative for air travel only when it is more economical or other transportation modes are unavailable. On long-distance trips, i.e. over 300 miles, car rental should be considered as the less costly alternative.

- Employees will be reimbursed at the standard rate prescribed by the Internal Revenue Service (IRS) which can be obtained by visiting the IRS website [www.irs.gov](http://www.irs.gov). This mileage allowance covers all auto costs; (e.g. gasoline, repairs, maintenance, insurance, deductibles depreciation, etc.). This mileage allowance does not include parking or tolls; these should be expensed separately for reimbursement.
- Damage to an employee's personal car while being used for Company business will not be reimbursed.
- Norkol will not be held responsible should an employee be involved in an accident while using their personal car for Company business. However, the employee should notify their supervisor immediately.

## *Other transportation*

The use of other modes of transportation, including rail travel may be used when it is cost-effective to do so.

## **Meals**

### *Personal Meals and Business Meals with Other Employees*

Reasonable expense for meals while an employee is traveling on business will be reimbursed based on the meal limits outlined below. Employees are expected to use good judgment and select a reasonably priced establishment based on the occasion.

Business trips are deemed to start when the employee arrives at their respective home city airport or train station for departure to their business destination, and end when the employee leaves their home airport or train station upon return.

Meal expenses involving colleagues are generally not reimbursable except as follows: (i) meals with other employees for the purpose of conducting company business; (ii) expenses associated with company- sponsored functions or group activities; (iii) meals with out-of-town employees; and (iv) meals with subordinates as a form of recognition or reward.

### **Meal limits:**

Employees will be reimbursed for actual documented meal expenses up to a maximum daily allowance of \$55 excluding tax and gratuities. The following guidelines should be used as per meal limits:

- \$15 per person for breakfast,
- \$15 per person for lunch, and
- \$25 per person for dinner

Alcoholic drinks will only be reimbursed if consumed with or incident to a meal. Gratuity should not exceed 20% of the total meal expense.

When part of a group dinner/meeting, the highest-ranking employee in attendance must report the business expense, as opposed to a subordinate. In the event of an extenuating circumstance, where the highest-ranking employee is unable to pay an explanation must be submitted on the employee's expense report. Names of the other employees must be reported on the expense report of the employee requesting the reimbursement.

## *Business Meals with Non-Employees / Customers and Vendors*

Norkol has established the following guidelines on Business Meal expenses with non-employees, which are exclusive of tax and gratuity. While the following meal guidelines are the maximum allowable under the policy, each groups manager has the discretion to alter the amount with prior approval.

- \$40 per person for breakfast,
- \$50 per person for lunch, and
- \$125 per person for dinner.

Gratuity is not to exceed 20% of the total meal expense.

### **Tips & Gratuities**

Gratuities for meals, service and transportation should not be more than 20%.

Please check local customs for appropriate tipping when traveling abroad. Some hotels and restaurants include a gratuity in the price, in which case a tip is not necessary.

### **Other Reimbursable Expenses**

The following expenses will be reimbursed with proper documentation and a valid business purpose:

- Airline baggage fees
- Business office expenses (fax, copy services, etc.)
- Cellular phone charges: Only business calls will be reimbursed. Detailed receipts are required.
- Fare penalty (non-peak ticket for peak travel)
- Internet access used for business purposes only
- Parking incident to business travel, such as at an airport (Economy lots and garages should be utilized)
- Seminar Exposition fees

### **Non-Reimbursable Expenses**

**The list below is not intended to be comprehensive and may not include all non-reimbursable expenses.**

Travelers **WILL NOT** be reimbursed for the following miscellaneous expenses:

- Annual fees for personal charge or credit cards
- Airline and car rental upgrades
- Airline club dues
- ATM transaction fees
- Barbers and hairdressers
- Car rental insurance or supplementary insurance (unless approved by group manager).
- Car service charges for personal stops with associated time while enroute
- Car washes
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges.
- Clothing

- Credit card delinquency fees/finance charges
- Expenses for travel companions/family members (unless approved by group manager).
- Expenses related to vacation or personal days
- Gifts and/or meal reimbursements for birthdays, births, marriages, graduations, etc.
- Helicopter services for airport transfers
- Hotel upgrades
- Laundry / dry cleaning (for trips less than 3 days)
- Luggage and briefcases or other items lost by the airlines
- Magazines, books, newspapers, subscriptions
- Medical bills incurred during in-country travel
- Movies (including in-flight and hotel in-house movies)
- Optional travel or baggage insurance
- Parking or traffic tickets and court costs
- Personal accident insurance
- Personal entertainment, including sports personal property insurance
- Postage costs, postcards
- Routine car maintenance/tune-ups
- Shopping club memberships
- Souvenirs/personal gifts
- Tobacco products
- Toiletries, such as toothpaste, toothbrush, etc.
- Transportation to/from normal office
- Warranties/extended warranties on products

## Travel Risk Management

### **Use of Private Aircraft**

Employee's use of a private aircraft for business purposes is not allowed under any circumstances.

### **International Travel Advisories**

For safety reasons, employees should not engage in non-essential travel to countries where a travel advisory has been issued by the Company, the U.S. State Department or respective local governments. Information regarding travel advisories may be found on at [www.travel.state.gov](http://www.travel.state.gov)

### **Health Precautions/Immunizations**

The employee is advised to contact their personal physician to determine if an immunization or other medical intervention based on their medical situation is recommended prior to travel.

### **Injury during Business Travel**

In instances when a business trip is interrupted due to a family emergency, all reasonable expenses incurred to return home are reimbursable. If an employee becomes ill or is injured while traveling on Company business, the illness and/or injury must be reported to the employee's manager and Human Resources as soon as possible.

If an employee incurs medical expenses during a business trip, the employee must advise his or her manager and Human Resources in writing, immediately upon return, to determine the extent of expense reimbursement. All requests for reimbursement of this nature must be approved in writing. Medical bills incurred while traveling in local country are not reimbursable.

### **General Safety Tips**



Should a traveler encounter a situation (hotel or transportation) that they feel is a threat to personal safety, the employee may make alternate arrangements. An explanation regarding the nature of the threat will be required at the time of change so that the matter can be reviewed.

While traveling on Company business, the employee must:

- Safeguard Company assets at all times
- Be on the look-out for distraction or theft
- Never leave their laptop, cell phone, electronic devices and personal belongings unattended, even at airport security checkpoints
- Carry an up-to-date list of emergency phone numbers at all times
- Carry several days' supply of any medications and keep a note in their wallet listing medications, dosages and their physician's name and phone number

## Automobile Accidents- Reporting Claims

Driving while under the influence is not permitted while conducting Norkol business.

When a Norkol vehicle, whether rented or owned, is involved in an accident, no matter who is at fault or the extent of the damages, the operator of the Norkol vehicle should first notify appropriate Emergency Response Services if applicable (Dial 911) and then must notify his/her immediate supervisor.

### Procedures to follow after an Accident

If you are involved in an accident, it is mandatory that you follow the procedures outlined below:

#### Vehicle Incidents

##### *Incident Reporting*

- If a vehicle user is involved in a vehicle accident in a rental vehicle at any time, or personal vehicle on Company business, no matter who is at fault or the extent of the damages, the employee should first notify appropriate Emergency Response Services – Police-Fire-Ambulance – if applicable (Dial 911) and then must notify his/her immediate manager.
- Notify the Rental Agency if operating a rental vehicle – contact information will be located on Rental Agreement.
- Notify your personal insurance carrier if operating your personal vehicle.
- Do not delay in reporting an accident or incident. Immediate notification is critical to the investigation and potential insurance coverage/benefits
- If you do not have all of the requested information, you can provide that detail later.
- Failure to report an incident to your supervisor on the day of the incident, with the exception of a medical emergency, may result in disciplinary action up to and including termination.

##### *Procedures at Scene of Incident*

- Take necessary precautions to protect the lives of yourself and others.
- Find out if anyone is injured.
- Call for medical assistance if there are injuries.
- Notify local police/law enforcement
- Try to keep things as they are. It is very important to keep yourself, others, and your vehicle from further damage.
- Contact your manager/supervisor, if needed, to secure Norkol products/property that may have been contained in the vehicle.
- Collect information and take pictures.
- Gather names, addresses, witness information, insurance information, driver license information, etc.
- Don't be afraid to point out anything unusual about how the accident occurred. Tell law enforcement.
- **DO NOT ADMIT FAULT.** (Others will determine liability and negligence after thorough investigation)
- Give no information except as required by law.
- Do not confront combative or irritated individuals.

- Comply with Alcohol/Drug Test Procedures as directed by law enforcement officers at the scene of the accident.

If you are traveling on business, and have or suspect a work-related injury or illness, you should immediately report to the emergency room at the nearest hospital, and promptly notify your supervisor and Norkol Human Resources. If you find that you require further treatment, you must notify Norkol Human Resources prior to scheduling an appointment or receiving further care, as any medical follow-up for a worker's compensation injury must come through a worker's compensation paneled physician. Failure to follow this procedure may result in the loss of benefits from both personal insurance and worker's compensation insurance.