



## **Belt Railway Company of Chicago Policies & Procedures**

### **POLICY No: 13**

**POLICY:** Employee Business Expense Reporting

**Effective:** October 1, 2009

**Revised:** **February 9, 2026**, May 1, 2019; January 1, 2014; October 1, 2010; February 17, 2022

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### **EMPLOYEE BUSINESS EXPENSE REPORTING**

#### **SCOPE**

This Policy applies to all employees of Belt Railway Company of Chicago (“BRC”) and to all employee incurred business expenses.

#### **AUDIT & OVERSIGHT**

Employee business expenses will be sent to an employee’s direct supervisor for review and approval. Corporate Officers and Department Heads may periodically review compliance with this Policy, including random or targeted review of employee business expenses and reporting.

#### **VIOLATION OF POLICY**

Violation of this Policy may result in any and all appropriate remedial and/or disciplinary actions, up to and including termination of employment. BRC may also reject improper expenses, attribute an improper expense to an employee as additional reportable income, and/or seek reimbursement from the violating employee.

#### **PURPOSE AND OBJECTIVE**

BRC’s Employee Business Expense Reporting provides a uniform system for identifying, reporting, and reimbursing ordinary and necessary business expenses. The Policy establishes requirements for reimbursement of employee business expenses. A deviation from the policy and procedures may result in the loss of a tax deduction to the Company or additional taxable income to the employee.

#### **POLICY REQUIREMENTS**

##### **Authorized Expenses**

The following expenses are reimbursable, subject to the requirements of this Policy. Items not provided

for herein are considered personal in nature and therefore not reimbursable. Employees are responsible for ensuring expenses incurred are reasonable and appropriate. Where this Policy allows for discretion, employees are expected to discuss the specific circumstances surrounding the business expense with their leaders before incurring the expense.

### **Lodging**

Actual, reasonable costs of lodging will be reimbursed. Room charges and any sales or occupancy taxes should be listed under "Lodging" on the expense report. Meals charged on the hotel bill should be listed in the appropriate meal category. Any other reimbursable expenses should be listed under "Miscellaneous". It is the responsibility of each employee to obtain prior e-mail approval from their supervisor for lodging.

### **Transportation**

Every effort should be made to use the lowest priced and best value transportation available. Reimbursement will be made for the following modes of transportation:

- Commercial airline travel - coach class only. Club or expedited travel service memberships are not reimbursable.
- Rental car and fuel. The loss damage waiver (LDW) offered by automobile rental companies should be declined.
- Personal auto used for business, at the prevailing IRS mileage allowance. The mileage reimbursement rate covers all vehicle expenses including gas, insurance, and depreciation. Mileage is reimbursed for only the distance that exceeds the employer's normal commute from home to work. If an employee's normally commutes 10 miles to work but is required to drive 25 miles for business travel, the employee would be eligible for reimbursement of 15 miles. However, for employees with a monthly vehicle allowance/stipend, round trip travel of less than 100 miles is not reimbursable.
- Cost of taxi or bus to hotels/airports from place of business or residence. Local commuting costs between residence and place of departure for commercial travel.
- Automobile tolls and parking expenses incurred for business purposes.
- Gratuities (but not to exceed 25%).

It is the responsibility of each employee to obtain e-mail approval from their supervisor for transportation.

### **Personal and Coworker Meals**

Reimbursement will be made for reasonable costs of meals, including reasonable gratuities (but not to exceed 25%):

- When away from home or headquarters overnight on Company business. Snacks and beverages purchased outside of primary meals are reimbursable up to a total of \$20 per day.
- When served as an integral part of formal business meetings, seminars, etc.
  - Purchasing personal lunches, or lunches with small groups of employees with no documented business purpose is prohibited.

- Reimbursement of meals while working from home is prohibited.
- Purchasing alcoholic beverages for personal consumption while traveling or on Company business is not reimbursable.

When more than one employee participates in any activity which is reimbursable under this Policy, the highest-ranking employee in attendance must be paid for by the senior manager in attendance and submit the expense for review and reimbursement by their supervisor.

### **Miscellaneous Expenses**

Costs incurred for items of a business nature not provided for above (such as telephone, postage, service gratuities, small supplies on an emergency basis, etc.) will be reimbursed.

### **Business Meals and Entertainment**

Entertainment, business meals, amusement or recreation expenses will be reimbursed only when there is a legitimate, documented business purpose, and meets Company standards for appropriate business conduct. The business purpose of the entertainment, the names of the people involved, and the business relationship must be disclosed on the expense report and substantiated by applicable receipts. Purchase of alcoholic beverages for business-related meals and entertainment is not reimbursable without supervisor approval from at least the Department Head level.

The purchase of alcoholic beverages for the benefit of single Departments, with no other business-related purpose, is not reimbursable.

The purchase of alcoholic beverages for company events is reimbursable if authorized by the President and approved by the Board of Directors.

Any business meal or entertainment which is reimbursable under this Policy must be paid for by the senior manager in attendance and submit the expense for review and reimbursement by their supervisor.

### **Business Gifts**

Gifts in excess of \$25 per year to any individual are not reimbursable unless approved in advance by the President or Chief Financial Officer. It is the responsibility of the employee to supply all required information related to all gifts for which reimbursement is made by the Company.

### **Expense of Spouse**

Spousal attendance at any business function must be approved by the President in advance. All incremental expenses associated with spousal attendance (including transportation, meals, etc.) are the responsibility of the employee and are not reimbursable.

### **Training, Conferences and Seminars**

Registration fees or similar expenses for Company-approved training courses, conferences, seminars and conventions are reimbursable with advance approval of management. Lodging, transportation, and meal expenses associated with training, conferences, and seminars are reimbursable subject to the requirements of this Policy. It is the responsibility of each employee to obtain e-mail approval from their supervisor for training, conference and seminar attendance.

Tuition refunds for educational assistance are addressed in a separate policy.

### **Donations or Contributions**

Donations or contributions are not reimbursable expense items.

### **Tools, Equipment, Materials, Supplies and Services**

Unless pre-approved by a supervisor, all tools, equipment, materials, supplies, and services must be purchased by an authorized employee with a BRC provided P-Card.

### **Expense Advances**

Cash advances for employee travel are generally not provided. Exceptions can be made upon approval by the President. The advance will be deducted from the amount reimbursed to the employee when their expense report is submitted.

### **Expense Reporting and Approval**

When possible, and if assigned a BRC provided Procurement Card (“P-Card”), employees should use BRC P-Cards and follow the requirements of BRC’s P-Card Policy for incurring and submitting those expenses. (BRC Policy No. 22 – Procurement Card Program).

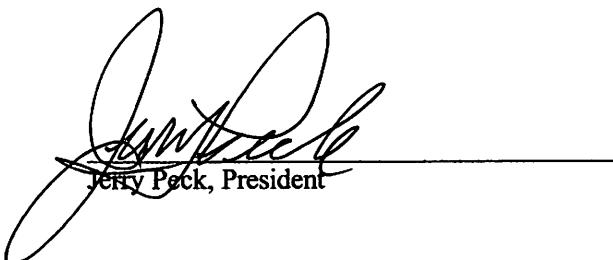
If an employee does not have a P-Card, in order to receive reimbursement an employee must submit expenses on the Expense Report attached as Appendix A. Any written expense report must meet the following requirements:

- Receipts for all items must be included with the expense report. The receipt must be legible and state the merchant’s name, the date of transaction, the location of transaction, an itemized list of purchases, and the total amount of the transaction.
- Employees must submit an expense within 45 days after the employee incurred the expense.
- Late fees that result from an employee’s failure to submit expenses are not reimbursable.
- The expense report must identify the name of the employee, the date of the charge, all individuals present, a description of the nature of the charge and business purpose.

Written expense reports must be approved by the employee’s supervisor and Department Head prior to reimbursement. Department Head expense reports will be approved by the President prior to reimbursement. Corporate Officer expense reports will be approved by the President. The President’s expense reports will be approved by the Executive Committee of the Board of Directors. Approval of P-Card expenses is governed by BRC’s Procurement Card Program – Policy No. 22.

Any exception to the policies and procedures defined elsewhere herein must be approved by either the President. Only the President may approve changes to this Policy.

It is also the responsibility of each employee to understand and comply with the business expense policy prior to submitting expenses for payment. Any questions or guidance should be directed to the General Counsel and Director of HR.



Jerry Peck, President



## PERSONAL EXPENSE ACCOUNT

DATE ENDING			
	MONTH	DAY	YEAR

## THE BELT RAILWAY COMPANY OF CHICAGO

DEPT. Adminstration

Date 01/25/21

CERTIFIED	<b>DISTRIBUTION:</b>
CORRECT	
(Sign)	
NAME	
(Print)	
TITLE OR	
OCCUPATION	
WORK NO.	

\* Entertainment includes meals for others.

arged on BRC Credit Card

Explanation must include business purpose, company

name, and title of each individual involved.

NET AMOUNT DUE EMPLOYEE

\*\* Meals for ~~adults~~ only

APPROVED:	<input type="text"/>
TITLE:	<input type="text"/>



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### **I. Agreement**

I have received a copy of, read, and understand the Belt Railway Company of Chicago (“BRC”) Employee Business Expense Policy.

I acknowledge and understand that all business expenses I incur must comply with this Policy. I understand that only authorized expenses will be reimbursed and that proper documentation, approvals, and timely submission are required. I acknowledge that violations of this Policy may result in remedial and/or disciplinary action, up to and including termination of employment, and that BRC may seek reimbursement for improper expenses or treat them as additional taxable income.

I understand that this Policy applies to me while employed by BRC and that it is my responsibility to seek guidance from my supervisor, Department Head, or the General Counsel and Director of HR if I have any questions regarding the Policy.

### **II. Acknowledgement**

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Employee Signature

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Date

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Printed Name (First, Last)