



Belt Railway Company of Chicago Policies & Procedures

POLICY No: 22

POLICY: Procurement Card Program ("P-Card")

Effective: February 9, 2026 (Replaces Appendix A of Policy No. 13)

PROCUREMENT CARD PROGRAM

SCOPE

This Policy applies to all employees of Belt Railway Company of Chicago ("BRC") with a BRC issued Procurement Card ("P-Card"). This Policy also applies to individuals with supervisory responsibility for BRC budgets, and individuals who initiate, review, approve, process, or record P-Card transactions.

AUDIT & OVERSIGHT

Employee P-Card 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 or Department P-Card usage.

This Program, including the registration of employees for a P-Card, is generally administered by the Procurement Card Administrator ("PCA"). The PCA is the BRC's Chief Financial Officer.

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, strip an employee of their P-Card, mandate re-training, and/or seek reimbursement from the violating employee, including through legal action.

PURPOSE AND OBJECTIVE

The P-Card is designed to provide an efficient way to procure business-related goods and services and to directly pay business-related expenses. P-Card purchases are billed centrally to the BRC and paid directly to the card sponsoring bank. BRC's Procurement Card Program describes the application process, usage guidelines and reconciliation and approval processes for use of P-Cards to pay business related expenses. Under this Program, cardholders can charge qualified purchases and expenses directly to the P-Card, rather than paying out of their own pocket.

POLICY REQUIREMENTS

Permitted Charges

Except in cases of emergencies and with pre-approval from a supervisor, all purchases of tools, materials, services, and equipment on behalf of BRC must be made using a BRC issued P-Card in accordance with this Policy. Purchases of tools, materials, services and equipment on behalf of BRC must comply with BRC's Procurement Policy – Policy No. 16. The P-Card does not eliminate the need for a contract. BRC's Procurement Policy – Policy No. 16 – identifies when contracts for goods and services are required. The Belt maintains a list of approved and preferred vendors. Purchases of tools, materials, services and equipment should be from the Preferred Vendor and Supplier List pursuant to BRC's Procurement Policy – Policy No. 16.

P-Cards are BRC property and may never be used to make personal purchases.

For a summary of other expenses permitted to be made on a P-Card, see BRC's Employee Business Expense Report Policy - Policy No. 13.

Any single transaction over \$5,000 **MUST** be approved in advance by the CFO and the cardholder's Department Head. Splitting or dividing a payment into several smaller transactions to bypass the single transaction limit on the P-Card is **NOT** allowed. The full amount of a transaction must be charged at one time. For example, having a vendor charge three separate transactions of \$3000 for payment of a \$9000 invoice is not allowed.

Prohibited Charges

The following expenses also must not be made on a P-Card:

- Gift cards and gift certificates (unless approved by Department Head).
- PC workstations and laptops (unless approved by IT Department).
- Expenses representing the personal recognition of a BRC staff member (e.g. birthdays, childbirth, adoption, weddings, anniversaries).
- Cash advances (ATM).
- Personal cell phone expenses.
- Alcohol (unless permitted by BRC's Employee Business Expense Report Policy – Policy No. 13), cigars, casinos.
- Daily breakfast, lunch or dinner unless traveling on company business.
- Fuel for personal vehicles.
- Weapons, ammunition and detonating equipment.
- Office furnishings (unless approved by Department Head).

This list is not exhaustive. Any questions about whether a purchase should be put on a P-Card should be directed to the PCA or to the General Counsel and Director of HR.

Cardholders

Participation in the P-Card Program is a convenience that carries many responsibilities. To qualify and maintain a P-Card, the applicant must:

- Be a full-time, active BRC employee.
- Be sponsored by the employee's Department Head.
- Attend mandatory, yearly training as required by the P-Card Administrator ("PCA").
- Sign this Policy and the P-Card Employee/Cardholder Agreement.
- Follow all Departmental policies and procedures.

P-Cards are issued in an employee's name. Strawman purchases (requesting that another cardholder make a purchase on their P-Card) are prohibited. P-Card purchases **MUST** be made by the highest-ranking employee in attendance at the time of the purchase.

- Example – if a manager and Department Head order a meal, the Department Head must pay.

P-Card Security

Cardholders are primarily responsible for safeguarding the P-Card and must do their part to mitigate the risk of P-Card exposure.

It is a violation of the P-Card Policy to share the physical card and/or card number with **anyone** (e.g., supervisors, co-workers, family members, friends, etc.). Transactions made with a P-Card should **ONLY** be processed by the person to whom the card was issued.

Employees must not e-mail their full 16-digit P-Card account number to anyone (including both external merchants and internal approvers).

When completing online ordering at merchant websites, cardholders must always verify that the website address begins with "https". The "s" indicates that the website is secured and encrypted. If the website address begins with only "http", it is NOT secured and encrypted and using it can compromise your P-Card account number.

When storing P-Card statements and documentation, cardholders must ensure that full 16-digit credit card numbers are not listed on P-Card receipts, invoices or registration/order forms. When full 16-digit account numbers are displaced, cardholders must redact numbers so that only the last four digits are visible. Furthermore, cardholders should never photocopy the front and/or back of a P-Card or store P-Card expiration dates or 3-digit CVC/CVV codes electronically on a computer, server, flash drive or storage device. P-Card documentation should be marked confidential and stored in a secure place, behind a dual level of security. The destruction of historical P-Card documentation that contains credit card information must be destroyed using a shredder.

To prevent BRC liability for fraudulent transactions, it is extremely important to act promptly in the event a P-Card is lost, stolen or compromised. BMO must be notified immediately. Once reported, BMO will automatically issue a new 16-digit P-Card account number and will send a new P-Card to the PCA. After reporting the lost, stolen or compromised card to BMO, cardholders must complete a Transaction Dispute Form and submit it to BMO within 60 calendar days. It is the cardholder's responsibility to resolve all fraud issues.

Documentation Requirements

All P-Card transactions must be supported by detailed/itemized receipts or other documentation and must be uploaded to the specified transaction when requested by BMO Spend Dynamics. Cardholders must upload requested receipts/support and approve transactions within 3 business days within BMO Spend Dynamics.

Cardholders should maintain any receipts not requested by BMO Spend Dynamics for at least 120 days for inspection by a supervisor or Department Head performing any audit.

When ordering material and procuring services with a P-Card, cardholders must upload the delivery receipt and/or work order for services performed in a timely manner (within 72 hours of receipt).

When ordering via phone or mail order, cardholders should instruct the merchant to send an itemized receipt directly to his or her email address.

If a receipt is missing, or does not itemize the transaction, or if there is no business description included in the online reconciliation, the cardholder may be required to reimburse BRC for the amount of the undocumented purchase and/or the purchase may be considered taxable income to the cardholder.

Supervisors

Supervisor and managers must comply with all Cardholder requirements when using a P-Card.

All P-Card purchases by an employee must be reviewed and approved by an employee's supervisor in BMO Spend Dynamics, subject to the following requirements:

- A P-Card approver cannot be a subordinate of the cardholder/purchasing employee.
- A P-Card approver cannot be the beneficiary of the transaction being approved.
- Department Head and Executive Officer P-Card purchases must be approved by the President.
- The President's P-Card purchases must be approved by the Executive Committee of the Board of Directors.

The approval or rejection of the transaction must be complete within 5 business days of notification of a transaction for review.

A P-Card approver must confirm all purchases and expenses:

- Have a valid and detailed business purpose provided in BMO Spend Dynamics.
- Are in compliance with all applicable BRC policies and applicable regulations.

The supervisor of a P-Card holder must immediately notify the PCA of any cardholder termination, or transfer within BRC Departments. If an employee is suspended, terminated, or placed on leave, the employee's supervisor must collect the P-Card prior to the employee's departure.

P-Cards cannot be transferred from one employee to another (when someone leaves the BRC, changes departments or no longer requires a P-Card), as they are issued to an individual and not to an individual Department.

Department Heads

Department Heads must comply with all Cardholder requirements when using a P-Card.

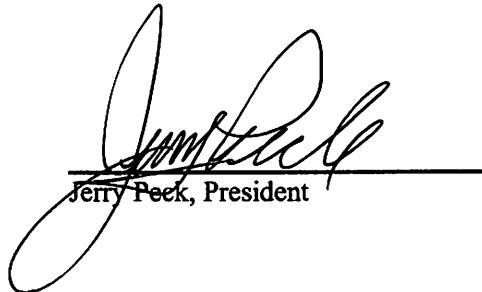
Department Heads are responsible for reviewing P-Card transactions of direct subordinates.

Department Heads are responsible for assuring that Department managers are following the requirements of this Program. Department Heads are also responsible for budgeting funds to meet all travel and business-related purchases.

QUESTIONS AND EXCEPTIONS

Questions regarding this Policy may be directed to the PCA or to BRC's General Counsel. Emergency purchases and requested exceptions must be documented and approved by the PCA or General Counsel, or designated authority. Justifications for exception requests must include a clear explanation of urgency or uniqueness.

For additional information regarding the P-Card Program, and other frequently asked questions, see Appendix A.



A handwritten signature in black ink, appearing to read "Jerry Peek", is written over a horizontal line. Below the line, the text "Jerry Peek, President" is printed in a smaller, sans-serif font.

APPENDIX A

1. Why have a Procurement Card Program?

The goal of the Procurement Card Program is to streamline the procurement process while improving the flexibility and speed with which goods and services are received. With the approval of the manager, the P-Card is intended for any full-time staff member authorized to make BRC purchases. With a few exceptions, the card should be used whenever possible to make BRC purchases and to pay for travel and business-related expenses.

1.1. OVERALL ADVANTAGES

- No waiting for reimbursements or payments.
- The P-Card can be used anywhere that accepts Visa, providing flexibility to the user.
- Quicker delivery of goods and services.
- Entire system is online, providing for electronic review and approval.
- One point of contact for questions.

1.2. ADVANTAGES TO THE CARDHOLDER

- No need to advance money out of pocket for purchases.
- Purchases can be made quickly, even outside of normal business hours.
- Paperwork is completed after the purchase and does not delay the order process.
- Verification and reconciliation of transactions can be done on-line.
- Travel and business-related reporting process simplified.

1.3. ADVANTAGES TO THE APPROVER

- Reduced need for manual approvals.
- More flexibility in managing operating budgets.
- Reduced paperwork at the onset of the purchasing process.
- Electronic approval and oversight.
- Posting transactions to BMO Spend Dynamics is normally completed within 24 business hours.

1.4. ADVANTAGES TO THE BRC

- Overall reduction in paperwork, especially for small dollar transactions.
- Uniform training for all P-Card holders.
- An electronic payment system from start to finish.
- Payment processing time reduced.

2. How do I request a new or replacement P-Card?

2.1. NEW P-CARD REQUEST

P-Cards will only be issued to full-time BRC employees who have a consistent and genuine spending need and who obtain approval from a direct supervisor. P-Cards will not be issued to part-time employees, whether on a temporary basis or for one-time spending needs.

To request a new P-Card, department heads will request, and the employee must subsequently complete the P-Card Application form and provide a justification and description of anticipated spending needs.

Applications can be sent to the PCA for evaluation, approval and issuance. Once the PCA has approved and processed the P-Card application, the cardholder will be asked to attend a P-Card introduction and training session where they will sign the Procurement Card Employee/Cardholder Agreement and receive their card. Before being used, all P-Cards must be activated by calling the toll-free number printed on the card. For verification, the cardholder will be asked to provide personal information to allow for identification.

P-Cards will be issued in the employee's name, however personal credit history will not be checked, nor will use of the P-Card affect the employee's personal credit history. The BRC is responsible for payment of all P-Card transactions. Issuance of new P-Cards may take 7-10 business days from date of application.

2.2. NAME CHANGES

Requests to receive a new card in order to reflect a name change (e.g., surname changes due to marriage) should be e-mailed to the PCA. Changing a name on a P-Card will not require the issuance of a new 16-digit credit card number.

2.3. REPLACEMENT CARDS

The Cardholder must notify the card provider to request a new replacement card to be issued.

3. How do I reset my P-Card password?

Requests to reset a forgotten or misplaced password can be e-mailed to the PCA.

4. What are the credit limits on my P-Card and how do I request an increase?

4.1. MONTHLY CREDIT LIMITS, SINGLE TRANSACTION LIMITS AND DAILY TRANSACTIONS

P-Card monthly credit and spend limits are determined during the application process by the cardholder's supervisor, department head and/or approvers and are approved by the PCA. All applications will be subject to certain limit defaults:

- Monthly credit limits will be determined on an employee-by-employee basis at the sole discretion of the Executive Officers.

Note: requests may be denied, and alternate payment methods recommended by the PCA.

In the event that a transaction will exceed the allowable spend, please request an increase through the PCA.

4.2. REQUEST FOR LIMIT INCREASE

Requests to temporarily or permanently increase a P-Cards monthly limit, or to remove/change any other restrictions, must come from a cardholder's supervisor, department head and/or P-Card approver. These requests must be justified and done in writing, via e-mail to the PCA. Final approval for a limit increase, or for changes to the restrictions placed on a card, will be determined by the CFO.

4.3. AVAILABLE BALANCE INQUIRIES

Inquiries about a P-Card's current available balance can be accessed through BMO Spend Dynamics.

5. Why is my card blocking certain transactions?

Every merchant that accepts a Visa card is assigned a four-digit Merchant Category Code (MCC) that is used to classify the business by the type of goods or services it provides. Any MCCs that are not considered to be within the normal course of the BRC's business have been blocked on all P-Cards (e.g., furniture, casinos, liquor stores, ATMs etc.). Any attempts to process transactions at vendors with restricted MCCs will be declined.

Each P-Card is also set up by a BRC department number, allowing a cardholder to access only those business units corresponding to his or her department. Accounting units are added to a list accessible to an entire department and not to an individual P-Card user. When reconciling expenses, cardholders should only select business units for which they have been given approval to assign purchases to.

If a purchase with a legitimate business purpose has been refused due to a blocked MCC, the cardholder should contact the PCA to determine next steps.

6. Where can I use my P-Card?

The P-Card may be used at any merchant that accepts Visa, except for those merchants assigned to MCCs restricted by the Belt. The P-Card may be used for in-store purchases as well as online, phone and mail orders (cardholders must take precautions to ensure that all methods are secured).

All efforts must be made to use the BRC's Preferred Vendors and Suppliers. Cardholders that do not use these prequalified suppliers either due to emergency situations or sourcing issues should note that any transactions involving other suppliers such as Amazon, Costco, Wal-Mart, etc. will be automatically audited each month.

When attempting to procure goods or services for the BRC, cardholders must:

- Determine if the P-Card is the appropriate method for acquiring the goods or services needed.
- Determine if the BRC uses a preferred vendor for the goods or services that are to be acquired.
- Ensure that complete shipping instructions are given to the vendor, especially when the business/billing address of the P-Card does not match the cardholder's mailing address.
- Obtain supporting documentation (i.e., itemized receipts, invoices, confirmation documentation, etc.) from the vendor for ALL Purchases.

7. Can I use my P-Card for business related travel, and can I pay for the travel of others?

Yes, all P-Card transactions are subject to the rules defined in the BRC's Employee Business Expense Reporting Policy – Policy No. 13. Cardholders should also be aware of their Department's and/or sponsor's travel policies, as they may be more restrictive than the Belt's. In addition, appropriate Departmental approval for travel should be obtained before arrangements are made.

The following rules or regulations apply to P-Card usage as it relates to travel and business expenses:

- The P-Card may be used for business travel, business and other business-related expenses.
- Cardholders must arrange for the most economical means of travel.
- The P-Card may not be used to obtain cash advances, to pay for personal expenditures incurred

- while traveling, or to pay for travel expenses incurred by anyone not conducting BRC business.
- Supporting documentation must be provided and maintained for all transactions.
- The P-Card may not be used for gasoline purchases, except on authorized rental vehicles used in business travel, unless authorized by PCA.

Cardholders may use their P-Cards to pay for BRC business related travel arrangements for other employees within their Department, and BRC guests rather than requiring these individuals to pay out-of-pocket and be reimbursed after the fact. But only if the other employee(s) do not have a P-Card of their own. These charges must be authorized and processed by the cardholder and the appropriate documentation to support any charges must be collected. Regarding shared travel charges, those must be incurred by the highest-ranking BRC employee with a P-Card participating in the travel.

8. Are alcohol purchases permitted?

Purchase of alcoholic beverages with a P-Card is generally prohibited. The purchase of alcohol for BRC functions and business-related entertainment requires approval from at least the Department Head. For purchases made by a Department Head, approval must come from an Executive Officer. For Executive Officers (except the President), approval must come from the President. For the President, approval must come from the Board of Directors. When alcohol purchases are permitted, those must be incurred by the highest-ranking BRC employee with a P-Card in attendance.

9. What is a preferred vendor and/or approved supplier?

When choosing a vendor, cardholders should select those listed on the BRCs Preferred Vendors and Suppliers List whenever possible. Vendors are selected based upon a variety of parameters (i.e., quality, special discounts or rebates). Using these vendors allows for the leveraging of purchases in order to maximize value to the BRC (e.g., preferred quality and pricing, enhanced customer service or timely delivery).

Important points:

- Vendors are selected for the Preferred Vendors Listing using various performance measurement criteria. This criterion includes e-commerce technology, advanced billing and invoicing processes, service excellence, and product quality.
- The overall goal of the vendor selection process is to reduce the number of vendors of major commodities and services to the BRC.
- The Purchasing staff works to develop vendor direct programs in as many of the major commodity areas as possible. These up-front agreements will allow you to purchase directly from vendors who are being monitored and measured for performance, product quality, and purchasing ease.
- Purchasing staff, along with the members of the Vendor Selection Committee, select vendors based on procurement benefits to the entire BRC.

Important Note: This list is not exhaustive. Any questions about whether or not a purchase should be put on a P-Card should be directed to the PCA.

10. What information is required to be on a receipt to satisfy the Program?

10.1 LODGING

P-Card transactions made at hotels for lodging expenses must be supported with the itemized hotel receipts/statements. This documentation must include the name, location and date of the hotel stay and

must also list out the separate amounts for each expense (e.g., lodging, meals, telephone, internet or miscellaneous [IRS Regulation – Section 1.274-5 I (2) iii(B)]).

10.2 AIRFARE

P-Card transactions for airfare must be supported with itineraries that list the passenger's name, dates of travel and the fare and fare code.

10.3 MEALS & ENTERTAINMENT

Detailed/itemized restaurant receipts (as opposed to stub-receipts) should include the date, name of the establishment and itemization of purchase. Restaurant pull tab receipts and summary credit card receipts are not acceptable forms of documentation. Reference the BRC T&E Policy when procuring meals and entertainment for multiple individuals.

10.4 CONFERENCES & SEMINARS

When charging conference registration fees or seminar costs, supporting documentation must include the breakdown of the charge, indicating what the fee or cost includes.

11. What if a receipt is lost?

If a receipt is missing, or does not itemize the transaction, or if there is no business description included in the online reconciliation; the cardholder may be required to reimburse the BRC for the full amount the undocumented purchase. Anytime a receipt has been misplaced, the cardholder should request that the vendor provide a copy. In the event the vendor is unable to provide a duplicate receipt, the cardholder is required to document the circumstances of each missing receipt to the satisfaction of the PCA.

12. Can I use a P-Card for non-travel meals?

Generally, no. Using a P-Card to regularly purchase any meal as part of an employee's workday is prohibited. Occasional business meals with Company employees for the purpose of recognition or as a logical extension of the business meeting or work is permitted. However, frequent reimbursement of meals for employees while out of Clearing Yard (i.e. lunches) is prohibited. Use of a P-Card for meals while working from home is prohibited.

13. Who can be disciplined for P-Card misuse?

Individuals granted access to a Procurement Card, by the BRC and their Department, are accountable for all transactions related to their card.

Consequences for misuse of the P-Card are serious, and may include re-training, card suspension, card revocation, disciplinary action, reporting unapproved expenditures as employee income, termination of employment and potential legal action.

It is the responsibility of all stakeholders to ensure that all reconciled documentation is submitted to the PCA in a timely manner each month.

If an approver suspects or finds examples of misuse, abuse, fraud or forgery, they must contact the PCA, CFO, and Director of Police and Risk Management immediately.