



<b>Employee &amp; Contractor Expense Reimbursement &amp; Travel Policy</b>	<b>Release Date: 05.03.23</b>
<b>Key Contacts:</b>	<b>3STEP Finance: Office of the CFO</b>

This Expense Reimbursement Policy ("Policy") outlines how employees and contractors (each, a "staff member" or "traveler" and collectively, "3STEP Staff" or "travelers") of 3 STEP SPORTS LLC (including its subsidiaries, "3STEP" or the "Company") procure various travel or business-related goods or services, the types of expenses that 3STEP will reimburse, required documentation and the timing and procedures for submitting reimbursement requests. This Policy applies to all 3STEP Staff traveling for the purpose of conducting business for the benefit of 3STEP.<sup>1</sup>

## 1. REIMBURSEMENT GUIDELINES

3STEP has an accountable plan to reimburse staff for expenses incurred on behalf of the company. Per IRS guidelines, 3STEP Staff should:

- Have paid or incurred expenses on behalf of the business entity and document the business purpose of such expenses;
- Make every attempt to adequately account for expenses by providing receipts and an explanation of expenses within a reasonable period (within 60 days after the expenses were paid or incurred as required by the IRS); and
- Return any excess reimbursement or allowance within a reasonable period.

The same documentation and guidelines are to be used for business expenses paid with a 3STEP corporate credit card.

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<sup>1</sup> *Exceptions to the policy may be permitted as approved by an Executive Team member if an as needed to address compelling business circumstances.*

This Policy requires the immediate return of any funds received as reimbursement for airfare and other payments for travel or otherwise that were reimbursed but subsequently refunded (to the employee) due to cancellation of the travel or other business need.

It is important each staff member a) knows what costs are reimbursable and b) follows these steps regarding proper documentation and timely submission of expenses. Reimbursements and payments made that are not covered, or are not properly documented, will either be rejected or, if paid, will be taxable to the staff member and reported as compensation on the staff member's Form W-2 or 1099 (as applicable).

Staff members are reimbursed for normal travel expenses incurred while conducting 3STEP business. Travel on behalf of the Company is to be undertaken in a cost-effective manner. The expense should be submitted as soon as possible, but no later than sixty (60) days of the incurred expense(s) with an explanation for the expense and the receipts(s) attached for each item - with the business purpose of the expense clearly noted. For those charges on the Company's American Express statement, expenses are to be submitted and reconciled by the second day of the month after the statement is received. 3STEP Staff should keep travel costs to a minimum. Expense reports are subject to audit.

For expenses to be reimbursed, the following procedures apply:

- 3STEP Staff should submit expense reimbursement requests through Concur.
- Travel reimbursements should include the origin and destination of the trip, the name of the event to which the expense relates, the date the expense was incurred, the names of people with whom meetings were held, a description of what business was discussed (subject to confidentiality restrictions), and the purpose of the trip.
- Itemized Receipts are required for expenses over \$20.00. An explanation is required if a receipt is not available, such as when the expense relates to parking at a meter, public transportation, a cash tip incurred during travel or other expenses where the traveler is unable to obtain a receipt (or has misplaced it). Alternate payment support should be provided, when possible. If reimbursement is being requested for items purchased from a supplier, the proof of payment (credit card receipt, invoice stamped "paid", or cancelled check) must be submitted along with the supplier invoice and receipt, where possible.

**2. COMPANY-ISSUED CREDIT CARDS** may be distributed to employees who meet the following criteria:

- travelers who take at least four (4) trips per year; and
- those who are required to make purchases on behalf of 3STEP.

Distribution and credit limits are at the discretion of the CFO, and applications are to be approved by the staff member's manager.

**Personal Use of Company-issued Credit Card** - Personal charges are NOT allowed on the corporate card. Any misuse or misappropriation of funds is strictly prohibited and can result in revocation, and or disciplinary action up to employment termination.

**Company-issued Credit Card and Traveler Benefits** - The Company's credit card vendor is American Express (AmEx). Under the terms of the Company's agreement with AmEx, travelers receive the following benefits when using tickets that are charged to a 3STEP Sports' corporate charge account:

- travel accident insurance
- baggage insurance
- emergency assistance

**Customer service** is available by contacting American Express 1-800-528-4800.

**Company issued Credit Card-Expense Reporting Responsibility** - Employees are responsible for reconciling their expense reports on a monthly basis in Concur. Credit card reconciliations are to be completed no later than the second day of the month.

**Reporting Lost/Stolen Cards** - A lost or stolen Company-issued credit card must be reported to American Express as soon as the employee discovers it missing or stolen. Data on stolen charge/credit cards indicates that unauthorized use of stolen cards is greatest in the first few hours after the theft. The company is liable for charges that the bank will not cover therefore it is crucial that all cardholders call the bank immediately to report it lost or stolen. Staff members are also expected to promptly notify their manager and Finance.

**Cardholder Employee Termination** - Upon termination of employment for any reason, an employee who is a corporate cardholder must:

- Cut the corporate card in half and send the pieces to the 3STEP Accounting Manager; and
- Promptly reconcile the account for any remaining balances.

**Credit Card/ATM Cash Advance Fees** - Cash advances and or fees from credit cards/ATMs are NOT allowed on the corporate card and will NOT be reimbursed from a personal credit card.

**3. AIR TRAVEL** will be reimbursed at economy fare only. When possible, airline tickets should be booked at least 21 days in advance (30 days for events and tournaments). Travelers are expected to book the lowest logical airfare as determined by the travel manager or Concur

Travel. In order to accomplish this, routing requiring one interim stop may be booked instead of non-stop flights provided:

- Savings is more than \$200 for connecting flights vs. nonstop.

If travelers choose more expensive travel options, such as first class, business class or a higher-priced airline, the traveler must personally assume the additional cost above economy, preferred fare. Airline add-on fees should be factored in the entire ticket price when considering the cost of the ticket. Early check-in fees are allowed. Premiums for flights or travel insurance are not reimbursable. Ticketless travel requires proof of payment. When taking business travel that incorporates personal travel or additional, non-reimbursable costs (e.g., class upgrade or additional days), please include documentation of the airline/train quote (at the time of booking) that clearly reflects the actual reimbursable costs of the business round trip portion. Please also include your actual itinerary in the reimbursement request. Additional personal, or non-business travel will not be supported by Concur or TravelFirst™.

Frequent Flyer accumulated awards will remain the property of the traveler and are not reimbursable. Bonus awards should not be the deciding factor when selecting flights or airlines.

The ultimate responsibility for retrieving and compensating for lost baggage lies with the airlines. The company will not reimburse travelers for personal items lost while traveling on business.

Travelers will be reimbursed for excess baggage charges only in the following circumstances:

- When traveling with heavy or bulky materials or equipment necessary for business.
- The excess baggage consists of company equipment, records or property.

**4. AUTOMOBILE TRAVEL** is reimbursed at the current rate per mile determined by the IRS, which can be found on the IRS website or through news releases. This rate is intended to compensate the traveler for personal expenses such as gasoline, oil, repairs and insurance incurred when operating and maintaining a personal automobile used for business purposes. Specific operating and maintenance expenses, therefore, as well as other personal expenses, such as parking tickets, traffic violations, car repairs, and collision damage generally are not reimbursable.

**General Mileage Guidelines:** 3STEP Staff will be reimbursed for those miles incurred for business purposes. In accordance with IRS guidelines, mileage incurred related to commuting (i.e., the miles traveled between home and the employee's assigned work location) is not reimbursable, except as otherwise required by law.

Staff members and their managers are responsible for ensuring that mileage reimbursement calculations are accurate and in accordance with the guidelines below regardless of whether

the travel occurs on a workday, weekend, holiday, or other non- workday. Business Personal travel using a personal automobile must be ordinary and practical.

- Staff members who travel to/from their assigned 3STEP work location to/from an event, tournament, meeting, or other 3STEP location will be reimbursed for the business mileage incurred. For example:
  - For example, a staff member travels from their assigned 3STEP office to an all-day meeting and then back to the office from the meeting, with the total trip mileage being 50 miles (25 miles each way), the total reimbursable allowed would be 50 miles.
- 3STEP Staff who travel from home to an event, meeting, or 3STEP office to which they are not assigned should submit the mileage in full. Staff members who travel to their assigned office to or from home would deduct that mileage from their total. For example:
  - A staff member travels from home to an all-day meeting, and then back home from the meeting, with the trip mileage being 50 miles each way, the total reimbursement allowed would be 100 miles.
  - In this same case- if a staff member travels 10 miles to the assigned office after the event before returning home, the total reimbursement allowed would be 60 miles (50 miles from home to event + 10 miles from event to office). Note that the miles traveled from the staff member's assigned office back home are not reimbursed as they are considered commuting costs under IRS guidelines.
  - In this same case - if a staff member travels from home to the assigned office, then to the event that was 10 miles from the office, and lastly drove 50 miles from the event location directly home, the total reimbursement allowed would be 60 miles (10 from the office to event + 50 from the event to home). Like the above example, the miles traveled from the staff member's home to assigned office are not reimbursable due to IRS guidelines.

If you make multiple stops for meetings in one day, please indicate the total miles traveled for business purposes, including the starting and ending locations. The destinations should be listed in the comment field section of the expense sheet.

**Remote Mileage Guidelines:** Remote workers are not assigned to a 3STEP office and therefore there are no miles incurred related to commuting. Remote employees may submit the mileage in full when traveling to a 3STEP office, event or meeting.

Note: Employees that operate partially out of a 3STEP office are not classified as remote workers and should submit mileage reimbursement expenses as described above under General Mileage Guidelines.

**Other Mileage Guidelines:** In unusual circumstances, an employee might opt to use a personal automobile for long-distance business travel. In such cases, 3STEP will reimburse the lesser of (1) the cost of the automobile transportation or (2) the (hypothetical) quoted cost the employee would have incurred by using economy air transportation or a rental automobile. For the company analysis, tolls, overnight lodging and other travel costs will be included in the total calculation of business travel using a personal automobile. The airfare cost used for comparison will only factor in the estimated cost of an economy airfare ticket, without any additional assumed costs for taxi, redcap services or related items.

Similarly, on rare occasion an employee utilizes a rental vehicle for business travel and is requesting reimbursement for the cost of gasoline used to fill the vehicle, the employee must submit both the receipt from purchasing the gasoline, and the vehicle's rental agreement to validate the gasoline expense.

If an employee is driven to/picked-up from an airport for business travel by a family member, the total mileage incurred between the traveler's home and the airport is eligible for reimbursement by the employee.

**5. RENTAL CARS** are to be booked through Concur Travel or the TravelFirst™ desk. The following rental car categories are to be booked:

- Midsize Car;
- Full size if three (3) or more passengers will be traveling together;
- If transporting equipment or bulky items that will not fit in a car, a SUV is permissible;
- 4 Wheel Drive or chain equipped car may be requested when traveling in inclement weather if safety is a concern;
- GPS/Navigation systems or a vehicle with CarPlay (or similar feature) may be rented if required. But must be approved by a manager.

At the time of rental, the car should be inspected, and any damage found should be noted in the contract before the vehicle is accepted.

**Passenger Vans** – Use of passenger vans to transport players, employees, contractors or other third parties is only permissible if:

- the vehicle is rented through TravelFirst™; **and**
- the driver has been approved by 3STEP Legal as an “Approved Driver” in accordance with the 3STEP Motor Vehicle Safety Policy.

**Using personal vehicles, 3STEP-owned vehicles, or vehicles rented in any manner aside from booking through TravelFirst™ to transport players is strictly prohibited for insurance and liability purposes. Any violation of this requirement may result in disciplinary action up to and including employment termination.**

**Rental Car Insurance** – The Company has made provisions for insuring cars rented in the United States against damage, therefore ALL optional insurance offered by the car companies should be declined as they are not a reimbursable expense.

Rental car insurance is **not** automatically included in the Company-negotiated rate with our preferred vendors. Insurance is covered by the Company's designated insurance company and all employees are required to carry a copy of the Insurance Identification Card which can be provided by TravelFirst™.

**Returning Rental Cars** – Every reasonable effort must be made to return the rental car:

- To the original rental city unless approved for a one-way rental;
- Intact (i.e., no bumps, scratches or mechanical failures);
- On time, to avoid additional hourly charges; and
- With a full tank of gas (gas charges billed by car rental agency are not reimbursable).

**6. MASS TRANSPORTATION / TAXI / RIDE-SHARING** - Itemized fares for subway, surface transportation or taxi charges while out of town are reimbursable. Expense reports must show points of origin and destination and describe the business purpose. Receipts for taxi or ride sharing (e.g., UberX, Lyft) charges are required. The use of luxury car services (e.g., limousine, town cars, Uber Black) is strongly discouraged except in those cases where the price is equal to or less than the cost of a taxi (or ridesharing), or if it is the only option.

**7. LODGING** will be reimbursed at the single occupancy rate. Travelers are required to stay at moderately priced hotels, and only if an overnight stay is warranted. If not, an explanation must be provided.

Except in unusual circumstances, hotel charges incurred within 60 miles of the staff member's residence are not reimbursable. A staff member's manager must approve exceptions in advance for multi-day events, conferences, or off-site meetings.

Travelers should avoid charging other expenses, such as meals, to their hotel room. If this cannot be avoided, the expense reimbursement request should separately list each item with business purpose indicated. Staff should submit a detailed hotel bill along with proof of payment if not already shown as paid in full on the hotel bill.

3STEP Staff may retain hotel rewards programs; however, participation in these programs must not influence hotel selection when there is a lower priced or preferred hotel available. Any incremental cost to the Company beyond the lowest available hotel as defined in this Policy is not allowed and will not be reimbursed.

**8. MEALS** - Charges for meals should be at prevailing rates for standard restaurants. An explanation must be provided for all meal expenses. Only actual expenses will be reimbursed. Reimbursable out of town travel meals are breakfast, lunch and dinner. Separate snack and coffee expenditures outside of breakfast, lunch and dinner are not reimbursable. When holding meetings, the purpose of such meetings, name and business connection of person(s) in attendance must be indicated for the meal. Business must be discussed during the meal. In general, the employee holding the most senior position at 3STEP should pay for any meals that are to be submitted for reimbursement.

**Spending Limits and Guidelines** - Travelers will be reimbursed for actual documented meal expenses (i.e., with proper and original receipts) up to the maximum daily allowances as listed below:

- Continental United States \$70/day (exceptions: San Francisco, Chicago (city), New York City, Los Angeles Metro Area \$90/day);
- International \$90/day.

Travelers should use the following dollar amounts as a **guideline** as to what the Company considers reasonable meal expenses. This is listed to illustrate that the maximum daily allowance should not be spent all on one meal. In addition, if breakfast is included in your hotel rate, you would be expected to have that meal at the hotel and thus your meal expenses should go down approximately \$15 for that day. The same rule would apply if you were attending a seminar or training class that provided lunch.

- Breakfast \$10
- Lunch \$20
- Dinner \$40
- Total per day \$70.

The purchase of alcoholic beverages is generally not reimbursable. There may be limited exceptions.

If a staff member charges a room service meal to their room, a detailed receipt where possible and explanation of the expense should be provided in addition to the bill for the overnight stay. The submitter should list the cost of the meal separate from the lodging cost on the expense sheet. Room service is discouraged, and the related expenses must be reasonable. In cases



where room service is necessary, be careful not to add additional gratuity over the required hotel gratuity for room service.

Employee relations-related meals (e.g., birthday celebrations, promotions) should not occur if there is a standard office celebration (quarterly birthday lunch) and will not be reimbursed. Team events should be planned, budgeted, and kept to a limited number and expense.

Tips must be reasonable and should rarely exceed 20% of the total bill.

**9. SERVICES, TIPS AND MISCELLANEOUS EXPENDITURES** must be listed as the "Other or Service Tips" expense types and thoroughly explained in the comments field. Valet services, movies, gift shop purchases, laundry and dry-cleaning services (trip less than 5 days), personal expenses, housekeeping gratuities, health club or other recreational activities are not reimbursable.

**10. DISALLOWABLE EXPENSES** will not be reimbursed nor should be charged on a company credit card:

- Airline club memberships
- Airline upgrades
- Any additional costs for priority boarding, seating or seat selection
- Childcare, babysitting, house-sitting, or pet-sitting/kennel charges
- Commuting between home and the primary work location, subject to applicable law
- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion, subject to a change in business needs outside of the traveler's control
- Purchases, fees and rentals (e.g., laptops, facility rentals, tournament fees) made outside of standard processes
- Haircuts and personal grooming
- Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment
- Personal entertainment expenses, including in-flight movies or television, headsets, spa facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs
- Travel accident insurance premiums or purchase of additional travel insurance
- Magazines, books, or newspapers
- Direct-dialed phone calls from hotel rooms
- Personal toiletries

- Other expenses not directly related to the business travel
- Other expenses not directly related to business operations.

Any potential violation of the Policy is subject to investigation by the Company. Violation of, or failure to comply with, this Policy may result in disciplinary action up to and including employment termination. This Policy should not be construed to interfere with any rights protected under local, state or federal law, including but not limited to, where applicable, employees' rights to discuss their terms and conditions of employment with others.