

**CLEAN WATER INSURANCE COMPANY, LLC**  
**TRAVEL EXPENSE AND REIMBURSEMENT POLICY**

Effective: May 6, 2025

Last Board of Managers Approval: May 6, 2025

**I. PURPOSE**

The purpose of this Travel Expense and Reimbursement Policy (“Policy”) is to establish guidelines for business-related travel conducted on behalf of, and expense reimbursements related to, Clean Water Insurance Company, LLC, a Hawaii-domiciled and licensed captive insurance company (the “Company”).

**II. SCOPE**

This Policy applies to all members of the Company’s board of managers and its officers (collectively, “Management”).

**III. POLICY GUIDANCE**

**A. General**

1. The Company intends on complying with current and applicable Internal Revenue Service (IRS) taxable fringe benefits laws, rules and regulations.
2. The Company intends to reimburse Management for reasonable, ordinary and necessary business expenses incurred generally, and specifically while traveling, on the Company’s behalf. Reimbursement of expenses solely for the personal benefit of an individual are not allowed.
3. When incurring expenses for or on behalf of the Company, Management is expected to exercise prudent judgement and avoid lavish or excessive expenditures.

**B. Travel**

**1. Training Without Travel**

- a. When training does not involve travel, Management does not need to complete the Company’s Travel Authorization Form, but must secure and document approval as required by this Policy for the time and cost associated with the training and submit that documentation with receipts as a record of the Company expense or to seek reimbursement for the Company-related expense.
- b. Acceptable forms of approval and/or documentation include a written note, email, or other form of electronic communication.
- c. Management requests for reimbursement of expenses for training without travel must be submitted to the Company as provided in this Policy within two (2) weeks of the completed training unless an exception is authorized.

2. Local Travel for Training

- a. Local travel training requests must be submitted for approval by the Management traveler at least 14 days in advance of travel when overnight accommodations are not needed, and 21 days in advance of travel when overnight accommodations are needed.
- b. Local travel is defined as within a 100-mile radius (one-way) of the Management traveler's primary workplace. The Company shall not pay or reimburse for overnight accommodations when local travel is within a 50-mile radius (one-way). Local travel that is between a 50-mile to 100-mile radius (one way), may be considered for overnight accommodation with prior approval as required under this Policy.
- c. Management travelers should use cost-effective transportation for local travel. Standard and/or customary mileage guidelines may be referred to when reimbursing a Management traveler for use of their personal vehicle.
- e. See "Travel Arrangements" information below for additional details.

3. Transportation Expenses Associated with Local (Non-Training) Meetings

Reasonable and necessary mileage, parking and other similar transportation expenses related to Management's attendance at Company (non-training) meetings may be reimbursed in accordance with standard and/or customary mileage or business transportation guidelines.

4. Regional Travel

- a. Regional travel requests, with or without overnight accommodation, must be submitted for approval at least 21 days in advance of travel.
- b. Regional travel is defined as beyond the 100-mile radius (one-way) of the Management traveler's primary workplace and within the state boundaries of Oregon, Washington, and Idaho.
- c. See "Travel Arrangements" information below for additional details.

5. National Travel

- a. National travel requests, with or without overnight accommodation, must be submitted for approval at least 21 days in advance of travel.
- b. National travel is defined as beyond the 100-mile radius (one-way) of the Management traveler's primary workplace and outside the state boundaries of Oregon, Washington, and Idaho. but within the United States.
- c. See "Travel Arrangements" information below for additional details.

6. International Travel

- a. International travel requests must be submitted for approval at least 30 days in advance of travel.
- b. International travel is defined as outside the United States.
- c. See “Travel Arrangements” information below for additional details.

IV. APPROVAL REQUIREMENTS AND PROCESS

A. Pre-Travel Requests

- 1. Travel must be approved in advance using the Company’s Travel Authorization Form, which includes travel dates and destinations, estimated costs, purpose of travel and any relevant itineraries or agendas.
- 2. International travel requires prior written approval from all disinterested members of the Company’s Board of Managers. All other travel must be approved in advance by Requisite Approvers as follows:
  - (a) Non-Independent Managers: Travel requests submitted by Non-Independent Managers or officers (Managers or officers who are employees of, or are affiliated with, the Company’s Sole Member, Clean Water Services (“CWS”)) must be approved by at least two (2) Independent Managers.
  - (b) Independent Managers: Travel requests submitted by Independent Managers or officers (Managers or officers who are not employees of, or affiliated with, CWS) must be approved by at least two (2) Non-Independent Managers.
- 3. No travel may be undertaken without prior written approval from the appropriate approving body.
- 4. Travel Authorization Forms must be submitted at least 30 days before departure date.

B. Post-Travel Reimbursement Requests

- 1. Approval is required for the reimbursement of certain travel-related expenses incurred during authorized Company travel. Travelers must use the Company’s Reimbursement Request Form when submitting reimbursement requests, which shall include the following:
  - (a) Original, itemized receipts or proof of payment (or clearly readable copies thereof);
  - (b) Brief description of the business purpose for each expenditure; and
  - (c) Final itinerary or documentation of travel completion.

2. Reimbursement requests must be approved by Requisite Approvers as follows:
  - (a) Non-Independent Managers: Reimbursement requests submitted by Non-Independent Managers or officers (Managers or officers who are employees of, or who are affiliated with, CWS) must be approved by at least two (2) Independent Managers.
  - (b) Independent Managers: Reimbursement requests submitted by Independent Managers or officers (Managers or officers who are not employees of, or otherwise affiliated with, CWS) must be approved by at least two (2) Non-Independent Managers.
3. All reimbursement requests must be submitted within 30 days of travel completion.

## V. TRAVEL ARRANGEMENTS

Only expenses that are reasonable and necessary for the performance of business activities during Company-approved travel may be incurred or reimbursed.

### A. Transportation

#### 1. Airfare:

- (a) Air travel for the Management traveler will be ticketed as non-refundable, economy class (not basic economy or super-saver), non-stop (when available and the ticket price does not exceed the greater of 25% or \$150 for a similar flight with one layover) travel during reasonable business hours unless a documented travel accommodation exists and is approved by the appropriate Requisite Approvers.
- (b) Airline travel will be booked through major carriers, not budget carriers unless major carrier options do not meet travel needs. The Management traveler will obtain a flight quote for economy class, non-stop (when available and the ticket price does not exceed the greater of 25% or \$150 for a similar flight with one layover) travel. The quote(s) will consider multiple departures on the date of travel (if available) to establish an acceptable range for the flight cost.
- (c) The Company will not pay for or reimburse any companion airfare.
- (d) If not otherwise included, Management travelers may request reimbursement for a maximum of two (2) personal, checked bags per flight section. Oversize/overweight baggage fees shall not be reimbursed. Additional checked business-related materials may be reimbursed with appropriate approval.

#### 2. Ground Transportation:

- (a) Shuttle service, public transit and ride-sharing services are the preferred methods of ground transportation. Such services shall be arranged for by

the Management traveler and where possible, in coordination with other Management travelers on the same or substantially similar itinerary.

- (b) If a rental car is required, Management travelers may rent up to a mid-sized sedan or equivalent. Larger vehicles may be rented if Company equipment or the total number of other Management travelers utilizing the same mode of transportation is required. Insurance will be purchased through the rental car provider. Standard daily parking charges (including valet only where no self-park available) associated with or required for Company-related activities shall be reimbursable.
- (c) Ground transportation costs associated with personal activities shall be the personal sole responsibility of said traveler.
- (d) If a Management traveler chooses to drive to a business destination instead of flying, mileage reimbursements will be based on actual business mileage driven directly to/from the business destination, but shall not exceed the cost of what the airfare and related transportation would have been had the Management traveler flown to/from the business destination.
- (e) Fines or penalties (e.g. traffic/parking tickets) are not reimbursable.

B. Lodging

- 1. The Company will reimburse for standard, single-occupancy lodging for overnight Company business travel, as approved per this Policy unless a documented travel accommodation exists and is approved for a Management traveler.
- 2. Lodging options arranged by a conference or seminar sponsor are normally discounted and considered acceptable, unless the cost is exorbitant in comparison to other acceptable lodging available in the area.
- 3. The Management traveler will be personally and solely responsible for costs associated with additional room occupants and for extra nights of lodging for personal use, including additional companion fees.
- 4. Fully detailed receipts are required for reconciliation and reimbursement, and Management travelers must provide the personal payment to the hotel for any personal charges to the room.
- 5. Alcohol, mini-bar, movies, or in-room entertainment are not reimbursable.

C. Meals and Incidentals

- 1. Meals primarily related to approved Company travel or training and consumed while conducting Company business may be eligible to be expensed or reimbursed.
- 2. Expenses for meals (and tips) related to overnight travel will be paid based on the Federal per meal per diem rate for the destinations as listed at

<https://www.gsa.gov/travel/plan-book/per-diem-rates>  
<https://www.defensetravel.dod.mil/neorates/report/index.php> as applicable

or

3. The amount eligible on the first and last day of travel equals 75% of the total meals and incidental expense (M&IE) for the destinations listed at <https://www.gsa.gov/travel/plan-book/per-diem-rates> or <https://www.defensetravel.dod.mil/neorates/report/index.php> as applicable.
4. If a meal or meals are otherwise provided with the lodging, business meeting, workshop, seminar, travel, etc., or through a conference registration fee, the per diem allowance for that meal or meals will be deducted from the total per diem allowance unless a documented travel accommodation exists and is approved.
5. Management travelers need to provide a copy of the conference/event agenda with their travel/training receipts to claim per diem for meals so that the Company has a record of meals that were provided as part of the event. In addition to the agenda, Management travelers will provide any other information about meals provided as part of the conference/training/event with travel documentation.
6. Written requests for per diem exceptions based on dietary accommodation(s) should be submitted to the Requisite Approvers for consideration.
7. If a meal or meals are incorporated into registration for an approved business meeting, workshop, seminar, or conference, the expense shall be paid by the Company.
8. If a Management traveler is accepting an award or recognition or representing the Company at an event, the meal for that event is reimbursable.
9. If a Management traveler invites a personal guest to a business-related meeting meal, whether internal, external, or as part of a training or conference, the Management traveler shall be solely and personally responsible for the costs of their guest.

D. Miscellaneous

1. Conference registration fees, if advanced personally by a Management traveler, are reimbursable.
2. Tips (reasonable and customary amounts) paid by a Management traveler for Company-related business services are reimbursable.

Expenses not expressly allowed or that are deemed excessive or personal in nature will not be reimbursed.

VI. COMPLIANCE AND AUDIT

- A. Travel and expense reports may be subject to audit.
- B. Non-compliance with this Policy may result in delayed reimbursement or denial of claims.

C. Fraudulent expenditures or requests may result in disciplinary action.

## VII. EXCEPTIONS

### A. General Exceptions

Any exceptions to this policy must be approved in writing by a majority of the disinterested Managers of the Company. Exceptions will be granted only in cases where the deviation is justified and consistent with the Company's fiduciary responsibilities and regulatory obligations.

### B. ADA and Accessibility-Related Accommodations

The Company is committed to ensuring that all employees, directors, and authorized representatives with disabilities are provided reasonable accommodations in accordance with the Americans with Disabilities Act (ADA) and other applicable laws. As such:

1. Management travelers who require accessibility-related accommodations (e.g., upgraded seating, personal assistance services, special transportation arrangements, accessible hotel rooms, or medical equipment transport) may be reimbursed for related expenses, even if such costs exceed standard travel limits outlined in this Policy.

2. Documentation of the accommodation need may be requested (e.g., self-disclosure, or note from a healthcare provider), but will be treated confidentially.

3. Requests for ADA-related travel accommodations should be made in advance whenever possible and coordinated with the Requisite Approvers.

4. Any required travel companion or assistant for accessibility purposes (e.g., interpreter, caregiver) may also be covered, subject to pre-approval by the Requisite Approvers.

5. All ADA-related exceptions will be reviewed on a case-by-case basis and approved with sensitivity, discretion, and in full compliance with applicable laws and internal equity practices.

## VIII. POLICY ENFORCEMENT

Failure to comply with this Policy may result in denial of reimbursement, disciplinary action or other measures determined by the Board of Managers.