

WELLS RURAL ELECTRIC COMPANY

Adopted: March 1976

Reviewed: August 21, 1998

Revised: August 21, 1998

POLICY NO. 4-4

EXPENSES AND REIMBURSEMENTS TO DIRECTORS AND EMPLOYEES FOR BUSINESS RELATED ACTIVITIES

I. OBJECTIVE

To provide for reimbursement of directors and employees for expenses incurred when on company business.

II. POLICY PROVISIONS

A. To establish a policy for reimbursement and payment of expenses for directors and employees while on company business.

B. Institutes, meetings with other organizations, annual and regional meetings shall be considered company business.

1. Expenses

a. Directors and employees, while on business, shall be entitled to meals, lodging, and transportation. Expenses will be reimbursed at the exact cost incurred when a proper accounting of cost has been provided to the company.

b. Reasonable air, bus, or train transportation will be paid at cost. Private transportation by car will be reimbursed at the maximum IRS allowable rate. Directors and employees are encouraged to use the most efficient means of transportation.

C. Compensation and expenses will only be paid for actual meeting days plus required travel time up to two days. It is the responsibility of each director and employee to attend the meetings associated with the purpose of the trip.

C. Advance for Expenses

1. The company may advance a reasonable amount for expenses provided an accurate accounting is made upon return and any unused portion of the advance is returned within 30 days.

III. RESPONSIBILITY

- A. It will be the responsibility of the Directors & Chief Executive Officer's Expense Committee to review adherence to this policy when pertaining to directors and the chief executive officer's expenses.
- B. It will be the responsibility of the chief executive officer to review adherence to this policy when pertaining to employees' expenses.