
Business Expense and Reimbursement Policy

Metergy Solutions



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Business Expense and Reimbursement Policy

Introduction

The purpose of this Policy is to establish clear guidelines for the incurrence, payment and reimbursement of business-related expenses for all directors, officers, employees and contractors (collectively, **“Employees”**) of Metergy Group Inc. and all its subsidiaries (**“collectively “Metergy”**). Metergy’s executive team is responsible for the creation, amendment and enforcement of the Policy and provides final decisions regarding any disputed items.

This Policy applies to all Employees. Expenses must be deemed appropriate, moderation and applicable laws. Excessive costs, personal expenses, inappropriate entertainment or luxury accommodations and services unnecessary or unjustified in the performance of Metergy’s business are not acceptable and will not be reimbursed. Employees are responsible for excessive costs and any expenses incurred for personal preference or convenience.

This Policy distinguishes between travel and non-travel business expenses. Any business-related round trip over 300 kilometers (200 miles) from the Employee’s normal office location will be considered **“Travel”** for the purposes of this Policy.

Failure to comply with the Policy may result in the denial of a reimbursement or expense report or other measures as deemed necessary by Metergy’s executive team, including, garnishment of wages and termination of employment.

Approvals

Expense reports as required by this Policy must be approved by the **“Approving Manager”**. The Approving Manager is the Employee’s immediate superior or, if such person also participated in the expensed item, the next level of management, failing which, the President or Chief Financial Officer (**“CFO”**). The Employee and the Approving Manager are responsible for the expense report’s reasonableness, accuracy, thoroughness and conformity with this Policy.

Expense reports must be reviewed and approved within 5 business days of receipt by the Approving Manager. The Employee is responsible for submitting the approved expense reports to the Accounting Department for reimbursement.

Prior approval for expenses not covered by this Policy is required from the Approving Manager. In some cases, departments may impose more restrictive guidelines than those set forth in this Policy.

Audit of Expense Reports

All expense reports are subject to audit and review by the Finance Department. Audit findings will be reported to the Employee and the Approving Manager. Audit findings may result in a complete audit of all expense reports submitted by the Employee or approved by the Approving Manager, as applicable. If an issue arises which could preclude reimbursement, the applicable expense report(s) will be held pending further investigation with the Employee and/or the Approving Manager, as applicable.

Backup Documentation

Employees are required to submit original receipts or copies with sufficient supporting detail. Employees should retain a detailed copy of expenses and supporting documentation when submitting their report in the event the originals are lost. See Appendix 1 for supporting documentation requirements and other special instructions.

Over Limit

Approvals for an Employee's business expenses over authorized limits must be approved by the Approving Manager prior to incurring the expense. If the approver is participating in the expensed item, then approval must be granted by the next level of management, failing which, the President or CFO must approve.

Meals and Entertainment

Meals (Travel Related)

Employees will be reimbursed for three meals a day while Travelling for business purposes. Ancillary expenses (I.e. expenses other than meals such as personal grooming items) are not reimbursable.

Costs of travel related meals should be reasonable relative to the location of Travel, but in general should be limited to \$50 per day.

Detailed, itemized receipts are required for reimbursement, including proof of any tip. Tips should be reasonable in the circumstances, but at any rate no more than 20%.

Meals (Not Travel Related)

Employees will be reimbursed for reasonable business-related meals, such as client/vendor meetings and staff meals.

For clarity, individual employee meals are not reimbursable if the employee is not Travelling for business purposes.

Entertainment

Entertainment expenses where Employees are present are reimbursable only when incurred for the purpose of enhancing a business opportunity or relationships. Such expenditures must pre-approved by the Approving Manager.

Reasonable entertainment expenses such as, theatre, sporting or concerts will generally be reimbursed provided that:

- It is for the purpose of advancing a business relationship between Metergy and its customers or suppliers.
- The cost is within reasonable limits and the choice of entertainment is made with good moral judgment not to involve alcohol other than moderate consumption and does not include lavish, excessive or inappropriate entertainment.
- An Employee is present at all times.
- Pre-approval by the Approving Manager is obtained unless the entertainment is for regularly scheduled client/vendor meetings and within the department's budget for such meetings.

Gift Cards

Every attempt should be made to minimize the use of gift cards as these are considered a taxable benefit. Approval from the CFO must be obtained prior to purchasing any gift cards.

Taxi and Car Hire (i.e. Uber) Policy (Non-Travel)

Employees will be reimbursed for all reasonable business-related taxi expenses. Such expenditures must be pre-approved by the Approving Manager. In approving such expenditures, the Approving Manager should consider whether the expense is related to Metergy business or the Employee's position and whether the Employee has a legitimate reason for taking a taxi or car-hire (e.g., the Employee does not have access to an automobile or public transportation is not feasible/available in the circumstances).

Parking and Tolls (Non-Travel)

Reasonable business-related parking charges incurred by Employees will be reimbursed. The lowest cost alternative should be selected. Valet parking will not be reimbursed.

Tolls will be reimbursed if they are deemed necessary for the Employee's business purposes or have been approved in writing by the Approving Manager. Approval is only required once (unless rescinded) and a copy must be sent to Human Resources to be maintained in the Employee's file.

Personal Vehicles

Employees will be reimbursed for the use of a personal vehicle, or a rental vehicle in lieu of, for business-related travel in accordance with this Policy. Fuel or mileage reimbursements are not an allowable expense for Employees receiving a car allowance, unless otherwise contractually agreed upon between Metergy and the Employee.

For Employees receiving a car allowance, it is the Employee's responsibility to maintain a log of actual kilometers driven for business purposes and make the applicable deductions on the Employee's personal tax returns.

The use of personal vehicles is permitted for approved business-related travel for up to 300 kilometers (200 miles) per round trip. The reimbursement rate per kilometer or mile is reviewed regularly and set with reference to the CRA or IRS reasonable allowance rates.

The following considerations apply to the use of personal vehicles:

- Total reimbursement for mileage should not exceed the cost of a reasonable alternative. Employees should choose the lowest cost alternative available.
- The calculation of kilometers begins from the Employee's normal office location. If the Employee works from a home office, a personal commuting equivalent of 40 kilometers (25 miles) (round trip) will be deducted from the daily reimbursement calculation.
- Neither Metergy nor Metergy's insurance will pay for any physical damage to an Employee's vehicle or personal injury to an Employee or third party. Any damages, deductibles or other related expenses must be paid by the Employee.
- The Employee is responsible for maintaining appropriate insurance and having a valid driver's license.
- Employees will not be reimbursed for kilometers or parking while travelling to their normal office location for any reason, including weekends, holidays or after hours.
- Employees will not be reimbursed for any parking infractions or traffic violations incurred during business-related travel.

For business-related travel greater than 300 kilometers (200 miles) and less than 1000 kilometers (600 miles), it is recommended that a rental vehicle be used. The cost of the rental and gas incurred for the business trip will be reimbursed in accordance with the Rental Vehicle terms contained under Travel-Related Expenses in the following section.

In certain circumstances, as approved in advance by the Approving Manager, where the cost of reimbursing mileage would be less than the cost associated with a rental vehicle and gas, use of a rental vehicle should

be avoided and the lowest cost alternative should be used.

For business-related travel over 1000 kilometers (600 miles), a plane or train is required unless prior approval is obtained from the Approving Manager.

Travel-Related Expenses

General

Metergy does not require Employees to use a particular travel agent or service provider when booking Travel, but does encourage Employees to obtain the lowest fares available. Often the lowest fares for Travel are widely available through online travel sites.

Transportation while Travelling

For all ground travel, the lowest value options should be used taking into account safety, cost and time.

Air/Rail

These guidelines must be followed before booking air/rail tickets for Travel:

- All efforts should be made to obtain the lowest fare available. Being flexible with departure times can result in significant savings.
- Book non-refundable tickets with as much notice as possible (e.g. Air Canada's "Standard" Fare). Penalties for changes and cancellations to non-refundable tickets may be claimed if incurred under reasonable circumstances. If refundable tickets are purchased and expensed then subsequently cancelled, the amount claimed must be reimbursed to Metergy.
- All Travel in North America must be coach/economy class.
- Employees will be reimbursed for extra baggage fees incurred for checking marketing/promotional materials or equipment for business-related purposes.
- Employees will be reimbursed for standard (lowest possible) seat selection charges.
- One allowable checked-in luggage per week of travel is reimbursable. Excess or additional baggage will only be reimbursed with Approving Manager sign-off.
- Standby charges or change fees will be paid if reasonable in the circumstances.
- Loyalty programs should not determine the Employee's choice of service provider; however, provided that the Employee remains responsible for any loyalty program fees, they may retain any "rewards" acquired through such program.
- Under no circumstance will Employees be reimbursed for utilizing frequent traveler rewards used while on company business.
- Tickets or upgrades through loyalty programs are permitted at the discretion and expense of the Employee.
- Family member/companion travel will not be reimbursed unless pre-approved by the President or CFO.
- Employees are responsible for any Travel extension costs for personal reasons unless pre-approved by the Approving Manager.
- Should an airline delay necessitate an overnight stay, the Employee should attempt to secure complimentary lodging from the service provider. If unsuccessful, the Employee must obtain the lowest hotel rate reasonable in the circumstances.
- All boarding passes, receipts and, if applicable, proof of cancellation must be submitted with the expense report.
- No more than 10 Employees are allowed on the same flight at any given time.

Rental Vehicles

The following should be considered before renting a car for Travel:

- Availability of hotel shuttle services and taxi cabs.
- Proximity of hotel to destination.
- Number of travellers (car-pooling).
- Availability of direct public transit.
- Length of stay.

A “mid-size” vehicle must be rented unless changes are warranted for the number of occupants, cargo requirements or vendor special promotions (i.e., larger car is less expensive). Employees should coordinate travel arrangements with other Employees attending the same meeting or function to avoid unnecessary car rental expenditures.

Employees’ use of rental vehicles is covered under Metergy’s insurance policy, as a result, while Travelling in Canada and the United States, Employees should refuse additional insurance coverage offered by the car rental company.

Employees should refuel rented vehicles before returning them to avoid refueling surcharges. Many rental car agencies provide the option to pre-pay fuel; as this option assumes the tank will be empty, discretion should be exercised so that unnecessary fuel charges are not incurred.

Any driving offenses, tickets, fines, penalties or towing charges are the responsibility of the Employee.

All accidents must be reported to Metergy, regardless of whether any damage or injury has occurred.

Taxis/Car Hire (i.e. Uber) and Limousines

Employees will be reimbursed for business-related taxis and car hire expenses while travelling. Employees are encouraged to use other inexpensive ground transportation services when available. Limousine services are discouraged and should generally be used only when the cost of these services is equal to other available ground transportation or if there are safety concerns with a lower cost option, which may vary depending on time of arrival by city.

The total expense for taxis, car hire and limousines while travelling should not exceed the cost of a reasonable alternative, such as a rental vehicle (including, for greater certainty, the cost of parking).

Parking/Tolls

Reasonable parking charges incurred by Employees while Travelling will be reimbursed. The lowest cost alternative should be selected. For stays over 3 days, long term parking at a remote location is strongly suggested. Valet parking will not be reimbursed.

Tolls will be reimbursed if they are deemed necessary for the Employee’s business purposes or have been approved in writing by the Approving Manager. Approval is only required once (unless rescinded) and a copy must be sent to Human Resources to be maintained in the Employee’s file.

Accommodations while Travelling

While Travelling, Employees will only be reimbursed for single standard room rates at moderately priced hotels where, the distance to return home from your business location would be impossible, impractical or not cost effective. Employees may accept room upgrades if the upgrade is at no additional cost to Metergy. Charges for hotel upgrades are not reimbursable. Many hotels have frequent guest programs that reward travelers with free accommodation in exchange for a given number of paid room nights at the hotel. This type of program may be retained by the Employee for personal use; however, participation in these

programs must not influence hotel selection or result in any incremental costs. Membership to such programs is not reimbursable. Employees must check with the Approving Manager if there is any difficulty adhering to the above.

Metergy will reimburse Employees for hotel cancellation fees incurred for business-related reasons or as a result of factors outside of the Employee's control. Employees must maintain a record of any hotel cancellations (contact name, cancellation number, date and time).

Employees are responsible for any non-business-related ancillary charges, such as health clubs, spa, valet service, movies, laundry and mini bar. For extended out of town trips, laundry service (for trips greater than 3 days) or health clubs fees (for trips greater than 5 days) may be pre-approved by the Approving Manager. Refer to the heading "Telephone and Internet Charges" below for Metergy's reimbursement policy for telephone and internet charges.

Tips to porters, skycaps, bellhops and service personnel are reimbursable provided the tips are reasonable.

Theft of Personal Property Items while on Metergy Business

Employees are responsible for maintaining personal insurance for loss or theft of personal property. Usually, coverage during travel is part of a standard homeowner or renter's policy or is available for a small additional premium. Employees are cautioned against travelling with valuable or unnecessary personal items and are encouraged to use hotel safes where available.

Medical Insurance

While on business in North America, full time Canadian Employees and full time US Employees who have opted into medical coverage with our benefits carrier are provided with limited medical insurance. The Human Resources department can provide further information on coverage and should be consulted prior to any Travel. Additional insurance purchased by full-time employees is not eligible for reimbursement.

Telephone and Internet Charges

As part of our commitment to creating a flexible and efficient work environment, Metergy has a Bring Your Own Device ("BYOD") program. Under this program, employees may use personal cell phones and/or tablets for work-related tasks and will be responsible for providing and maintaining their own device(s), including any associated hardware and carrier fees. This ensures that you have the freedom to choose a device that best suits your needs and preferences. Metergy maintains corporate discount programs with certain carriers that offer cost savings on mobile plans.

Reasonable telephone, internet and WiFi charges, up to \$20 per day, will be reimbursed during Travel, provided there is a business use for such services. Charges should be mitigated where possible by pre-arranging out of country service to mitigate long distance and roaming charges.

For those with Metergy owned devices, it is the responsibility of the Employee, when Travelling outside of their service region to contact Metergy's IT department to have adjustments, such as long distance and roaming plans, added to their Metergy cell phone plan at least one week prior to departure.

Corporate Credit Cards and Centralized Expenditure Arrangements

Corporate Credit Cards

Corporate credit cards ("Cards") are issued through Metergy's banking partner on an approved basis. Cards will be issued based on the nature of the Employee's role and regularity of and anticipated expenses incurred by such Employee. The President or CFO must approve all Cards issued to Employees.

Metergy will pay for any annual credit card fees on the Cards.

The Employee must submit an expense report for reimbursement of business expenses, subject to the guidelines in this Policy, charged to the Cards. All supporting detailed receipts must be submitted with the statement within 15 days of receiving the statement.

Personal items cannot be charged to the Cards. Employees will be required to reimburse Metergy for any disallowed items.

Authorized Limits

Authorization limits for Employee business expenses are set out in Metergy's Signing Authorization and Delegation Authority Policy.

Additional Specific Exclusions

Any Employee that is uncertain about the legitimacy or reimbursement of an expense should seek pre-approval from the Approving Manager. Failure to comply with this Policy may result in, among other things, the denial of a reimbursement claim.

The following non-exhaustive list provides examples of expenditures that will not be reimbursed by Metergy:

- Child/pet care expenses.
- Lost and/or stolen personal items.
- Personal travel/baggage insurance.
- Personal loyalty program or travel club fees.
- Late payment interest or over limit charges not otherwise herein expressly authorized.
- Annual credit card fees (other than annual fees for approved Corporate Cards issued through Metergy's banking partner).
- Fees related to unnecessary business trip stopovers or extensions.
- Special charges, such as, concierge and other amenities not otherwise herein expressly authorized.
- Personal items, such as, toiletries, grooming, souvenirs and gifts.
- Expenditures reimbursed by another party.
- Parking fines or other traffic violations.
- Expenses for the repair and maintenance of Employee owned vehicles.
- Annual fees for private clubs, tennis, golf or health clubs, unless part of the Employee's compensation package.
- Sponsorships or donations.
- Home office related assets (such as desk, chairs, consumables, etc.)
- Media and electronics, such as, newspapers, magazines, head sets, music and movies.
- Telephone charges excluding roaming while Travelling.

Professional Development

Metergy will reimburse Employees for attendance at seminars and conferences related to their employment or professional status or designation provided prior approval from the Approving Manager is obtained. Metergy will not reimburse Employees for any travel expenses related to attendance at seminars and conferences, such as accommodations, meals or taxis, unless prior approval from the Approving Manager is obtained.

This policy does not cover education expenses. For further education guidance, please contact Human Resources.

Receipts and Reporting

Receipts

The following details and receipts must be provided in the expense report, as applicable:

- Expense reports must be submitted by the most senior Employee where more than one Employee participated in the business-related expense with support showing payment was made on behalf of a group of Employees.
- Expense reports must include all relevant details, including purpose, names of Employees in attendance, titles and company(s) of all non-Employee attendees.
- Where travel is involved, expense reports must contain all relevant travel details, including purpose, destination, kilometers travelled (if applicable), dates, tips and extra charges. Support for kilometers can be substantiated by any of the available online map services.
- Original itemized receipts are required. A credit card statement, on its own, is insufficient.
- When original receipts are not available, the Employee should obtain a duplicate or other support, such as a credit card statement, along with an explanation of why the original receipt could not be provided.
- Expenses without receipts or acceptable support may not be reimbursed.

Reporting

Employees are required to submit regular expense reports through Metergy's third-party expense processing service, Certify.

Expenses older than 90 days require CFO approval prior to reimbursement.

Enforcement and Monitoring

Employees who do not comply with these policies may be subject to:

- Delay of reimbursement
- Disallowed expenses
- Disciplinary action

Approving Manager responsibilities:

- Approving Managers are responsible for ensuring they understand the Policy and comply with the requirements.
- Approving Managers who review and approve expenses are responsible for ensuring that the expenses are in compliance with the Policy and for verification of the following:
 - The purpose of the expense is valid and directly related to Metergy's business.
 - The expenses are properly coded.
 - The expenses are submitted to Accounts Payable as required.
 - The expenses are reasonable and in compliance with the Policy.
 - Proper supporting documentation is provided for expense claims.

Employee responsibilities:

- To review, understand and comply with the Policy.
- To submit accurate expense reports as required.
- To provide supporting documentation as noted in this Policy.
- If unsure about any part of the Policy, the Employee should consult with their Approving Manager or Human Resources in advance.

Exceptions:

- Exceptions to the Policy may only be approved by the President or CFO and will be regarded as highly unusual.
- When an Employee does not follow the Policy, their name and associated violation may appear on an exception report and provided to the President or CFO, provided that in the case of the President or CFO such exception report would be provided to the Board of Directors.

Appendix 1

Supporting Documentation and Special Instructions Table

EXPENSE	SUPPORTING DOCUMENTATION	SPECIAL INSTRUCTIONS	TAXABLE
Air Transportation	e-ticket or invoice		No – If work related
Rail Transportation	Passenger copy of rail ticket		No – If work related
Hotel	Hotel invoice	Meals must be claimed separately. Expense reports should exclude non-reimbursable items.	No – If work related
Car Rental	Car rental invoice/rental agreement		No – If work related
Taxi	Original receipt	Receipts should contain date, origin, destination and purpose.	No – If work related
Meals	Original itemized receipt	“Tear tabs” at the bottom portion of meal tickets are not acceptable. Include: names of all attendees, business purpose and location.	No – If work related
Entertainment (non-meal related)	Original receipt	Include: names of all attendees, business purpose and location.	No – If work related
Personal Cars	Mileage	Mileage will be reimbursed at the rates contained within the expense report template.	No – If work related
Event Registration	Original invoice	Include proof of attendance (such as ticket stub, etc.).	No – If work related
Gift Cards	Original invoice	Ensure adequate procedures in place to capture taxable benefits information and theft of cards avoided.	Yes – if over \$20
Out of Country Travel	Original invoices and copy of credit card statement	Claims should be made based on the dollar amounts charged to the credit card.	No – If work related

NOTE: All receipts to specifically show any applicable taxes.