



TEMPORARY EMPLOYEE TRAVEL AND EXPENSE POLICY

Canada, U.S., and Puerto Rico

Purpose

This document outlines the Kelly Services, Inc. and its subsidiaries (“Kelly” or “Company”) policy regarding travel, entertainment, and expenses. This policy establishes standard expense reporting procedures that are consistent with Company practices and guidelines.

Kelly Services maintains an Accountable Plan. To comply, an employee must return any excess reimbursement or allowance within a reasonable amount of time. (See p. 29 of IRS Publication 4363 <https://www.irs.gov/pub/irs-pdf/pr63.pdf>).

Policy

- Employees and approvers of expenses are expected to meet the requirements of this policy. Their activities are subject to management oversight and review of compliance with this policy, including review and audit of expense documentation and compliance with expense policy and operational guidelines and procedures.
- Travelers must report incurred expenses accurately and **within 60 days** along with all necessary documentation (e.g., agency itinerary, hotel receipts). All expenses must be detailed daily, **including all direct billed charges**. Failure to submit expenses within these parameters may result in the taxation of the expense.
- Kelly will reimburse all expenses approved by the customer but only those expenses outlined in this document will be treated as non-taxable. Any customer agreed upon expense reimbursement outside of this policy must be escalated to Payroll Administration by filing a case with the Field Service Center and escalating to the Temp Payroll Expense team. Payroll Administration to determine whether expense is reimbursable. Only those expenses that are billable to the customer will be considered.
- In Canada, U.S. and Puerto Rico, travel (air, car, and hotel) can be booked by Kelly through our designated travel agency, (via the [Travel Request App](#)), or by the customer through their agency. **Employees cannot book travel on their own.**
- Consistent with applicable law, Kelly will reimburse necessary business expenses incurred for business related activities. Where applicable, documented business expenses should be submitted within 60 days.

Tax Guidelines and Policy Enforcement

- This Policy complies with local tax regulations. Many countries follow complex sets of rules and procedures that determine what business expenses are deductible for income tax/reporting purposes. Failure by Kelly to follow documentation guidelines can result in actions by the IRS and other countries’ taxation bodies to disallow the deduction for our Company or the customer. In many countries, the government can impose additional taxes on employees receiving reimbursements. It is **vital that all** Kelly travelers adhere to this policy. The IRS only considers travel between an employee’s tax home (principal residence) and the temporary business location as non-taxable. In the event the employee travels to a location other than their tax home, the travel will be considered as taxable income to the employee.
- Travelers will **not** be reimbursed for expenses or additional taxes imposed if the traveler fails to properly document expenses. Failure to follow these processes will result in a rejection of the expenses and a delay in the reimbursement of incurred expenses.

Air Travel

- All travel arrangers and/or travelers should book the lowest cost, most logical fare.
 - Connecting flights should be used when airfare savings is \$300 or more and the departure time is within 2 hours of the requested flight provided the business purpose of the trip is not impacted.
 - Coach class should be booked for all flights with less than 12 hours flight time; business class over the water when flight exceeds 12 hours (one way) in the air. First class is not authorized.
- Whenever fares and schedules are comparable and the purpose of the trip is not impacted, Kelly's preferred airlines should be selected over all other airlines, unless savings are more than \$150 for domestic travel or \$400 for international travel. Airlines should not be selected on the basis of personal frequent flyer status.
- Upgrades and seat assignment fees are not reimbursable, except "economy comfort or coach plus" fees on international flights, which are booked online by the travelers after the ticket has been issued.

Ground Transportation

- Personal vehicle mileage will be reimbursed when the cost is less than an airline ticket.
- To be reimbursed for the use of a personal car for business, travelers must document the following items on their expense report: purpose of the trip, date, location, and number of miles
- Employees are to deduct their normal commuting mileage if traveling directly to or from their place of residence on a regular scheduled work day.
- All public forms of transportation and tolls and parking fees incurred are reimbursable.
- All travelers are to purchase the lowest available reserved coach or second-class seat. Rail travel over two hours may be booked in the lowest available reserved business class when traveling within Canada, Europe, or in Asia. Travelers based in the U.S. and Puerto Rico must purchase all rail tickets through a designated travel agency.

Rental Cars

- Rental cars are reimbursable and should be booked through a Kelly Preferred vendor
 - Cars must be checked for damage prior to leaving the rental car company parking lot.
 - Decline the fuel purchase option (FPO). Always refuel the car prior to returning to the rental location. Any personal add-ons (Satellite radio, toll pass device, etc.) are not covered by Kelly Services and subject to **taxation**.
 - When the rental is arranged through Kelly's own travel program, the car rental insurance, Collision Damage Waiver (CDW) and loss damage coverage, Loss/Damage Waiver (LDW), cannot be waived. It must be accepted.
 - When the rental is arranged by the customer, the employee should accept the collision damage waiver (CDW) and the loss damage waiver (LDW), as well as the cost passed back to the customer as part of the overall travel expenses.
 - The Collision Damage Waiver (CDW) and the Loss Damage Waiver Option (LDW) should also be accepted when traveling in Canada or abroad.
 - If the customer doesn't include CDW and LDW, Kelly Services requires the employee to purchase the insurances and it is not taxable. It is a business requirement of Kelly Services.
 - If the employee accepts any of the Personal Accident Insurance coverage or supplemental insurance, that is **taxable to the employee**.
- Intermediate-size or compact cars must be rented unless three or more persons travel together.
 - If weather conditions demand, a four-wheel-drive vehicle may be rented.
- Any driver under the influence of intoxicants, drugs, or any other substance known to impair driving ability, shall not operate vehicles. Driving under these conditions, or operating the vehicle in any illegal manner, will void insurance coverage from the rental agency.
- Travelers will be reimbursed for business usage of personal cars at the allowable published rate from tax authorities. Kelly will announce each January the set rate per mile driven and will send out updates if the

government changes the rate during the year.

Lodging

- Kelly travelers are authorized to book standard rooms and should use Kelly's preferred hotels wherever possible.
- Travelers are entitled to reimbursement of reasonable laundry and/or dry-cleaning expenses during trips in excess of five or more consecutive nights.
- Tax guidelines require that an itemized receipt/folio be attached to an expense report for reimbursement.
- Travelers may pay the difference in a room upgrade out-of-pocket.

Travel Meal Expenses

- Kelly will reimburse travelers for meals incurred while traveling for business (away from home), or for approved entertainment purposes. Some hotels may include breakfast or other meals. Travelers may not expense meals where the Company has negotiated meals, normally breakfast, or where included within the room rate.
- All meals are to be charged to the employee's personal credit card (this includes room service).
- An itemized receipt over \$50 (USD) is required and must be submitted with the expense report for all meal expenses.
- Each meal must be recorded separately on the expense report.

Business Meals

Business Meal Expenses

Business meals are defined as any meal for professional meetings/dinners, recruiting, or for the purpose of discussing Kelly and or customer business. Business meals should occur infrequently and only when schedules do not permit the transaction of Kelly business during normal working hours.

- Business entertainment meals will be reimbursed only if reasonable and appropriate.

Business practice may dictate the necessity to host business contacts outside company offices. Such entertainment must be necessary to conduct business. As representatives of Kelly, travelers are expected to conduct themselves in accordance with our Code of Business Conduct and Ethics and appropriate business practice, including the consumption of alcohol at business meals.

All entertainment expense claims must be accompanied by an explanation of the business purpose of the expense, and the business relationship of the person(s) entertained, including their names and company name(s). Kelly requires documentation to support all instances of entertainment.

Ensure that receipts over \$50 (USD) are provided and include the following: **(This is subject to local country modifications.)**

- Identify the establishment, date, persons attending, and their company's name.
- Include all other Kelly employees who were present.
- Identify the nature of the business discussed.
- Include original **itemized** receipts for each expenditure.

Business Meals Taken With Other Employees

Employees will be reimbursed for business-related meals taken with other employees **only** in the following circumstances:

- When a client is present.
- When dining with at least one out-of-town Company employee. Preference is that each employee pays for their own meal.

Other Reimbursable Expenses

Itemized receipts are required for all reimbursable expenses over \$50 (USD). An expense missing a required receipt is subject to rejection of reimbursement. If unable to obtain a copy of a lost receipt, reimbursement will not exceed \$50 or the entire amount of the reimbursement will be taxable to the employee. Any cell phone reimbursement **MUST** include the call detail. If the call detail cannot be substantiated, the cell phone expense will be taxable.

- Airport Parking and tolls
- Telephone and internet use while traveling for company business
- Home internet usage is reimbursable in certain states or jurisdictions, but the cost must be substantiated, and a receipt submitted to offset the reasonable personal use cost. Please refer to **State/District Requirements: Reimbursement Plan for Temporary Employees Working Remotely (e500)** for locations where internet must be reimbursed.
- Personal Cell Phone: \$.09 per minute for U.S. calls when providing a detailed statement (cover sheet plus the detail pages including call detail for the expenses being submitted) and the actual billed rate for international calls. Please note there is a \$20 cap per month on cell phone reimbursements.
- If 100% percent of the cell phone bill is for business use, the entire bill can be reimbursed as long as a letter is provided by the customer agreeing to the reimbursement. The call details is required for full reimbursement.
- Tips and gratuities (reimbursable up to a maximum of 20%)
- Baggage fees
- Passport and visa used for business travel
- Currency conversion
- Required immunization costs for business travel

Non-Reimbursable Travel Expenses

- This Policy includes a list of non-reimbursable expenses which serves as a guide and is not all-inclusive. The following are examples of the types of expenses that are not reimbursed unless approved by the applicable approver:

Note: Some expenses may be reimbursable; however, will be subject to taxation based on IRS requirements.

- Personal, spouse, or significant other travel. Spouses and companions are not allowed to travel at Kelly's expense. Travelers may not exchange their company-booked ticket to obtain additional tickets for a spouse or companion.
- Personal/vacation travel may be combined with business travel at the discretion of the customer. All extensions to the business trips must not incur additional charges to Kelly. Traveler will be responsible for full reimbursement of personal trip extension. The itinerary should be documented with the detailed cost for the business portion and personal portion of the trip. Kelly will pay up to the cost of the business trip on the regular business dates. The Company does not permit the application of the differential savings to the companion travel.
- Additional flight insurance premiums
- Dues for membership programs or fees associated with air, car, hotel, or credit card programs
- Car rental over intermediate vehicle model, except when necessary to transport a group
- Car insurance for rental cars while traveling in the United States
- Traffic/parking tickets or fines, court fees, and costs of other negligent, illegal, or wrongful act
- In-room movies
- Spa/massage appointments
- Personal reading materials (e.g., books, newspapers) or services
- Non-business related expenses incurred while out of town, such as, but not limited to, barber, theater tickets

- Hardware/Software
- Office supplies
- Tobacco products
- Health club fees
- Car washes

Questions/Contacts

For questions about this travel policy, please contact your Kelly representative.