

Williams Kherkher Expense Reimbursement Policy

Purpose

This document establishes the policies and guidelines for timely and accurate reimbursement of employee business expenses incurred on behalf of Williams Kherkher. This document also defines which expenses are deemed necessary business expenses and which are not. Williams Kherkher assumes no obligation to reimburse employees for expenses not in compliance with this policy.

Employees of Williams Kherkher are expected to exercise due care and diligence in performing their professional responsibilities. Employees are directed to be practical and prudent when spending our client's and Williams Kherkher's money.

The terms and conditions set forth in this policy are subject to change. All changes to the terms and conditions contained in this policy will be implemented and in-force immediately when adopted and made available to employees unless otherwise expressly stated.

Any employee, who submits expenses for reimbursement that are not authorized by this policy, or who otherwise violates this policy, will be subject to disciplinary action, up to and including termination of employment.

General Guidelines

General – To be reimbursable, expenses incurred must be ordinary and necessary expenses in conducting business on behalf of Williams Kherkher and include the required documentation to support the expenditure. Employees must show that the expense is directly related to, or associated with, the conduct of Williams Kherkher's business. Expenses that exceed \$25.00 must be submitted using Chrome River. Anything under \$25.00, please see Accounting for petty cash.

Major expense categories highlighted throughout the body of this Policy specifically identify the information required to ensure an accurate and timely reimbursement process. Failure to accurately enter all requested information will cause the expense claim to be returned to the employee for correction or completion. Not complying with this policy will result in the claim reimbursement being delayed or disallowed.

Any expense that is reported more than 30 days after it was incurred will receive a warning and after 90 days the report will be declined and will not be reimbursed.

Receipts – All client billable expenses (other than mileage) must be supported by a receipt. Lost receipts should be communicated to Accounting and will be dealt with on a case-by-case basis. Losing a receipt does not absolve the employee from supporting an expense claim. Receipts should be scanned and associated with the appropriate expense report in Chrome River. Please submit only one expense claim per trip/event.

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Corporate Card – Business travel and the costs associated with travel (accommodation, transportation, meals, entertainment, etc.) are an integral component in providing our services. Williams Kherkher makes available to each billable employee an American Express Corporate Card. All card holders **must use** the American Express Corporate Card for all business expenses where the card is accepted. For non-billable employees, contact Human Resources for the firm American Express card.

Employees are personally responsible for paying the outstanding balance of each monthly American Express statement. Williams Kherkher will only reimburse approved business expenses submitted through Chrome River, Williams Kherkher's expense reporting system.

Master Expenses – “Master” expenses will require a complete outline of the need for the expense, the purpose, the expert or witness, and the reason why it is considered a Master expense. Please provide a description of the group of cases that expenses will be allocated to.

Foreign currency conversions – Any transaction, which requires the conversion of a foreign currency, must be supported with the original receipt (i.e. in local currency) as well as the credit card statement (i.e. in U.S. dollars) supporting the expense claim. If the expense was paid directly with local currency, use the exchange rate that was received when purchasing the local currency and attach the support for that exchange rate. If the exchange rate cannot be supported, use the exchange rate published in the Wall Street Journal for the date(s) of the transaction. Conversion charges listed separately and supported with a credit card statement will be approved.

Tips and Gratuities – Tipping a porter, bellman, housekeeping or wait-staff should be based on the quality of services rendered. Excessive tips paid will not be reimbursed.

Expense Holds and Reversals of Expense Claims – Notification will be sent to employees if expense claims are unsupported by appropriate documentation and/or are not in compliance with this policy.

Expenses older than 30 days require an explanation in Chrome River to be accepted. Expenses that remain unsupported by the appropriate documentation 90 days after they are incurred will automatically be reversed in Chrome River and will not be reimbursed.

Air Travel

Williams Kherkher will reimburse the total cost of all business-related airfare charges, i.e., the base fare, service fees, change fees, etc. Air travel reservations should be arranged far enough in advance to obtain the greatest discount offered. Expense claims for air travel should show the air carrier, origination and destination locations, dates of travel and cost.

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- First Class Airfare – Employees are not permitted to purchase first-class airfare unless given prior approval from the Managing Partner, except when the cost is the same as Coach or there is no alternative to First Class.
- Domestic Air Travel – When traveling domestically, all employees must book coach class. Business class reservations are permitted for domestic flights when the flight duration for a segment is equal or greater than four hours.
- International Air Travel – Business class reservations are permitted for international flights when the flight duration for a segment is equal to or greater than four hours.
- Non-Billable Travel – All employees must contact Human Resources prior to booking any non-billable Williams Kherkher sponsored courses or events. Non-billable travel includes CLE and potential clients.
- Mileage Reward Program – If you have a WK Corporate Card and you travel on company business, you may participate in and receive frequent flyer program benefits. However, employees who participate may not use the Amex points personally, but must give Williams Kherkher the right to transfer/use the points for corporate travel as necessary.
- Extended Stays – In cases where an employee is required to stay out of town for company business over a weekend, Williams Kherkher will reimburse the expenses of meals, local transportation, and lodging.
- Alternate Travel – Employees are allowed to select an alternate destination in lieu of returning to the originating city provided there is no additional cost. Incremental increase to the airfare will be the responsibility of the employee.

All airfare reimbursement claims must include:

1. The date of purchase
2. The amount
3. The airline name
4. The departure and arrival cities
5. The travel dates
6. The business purpose
7. The case/client identification – Matter ID

Hotel/Lodging

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Williams Kherkher will reimburse the cost of the room and tax for all business-related hotel/lodging accommodations.

- Hotel Bookings – Hotel bookings should be restricted to three-star hotels where possible (e.g. Sheraton, Hilton, Courtyard, Doubletree, Holiday Inn, Hampton Inns, etc.) If a three-star hotel is not available, it is the employee's responsibility to attain authorization from the Docket Manager prior to booking. All rooms should be the standard room – No suites unless authorized by a Senior Council Member or if there is no additional cost from a standard room rate.
- Negotiated Rates – Special rates may be negotiated upon request of Human Resources for trial purposes and may include special arrangements for conference room and storage facilities.
- Incidentals – All incidentals and other fees (e.g. meals, parking, internet/telecom, etc.) must be entered separately with the appropriate cost code. Movies are NOT reimbursable. Laundry is only reimbursable if you are expected to spend at least six consecutive nights out of town for client work. Laundry expenses should be fully annotated on the expense report, including dates spent out of town and the reason. Receipts for room service meals must be kept and included in the expense submission.
- Allocation of Expenses – Lodging expenses will be reimbursed only when supported by the original receipt. The original receipt must identify the name and address of the hotel/motel and date(s) of stay. All ancillary charges from the hotel bill must be itemized.

All hotel/lodging reimbursement claims must include:

1. The date of purchase
2. The amount
3. The hotel name and location
4. The date range of hotel stay
5. The business purpose
6. The case/client identification – Matter ID

Rental Cars

Car rentals are permitted when they are necessary to the assignment. Prior approval should be obtained from the Docket Manager.

- Vehicle Rental – Vehicle rental should be limited to mid to full sized cars. However, based on the number of passengers and equipment haulage, larger

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vehicles may be considered. Employees should acquire prior authorization from the Docket Manager prior to rental.

- Vehicle Accidents – All accidents involving other vehicles, pedestrians or property must be reported to the local police authorities. Any minor damage to rented vehicles should be first reported to the rental location where the rental car was picked up from and then to Williams Kherkher’s Human Resources Department. Please obtain and provide copies of all accident and police reports and any available information on the other vehicles, drivers, passengers and property involved to the Williams Kherkher Human Resources Department. This information should be provided to the rental agency when requested. Williams Kherkher’s company insurance policies are intended for business use only and **will not** cover damage or loss pertaining to cars rented for personal uses.
- Fuel – Employees are encouraged to decline the prepaid fuel option and to refuel the vehicle before returning to the rental agency. Fuel purchases for rental cars should be expensed to the Rental Car code.

All rental car and gas reimbursement claims must include:

1. The date
2. The amount
3. The vendor name and location
4. The date range of the rental agreement
5. The case/client identification – Matter ID

Ground Transportation

Reasonable costs for ground transportation (e.g. taxi, train, subway, etc.) for business-related purposes, and not part of the employee’s routine commute, is reimbursable.

- In-town Travel – In-town ground transportation is not reimbursable unless it results in a less overall expense for the day.
- Out-of-town Travel – The use of ground transportation is reimbursable.
- Limousines – The use of limousines are only reimbursable if the cost is comparable to ground transportation.

All ground transportation expense claims must include:

1. The amount
2. The date
3. The departure and arrival points of travel

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4. The case/client identification – Matter ID

Mileage

Williams Kherkher will reimburse employees when their personal automobile is used for travel purposes. Employees will be reimbursed at the regular per mileage rates determined and published by the IRS.

All mileage reimbursement claims must include:

1. The date
2. The number of miles traveled
3. The origination and destination points
4. The business purpose (i.e. client work, meeting with potential client, etc.)
5. The case/client identification – Matter ID

Parking & Tolls

Parking and tolls for business-related travel is reimbursable.

All parking and toll fee reimbursement claims must include:

1. The date
2. The amount
3. The vendor name and location
4. The business purpose (i.e. client work, meeting with potential client, etc.)
5. The case/client identification – Matter ID

Meals & Entertainment

All meals, whether during business-related travel or for entertainment/meeting with prospective clients, experts, witnesses or CLE, is reimbursable.

- Receipts – Receipts should detail all food and liquor.
- Alcohol – Any alcohol appearing on bills will NOT be charged to the clients or reimbursed by Williams Kherkher unless authorization is given.

All business meals and entertainment expense claims submitted must include:

1. The date
2. The amount
3. The name of the restaurant/establishment
4. The business purpose (i.e. client work, meeting with potential client, etc.)

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5. A description of attendees including company name and title (required for non-individual business meals, title only required for business meals with non-Williams Kherkher personnel)
6. The case/client identification – Matter ID

Meal and entertainment costs incurred for social occasions that are not sponsored by Williams Kherkher or one of its departments, including employee birthday parties, administrative professional's day, etc. are not classified as business meals or entertainment expenses and will not be reimbursed without prior approval. When approval is provided, all costs should be charged to an expense account for which the approving employee maintains ownership responsibility.

Other Expenses

- Trial Teams – Special arrangements can be made by Human Resources for trial teams requiring supplies and refreshment for the duration of the trial.
 - Copy Machines – Copy machine and scanning equipment can be acquired (leased on short-term basis) by Office Services for the duration of trials. All other equipment requirements are generally provided from the Houston Office inclusive of printers, fax machines and desk top copiers/scanners.
- Non-billable and Firm Expenses – Non-billable and firm expenses require approval prior to incurring it. In most cases, this means consulting with the Docket Managing Attorney.
- Non-Reimbursable Expenses – The following is a non-exhaustive list of expenses, whether billable to the client or not, that will NOT be reimbursed to employees:
 - Political contributions, to either a specific party, or candidate, or PAC, regardless of the dollar amount.
 - Country club monthly memberships.
 - Late charges on credit cards.
 - Routine laundry, dry cleaning and shoe shine services incurred when out of town travel is less than six consecutive nights.
 - Movies, video games or other video entertainment services.
 - Personal gifts including flowers, birthday cakes, gift certificates, etc., to existing employees and farewell gifts to recently separated employees.
 - Parking tickets and other traffic violations.
 - Local car rentals when your personal car is in for repairs or maintenance.

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- Williams Kherkher computer hardware, software, peripherals and services (The IT department purchases approved items directly).
- Williams Kherkher telecommunications equipment, devices, software, peripherals and services (The IT department purchases approved items directly).
- Any gas charge claimed when the employee is also receiving mileage reimbursement.
- Mileage allowances when the employee is also receiving reimbursement for rental car and gas charges.
- Spa services.
- Any entertainment expenses incurred at questionable venues that could damage Williams Kherkher's professional image.