

INNOVACORP TRAVEL AND BUSINESS EXPENSE POLICY (Revised December 2016)

The purpose of this policy is to document the business expenses that are eligible for reimbursement under Innovacorp's Travel and Business Expense Policy. It has been designed to balance the corporation's need to manage costs with the employee's need for convenience when reasonable and accountable expenses are incurred on behalf of Innovacorp. It provides guidelines for travel and other business expenses and for reimbursement of these expenses. The policy applies to all Innovacorp employees.

Receipts

All expenses must be accompanied by a receipt or supporting documentation. Receipts or supporting documentation must be attached to the expense claim to support all expenditures, including transportation, meals, accommodations, and other allowable business expenses. Receipts for meals or entertainment/hospitality with clients must include the client's name and organization on the receipt or in the expense claim.

Non-Reimbursable Expenses

The following expenses are non-reimbursable since they are primarily for personal use:

- Alcohol
- Repair/wash/fuel for personal vehicle
- Clothing
- Club fees
- Credit card interest expenses
- Fees for upgrade of air travel, hotel, or vehicle rental
- Golfing or green fees
- Golfing cart rental
- Grooming, nail or hair salon expenses
- Internet service at home
- Movies (in the hotel room or at the theatre)
- Personal bar bills (including hotel mini bars)
- Personal books, magazines or other entertainment
- Personal travel portion during business trip
- Political or charitable contributions
- Sporting events
- Spouse's expenses if accompanying an employee on trip
- Toiletries
- Traffic citations (parking tickets or fines)

Client Entertainment

It is recognized that Innovacorp employees occasionally need to entertain clients. When the situation warrants it, Innovacorp will pay for a meal, including alcoholic beverages (two drinks per person). Other business-related expenses for client entertainment over \$100 require approval prior to the event. Receipts for meals and entertainment/hospitality with clients should include the client's name and organization on the receipt or in the expense claim.

Travel Authorization

Advance approval for all out-of-province travel is required. Vice presidents, or approved designate, are to approve out-of-province travel for staff that report to them. The CEO is to approve out-of-province travel for all vice presidents.

Transportation

Selection of the mode, class and schedule of commercial transportation is to be made on the basis of cost, convenience and practicality.

Commercial Air Travel

Travel arrangements should maximize savings opportunities and guarantee service consistency. Employees are expected to take advantage of special fares when possible and book the lowest practical economy class airfare.

- *Frequent Flyer Programs:* Employees are permitted to keep benefits received from frequent flyer programs, but alteration of travel plans to accumulate additional points that results in higher costs for Innovacorp is prohibited. These programs should not affect decisions regarding which airline to use. The lowest practical fare must be accepted. Any fees associated with membership in frequent flyer programs and other reward programs will be the employee's responsibility. Under CRA Income Tax Rules, frequent flyer rewards (and other reward programs) from flight tickets for which the employee was reimbursed by the company is a taxable benefit and the employee is responsible to claim it.
- *Airline Club/Lounge Memberships:* Innovacorp will not reimburse employees for airline club/lounge membership costs (e.g. Maple Leaf Lounge).
- *In-flight Entertainment or Drinks:* The cost of in-flight movies or similar pay-per-view entertainment and in-flight drinks is non-reimbursable. The cost of using aircraft telephones is also not reimbursable.
- *Travel to and from Airports:* The reasonable cost of transportation to and from an airport may be claimed.
- *Airport Parking:* The cost of parking the employee's personal vehicle at the airport is reimbursable, but only up to the cost of return taxi fare. If a trip will last several days, the employee should consider taking a taxi or other means of transportation to the airport if it would be less expensive than parking. When parking, employees should take advantage of off-site parking discounts (e.g. Park' n Fly).

Surface Travel

- *Car Rental:* Employees, when travelling alone or with another Innovacorp employee, should rent only economy cars (compact). When employees are providing transportation for a number of clients, a medium-size car can be rented. The corporate credit card should be used, and the insurance coverage offered by the rental agency should be declined. Personal accident/medical insurance coverage offered by rental agencies is normally covered by Innovacorp's provincial Group Accidental Death & Dismemberment Insurance Policy and the corporate credit card membership (see Schedule B for insurance coverage details).
- *Use of Personal Vehicles:* Employees may occasionally be required to use their personal vehicles to conduct business. It is the vehicle owner's responsibility to carry adequate insurance coverage for protection of the driver and passengers. Employees should check with their insurance company to ensure coverage. Innovacorp will not assume any liability. Employees are reimbursed only for travel, parking and tolls that exceed normal commuting expenses. Costs associated with traffic or parking violations that occur when using personal vehicles are the employee's expense.
- *Car Kilometrage Rates for Personal Vehicles:* Employees will be reimbursed at the prevailing rate for the distance driven for Innovacorp business. The kilometrage rates payable for use of personal vehicles are outlined in Schedule A. Employees should claim kilometrage for business travel using the map feature provided in the expense claim system.

Additional Eligible Expenses: Bridge charges and parking fees incurred while on Innovacorp business may be claimed.

Taxis: The use of taxis should be limited to short trips. Receipts are required. Employees should use the corporate American Express card where possible. Cash reimbursement is to be done through the employee expense claim system and not through petty cash.

Accommodations

Claim actual and reasonable expenses incurred for hotel accommodation. Request "government" rates, as they may be less expensive. If you require a government ID card to obtain government rates, please contact human resources.

Meal Expenses

Meal expenses that are reasonable and justifiable will be reimbursed. Receipts are required.

Clubs and Memberships

Clubs and memberships are non-reimbursable. All professional membership/association fees are budgeted items and are to be processed as standard accounts payable transactions.

Telephone Use (Business and Personal)

Innovacorp employees who travel on business and who do not possess a corporate-issued cell phone will be reimbursed the costs incurred for necessary local and long distance phone calls. Corporate-issued cell phones have long distance plan coverage. Travelers should make arrangements with the IT manager to have the appropriate coverage while travelling. Long distance phone calls claimed must be reasonable and supported by statements. Personal calls allowing employees to stay in reasonable contact with their immediate family are reimbursable.

Personal Information International Disclosure Protection Act (PIIDPA)

In compliance with the Personal Information International Disclosure Protection Act (PIIDPA), all employees who access the network remotely (i.e. webmail, VPN, cell phone) while outside of Canada either on business or vacation are required to report those dates at least yearly when requested.

Incidentals and other Expenses

For each day of travel, employees may be reimbursed an allowance of up to \$6.00 to cover miscellaneous out-of-pocket expenses, including items such as gratuities, and other personal supplies and services, the cost of which no other reimbursement or allowance is provided under this policy.

Travel/Credit Card

As a general practice, all employees should use their corporate credit card, American Express. In exceptional cases, personal credit cards may be used for payment of expenses provided an official itemized receipt supports the expense claim or a voucher or invoice supplied by the establishment indicates payment of the account. In these cases, the employee must pay his/her credit/travel card accounts. Any fee or deposit required for maintaining a personal credit card is the employee's expense. Interest charges and surcharges on credit card accounts cannot be claimed.

Expense Claim System

The standard online expense claim system should be used by all employees for out-of-pocket expenses and purchases made with their corporate credit card.

Expense claims should contain an explanation whenever there are material changes from the pre-approved arrangement. All expenses must be authorized by the employee claiming reimbursement and approved by the employee's manager. A claimant may not authorize his/her own claims.

Expenses incurred by other employees on behalf of a senior manager should be approved by someone other than the senior manager for whom the expenditure was made.

CEO expenses are approved by the chair of the audit committee.

Board member expenses must comply with this policy.

All expense claims must be submitted in a manner timely enough to avoid late penalty fees. Late payment penalty fees can be paid by Innovacorp in situations where the late fee was out the employee's control. In such cases, the manager must attach their approval comments to the expense claim indicating why they believe the late fee should be accepted. If late fees are incurred and are to be paid by the employee, a payment must be made directly to the credit card account through a financial institution. Once proof of payment is given to accounting, the late payment charge can be removed.

Schedule A

Car Kilometrage Rates for Personal Vehicles:

Employees may be reimbursed for kilometrage for business related travel. Employees must use the map feature provided in the expense claim system to claim kilometrage. Kilometrage claims should be submitted with related expenses in a timely manner.

Less than 5,000 kilometres	45.0 cents per kilometre*
Over 5,000 kilometres	39.0 cents per kilometre*

* These are the rates in effect as of April 1, 2006. Employees will be advised of changes as they occur.

Schedule B

Your American Express card provides you with exceptional insurance coverage when the full cost of an airline ticket or car rental or hotel/motel is charged to your card for approved business travel.

Car Rental Damage and Theft Coverage:

The insurance company will reimburse the cardmember (in this context the cardmember is Innovacorp) for losses the cardmember incurs up to the full value of the car minus any deductible, for damage or theft of a rental auto when the cardmember rents and operates a rental auto. Therefore, the Loss Damage Waiver (LDW) offered by the rental agency can be declined.

This policy is underwritten by Royal & Sun Alliance Insurance Company of Canada.
Master Policy Number: PSI 018515861

To find out or confirm current coverage or if you have any questions call:

- In Canada and continental USA 1.800.243.0198
- Outside Canada and continental USA 1.905.475.4822

Note: If you are traveling outside of North America, call 1.800.243.0198 before your trip to ensure you have correct and sufficient coverage, as well as accurate contact information while you travel. If you are unsure whether to purchase insurance or not, purchase the insurance which would be a reimbursable expense.

Flight and Baggage Delay and Hotel/Motel Burglary Insurance

- *Missed Connection:* If due to the delay of your incoming flight, you miss a confirmed connecting flight and no alternative onward transportation is made available within four hours you will be reimbursed for reasonable meal and hotel accommodations.
- *Delayed flight departure or denied boarding:* If your confirmed departure from any airport is delayed for four hours or you are denied boarding due to overbooking, you will be reimbursed for reasonable meal and hotel accommodations.
- *Emergency Baggage Delay:* Should your airline cause a baggage delay of more than six hours at your outbound travel destination (other than your return destination or place of residence), you will be reimbursed for the emergency purchase of necessary clothing and personal care items up to \$500.
- *Hotel/Motel Burglary:* If you suffer a loss due to burglary in your hotel/motel room you will be reimbursed for the loss of personal items upon receipt of proof of loss up to \$500 per occurrence.

This policy is underwritten by Royal & Sun Alliance Insurance Company of Canada.
Master Policy Number: PSI 047258505

To find out or confirm current coverage or if you have any questions call:

- In Canada and continental USA 1.800.243.0198
- Outside Canada and continental USA 1.905.475.4822

Travel Accident Insurance – Up to \$500,000

This accidental death and dismemberment benefit is underwritten by Chubb Insurance Group of Canada.

To find out or confirm current coverage or if you have any questions call:

- General inquiries 1.800.716.6661
- Claims information 1.800.532.4822

Insurance Claim Procedures

To file a claim for the insurance outlined, simply contact the claims administrator at one of the numbers listed above. A representative will forward the required claim form to you and provide you with any information you may need.

Flight Centre

Innovacorp has a partnership arrangement with Flight Centre, which provides a one-stop solution for air, hotel, car rental, insurance and all other aspects of travel, including vacations. The service offers low-cost, best value and efficient travel plan options. To contact a Business Travel Manager at Flight Centre call 902.429.6119 or

1.866.725.5865. For additional information regarding the services offered through Flight Centre, contact human resources.