

NUECES ELECTRIC COOPERATIVE, INC.
BOARD POLICY

SECTION I-Corporate Entity

POLICY NO. I-8

Scope: Board Policy

Subject: Board Member Travel and Related Expenses

I. OBJECTIVES

To establish standards and conditions for the advancement or reimbursement of Board member travel and related expenses.

II. POLICY

The Board of Directors of Nueces Electric Cooperative, Inc., hereby adopts the following policy:

Section 8 of Article IV of the Cooperative's Bylaws provides for advancement or reimbursement of Board member travel and out-of-pocket expenses actually, necessarily and reasonably incurred in the performance of their duties. By this Policy No. I-8, the Cooperative establishes the standards and conditions for such advancements or reimbursements, as follows:

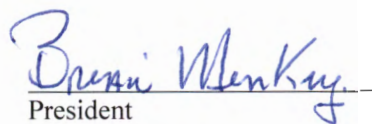
- A. Subject to paragraphs B and C below, travel by personal automobile shall be authorized for attending any Board or Board committee meeting.
- B. Travel by personal automobile will be at the then-established IRS allowable maximum rate per mile. However, such mode of travel shall be paid to a director subject to the following:
 - 1. Travel by personal vehicle is permanently authorized for travel to and from an appropriate commercial carrier departure/return site or to and from any site within the State of Texas or in any other state the nearest highway distance to which from the Cooperative's headquarters is 500 miles or less. Use of personal vehicle will also be allowed when the meeting or activity site is so located as to make transportation thereto, or near thereto, infeasible or unduly inconvenient. Mileage will be paid to a Board member for the use of the Board member's own vehicle or a non-rental automobile authorized to be used by the Board member, but mileage will be paid for only one Board member regardless of whether two or more Board members are transported thereby. The limits on personal use of vehicles contained in this subparagraph B 1 shall not apply to a Board member who because of health cannot travel by any other means.
 - 2. Except as allowable under B 1 above or B 4 below, if travel by airline economy or coach fare, taking into account related tips, mileage to and from the airport, parking, cab fares, will prove to be more economical than travel by personal vehicle, only such fare and appropriately estimated related expenses shall be paid, except that:
 - (a) mileage will be paid if, because two or more Board members travel in the same automobile, the cost for them combined is less than such airline and related expenses would be for them combined; and
 - (b) such airline and related expenses will be presumed to require no more than one day to and no more than one day from the meeting or other-type site, a "day" being one that begins at 12 midnight at the Board member's premises served by the Cooperative and ends 24 hours later in going, and one that begins at 12 midnight at the meeting or other-type site and ends 24 hours later in returning.
 - 3. A Board member may but shall not be obligated to fly to a meeting or other-type site earlier and/or fly back therefrom later if the result will be that the total of a lower air fare and other travel expenses will be less than if the Board member departed later/or returned earlier; but the Board member will not

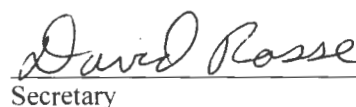
thereby be entitled to more per diem compensation than would otherwise be the case. (The "economy or coach fare" referred to in B 2 above does not include such lower air fares.)

4. If a Board member desires to travel by personal automobile when the "to and from" distance exceeds the limit established in B 1, then the Board member shall be paid airfare pursuant to B 2 or the mileage pursuant to B 1, whichever is less.
- C. Directors will receive a fixed sum and actual expenses for attendance at each meeting of the Board of Directors and for attendance at other meetings and conferences pertaining to the business of the Cooperative. Remuneration shall be on the following basis:
1. Actual out-of-pocket expenses for lodging, public transportation and related incidentals as certified on expense report;
 2. Meal allowance per day shall be defined as follows: Up to \$75 per day towards meals to be reimbursed with provision of receipts. Any meals attached to a conference that exceeds the per diem must be approved by the Board.
 3. When a member of the Board is approved to attend meetings, the expenses of the Board member will be paid;
 4. The mileage rate allowed by IRS regulations will be paid for use of personal transportation.
 5. The expense of attending entertainment events shall be the responsibility of the individual Board Member if they so choose to attend such events.
- D. The Cooperative will pay, either by advance or after the expense has been incurred, whichever is appropriate, the expenses provided for in this Policy, except that all advances and reimbursements shall be accounted for in accordance with the "Board Member Compensation and Expense Invoice" provided by the Cooperative.
- E. In no event will the Cooperative pay the expense of a member's spouse or other companion unless:
1. such spouse is attending such a meeting or activity as a direct representative of the Cooperative in a manner and for a purpose explicitly provided for prior thereto by resolution of the Board and a determination that such expense may be legally borne by the Cooperative is given in writing in an opinion of the Cooperative's general attorney.
 2. the accompanying of a Board member by such spouse or other companion is necessary due to the Board member's physical disability.

This policy supersedes all previously established policies and all other material in conflict with its provisions.

Approved by the Board of Directors this 28th day of May, 2024


President


Secretary

Revision History:

3/28/17	Increased meal allowances in §II.C.2 to: Breakfast=\$20; Lunch=\$20; Dinner=\$35
9/25/18	Added provision in §II.C.2 to require Board pre-approval for any meals attached to a conference that exceed the per diem.
11/27/18	Added II.B.4 to clarify reimbursement of expenses when using personal vehicle for Board/Co-op travel
5/7/24	§II.C.2 Change to bundle meal allowance up to \$75 per day towards meals to be reimbursed with provision of receipts. Remove “pre-approved”

NUECES ELECTRIC COOPERATIVE, INC.
Board Member Compensation and Expense Invoice

DIRECTOR _____

MEETING _____

LOCATION _____

DATES _____

Departed home at _____ AM/PM on _____, 20__

Returned home at _____ AM/PM on _____, 20__

1. **PER DIEM** _____ Days @ \$300 \$ _____

2. TRANSPORTATION

a. Personal vehicle: _____ miles @ ¢ \$ _____

b. Airfare \$ _____

c. Other transportation (shuttle, taxi, car rental etc.) \$ _____

3. **LODGING** (room, room tax, parking) \$ _____

4. FOOD

Meals Up to \$75/day _____ Days \$ _____

Total for Food \$ _____

5. MISCELLANEOUS

Checked Baggage Fees: \$ _____

Etc. (specify): \$ _____

Total Miscellaneous \$ _____

6. ITEMIZE MINOR EXPENSES WITHOUT RECEIPTS LESS THAN \$25 (NOT TO EXCEED \$50 PER CONFERENCE)

1. Gratuities \$ _____

2. _____ \$ _____

3. _____ \$ _____

Total Expenses without receipts \$ _____

Total Expenses: \$ _____

Less funds advanced, if any: \$ _____

Net amount owed to undersigned, or owed by undersigned and herewith refunded, whichever is the case: \$ _____

Date: _____ **Signed:** _____

Rev. 05/2024

Note: Any request for reimbursement that doesn't meet normal guidelines in Board Policies I-7 and I-8 shall go before the Finance Committee for review and recommendation to the Board before payment is approved or disapproved