

Travel & Expenses Policy

Reference users: all employees based in the Netherlands

Procedure manager: reference managers

Supervisor procedure: HR

Contact e-mail: hr.travels@illanificio.com

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A) Purpose and Scope

The purpose of this policy is to regulate in a clear and uniform manner:

1. Requesting and authorising travel
2. Rules and behaviour during travel
3. Preparation and authorisation of monthly expense reports

With this policy, the Group aims to provide all personnel with a consistent, disciplined and effective approach to business travel and the maximum containment of related expenses. The company priorities are as follows

- Budget savings
- Traveller satisfaction and safety
- Effective accounting and tax control in the company
- Correct balance between comfort and value for money

B) Reference Principles

The rules governing the management of travel below are inspired by a general criterion of sobriety and cost containment, without prejudice to the protection of personal and corporate image. The company expects this general criterion to be internalised by all personnel, since this is the best prerequisite for effective cost-effectiveness.

The conduct of the trip is governed by the following general rules:

- Expatriations must be justified by precise and actual service requirements
- Trips must be authorised, by e-mail, indicating the dates of travel and the reason for the mission as follows:

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1. For shop employees by their District Manager

The HR department must be copied on the above-mentioned travel request. (hr.travels@illanificio.com)

- Violation or non-compliance with these criteria is liable to disciplinary sanctions by the company, it being understood in all cases that travel expenses incurred without authorisation will not be
- The need for travel must therefore be rigorously in order to contain expenses, also taking into account whether, at the destination in question, there are Company personnel who can perform the required task
- The trip must be planned well in advance in order to take advantage of better economic conditions and should, compatibly with the objective of the trip itself, be concentrated in a single day in order to avoid unnecessary extensions of the trip
- Evaluate the possibility of using audio/videoconferencing means as an alternative to travel
- The duration must be kept within strictly necessary time limits and the choice of means of transport and routes must prioritise operational requirements but also those of economy
- The overall cost of travel must be included in the budget commitments, unless otherwise justified
- Travel by several persons sent as a 'team' should be limited to cases of proven necessity
- The results achieved and the information gathered must be disseminated, when appropriate and by the person who took part in the mission, to all persons concerned, also with a view to optimising the burden of travel
- The employee is obliged to scrupulously comply with the currency, customs and tax provisions in force in the individual foreign countries to which the assignment is made

The employee is responsible:

- The veracity of the expenses and their adherence to existing company rules
- The accuracy of the data and amounts shown in the Monthly Expense Report
- The validity and completeness of the attached documentation

C) Travel management policy

1. General Criteria

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For the purposes of this policy, the term "Transfer" means any duly authorised transfer made by an Employee outside the municipality where he/she works.

The term 'travel' refers to all activities and related expenses incurred beyond a radius of 30 km from the municipality of the place of work, unless authorised.

Below are the general criteria for travel:

- As a rule, travel does not start on days off or holidays
- In the period of travel or off-site service, overtime work is recognised, if authorised in advance, only in the event of actual performance beyond normal working hours and in any case compatible with the relevant contractual and company regulations.
- Holidays are not normally allowed during the trip
- Trips of shop staff in training or shadowing to other shops must be planned at least two weeks in advance
- In order to obtain reimbursement of expenses, it is necessary that the expenses are incurred with traceable payment methods (bank transfer, debit cards, credit cards, prepaid cards). A receipt certifying the POS payment must be requested and attached to the proof of expenditure. (It is NOT sufficient for the invoice or commercial document to indicate the method of payment used).
- Exceptional cases will be assessed and, if necessary, authorised in advance by the manager and the CFO.

2. Reimbursement Criteria

Costs incurred by Employees, in connection with duly authorised travel, are reimbursable, within the limits and in the manner provided for in this Travel & Expenses Policy, according to the following criteria:

- The person requesting reimbursement bears the burden of providing correct and complete documentation of the prior authorisations requested, of the expenses incurred, as well as adequate information so that the HR staff in charge of the control can link the expenses incurred to the specific trip made
- Expenses not supported by adequate documentation cannot be reimbursed
- In order to obtain reimbursement of expenses, the person concerned must submit a request for reimbursement accompanied by all supporting documentation and appropriate tax documents and/or proof of expenditure (including a copy of the POS receipt) at the "foot of the list.
- In the absence of a POS receipt, it is necessary to provide a self-declaration with a copy of the bank movement certifying the expenditure subject to reimbursement

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- Documentary evidence of expenditure is considered eligible if it meets the following requirements:
 - ✓ They are presented in original
 - ✓ They refer exactly to the period of the trip
 - ✓ They contain no erasures, abrasions, corrections or alterations of any
 - ✓ They show the cost of the service used exclusively by the person requesting reimbursement. In the event that the voucher refers to services used by more than one person, all of whom are nevertheless authorised for reimbursement, the applicant must indicate, in writing, the names/companies and the reason: in the absence of these indications, the HR staff in charge of control will reimburse only the portion of the expense attributable to the applicant alone
- Requests for reimbursement and simultaneous submission of the Expense Report must be made in original. It is possible to submit the Expense Claim and supporting documents in advance by the 25th of the month of travel (e.g. May travel expenses by 25 May).
- The Expense Report must be duly signed by the Employee and already authorised by the Approver
- The Expense Report must include expenses incurred throughout the month of reference
- The Expense Claim must be completed using the appropriate excel file and accompanied by the expense slips in chronological order. Requests for reimbursement are allowed up to the following month (e.g. May travel expenses by 25 June). After this deadline, you will no longer be entitled to reimbursement of expenses incurred and the HR office will no longer accept any requests
- Reimbursement of expenses, subject to adjustment, will be made in the relevant month's pay slip if submitted on time

3. Ineligible Expenditure

- Charges are not reimbursable for miscellaneous services such as bar, minibar (excluding water), telephone, room service, video or pay TV, tips
- Furthermore, all personal expenses (newspapers, magazines, bar) and those not expressly mentioned in the following paragraphs are not reimbursable

4. Advance on expenses

- For shop personnel, the HR department can only advance costs

D) Means of transport and reimbursement of transport, board and lodging costs: limits - thresholds and categories

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- In the case of internal meetings (between employees, suppliers and collaborators of the Il Lanificio Group) and in particular, for those which involve costly and/or time-consuming transfers, the personnel must give priority to using technological tools such as video-conferencing, Teams or Skype and the like. Only in exceptional cases can meetings in presence be authorised

1. Reimbursement of transport costs

- The identification of the means of transport to be used for travel must reflect the principle of economy; consequently, the preferred means of transport is always public transport. In this regard, departments are made aware of the need to agree and plan trips, meetings, courses, etc. well in advance, so as to be able to obtain the best rates on travel tickets

1.1 Booking or reimbursement for air/sea/rail tickets

- The use of air travel is authorised for journeys over 700 kilometres, with preference given to low-cost airlines for domestic routes and always in economy class. Only for journeys lasting more than 8 hours is reservation in business class or similar categories permitted. Waiting and/or delayed hours are excluded in the calculation of hours.
- Use of the train is only authorised in the class/category with the most favourable economy fare
- Tickets for air/sea/rail transport must be booked independently, subject to approval by the direct supervisor

1.2 Car Rental

- It is possible to use a rented car in those cases in which the use of such a means of transport is justified by valid reasons for which the use of public transport is actually more onerous, irreconcilable and excessively burdensome with respect to the operational requirements, the transport of materials, the articulation of the project activities and the subjective characteristics of the personnel concerned (e.g. disabled participants with walking difficulties, transfers obligatory at times that do not coincide with public transport, transport of particularly bulky and heavy documentation and materials relating to project activities, strike of public transport handicapped participants with walking difficulties, obligatory transfers at times that do not coincide with public transport, transport of documentation and particularly bulky and heavy materials relating to project activities, public transport strikes)
- At the time of signing the rental contract it is the employee's responsibility to check that the insurance coverages referring to the elimination of the deductible for damage and theft of the car, kasco and third party liability have been included. Any damages resulting from not taking out these covers will fall exclusively on the hirer with the exclusion, therefore, of any responsibility for the Il Lanificio Group.

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- Cars must be checked before collection to avoid charges for damages not their own and returned with a full tank of fuel to avoid refuelling costs imposed by the rental company
- The costs of any fines for traffic offences are borne by the employee
- The car hire request must be authorised by the same contact persons as in paragraph B) with a copy of the HR function (hr.travels@illanificio.com)
- Only segment B and C cars are allowed for hire
- Expenditure incurred for fuel will be reimbursed after proper completion of the Expense Report with appropriate supporting documentation attached

1.3 Motorbike,

- The use of such means of transport for business trips is not permitted

1.4 Bus, tram, metro, railway and other public transport

- Travel by such means of transport will be reimbursed at the cost of the ticket, which must be clearly indicated on the ticket itself or alternatively on the payment receipt. It is recommended that tickets be purchased at ordinary fares through authorised retailers or portals, in order to reduce any additional charges

1.5 Taxi

- Taxis may be used in cases where the use of such means of transport is justified by valid reasons for which the use of public means of transport is effectively more onerous, irreconcilable and actually burdensome with respect to the needs, timeframe, organisation of the project activities and the subjective characteristics of the staff concerned (e.g. disabled participants with walking difficulties, transfers obligatory at times that do not coincide with public transport, transport of documentation and particularly bulky and heavy materials relating to the project activities, public transport strikes)
- Connections to and from airports and stations should normally be made by public transfer and not by taxi

1.6 Personal car

If a company car is not available and subject to authorisation by his/her supervisor, the Employee may use his/her own car for work purposes. In the latter case, a reimbursement of EUR 0.23 per kilometre travelled shall apply.

- The kilometres to be indicated for mileage reimbursement are the lesser of the following two:
 - Employee's place of work and place of travel
 - Residence/domicile and place of travel

They should be calculated from Google Maps (or alternatively from www.michelin.it).

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- To obtain reimbursement of the motorway toll, it will be necessary to present the motorway transit receipt or the telepass invoice showing the cost incurred, attaching the documents to the Expense Report

1.7 Parking - Fines and Penalties

- Parking: The duration of paid parking must be consistent with the time allocated for the business appointment to be fulfilled. Stops for running personal errands are not permitted
- Reimbursement of the cost of parking is permitted (for both company and personal cars) upon presentation in the Expense Report of the proof of expenditure incurred and within the following limits:

Italy + San Marino	Italy + San Marino - long stopover (stations/airports)	Other Countries
Max. 3 euro/hour	Max. 2 euro/hour	Max. 5 euro/hour

- Fines and Penalties: the Company is not liable for any penalties received by the Co-worker/Employee, during the performance of his/her duties, for non-compliance with the rules of the Highway Code or other Regulations. Therefore, such fines shall remain the responsibility of the employee.

2. Reimbursement of accommodation costs

- For shop personnel sent on business trips to other shops for the training necessary for new openings, the hotel booking must be made through the HR function. In all other cases, for transfers of shop personnel, the reservation of the hotel facility shall be made by the relevant District Manager, with the HR function (hr.travels@illanificio.com) in copy, taking into account, where present, possible company conventions
- Without prejudice to the spending limits indicated in the following point, the room booked must be the most convenient among those available
- Accommodation expenses in hotels are reimbursable upon presentation of an original invoice/tax receipt within the following limits:

Italy + San Marino	Other Countries
Max. 100 euro/night	Max. 200 euro/night

- Any exceptions to these thresholds must, in each case, be jointly authorised by the CFO and Managing Director

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- Laundry expenses will only be reimbursed if directly related to the trip/travel/mission, if analytically documented and, in any case, within the limits of €10.00 per day, for trips in Italy, and within the limits of €20.00 per day, for trips abroad, provided that the duration of the trip is at least 5 consecutive days

3. Reimbursement of meal expenses

- Meal expenses shall be reimbursed for the costs incurred for the consumption of breakfasts, lunches and dinners within the daily maximums specified below, subject to completion of the Expense Report and accompanied by the relevant receipts, within the following limits:

Meal type	Italy + San Marino	Other Countries
Breakfast (until 9 a.m.)	10 euros (if not included in the hotel)	15 euros (if not included in the hotel)
Lunch (until 3 p.m.)	20 euro	30 euro
Dinner (from 19.30)	35 euro	50 euro

- The amounts in the table above are not cumulative (if one of the meals is not consumed, the relevant amount cannot be combined for the purchase of another meal)
- If breakfast is not included in the cost of the hotel, only those meals taken on the day following the overnight stay are reimbursable (e.g. night out on 4 April, breakfast on 5 April is reimbursable, not breakfast on 4 April)
- Dinner expenses are only reimbursable for meals taken in conjunction with an overnight stay (e.g. night out on 4 April, dinner on 4 April reimbursable) and those for which the return to one's home occurs after 10 p.m.
- In order to facilitate the administrative control process of the Expense Report, in the case of meal expenses incurred by a group of employees travelling (at least two), it is recommended that a "cumulative" receipt be issued, as indicated below. In this case the Employee who incurs the cost and makes the claim in the Expense Claim shall indicate the names of the other employees/colleagues who ate with him/her

4. Currency Exchange

- The employee/executive travelling who exchanges, at a bank or at exchange offices at airports, stations, etc., the advance in account currency (euro) or another currency advanced in another currency, will be reimbursed on the basis of what is indicated in the receipts issued by the aforementioned bank or offices. For this purpose, these receipts must be attached to the Expense Note

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- For expenses incurred in foreign currency with a personal credit card, the exchange rate of the credit card company's statement of account or, in the absence thereof, that published in "Il Sole 24 Ore" on the day of preparation of the Expense Report will be shown.

E) Reporting and collection of

1.1 Preparation of Expense Report and Approval

- Expense Claims must absolutely be delivered in original and already authorised to the HR function at Headquarters. In order to meet the deadline of the 25th of the month, Expense Claims must be advanced in readable PDF format including legible receipts to hr.travels@illanificio.com.
- The Expense Report must be completed according to the excel template provided and accompanied by:
 - ✓ receipts of expenditure in chronological order (including courtesy copies of electronic invoices)
 - ✓ name of the Approver
 - ✓ signature by the Employee and the Approver
- The Approver is the same person as indicated in paragraph C) letter 1) who authorises the travel
- For expense reports over EUR 1,500, approval by the CFO or Managing Director is required in any case and regardless of title
- The HR department must verify that:
 - ✓ the Expenditure Note excel file is correctly filled in
 - ✓ all clear and legible proofs of expenditure are present
 - ✓ The expenses claimed for reimbursement are in line with the expenditure limits of this Policy and submitted within the deadlines
 - ✓ the expenses for which reimbursement is requested are in line with the relevant supporting documents
 - ✓ approval by the Approver and, if applicable, by the CFO/Managing Director has been delivered.
- The HR office identified with a specific communication, in any capacity involved in the management of expense reimbursements - including control activities - are obliged to observe, also for disciplinary purposes, the provisions contained in this Chapter, as well as, the existing legal provisions on the matter

In particular, the Company prohibits

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1. recognise reimbursement of travel expenses that are not adequately justified in relation to the type of task performed
2. recognise reimbursement of entertainment expenses that are not adequately justified in relation to local practices and/or with the aim of promoting or favouring the interests of the Company, also as a result of unlawful pressure

This document enters into force for expenses incurred from 13 March and is valid until later amended.