



Business Expense Policy

PURPOSE AND ENFORCEMENT

This travel and business expense policy applies to all colleagues and is intended to balance the critical need to control costs while supporting business productivity and profitability. While our goal is to make the Company operate as smoothly and successfully as possible, we also need to pursue cost savings opportunities.

Responsibility and Enforcement

All colleagues are responsible for complying with policies. Supervisors and managers who approve expense reports are responsible for accurately reviewing expense reports to ensure compliance.

The Company will only reimburse colleagues for reasonable and necessary expenses incurred in connection with authorized Company business that are in compliance with this policy. The Company assumes no obligation to reimburse colleagues for expenses that are not in compliance with this policy.

Colleagues who do not comply with policies may be subject to delay or withholding of reimbursement, or additional income taxation. Certain actions such as blatant disregard of Company policy, misrepresentation, or falsification of records will result in disciplinary action, up to and including termination.

When a colleague does not book the lowest airfare, hotel, or car rental rate available, the Travel Manager will review the request, and if applicable forward to Senior Management for review/approval. If the exception is authorized, it will be noted as a policy exception and be included in periodic exception reports.

Approvals

All expense reports require at minimum a “one-up” approval:

- Branch Colleagues
- Branch Managers
- Regional Managers
- RVP's & VP's
- Executive Vice President

Regardless of supervisory approval, when company limits are exceeded (e.g., for meal allowances), the company will reimburse only up to the amount of the company limit.

Who to Call Concerning Travel Policy Issues?

Any questions, concerns, or suggestions regarding travel expense policy should be directed to Ri Chung via email. Ri.Chung@espererholdings.com

Travel Process Review

Our organization has partnered with Concur Travel who provides a website offering all information for your travel needs and can be accessed with this link:
Concursolutions.com

This should be your first point of reference for your travel needs and questions. If you are unable to find what you need on this site, please contact the Travel Manager Ri Chung whose contact information given above.

Travel information and links provided are:

Reservations:

- Concur Travel
- Check Flight Schedules
- View Your Itinerary

Preferred Vendors:

- Air Travel Preferred Carriers
- AVIS Rental Car

Traveler Resources:

- Worldwide Weather
- Driving Directions
- Online Check in for Airlines

Other Services:

- After Hours
- Wireless Paging
- Vacation Travel

TRAVEL AUTHORIZATION

Obtaining Travel Authorization

All travel arrangements must be approved by the supervisor.

TRAVEL ARRANGEMENTS

Reservation Procedures

Reservations must be made as far in advance as possible to take advantage of advance purchase discounts. All travel should be planned at least 14 days in advance of travel.

Whenever possible, the traveler should be flexible to take advantage of low-cost fares, as well as savings on other travel arrangements.

All air travel, lodging, and car rental reservations must be made through Concur Travel. Additionally, all changes to existing reservations must be made on line before going through an agent.

Colleague Profiles

Completing an individual profile is the first step in the reservation process. All colleagues expecting to travel are required to register online at www.Concursolutions.com. The Concur Travel link will provide instructions and tools to assist you.

You will need to click on travel profile and complete your personal profile to ensure that pertinent details and preferences are adhered to in the reservation process.

The colleague is responsible for updating profile information on an ongoing basis with any changes to his/her personal travel information (e.g., charge/credit card numbers, phone number, title, seat preferences, etc.)

Approval Process and Procedures

All reservations are reviewed for policy compliance and all trips require approval from the corporate Travel Manager. Once reserved in Concur Travel, your reservation is held with the airline and you will see a ticket deadline with a date and time. Concur Travel reservations are forwarded to the Travel Manager for review and approval.

It is imperative that all travel be planned in advance to avoid last-minute arrangements and unnecessary expense. All ticket requests should be submitted during normal work hours throughout the work week, Monday through Friday prior to 6PM Pacific Time Zone. ***Please allow sufficient time for review and approval.***

Tickets requested at the last minute, during after-hours, or over the weekend or a holiday may not be reviewed or issued by the travel agency and stand the chance of a fare increase prior to ticketing.

Once you have completed your reservation and ticketing:

- All cancellations must be made through a Concur Solutions.
- Changes or cancellations should be handled by contacting CONCUR TRAVEL

Fritzie Leao 949-930-9290 Hours: 8:30am to 5:00pm Mon-Fri fritzie.L@travelstore.com

If you require assistance outside after regular business hours please call the Reservation Center at 877-874-9111 and reference VIT Code S-Q3H0.

Colleagues should make reservations as early as possible to take advantage of advance purchase discounts

Ticket Delivery

All tickets will be issued electronically and are considered “E” tickets. E-tickets result in cost savings in administrative handling and agency processing. They eliminate the need for ticket delivery and offer convenience in reduced paper and expedited airport check-in. Passenger receipts and invoices can be obtained through Concur Travel and can be printed from your trip library. Please ensure that you use the invoices as receipts and not the Concur Travel reservation, as fares change prior to ticketing.

Domestic Air Travel

Making Air Travel Reservations

All air travel reservations must be through Concur Travel. Air travel reservations must NOT be made directly through the airlines as they will not be reimbursed.

Planning in advance will normally guarantee the lowest airfare and satisfy the traveler's preference. If your travel plans change, the tickets can customarily be canceled/voided/reissued which usually results in savings to the company – changes other than time changes must be made through the Concur Travel team.

It is the company policy to arrange travel using the “Lowest Reasonable Fare” when traveling on Company business. The following criteria must be followed to obtain the best airfare:

- ③ The departure time or arrival time may vary up to two hours before and two hours after the requested time, or
- ③ One stop with one change in planes at intermediate city, and
- ③ Schedule that will save \$75 or more

Airline Class of Service

Travelers must travel in coach class while utilizing the lowest reasonable fare. “Lowest reasonable fare” is defined as utilizing flights that will allow company business to be conducted in a productive and reasonable manner and not interfering with the needs of clients.

Upgrades for Domestic Air Travel

Upgrades are allowed at the colleague's personal expense.

Preferred Airlines

The Company has negotiated special rates with specific air carriers. For domestic travel the Company's preferred airlines are:

United Airlines
American Airlines
Delta Airlines
Southwest Airlines

Airline Frequent Flyer Programs

Traveling colleagues may retain frequent flyer program benefits. However, participation in such programs must not influence flight selection if doing so would prevent the colleague from obtaining the lowest available airfare.

While Frequent Flyer Mileage credits may be accumulated for personal use, no additional company expense may be incurred to obtain such credits or to use them. Travelers are not entitled to reimbursement for business travel paid for with frequent flyer credits.

Saturday Night Stayover

As airlines offer significant fare reductions if travel dates include a Saturday night stay at a destination, colleagues will be reimbursed for up to two additional days lodging, meals, and car rental expense, provided there is a net cost savings to the Company as compared to the non-Saturday night stay over fare.

Spouse/Significant Other Travel

The Company will not reimburse travel and entertainment expenses incurred by a spouse or other individual accompanying colleague on business unless:

- there is a bona fide business purpose for taking the spouse or other individual.
- the spouse/significant other is a Company colleague who has a business purpose for the trip; or
- the invitation specifically includes the spouse/significant other (e.g., Company sponsored retreats).

A spouse or significant other may accompany a colleague on a business trip at the colleague's expense.

Emergency/En Route Changes

Colleagues may use the Concur Travel 24-hour, toll-free Emergency Travel Center phone number (877-874-9111 VIT Code S-Q3H0) for changes outside of normal business hours (stated above) ONLY. This number appears on the itinerary accompanying each ticket.

Note: The Company has a travel sickness/accident policy that provides coverage in connection with accidents or illnesses that occur during Company-related travel. Contact the Travel Manager or Human Resources for additional information.

Cancellations

When a trip is cancelled after the ticket has been issued, contact Concur Travel ASAP. The trip must be cancelled prior to the original flight's departure time if the ticket will not be used. On most airlines and subject to airfare eligibility requirements, domestic tickets can normally be reused within 12 months of the original booking dates. The colleague should inquire about using the same ticket for future travel as the airlines continue to update/change their requirements.

Unused/Voiced Airline Tickets

Unused airline tickets or flight coupons must never be discarded or destroyed as these documents may have a cash value.

Air Travel Payment Procedures

Air travel costs must be paid using a corporate credit card that is set up as the default in Concur Travel, not individual credit cards or other forms of payments.

LODGING

Making Hotel Reservations

Hotel reservations must be made through Concur Travel, the reservation will be held, but NOT paid for with the company credit card. All hotel charges are paid by the colleague except during company conferences.

Hotel Selection Guidelines

Colleagues are required to use good quality, reasonably priced hotels:

- Lodgings in the Moderate, Budget, or Economy category; and/or
- Lodgings where Concur Travel has a discounted negotiated rate.

If a Company-negotiated or special Concur Travel hotel rate is not available, colleagues must use the least expensive lodging in a similar hotel category such as Courtyard by Marriott, Residence Inn, Holiday Inn, and Best Western.

Hotel Upgrades

Only standard single rooms should be used for individual corporate travel. Colleagues may accept room upgrades to suites or executive floor rooms:

- if the upgrade is at no additional cost to the Company; or
- if the total room cost does not exceed the maximum reimbursable rate.

Hotel Spending Guidelines

Colleagues are expected to select a hotel offered through Concur Travel at the best rate available:

Colleagues who reserve hotel stays outside the Concur system and plan to request reimbursement of hotel rooms paid for on their personal credit cards should check the best area rate in Concur prior to booking to ensure the full room rate they are being quoted/charged is eligible for reimbursement. Rooms booked outside Concur for higher than the best available rate will not be fully reimbursed.

Tips for hotel staff are reimbursable when confined to reasonable limits, as determined by the services required and received. Refer to the Expense Reporting section for guidelines on tipping.

Room Guarantee

Unless otherwise instructed, all rooms will be guaranteed for late arrival with the colleague's personal credit card.

Hotel Cancellation Procedures

Colleagues are responsible for canceling hotel rooms to avoid "no show" charges and to do so must contact Concur Travel. Colleagues will be held responsible and will not be reimbursed for "no-show" charges unless there is sufficient proof that the billing was in error, which requires a cancellation number

Colleagues should request and record the cancellation number to prevent billing disputes.

Colleagues should note that cancellation deadlines are based on the local time of the hotel.

Hotel Payment Procedures

Hotel stays that are booked through Concur are generally charged to the company credit card. Note that incidentals should not be charged to the room for any reason. Reimbursable expenses such as meals must be paid for and submitted on an expense report to ensure proper allocations and accounting.

IMPORTANT: Employees may not expense hotel stays without including the credit card receipt to avoid duplication of payment.

Car Rental

Rental Car Guidelines

Colleagues should rent a car to their destination when:

- driving is more cost-effective than airline travel;
- the distance to the destination is less than 75 miles; ☐ travel time by car is less than 2 hours; and/or ☐ transporting large or bulky materials.
- Colleagues may rent a car AT their destination when:
- it is less expensive than other modes of transportation such as taxis and airport shuttles, where available;
- entertaining clients; and/or
- more than 3 colleagues are traveling together.

Making Rental Car Reservations

All rental car reservations must be made through Concur Travel. Reservations made directly with the car rental company will not be reimbursed.

Colleagues are required to use our preferred provider, Avis for all rental cars. The Company has a contract with our nation-wide provider that limits our exposure for physical damage to rental cars which is not available through other car rental companies. There may be emergency circumstances where the traveler may need to elect another provider. For insurance purposes, please contact the Travel Manager if an exception is required. You will need to elect collision and comprehensive coverage when utilizing a non-preferred car rental company.

Rental Car Categories

Colleagues should book the following rental car categories, as appropriate:

Rental Car Category

All colleagues: Compact/Mid-size
Management: Standard/Full-size

When picking up a rental car, colleagues should check with the rental car agent for available promotional rates, last-minute specials, or free upgrades.

At the time of rental, the car should be inspected, and any damage found should be noted on the contract before the vehicle is accepted.

Rental Car Upgrades

Colleagues may book a class of service one level higher than set forth above when:

- two or more Company colleagues are traveling together.
- traveling with a Company colleague who is entitled to a higher level of service.
- entertaining customers.
- cars in the authorized category are not available.
- the colleague can be upgraded at no extra cost;
- transporting excess baggage such as booth displays

Rental Car Insurance

The Company has made provisions for insuring its rental cars against damage. Thus, colleagues should decline the insurance coverage offered by our nation-wide company when renting cars on business travel. If a colleague elects to purchase insurance, it will not be considered a reimbursable expense.

Rental Car Cancellation Procedures

Colleagues are responsible for canceling rental car reservations and to do so must contact Concur Travel.

Colleagues should request and record the cancellation number to prevent billing disputes.

Returning Rental Cars

Every reasonable effort must be made to return the rental car:

- to the original rental city unless approved for a one-way rental;
- in good condition (i.e., no bumps, scratches, or mechanical failures);
- on time, to avoid additional hourly charges; and
- with a full tank of gas, to avoid gasoline charges that are higher with the rental agency.

Rental Car Payment Procedures

All rental cars MUST be booked through Concur Travels and will be set-up as a direct bill to Corporate.

Rental Car Accidents

Should a rental car accident occur, colleagues should immediately contact:

- the rental car company
- the local authorities, as required by law
- his/her supervisor
- Travel Manager
- risk management department

OTHER TRANSPORTATION

Personal Car Usage Guidelines

Colleagues may use their personal car for business purposes:

- if it is less expensive than renting a car, taking a taxi or alternate transportation.
- if it is more time-efficient than taking public transportation.
- when transporting Company materials for delivery.
- when entertaining clients; and/or
- at the colleague's discretion.

It is the personal responsibility of the owner of a vehicle being used for business to have a valid driver's license and carry adequate insurance coverage as required by law for his/her protection and for the protection of any passengers. The Company will not be responsible for damage to personal vehicles.

Reimbursement for Personal Car Usage

The Company will reimburse for miles driven in a personally owned auto at the following rates:

Gas Powered Vehicle Reimbursement:

- Employees driving personally owned vehicles and not receiving an Auto Allowance are reimbursed at a standard rate of .48 per mile.
- Employees receiving an Auto Allowance are eligible for mileage reimbursement at a rate of .27 per mile to cover the cost of fuel. The "Auto Allowance Mileage" option should be recorded in Concur for these instances.

Electric Vehicle Reimbursement:

- Employees driving personally owned electric vehicles and not receiving an Auto Allowance are reimbursed at a rate of .20 per mile.
- Employees driving personally owned electric vehicles and receiving an Auto Allowance are reimbursed at a rate of .15 per mile.

Important Note: Colleagues driving Company-owned vehicles with gas cards are not eligible for mileage reimbursement.

Colleagues seeking mileage reimbursement must provide the business purposes for their travel as well as accurate estimates of the distances traveled for their business-related travel.

Pursuant to the policy guidelines above, when determining the amount of total mileage, the calculation is as follows:

Scenario 1- Home to Base to Business Meeting to Base to Home

Colleague will be reimbursed for the total mileage from Base Office to Business Meeting to Base Office.

Scenario 2 – Home to Base to Business Meeting to Home

Colleague will be reimbursed for the total mileage from Base Office to the Business Meeting to Home less the distance you travel one way from Home to Base Office.

For example: If you live 10 miles from your Base Office and you drive 20 miles to your meeting and then 15 miles from the meeting to Home, your total miles reimbursed would be 25 (20+15-10).

Scenario 3 – Home to Business Meeting to Home

Colleague will be reimbursed for the total mileage from Home to Business Meeting, back to Home, less round-trip mileage from Home to Base Office.

Using the same example as scenario 2, if you live 10 miles from your Base Office and you drive 15 miles to your meeting, your total miles reimbursed would be 10 miles (15+15-10-10).

Managers are responsible for ensuring that expense reimbursements for mileage are in accordance with the above policy before approving for payment.

Car Washes

We will reimburse for up to two exterior/interior car washes per month for EVP, VP, RVP, Regional Managers, Area Managers, Branch Managers, Sales Representatives, and colleagues driving company cars or receiving auto allowances. The maximum allowable reimbursement is \$30 per wash or \$60 per month.

Airport Transportation Guidelines

Colleagues should utilize their best judgment when transportation to and from the airport is required. Colleagues should choose the lowest cost option, whether it is personal car, taxi, or airport shuttle. Airport Shuttles are defined as buses, not private cars or limousines.

Group and Meeting Travel

All group travel must be approved in advance by Senior Management. All group travel, regional and franchise meetings are coordinated through the corporate Travel Manager. This allows the Company to maximize discount leverage and insures best pricing for such travel.

All meetings should be scheduled as far in advance as possible but no less than 30 days prior to the event. Once the hotel has been selected, the Travel Manager will coordinate the room block and meeting details.

Events Sponsored by other Companies

Authorization must be approved by your immediate supervisor prior to the Seminar and documented in writing for your expense report.

Fees associated with colleague attendance at conventions, meetings, or seminars sponsored by outside organizations are reimbursable, with prior approval from Senior Management. Some outside conferences negotiate special rates for meeting attendees that must be booked directly with the hotel. In those cases, please notify the Travel Manager prior to the function to ensure proper reimbursement.

Internal Revenue Service (IRS) rules require that the Company report separately the cost of meals associated with such events. To comply with this regulation, colleagues attending such events must complete their expense reports as follows:

- Record the portion of the cost relating to meals on the "Meals" line; and
- Record the remainder of the event costs under "Miscellaneous" expenses.

Telephone Usage

Business Phone Calls – Usage Outside Branch Environment

If there is a need for continuous use of a home phone, please contact the IT department to obtain a VOIP phone. All existing additional phone lines should be discontinued and will not be reimbursed.

Cellular Phones

As determined necessary by the Company, colleagues will be issued a Company cell phone. If a personal cell phone is to be used for business on an extended basis, the company will reimburse the user up to the amount it pays per month for its company provided cell plans.

In-Air Phone Usage

Colleagues may use an in-air phone only in an emergency or if critical business issues are involved.

Meals and Entertainment

Colleague Meals Alone

Colleague Meals Alone are defined as meal expenses incurred by the colleague when dining alone on an out-of-town business trip. Additionally, in-town colleague alone working lunches are not a reimbursable expense.

Meals Taken with Other Colleagues

Colleagues will be reimbursed for business-related meals taken with other colleagues only in the following circumstances:

- ③ when a client is present.
- ③ when at least one Company colleague is present from out of town;
- ③ when, for confidentiality reasons, business must be conducted off Company premises; and/or
- ③ when authorized by Senior Management, in advance, for testimonial, reward, recognition, new hire, or other appropriate business purpose.

Meal costs for social occasions (e.g., colleague birthdays, company anniversary, retirement, etc.) should be approved by management in advance and in general are not accepted expenses.

Office visits with coffee/bagels for staff are not a reimbursable company expense.

Meals purchased for temporary associates must be approved by regional management in advance.

Meals While Attending Training Sessions or Regional Meetings

Colleagues will be reimbursed for actual documented meals while traveling to and from training sessions. Most meals will be provided during training sessions and will not be reimbursable expenses. In the event a meal is not provided, the spending limits for colleague meals alone will apply. Colleagues will not be reimbursed for coffee or snacks when meals have been provided.

Group Dinners and Events

All spending limits for meals will apply for company-sponsored group dinners and group functions. All group dinners must be approved by Senior Management prior to the event. Alcoholic beverages will be reimbursed for the client, but not for colleagues.

Spending Limits for Colleague Meals

These meal limits apply to colleagues alone and per person for business meals including Group Dinners, Regional Meetings, and Training Sessions

Colleagues will be reimbursed for actual documented meal expenses, with original receipts, as set forth below:

Breakfast	\$12
Lunch	\$24
Dinner	\$36

There are no per diem meal arrangements for traveling or any other scenario.

All colleague meals must be approved by Senior Management prior to taking place. No alcoholic beverages will be reimbursed.

Business Meals with Outside Contacts

These meals are defined as those taken with clients, prospects, or their associates, during which a specific business discussion takes place. During the meal, a colleague must actively engage in a business meeting, negotiation, discussion, or other business transaction. The principal purpose of the combined meal is to actively conduct company business.

IRS regulations clearly state that a business discussion must be held prior to, during, or directly following the meal/expense and be documented on an expense report.

Colleagues will be reimbursed for business meal expenses according to actual and reasonable cost according to the guidelines set forth below. The colleague is responsible for using good judgment in determining how much should be spent. No alcoholic beverages will be reimbursed.

Spending Limits for Business Meals with Outside Contacts

Business Meals are defined as meals taken with clients, prospects, or their associates, during which a specific business discussion takes place (described in above section).

Colleagues will be reimbursed per person for actual documented meal expenses (i.e., with original receipts) as set forth below:

Breakfast	\$18
Lunch	\$30
Dinner	\$50

Tipping for Meals

The total cost of meals including tips should NOT exceed daily maximum meal allowances.

The portion of tips considered excessive will not be reimbursed. As a rule, colleagues should not tip more than 20%, depending upon the quality of service received.

Consumption of Alcohol

- No alcohol is to be consumed at any office during working hours.
- The giving or receiving of alcohol as a gift is not permitted.

Failure to comply with this policy may result in action up to and including termination.

If alcohol is consumed during a client dinner after hours, there will be no reimbursement for such alcohol; in other words, costs for the consumption of alcohol by colleagues or clients at business functions will be at the colleague's expense and liability.

Payment for Meals and Entertainment

When more than one colleague is present at a business meal, the most senior level colleague should pay for the meal and expense the bill. The approver should not be an attendee at the function. A subordinate or peer cannot approve the request.

Business Entertainment

In the course of conducting business, it sometimes is necessary to entertain. The IRS has established firm guidelines for business entertainment. Entertainment expense is defined as "an expense associated with a business discussion which is held for the purpose of achieving company objectives."

In order to be justified as a bona fide entertainment expense, a business discussion must in fact occur and the setting must be conducive to such a discussion. Entertainment is defined as both meal and non-meal (e.g., golf, theater, game, etc.) activities at which at least one non-Company colleague is present, and the Company expects to derive income or some other specific benefit (other than goodwill) at some definite future time.

All entertainment expenditures must be documented on your expense report with the following information:

- Date
- Restaurant/establishment
- City
- Numbers and names of people and company in attendance
- Business purpose

Entertainment expenses when clients are not present will not be reimbursed.

Gifts for Clients

Colleagues can receive reimbursement for gifts given to clients for legitimate client development purposes, provided that:

- such gifts are appropriate.
- do not exceed \$50 per year per recipient; and
- have approval by Senior Management PRIOR to purchasing and distribution.

Awards

Achievement recognition, sales contest prizes, and colleague performance awards are reimbursable expenses but must be purchased through the purchasing, marketing, or executive departments and should not be submitted on an expense report.

Sales guidelines must be outlined and submitted to the Sales or Executive department prior to individual reward requests. Individual colleague welfare gifts require approval prior to purchasing.

In order to ensure compliance with IRS rules, supervisors must obtain prior approval from Human Resources before purchasing achievement awards or prizes for colleagues, and anything over \$25 must be authorized by Human Resources and is considered taxable income.

Flowers

To be reimbursable, all flower purchases for clients must be approved by Senior Management prior to ordering and should not exceed \$75. Flowers will be reimbursed for colleagues in the event of a death or hospital stay. Flowers sent from colleague to colleagues for birthdays, anniversaries, births, or recognition will not be reimbursed.

Special Entertainment or Sporting Event Tickets

The Company purchases each year a limited number of tickets. These tickets are a wonderful perk for our clients and should be used to maximize our client relations. A Company representative must attend the event with the client.

Requests for games must have a completed ticket request form that includes the clients entertained and average annual billing. The cost of the tickets will be charged back to the appropriate office/cost center.

Tickets for all other special events must be approved prior to purchase by Senior Management. Due to IRS requirement for business entertainment expenses, ticket stubs alone are not sufficient to establish proof of payment for reimbursement. Appropriate documentation must include clients taken, customer representative names, average annual billing, etc. All events should be hosted and attended by a Company colleague.

Payment Methods

Business Use of Personal Charge/Credit Card

Colleagues will not be reimbursed for annual fees on personal credit cards.

Colleagues may keep and use for their personal benefit any miles or points accrued during purchases whether Company or personal charges.

Expense Reporting

Timing for Expense Report Completion and Submission

The Company encourages its colleagues to complete and file expense reports on a weekly basis, and no less frequently than once per financial period. Colleagues must file expense reports no later than 30 days after completion of each business trip or transaction. Colleagues must use the Company's standard expense reporting forms.

Expense reports submitted more than 3 months after the expenses were incurred need the approval of Senior Management.

In no circumstances will expenses be reimbursed for expenses incurred more than 6 months earlier.

Approval/Authorization Process

All expense reports must be approved according to the approval levels established in this policy.

No colleague is authorized to approve their own, a peer's, or a supervisor's expense report.

Each colleague expense report will be reviewed by Accounts Payable for:

- required approvals
- business purpose
- correct totals
- supporting documentation and receipts
- policy compliance

Documentation Requirements

In order to be reimbursed for business expenditures colleagues must provide the following information for each separate item claimed on their expense report, as applicable:

- names of individuals present, their titles, and company name.
- name and location of where the meal or event took place;
- exact amount and date of the expense.
- specific business topic discussed and the duration of the discussion;
- in the case of entertainment events, the specific time the business discussion took place (i.e., before, during, or after the event); and
- in the case of authorized client gifts, the business reason for giving the gift or the business benefit expected to be gained.

In addition, Company policy requires that receipts be included along with the expense report for all expenditures, exceeding \$10.00. Colleagues must submit the following documentation along with their expense report form:

- Air/Rail – Concur Travel invoice/itinerary (Note: receipts from airline travel are required to be submitted along with the expense report even when no reimbursement is due to the colleague). All invoices must include ticket number and charge to credit card.
- Hotel – Concur Travel confirmation, as well as itemized hotel bill plus charge/credit card receipt or other proof of payment.
- Car Rental – Concur Travel confirmation, as well as rental car agreement plus charge/credit card receipt or other proof of payment.
- Meals/Entertainment – itemized charged/credit/cash receipt including number of attendees and food purchased (no restaurant tear tabs).
- Gifts/awards – itemized receipt for gift/award.
- Original receipts for all miscellaneous expenses.

When a receipt is not available, a full explanation is required for the expense and the reason for the missing receipt.

Actual bills/receipts must be submitted. Receipts must include the name of the vendor, location, date, and dollar amount.

Acceptable Receipts

The following receipts are acceptable:

- original receipt completed by the vendor
- customer's copy of charge/credit card slip
- charge/credit card billing statement
- original phone bill

All travel expenses for hotel and car must have a Concur Travel and/or Concur Travel receipt for reimbursement

Expensing Meals by Category

Each meal (breakfast, lunch, dinner) must be recorded separately on the expense report.

Reimbursement of Expenses

Reimbursement for approved expenses will be sent to colleagues via check sent to colleague's home or office.

Incorrect or Incomplete Expense Reports

Expense reports that are incorrect or incomplete will be returned to the approver for corrective action and may result in delay or non-reimbursement of specific items.

Disregard for Company policy or altering of receipts may result in disciplinary action up to and including termination.

Colleagues may be subject to income taxation for any reimbursed, unreconciled expense report items.

Other Reimbursable Expenses

Colleagues will be reimbursed for the following miscellaneous expenses within policy guidelines and with proper receipts:

- air freight for business purposes
- business office expenses (fax, copy services, etc.)
- business phone calls
- checked baggage (1) per trip for each direction
- compulsory insurance coverage (annual fee)
- currency conversion fees
- fare penalty (e.g., non-peak ticket for peak travel)
- faxes
- food and beverages
- gasoline
- ground transportation
- laundry/dry cleaning/suit pressing (for emergency situations and/or trips exceeding 5 days with maximum limit of \$50 per month)
- overnight delivery/postage for Company business
- parking
- personal car/leased car mileage
- room service charges
- business-related seminar fees with prior approval from management-level supervisor
- business related subscriptions (up to 1 per year) with prior approval of management level supervisor
- taxis
- tips given within reason
- tolls

OTHER NON-REIMBURSABLE EXPENSES

Colleagues will NOT be reimbursed for the following miscellaneous expenses:

- airline club membership dues
- alcoholic beverages and bar tabs
- annual fees for personal charge or credit cards
- baby-sitting
- barbers and hairdressers
- business cards (can be ordered through Corporate Services)
- car maintenance
- car washes (unless sales, management, or company car driver)
- checked luggage beyond 1 bag per trip
- clothing
- drug screening/pre-employment testing
- expenses related to vacation or personal days while on a business trip
- gifts or celebration cakes/parties for any colleague personal events
- golf fees (when not part of customer entertainment)
 - health club facilities, saunas, massages
 - helicopter services for airport transfers
 - in-room movies at hotels
 - kitchen office supplies such as candy, snacks, and drinks
 - loss/theft of cash advance money or Company-paid airline tickets
 - lost baggage
 - luggage and briefcases
 - magazines, books, newspapers, subscriptions
 - non-compulsory insurance coverage (annual fee)
 - "No show" charges for hotel or car service
 - office supplies (can be ordered through Office Depot)
 - optional travel or baggage insurance
 - parking tickets or traffic tickets
 - Toll fees during non-business travel days
 - personal accident insurance
 - personal entertainment, including sporting events
 - personal property insurance
 - personal travel toiletry items (e.g., toothpaste, soap, shaving cream, etc.)
 - pet care
 - personal postage costs, postcards
 - printing (can be ordered from Marketing department.)
 - rental car upgrades
 - repairs due to accidents
 - routine automobile maintenance/tune-ups
 - shoeshine
 - snacks or other meals other than breakfast, lunch or dinner
 - souvenirs/personal gifts
 - spouse/companion travel
 - transportation to/from office

Approval Process

The Travel Manager reviews and approves all ticket requests in Concur Travel and is considered the Approver. All travel requests must be reviewed/approved by the assigned SOC oversight and forwarded to the Travel Manager. The Travel Manager receives an e-mail stating a reservation is waiting for approval and will select the trip and view the information. At that point, the ticket is either approved or rejected.

If the ticket is approved, the trip moves from the agency approval queue to the ticketing queue and sends an e-mail to the traveler that the trip is approved. In the traveler's Travel Center, the trip changes from "Waiting approval" to "Confirmed" and then ticketed.

If the trip is rejected, an e-mail goes back to the traveler letting them know the trip is rejected and to go back and change the trip or cancel the trip.

Because all trips in Concur Travel are "booked" but not ticketed, this includes "hold" trips and "approval" trips. If the trip is rejected, the traveler is responsible to cancel the air, hotel and car in Concur Travel or by calling an agent.

If you do not cancel the rejected trip, you will get a "no-show" bill with the hotel and may incur costs with the airline.

Changes/Cancellations

Once you have completed the reservation process your itinerary is held through the airlines. Unlike Expedia and other independent on-line booking tools, we have the opportunity to cancel a trip that has already been ticketed and void the transaction/ticket – within the same 24-hour period – versus having an unused ticket charged to your cost center. This voiding capability available through Concur Travel represents substantial savings opportunities to us.

Upcoming Trips

Once ticketed, all of your trips will be stored in Concur Travel under the "upcoming trips" tab. For your convenience, you can also download your itinerary directly into your Outlook calendar. Once you have traveled your travel records can be found in your "trip library" and you can print itinerary copies directly from there.

Exchange Bookings

Once ticketed, if your travel plans require a change, you must contact an agent at Concur Travel directly to process the transaction.

Making Travel Arrangements for other Travelers

In Concur Travel, once the individual profile is set up the traveler can designate who is authorized to book trips, view trips already booked in the Upcoming Trips list, and modify their profile.

For travel assistants or arrangers, you will also see a drop-down list near the top right corner of your home page of any travelers that have added your name to their profiles. Select the appropriate name to book a trip for that person, view or update the profile, or view a list of booked trips. This feature can be used to book a trip for a guest traveler, as well.

HELP

If you require assistance regarding the travel policy or our internal process, please contact:

- If your matter is urgent and you require immediate assistance with the Concur Travel program or a reservation, please contact Concur Travel Fritzie Leao 949-930-9290 Hours: 8:30am to 5:00pm Mon-Fri fritzie.L@travelstore.com
- If you have a multi-segment trip and/or are exchange a ticket, please contact Concur Travel directly: Fritzie Leao 949-930-9290 Hours: 8:30am to 5:00pm Mon-Fri fritzie.L@travelstore.com

If you require assistance outside after regular business hours, please call the Reservation Center at 877-874-9111 and reference VIT Code S-Q3H0.