

PNA Human Resources Policy Manual
Includes All PNA USA Sales and Service Companies
Other PNA Companies may adopt if deemed appropriate

Policy#: C.10.0

**Subject: Business Travel and
Entertainment Expenses – Corporate
Credit Card**

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Scope:

Includes all PNA Sales and Service Divisions, Unit Companies and Headquarters units.

Other PNA Subsidiary Companies may adopt this Policy if deemed appropriate.

Purpose:

This Policy provides guidelines and procedures for employees who incur business travel and entertainment expenses on the Company's behalf. It is designed to:

1. Ensure all employees have a clear and consistent understanding of the Policy.
2. Provide business travelers with a reasonable level of service and comfort at the lowest possible cost.

While it is impossible to foresee every situation, this Policy establishes the basic guidelines to be followed by all division companies. Specific business units may at their discretion, impose greater control than required by this Policy, but never less. Any additional controls must be communicated by the business unit to the travelers, the PNA Procurement Travel Manager and the designated travel agency (American Express Travel).

Non-compliance with this Policy, or any guideline within the Policy, may cause expenses to be rejected and not reimbursed. In certain situations disciplinary action may result, up to and including termination.

Policy & Procedure:

General Guidelines –

1. Overriding principle

The overriding principle for all company travel is that it must serve a useful business purpose and must be made by the most cost effective means possible. Wherever possible, the number of people traveling on each trip must be kept to the minimum number required to make the trip useful.

2. Responsibility and Enforcement

Each employee, and their supervisor, is responsible for compliance with this Policy.

3. Travel Agency

American Express Travel (AMEX Travel) is Panasonic's sole travel agency and **must** be used for all business travel reservations.

All employees must use [AMEX Travel Online \(AXO\)](#). All employees expecting to travel at least once per year should submit a completed travel profile, located within AXO under the "My Account" tab, to ensure that pertinent details and preferences are adhered to in the reservation process. Mandatory travel profile fields include: employee name, company name / code, cost center number, corporate credit card information and e-mail address.

Notes: Posting personal credit card information in your employee profile is prohibited.

If you do not have a corporate card, you must use your company's Business Travel Account (hereafter BTA) for air fare purchases.

Exception reports regarding policy non-compliance are generated on a monthly basis and distributed to appropriate management.

a. Domestic Travel Reservations

For domestic reservations, including Canada and Mexico, employees must use the [AMEX Travel Online](#) ('AXO') System. AXO can be found on the Panasonic Intranet under the "My Work" tab, or on the Internet at <http://wcp.getthere.net/bk2a8a2f>.

AXO is available 24 hours a day 7 days a week allowing employees to access travel information and have increased control over travel arrangements.

b. International Travel Reservations

For international reservations, excluding Canada and Mexico, employees must use a Panasonic designated AMEX Corporate Travel office.

AMEX Travel offices are located at the following locations:

- **Newark, NJ**
- **Lake Forest, CA**

Contact information for these offices can be found on the [Panasonic Intranet](#).

4. Corporate Card

All employees who travel for a unit company or subsidiary that participates in the corporate card program are eligible for a Corporate Card (some restrictions may apply). Please visit the CAP website to obtain a copy of the required E - forms.

Manager approval and the signed employee agreement are required to process the application.

All reimbursable business travel and entertainment expenses must be charged on the Corporate Card. Alternate form of payment (in cases where the corporate card is not accepted) requires a dated receipt with the business name identified. Restaurant "tear tabs" are not acceptable.

The Corporate Card should only be used for reimbursable business travel and entertainment expenses. **Personal use of the Corporate Card is not allowed and is strictly prohibited. Also, employees are not allowed to participate in the AMEX reward program.**

Note: Incidental business travel expenses (e.g. per diem items) are not considered personal use.

Non-travel related expenses are strictly prohibited. These include exhibits and sales related charges (e.g., booth space, suites, and electrical work), fixed asset purchases, vendor direct purchases, seminars and conferences. These goods and services should be procured through existing Company processes and procedures.

All non-travel related expenses will be captured on an exception report and distributed to appropriate management.

Employees are responsible for reconciling and maintaining their corporate card account on a current basis to avoid delinquency or late fees. Delinquency and late fees are the responsibility of the employee.

BTA billing for airfare is required for those travelers who have been declined a corporate card, new hires that have not yet obtained a corporate card or non-employees traveling on behalf of Panasonic. A completed BTA Authorization Form must be submitted to the respective Accounting Manager or one level above for approval, who will then forward to AMEX Travel prior to the issuance of a ticket.

It is against company policy for an employee to purchase an airline ticket on their corporate card for another person (employee or non-employee).

5. Cash advances

In limited cases, Cash advances may be required. Employees should contact their accounting managers for further details.

6. Receipts

All receipts must be original documents or on-line receipts for reimbursable e-commerce expenses.

Itemized receipts are required (regardless of the amount) for hotel, car rentals, air / rail fares, gas receipts, business telephone expenses, and entertainment.

Airfare expenses must be supported by the email record (including cost and itinerary) issued by AMEX Travel.

Other expenses under \$25.00 do not require a receipt, e.g. parking, tolls and taxi fares.

All receipts must be submitted with the electronic expense report. Receipts can be attached as a .PDF file, or faxed to the number provided on the fax sheet cover; please include the Bar Code cover page. The manager must ensure that all required receipts are attached and clearly legible pursuant to IRS guidelines. Expense reports submitted without full documentation may be rejected by the employee's supervisor.

Employees are required to keep the original receipts for a period of one year from date of receipt. These receipts must be made available for audit purposes as required.

7. Expense Report Submission and Reimbursement

Expense reports must be submitted within five (5) business days after completing business travel or incurring reimbursable business expenses.

Manual expense reports (for new and terminated employees only) must be signed by the employee incurring the expenses and approved by his / her manager, or the approving authority as designated by Division management. Please visit the CAP website to obtain an excel version of the expense report under E-Forms.

The T&E application must be used to submit all expense reports. Please refer to the [PNA Corporate Accounts Payable Intranet site](#) for instructions.

Note: Employees are prohibited to incur or submit business travel or entertainment expenses on behalf of others.

Electronic funds transfer (EFT) is the required method of reimbursement.

Once the expense report is approved, funds will be credited directly to the employee's credit card account on a weekly basis. Reimbursable out of pocket expenses (per diems) will be deposited to the employee's bank account.

PROCEDURES FOR DOMESTIC TRAVEL

1. Airline and Flight Selection

Employees must select the lowest coach / economy airfare using the PNA preferred airline (through the AMEX Travel site) that accommodates your business travel needs;

The selection of carrier must be based on cost and not on employee's enrollment in a bonus or mileage plan or ability to obtain flight upgrades.

Note: These guidelines also apply to rail travel.

Booking a higher economy airfare to obtain upgrades is strictly prohibited.

First Class tickets are strictly prohibited for domestic travel.

The lowest airfare search should be expanded based on the following parameters if business travel schedule permits:

- Connecting flights: no more than one additional interim stop each way.
- Expand Time Window: Expand search to include more options and consider off-peak flights.

Flights that depart prior to 8:00 a.m. (local time) and flights that arrive after 7:00 p.m. (local time) can be taken at the discretion of the traveler.

- Alternate airports: Many cities have more than one airport. If savings are greater than \$300.00, alternate airports should be considered.

Detailed exception reports indicating cases in which lowest logical airfare was not taken are generated monthly and are distributed to management.

2. Non-Refundable Airline Tickets

Employees are expected to purchase non-refundable fare tickets when traveling for business.

If after purchasing a non-refundable ticket, an employee has to cancel their trip, they must do so before the scheduled flight departure. Failure to do so may result in the forfeiture of the complete ticket value. Please contact AMEX Travel or the airline directly to cancel any flight.

Airline tickets booked online can be cancelled online. An employee can access all of their trips under the "My Trip" tab. The instructions on how to cancel a trip online are on the [AXO home page](#). An employee has one year from the original date of purchase to reuse cancelled non-refundable ticket for a variable imposed airline fee and airfare difference (if any) towards the purchase of a new ticket even if the destination is different.

The employee must advise AMEX Travel of any non-refundable tickets that will not be used prior to the departure date when booking subsequent business travel to ensure the ticket is utilized within airline time limits.

The employee must notify the division accounting department if the ticket will not be used and must also notify the division accounting department if such ticket will not be exchanged. If not exchanged, the consequence of the lost value of the ticket is under the discretion of the division company management.

3. Purchase method

Airline tickets must be charged to the traveler's Corporate Card.

For refunds, exchanges, and credits, please contact CAP on the proper method to process these transactions.

4. Advance Purchase

It is expected that employees reserve travel arrangement as far in advance as possible to take advantage of advance purchase discounts.

To encourage advance planning and additional cost savings, PNA will reimburse airfare prior to the trip being taken under the following circumstances:

- a. Non-refundable tickets that are not used within 45 days of purchase.
- b. Airline tickets that are purchased more than 45 days prior to departure for major trade shows (i.e., CES) and for international flights.

Reimbursement of advance airline tickets requires two expense reports to be completed:

1. For the Advance Payment: An employee must select prepaid airfare advance. The itinerary must be attached to the expense report.

2. At the Completion of the Trip. The airfare amount is to be applied as PREPAID AIRFARE SETTLEMENT. The airline ticket receipt and a copy of the trip itinerary must be attached to the expense report.

5. Preferred Airlines

Travelers must use any of the following preferred carriers for domestic travel whenever possible:

- ☐ **United**
- ☐ **Delta**

If the lowest logical airfare is with a non-preferred carrier, and the savings amount is substantial, the nonpreferred carrier should be used.

6. Lodging - Hotel Selection / Spending Guidelines

Hotel selection must be based on the cost and not on the employee's enrollment in a bonus or mileage plan. Hotel reservations must be made through [AMEX Travel Online \(AXO\)](#).

All employees are required to select a hotel using the PNA preferred list: refer to the Corporate Travel Online intranet site.

Costs should be limited to **\$115.00 plus taxes per night**. Exceptions should be approved by the employee's supervisor prior to travel.

7. Car Rentals

Rental car reservations must be made through AMEX Travel Online (AXO) using PNA preferred rental companies, i.e.

- ☐ **AVIS Rent A Car**
- ☐ **National Car Rental**
- ☐ **Enterprise Rent A Car**

All reservations made with Avis or National through AXO will include the PNA discount numbers and therefore include the PNA corporate rates and insurance coverage.

The PNA corporate discount numbers are:

- ☐ AVIS Discount # **A432200**
- ☐ National Discount # **5237700**
- ☐ Enterprise Discount # **XZ24V34**

Generally, a mid-size car should be rented. The type of car rented must be based on the number of people in the group. Rental of luxury cars, sports cars, or other specialty cars is strictly prohibited.

Employees should decline insurance coverage in the United States and the District of Columbia.

Non-Panasonic employees such as business partners, contract consultants, temporary workers, etc. are not permitted to use PNA's corporate discount agreements with AVIS, NATIONAL & ENTERPRISE. They should rent cars on their own and provide the insurance required in their contracts or obtain additional liability or LDW coverage available from the rental car company.

Rental car insurance is mandatory for travel into Mexico. If you rent a car in the US and are going to be traveling into Mexico, you are required to buy Mexican car rental insurance.

Employees should take all reasonable efforts to return the rental car undamaged and fully refueled.

Linked to this policy is PNA Rental Car Program Correspondence providing further details of the PNA Car Rental Program including insurance guidelines. Click here for the PNA Rental Car Program Correspondence rates.
<http://eww.panasonic.com/meca/91320I18/procurement/docs/2013%20Car%20Rental%20with%20PNA.doc>

8. Meals and Incidentals

Meal allowances will apply when an employee travels overnight or 200 **or more miles round trip** from their base of operations except for sales staff and service representatives whose job requires that they travel regularly. These employees are reimbursed only on overnight travel or when flying to another city.

An employee who meets the travel criteria above will select the Per Diem expense account. You must select the city where your work was conducted and indicate meals that are **not** eligible for per diem reimbursement. The T&E application will populate the per diem amount reimbursable based on the IRS/GSA tables. The work site, not the hotel site, must be used as the basis for this calculation. Receipts are not necessary to substantiate these expenses.

If the business travel (i.e. flight or train departure or arrival time) starts before or ends after normal work hours, employees can claim the applicable allowance. Otherwise, appropriate deductions should be made for those meals.

If any meal is provided at no cost to the employee, the allowance should not be claimed.

9. Entertainment

Employees may entertain customers or others who have a business relationship with the company (vendors excluded). Entertainment must be reasonable and serve a useful business purpose.

The highest-ranking employee at the business event should pay the bill.
Employees should not entertain each other.

The following information must be supplied for all reimbursable entertainment expenses:

- ☐ Original receipt must be supplied regardless of amount.
- ☐ The business reason for the meal or the nature of the business benefit expected to be gained as a result of the entertainment.
- ☐ Names of all persons present, job titles, and their company affiliation.

Effective July 1, 2011 it is necessary to obtain pre-approval for certain entertainment costs and conference – meals. Pre-approval is required if the cost is more than \$100 per person or the total is more than \$1000. President or HQ Department Head approval is required when the cost per person is more than \$200 or the total cost is more than \$2,500. Cost includes taxes and tip. There is a “reminder” question in the Expense-Pay system and a new form located under the “My Work/Corporate Accounts/E-Forms.” This form must be scanned just like any other receipt.

10. Group Travel

When traveling together, each employee must pay for his / her own expenses and claim them on their own expense report. In situations where it is impractical to separate charges, the highest-ranking employee must pay the charges and submit the expense on his / her expense report.

In cases where group travel expenses are charged to the highest ranking employee, all other employees cannot submit per-diem meal allowances or other charges relating to the same event.

11. Ground transportation

The most cost and time effective method of ground transportation (e.g. personal car, public transportation, taxi) should be used when traveling on company business. All employees should exercise good judgment when determining their ground transportation needs on a case-by-case basis and use limousine and car services only when no other alternative is available or the total cost of off-premise terminal parking and mileage reimbursement is more expensive.

Employees using their personal car for company business will be reimbursed at the current IRS standard mileage rate. The reimbursement is to cover gas and all other related costs for the use of their personal auto. The T&E application is updated to reflect the latest rate. Employees should claim reimbursement for miles driven on Company business in excess of miles of their normal daily commute. In addition, an employee participating in the:

- ☐ Sales Car Program or Car Allowance is not eligible to submit personal car mileage,
- ☐ Executive Car Program is eligible to submit mileage expenses at one-half the personal car rate. The employee should use the “Executive Mileage” feature in the T&E application to claim reimbursement.

12. Communication Expenses

Employees are eligible for reimbursement of reasonable business communication expense. Supporting documentation is required.

13. Tips / Gratuities

Tips / gratuities are permitted for meals, entertainment and ground transportation expenses. Good judgment should be used in the amount of tips / gratuities. The generally accepted rate is currently 15%.

14. Miscellaneous

Travel expenses for items that are not specifically listed on the expense report will be reimbursed when a receipt and an explanation as to the nature and business purpose are provided. These expenses should be incurred only when absolutely necessary and limited in amount.

PROCEDURES FOR INTERNATIONAL TRAVEL

1. Expense report preparation

In general, all preparation procedures are the same as those for domestic travel. Additional guidelines follow:

☐ Individual out of pocket (cash) expense items for travel to Japan, or other foreign locations, must be submitted in foreign currency. The T&E application will convert expenses in foreign currency to US dollars based on GSA rates for that day.

2. Airfare / Flight Class

Employees must purchase the lowest economy fare. Booking at full fare coach price is not permitted in order to obtain an upgrade. The exception is based on the employees job title not the business card title. Employees with a band of E1 or higher would be eligible for the business class upgrade. To verify your job title/band please contact Employee Services at 1-877-688-2373 or employeeservices@us.panasonic.com.

Employees at E1 Level and above are permitted to fly business class.

3. Meals and Incidentals

Meals will be reimbursed according to the following fixed allowance without receipts:

A. Japan travel -

If any meal is provided at no cost to the employee, the allowance should not to be claimed.

Note: Employees enrolled in training courses at the Human Resources Development Center receive subsidized meals and living accommodations. Therefore, meals will be reimbursed according to the following fixed allowance without receipts:

Type Amount
Breakfast **500 Yen**
Lunch **750 Yen**
Dinner **1,000 Yen**

Type Amount
Breakfast **2,000 Yen**
Lunch **2,000 Yen**
Dinner **4,500 Yen**

B. Other Foreign countries - Please refer to the State Department rates provided in the T&E application

4. Lodging

Hotel selection must be based on the cost and not on the employee's enrollment in a bonus or mileage plan. Hotel reservations must be made through Amex Travel. It is expected that the traveler use the hotel with the lowest cost in respect to the location of the site being visited. Hotel costs must not exceed **12,000 Yen plus tax and related service charges per day**. When staying in the Tokyo prefecture, the hotel allowance will be raised to **13,500 Yen per day**.

5. Per Diem expenses

Employees traveling overseas are eligible for the following additional per diem expenses:

- ☐ Personal calls with an allowance of US\$ 10 per day.
- ☐ Laundry services will be reimbursed on an actual basis with receipts.

6. Ground Transportation

Due to the increased risk involved when driving in a foreign country, it is highly recommended that you do not rent a car for company business.

If renting a car outside of the United States is unavoidable employees must purchase the additional Liability Insurance and Physical Damage Insurance.

Contacts: Any questions regarding this policy should be directed to Human Resources at 201-348-7066, or to GRC at 201-392-6849.

