



Sanrio, Inc.

REIMBURSEMENT & TRAVEL POLICY

Effective April 1, 2003
Revised February 1, 2010

I. Purpose

To outline policies and procedures for reimbursement of travel, living, entertainment and other expenses incurred during the conduct of company business. This policy cannot contemplate every situation that might arise; therefore, employees must exercise prudent judgment when incurring expenses on behalf of the company.

Sanrio will reimburse employees for all reasonable and allowable business expenses that pertain to the transaction of company business. Authorization to incur expenses is the responsibility of the employee's immediate manager (e.g., supervisor, manager, director, executive) and must be approved in advance. Any deviation from the spirit or letter of this policy by an employee is strongly discouraged. Employees should handle Sanrio funds with the same respect and caution as they would their own.

II. Responsibilities and Enforcement

All employees who incur travel, entertainment or other expenses must comply with this policy. Employees who submit expense reports not in compliance with this policy risk delayed, partial or forfeited reimbursement. Cases of significant abuse can result in disciplinary action, up to and including termination.

Management employees are responsible for ensuring that employees are familiar with this policy and follow company reimbursement guidelines. Any deviation must be approved in advance by the manager and explained on the expense report.

Concur system is used for online expense reporting. IT provides employee set up and usage instructions for concur system access. Credit & Cash Flow (C&CF) verifies that expenses reimbursed or paid for by the company are in compliance with this policy.

Credit & Cash Flow issues Corporate American Express Cards.

Office Services administers the Sanrio programs for Rental Cars and Travel Profiles for outside travel agencies.

Human Resources (HR) is responsible for distribution of this policy to all employees upon hiring or whenever it is updated. HR will have each employee sign an Acknowledgment Form (attached) with each distribution and file the signed copy in the employee's file.

III. Travel Approval Procedure

Business travel must be preapproved by employee's immediate manager prior to initiating any travel arrangements. A Travel Authorization Request (TAR) form (attached) must include a brief explanation of why the trip is necessary and notate all other travel attendees (if other staff members are included in the business trip). The TAR must be submitted, with supporting documentation as needed, via email to the employee's immediate manager with a copy to:

- SSF - President/CEO, COO and SSF Finance Director
- LA – SGCP President and SSF Finance Director
- NJ – Executive Vice President and SSF Finance Director

Manager approval/disapproval will be made via email.

IV. Travel Arrangements

Upon TAR approval, employees should make air, lodging and car rental reservations using Sanrio authorized vendors as outlined below.

Travel Profile – Employees who travel with JTB Travel Agency at least twice per year should complete JTB Travel Profile Form. The form is available from, and should be submitted to, Office Services.

International Travel – All travel alerts, rules and regulations regarding travel issued by federal government or its agencies should be observed. Information concerning travel warnings and alerts can be found on the US Bureau Consular Affairs website: <http://travel.state.gov>.

Business Travel Accident Insurance and Assistance – All active, full-time employees of Sanrio are covered for death or injury, which results from an accident while traveling on company business for Sanrio (excluding commuting) by AIG (Group 999-8058773, GTP 8058773). Coverage is based on the start of the actual planned trip. The Insured Employee may leave from his or her place of work, home or another location. The Coverage stops upon the return to the Insured employee's home or place of work.

This insurance also provides 24-hour worldwide travel assistance when traveling 100 miles or more from your residence, work or place of assignment. The travel assistance offers emergency medical assistance, emergency personal services, pre-trip assistance, legal assistance and interpretation translation for all major languages. In the United States or Canada, call 1-800-626-2427; overseas, call collect through an AT&T International Operator to Houston (01-713) 267-2525.

Contact Human Resources to report an injury or to obtain an ID card or specific coverage information.

Group & Meeting Travel –For Group Travel and meetings, managers and above will be in single rooms; others of same sex may share double rooms as a way to reduce cost whenever reasonable to do so. For group and meeting travel, costing over \$2,000, a Project Approval Request (PAR) must be submitted and approved before any commitment is made for hotel, airfare, etc.

Air Travel – Air travel can be arranged through Japan Travel Bureau USA (JTB) (<http://www.jtbusa.com/enhome/branchinfo.asp>), online travel websites (e.g., Expedia, Orbitz, Travelocity, etc.), or directly through the Airline. Employees should take advantage of the lowest logical airfare available. Air travel arrangements must be made as soon as the need for travel arises to take advantage of lowest airfares. All employees are to fly using lowest logical airfare on major airlines in discount/economy coach class. (An employee may upgrade but the cost to Sanrio should not increase.) Sanrio does not reimburse charges for travel accident or other insurance.

The following criteria determine lowest logical airfare:

- Flight departure or arrival is within two hours before or after the requested departure or arrival.
- Deeply discounted penalty or non-refundable flights with up to one change of planes with less than two hour connection and save \$200 or more.
- Weekend night stay may be allowable if the reduction in airfare is more than the increased cost for hotel and meals. Note: employees cannot be forced to travel on a weekend to get the lower airfare and employees will not be given comp time for travel over a weekend.

Traveling employees may keep frequent flier program benefits. Participation in these programs, however, may not result in incremental cost to the company beyond the lowest logical airfare. Sanrio will not reimburse frequent flyer program fees.

To receive airfare reimbursement, list all airfare charges and attach passenger receipt, and itinerary to the expense report. For an electronic ticket, attach the airfare receipt. In the case of infrequent travelers who do not have Corporate Charge Cards, the airfare can be charged to a company-paid account or the employee may use a personal credit card and be reimbursed.

If an employee purchases an airline ticket in advance and submits it on an expense report before the trip, the itinerary must be attached; C&CF will post the ticket cost to a prepaid account. When the employee uses the ticket, the passenger/airfare receipt and boarding pass must be attached to the expense report for the trip with \$0 for airfare and reference to the previous expense report. C&CF will then expense the ticket cost from the prepaid account.

If an employee expenses an airline ticket, which is cancelled and credited at a later date, the employee must notify C&CF via email and should submit the credit on the next expense report. This should be done on a timely basis in order to avoid additional charges.

In the case of changes in schedule, the employee is responsible for contacting the airline prior to the flight being changed and to minimize any penalty.

Hotel – Hotels selected should be those that are well established, reasonable in price, with access to rooms through a lobby, safe and conveniently located in relation to the traveler's work assignment.

Normally, rooms should be at single rates with a private bath and guaranteed for late arrival. If a larger room is booked, the reason should be explained on the expense report. Guidelines for room charges excluding taxes and other costs are based on median rates for cities and locations of the business travel destination. Online travel sites (i.e., Expedia, Orbitz, Travelocity, Hotels.com, etc.) are a means that may be used to determine median rates and/or book hotel accommodations.

When checking in, the room rate should be verified regardless if the employee or authorized travel agent made the reservation. A receipt should be obtained and verified when checking out and paying the bill.

If the employee pays for their own accommodations, itemized room charges must be included on their expense report. The employee may stay at a family or friends' home instead of a hotel/motel. Expense reports must be submitted in this situation and must notate the meal dates with no corresponding hotel or restaurant. When an employee spends the night with family or friends, they are allowed to take them out to dinner in lieu of lodging. The expense report should be marked accordingly with attendees listed.

If the hotel reservation was made by a company travel agency, the agency will cancel hotel reservations that they made if notified before the close of business on the day preceding the scheduled trip. Any changes made after this time or any changes needing to be made through other online travel sites will require that the traveling employee cancel these reservations him/herself. In the event an employee fails to cancel reservations listed on their itinerary and this results in a no show charge, the employee may be required to pay the resulting charge via expense report deduction.

A copy of the itemized hotel/motel bill must be submitted with the expense report. Employees must break out all charges on the accompanying expense report (i.e., room rate, room tax, meals, phone, internet access, etc. for each night's stay).

Rental Cars – Sanrio, Inc. has a corporate account with Avis Rent A Car. Employees are to use Avis whenever possible. Contact Office Services to receive an Avis preferred service corporate card. Employees are allowed to rent up to MIDSIZE (Intermediate) vehicles on business trips and larger vehicles for group meetings. Employees should request that Avis give them the best rate available. This may be the Sanrio Corporate rate, AAA, weekend or other discounts. Avis rentals are charged to the employee's Corporate Card. If Avis cars are not available, you may use your Corporate Card to make car rentals.

When renting cars in the US, Puerto Rico or Canada DO NOT TAKE COLLISION INSURANCE (CDW), PERSONAL INJURY INSURANCE OR ANY OTHER INSURANCE OPTIONS. Sanrio employees are insured by our corporate insurance when using a rental car. Employees will be expected to reimburse Sanrio if these insurance options are used. To ensure employee safety, rental of a GPS device is recommended especially if driving in an unfamiliar location. Additionally, employees are prohibited from usage of hand-held cell phones for business purposes while driving. If it is necessary to make or receive a business call while driving, the employee should use a Bluetooth device or make sure the vehicle is stopped and is parked in a proper parking area during the call. Please refer to Sanrio's Cell Phone Policy (revised 7/1/08) for more information. A copy of the car rental agreement/invoice and copies of gasoline charges or receipts for cash payments must be submitted with the expense reports.

V. Expense Reports

Expense reports are submitted online using Concur system. The Project Approval Request (PAR) number relating to any reimbursable expenditure must be noted in the Concur 'PAR' field. Copies of approved TAR, PAR (as applicable) and receipts for all expenditures (except tips) need to be faxed through Concur. Submitted expense reports are reviewed for online approval by manager with Concur status updates sent to the issuer via email. A copy of the expense report along with original receipts must be mailed to Attn: C&CF after submission through Concur. If receipts are not available, a handwritten receipt with an explanation must be included. Reimbursement will not be made or payment will be delayed if receipts are missing or, if in the opinion of the company, expenses were not authorized. All communications regarding unauthorized expenditures will be in writing (telephone conversations will be followed by a confirming email or memo) between C&CF and the highest management level that approved the employee's expense report.

When submitting expenses paid for another employee or for a special meeting/event the cost center to be charged (other than yours) and attendees must be listed.

Sanrio will not reimburse employees for expenses incurred for personal reasons. Vacation before or after business travel is not allowed. If an employee has scheduled vacation and Sanrio requests something be done during the vacation, then Sanrio will pay for the employee's time and expenses on the days worked. When the employee's spouse/partner travels with the employee, the employee must pay any additional expenses. As a general rule, Sanrio does not provide cash advances.

VI. Use of Company-Specified Vendors/Corporate Issued Credit Cards

All corporate credit cards are to be used for Sanrio business purposes only.

American Express Corporate charge cards will be issued for Managers and above upon hire. In addition, they may be issued upon request by the employee's manager for employees who will travel more than once per year for Sanrio or who will often make purchases for Sanrio. Those employees using American Express Corporate cards should do so for all their airline tickets and expenses incurred while traveling. Each employee is responsible for paying each month's American Express bill in full before the due date on the statement. Failure to pay the account promptly may result in suspension or cancellation of charge card privileges. Lost or stolen AMEX cards should be reported immediately to AMEX (800-528-2122) and the C&CF Department (650-616-3241). All expenses must be submitted via Concur expense reporting for reimbursement.

Sanrio issues MasterCard on a case-by-case basis to employees who make extensive purchases for the company. The employee must attach receipts for all purchases so Sanrio may pay the bill in full. If Sanrio does not pay a bill in full because individual receipts are missing and finance charges are incurred, then the employee must reimburse Sanrio for the finance charges.

VII. Expense Reimbursement

Mileage Allowance – Employees will be reimbursed for the use of their personal cars at the rate per mile approved yearly by the IRS for miles traveled on company business. Current IRS mileage rates are updated automatically for reimbursement through Concur system. All employees will be reimbursed for tolls and parking fees (receipts are required when available).

Transportation Expenses – All transportation expenses will be reimbursed, including airfare, taxis, limousine service (in lieu of taxi based on cost efficiency), shuttle service, trains, buses, rental cars, parking fees, etc.

Rental car drop off fees should be avoided unless it will be less expensive than other transportation. The agency should be advised at the time of rental if the car is being dropped off at another location. If drop off charges appear on the car rental bill, the employee is to attach a letter of explanation for approval by their manager at the time of signing the expense report.

Employees will not be reimbursed for any traffic violations (i.e., moving or parking) incurred when using rental, company or personal cars on company business. In the event any of the above fines are paid for by Avis, the amount of the fine will be deducted from the employee's next expense reimbursement.

Employees are to schedule their time accordingly to ensure being able to fill the rental car with gas prior to returning it. Failure to do so results in additional re-fueling charges from the rent-a-car agency. Except for special situations (that must be explained on the expense report and approved by the employee's manager), refueling surcharges will be at the employee's expense and will not be reimbursed. Refueling surcharges will be deducted from the employee's next expense check.

Accidents involving rental or personal cars on company business shall be reported immediately, consistent with local/state law to the proper authorities and Office Services as well. Sanrio will reimburse employees for their insurance deductible up to a maximum of \$500 for Comprehensive and \$500 for Collision in case of an accident in their personal car. A copy of the police report or similar should be attached to the Expense Report.

Accommodations – Room charges for accommodation (motels or hotels) that are within the median cost for hotels will be paid by Sanrio.

Sanrio recognizes the necessity of calling home when out-of-town on business and authorizes a "reasonable" number and length of calls. Other personal phone calls, laundry services (except when traveling over one week), movies or any room service that is not considered to be business related must be paid by the employee and will not be reimbursed.

Meal allowance – For business travel and overnight stays more than 150 miles from an employee's home, the guideline for meal expenses (breakfast, lunch and dinner) is \$50.00 per day. This includes tax and reasonable tip. (Note, this is not a per diem; receipts are required). The employee's meal expense incurred while entertaining is to be deducted from their meal allowance for that day.

Alcoholic Beverages - Alcoholic beverages are a non-allowable expense under government guidelines and will not be reimbursed.

Business Meals With Other Employees – Employees will be reimbursed for business-related meals taken with other employees when a customer is present or when at least one company employee is from out of town. All meal attendees and the business purpose must be notated on the expense report for reimbursement.

Telephone expenses – Employees are allowed to make business telephone calls from their motel or hotel rooms. The hotels may add an in-house charge.

Internet charges - The Company will reimburse employees for charges related to Internet access for business while traveling out of town on company business. The Company expects employees to use their judgment in managing these expenses by using the most cost-efficient connections.

Entertainment Expenses – Entertainment expenses will be reimbursed only if these expenses were pre-approved by the employee's manager. The guideline for entertainment meal expenses is \$15.00 for breakfast or lunch and \$30.00 for dinner. These amounts may be more or less depending on the person being entertained. The name (s) of the customer being entertained, their title, company name, what the expense was for, where you took the customer (s), date and the reason why must be listed on the expense report. This is needed for tax purposes.

Gifts – Gifts to customers normally should be Sanrio products and not exceed \$25 per year to any one person during Sanrio's tax year (January through December). The cost of the gift, date given, description of the gift, business reason for giving, and name of the customer or client must be itemized on the expense report to be reimbursed. Personal gifts to employees are not reimbursable.

Expense Reports – Expense reports must be submitted with the appropriate original receipts to C&CF on a regular basis, preferably weekly and no later than 30 days after completion of travel or date the expense was incurred. In the event a business trip requires an extended stay of over one month, expense reports are to be submitted at the end of every month. Trips to foreign countries will be handled on a case-by-case basis.

The deadline for C&CF receipt of approved expense reports and receipts for weekly Friday payment via direct deposit or check is Tuesday at 5:00pm.

VIII. Authorization for Contracts, Projects, Meetings and Outside Purchases

A Project Approval Request (PAR) must be submitted and approved before any commitment is made for the following (refer to Par Policy):

Contracts – All contracts and agreements for goods or services.

Projects/ Meetings – Sales Meetings and other special events must be budgeted (hotel, airfare, etc) and planned in advance

Outside Purchases – All outside purchases of goods and services greater than \$2,000.

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Sanrio, Inc.

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(Revised February, 2010)

ACKNOWLEDGEMENT FORM

This is to acknowledge that I have received a copy of the Sanrio, Inc. Reimbursement and Travel Policy. I acknowledge that I am expected to read, understand, and adhere to this policy and will familiarize myself with the information in this policy.

If I am issued a Corporate Card, I understand that I am responsible for the timely payment of all charges billed to my account. All business charges will be reported to Sanrio by expense report. Upon resignation or termination from Sanrio, I will pay promptly any balance due on my Corporate Card, cut the card in half and return it to Credit & Cash Flow. I also understand that Sanrio has the right to discontinue my Corporate Card at any time.

I agree to abide by these policies in all respects.

Employee's Signature

Date

Employee's Name (Printed)

Travel Authorization Request

Directions: Please complete this form and email it to your manager, with supporting documentation as needed, with a copy to:

- SSF - President/CEO, COO and SSF Finance Director
- LA – SGCP President and SSF Finance Director
- NJ – Executive Vice President and SSF Finance Director

Manager approval/disapproval will be made via email. Scan and attach any supporting information you deem useful. Please plan ahead by submitting this form early to ensure the most economical airfare.

Today's Date	
Employee Name	
Employee Manager	
Where do you want to travel?	
What are the dates of this trip?	
Why is this trip necessary?	
Who else from the company will be on this trip with you?	
Budget Center #	
Approval Status	<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved
Disapproval Reason	

