

## **TRAVEL AND BUSINESS EXPENSE POLICY**

Foxconn will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by your manager. When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by Foxconn. Supporting expense documentation must include the original receipt for all expenditures, except where specifically indicated. Employees are expected to limit expenses to reasonable amounts. Following is a list of guidelines:

### ***TRAVEL APPLICATION FORM***

Prior to embarking on a domestic or international business trip, employee must complete and submit a travel application form to his/her manager for business travel approval. Please use the attached latest updated Travel Application Form (Version 10-15-2018) which requires estimated costs of airline tickets and hotel reservations. For International business trip, an estimated budget request must also be completed and submit to the manager for approval.

*Please see attached Travel Application Forms (Version 10-15-2018).*

### ***EXPENSE REPORTS***

Within one week of returning from the business trip, the employee must complete and submit his/her expense report to the manager for approval. The employee must submit the approved expense report, along with the original receipts, including airline boarding passes, to Accounting Department for reimbursements.

*Please see attached Expense Report Form.*

### ***ADVANCE TRAVEL FUND***

Employee may request advance travel fund prior to the business trip in an amount not to exceed the total estimated hotel and per diem expenses applicable to the country of intended travel.

**Within 30 days after return to home office, employee must submit their travel expense report with actual, original receipts (except per diems) to substantiate all travel expenses.**

Foxconn will reimburse employee the balance of the total expenses if the expenses exceed the total amount of cash advancement. Employee will refund Foxconn the balance of the cash advancement if the advancement exceeds the total amount of expenses. If employee fails or refuses to submit the travel expense report, or fails to submit actual original receipts to substantiate all or parts of the expenses within 30 days after return to home office, employee agrees to authorize Foxconn to deduct from his/her paycheck an applicable amount of cash advancement that must be refunded to Foxconn, subject to applicable state and/or federal laws governing employer's authority to deduct money from employee's paycheck.

### ***AIR TICKET PURCHASE – DOMESTIC AND INTERNATIONAL***

Employee must not purchase the air tickets using his/her own credit card. Employee is encouraged to research and reserve the preferred airline and itinerary from any online air tickets reservation website (e.g. Expedia, Orbitz, Kayak, Ctrip, etc.), and e-mail the preferred itinerary information, along with the approved and signed travel

application form, to General Services for purchase of the air tickets. General Services are: Christina Hung ([Christina.Hung@foxconn.com](mailto:Christina.Hung@foxconn.com), Tel: 281-668-1694) or C.T. Koh ([CT.Koh@foxconn.com](mailto:CT.Koh@foxconn.com); Tel: 713-894-5536). All air tickets will be booked in coach or economy class or the lowest available fare. Employee may provide personal airline membership information to General Services to receive individual frequent flyer miles credits. Employee will not be reimbursed for cost of air tickets if purchased using his/her own credit card **unless** the trip involves a last-minute, unanticipated, emergency trip which is approved by the manager before the trip is made.

### ***AUTO RENTALS***

Employee will be reimbursed for car rental fees for compact cars or the lowest available priced cars. It is mandatory that employees traveling together share rental cars. If more than three (3) employees are traveling together, the company will reimburse the cost of a mid-size car. Employee will also be reimbursed for reasonable gas expenses for car rental incurred during business travel assignments. Before renting a car, determine your actual need. Use common sense and best judgment, and do not accept the rental company's fuel option offer or insurance options, and always fill up the tank before returning the rental car.

### ***AUTO INSURANCE***

Company's vehicle: Foxconn will purchase and maintain automobile insurance for company vehicle. Employee on company business who is authorized to drive company vehicle but is adjudicated to be at fault in an accident may be personally liable up to the maximum deductible amount.

Employee's vehicle: Employee on company business who is authorized to drive his/her own personal vehicle is responsible for maintaining automobile insurance for his/her own vehicle. Reimbursement for any damage due to an accident will be determined by the manager. Foxconn reserves the right to request each employee to provide valid and sufficient insurance coverage of the employee's own vehicle, as well as a valid driver license. Each employee is responsible for maintaining the required minimum amounts of motor vehicle liability insurance for a private car to cover bodily injury and property damage as mandated under the laws of the state of your residence to establish financial responsibility. The employee's signature on the expense report certifies compliance with these requirements.

Rental vehicle: Employee on company business trip who is authorized to rent a car must decline the insurance options offered by the rental car company. Employee is encouraged to use his/her own major credit card to pay for the car rental fees. In the event of an accident, the car rental insurance associated with the credit card will kick in to pay for any claim for damages. If the damages exceed the maximum limit of the credit card car rental insurance, Foxconn company car insurance may be invoked to pay the balance of damages. If the employee is adjudged to be the at-fault party, the employee will be responsible to pay for the applicable deductible under Foxconn company car insurance policy.

### ***MILEAGE***

Employee traveling using his/her own car for company business is eligible for mileage reimbursement (calculated at the prevailing IRS mileage rate at the time of travel). Tolls and parking fees will be reimbursed if receipts are attached to the expense report. Employee is responsible for maintaining accurate records to comply with IRS requirements. Car mileages are to cover only the business portion of the employee's use of personal vehicles.

### ***HOTELS / LODGING***

When traveling on business, either domestically or abroad, employees are expected to select medium-priced hotels or motels, and to avoid luxury hotels. Hotel charges may fluctuate depending on cities and locations, but employees are advised to ask for reasonable accommodations when making trip plans with General Services or a travel agent. In general, the reasonable charge will be around \$80.00 per night or the prevailing price-level of a Holiday Inn class

hotel in the area of the city of intended stay. Employees are encouraged to book hotels using the Foxconn IHG Corporate code of **100217819** in order to get the corporate discounted room rates. A list of the Foxconn-contracted IHG hotels is attached to the updated Travel Application Form. Original hotel receipts must be submitted with the expense report.

## ***MEAL REIMBURSEMENTS AND PER DIEMS***

### Domestic and International Business Travels

Employee on domestic or international business travels can elect either meal reimbursements based on actual receipts OR on fixed *per diems*, but cannot mix actual meal reimbursement and *per diems* on a single business trip.

Meal Reimbursement with Actual Receipts: Employee on domestic or international business travels can claim reimbursement for reasonable-priced personal meals not to exceed \$40 per day by submitting actual receipts. If employee is entertaining vendors or customers, employee can claim the entire cost of meals with actual receipts and with manager's approval.

Per Diems: Alternatively, employee on domestic or international business travels can request fixed amount of *per diems* based on the *per diems* rates listed below for the following countries. If employee is entertaining vendors/customers, employee can claim the entire cost of meals with vendors/customers by submitting actual receipts and with manager's approval. However, a percentage of the *per diems* will be deducted according to the type of meal with vendors/customers: 25% of the *per diems* will be deducted for either breakfast or lunch, and 50% of the *per diems* will be deducted for dinner. The *per diems* deduction percentages are based on U.S. General Service Administration's guidance.

#### *Per Diems Rates:*

USA	\$40.00 per day
Mexico	\$40.00 per day
Canada	\$40.00 per day
Brazil	\$30.00 per day
China and Taiwan	\$20.00 per day
Czech Republic (EU)	\$30.00 per day
Japan	\$40.00 per day
Singapore	\$40.00 per day
Korea	\$40.00 per day

### Travels in Other Countries

When traveling in foreign countries other than those countries that are listed above in the *per diems* rates, employee can only elect to claim meal reimbursements by actual receipts.

### Meals with Vendor or Customers

For both domestic and international travels, if employee is entertaining vendor or customers, the entire cost of the meal should be listed under the "*Explanation of Expenses for Others*" section. The I.R.S. requires accurate records to be kept by Accounting for such expenditures if they are allowed to be deducted as business expenses by the company. If meals are paid by cash, please indicate so on the receipt. If meals are charged, credit/debit card receipts must be submitted. Original receipts are required for all meals claimed regardless of amount. Meal claims without receipts will not be reimbursed.

### Meals paid for other Foxconn Employees

Prudent judgment should be used when buying meals for other Foxconn employees. Prior approval by the appropriate manager is normally required. Meals for other Foxconn employees paid for by the business traveler must be reported on the “*Explanation of Expenses for Others*” section with the other Foxconn employee’s name listed.

### Travel Days

Employee can claim meal reimbursements or *per diems* on travel days.

### ***PARKING***

Proof of payment or receipts for parking must be attached to the expense report to claim reimbursement.

### ***TRANSPORTATION EXPENSES - TAXI, UBER, LYFT, SUBWAYS, BUS, TRAINS, FERRY AND OTHERS***

Employee will be reimbursed for actual business related transportation expenses such as taxi, Uber, Lyft, Didi, shuttle, bus, subway, ferry or train rides supported by actual receipts. Transportation claims without actual receipts will not be reimbursed.

### ***LAUNDRY***

Reasonable laundry charges will be reimbursed only for business trips lasting more than three (3) days unless there are extraordinary circumstances (which must be explained on the expense report). Original receipts must be attached to the expense report.

## ***ACCOUNTING AND HUMAN RESOURCES DEPARTMENT***

(Updated: October 15, 2018)