

POLICY MEMO

DATE: January 1, 2009

TO: All Employees

FROM: Headquarters Accounting & Finance Department

SUBJECT: Business Travel and Expense Policy

EFFECTIVE: January 1, 2009

I. TRAVEL

All business travel must be approved and reasonable expenses discussed with the immediate supervisor in advance of travel and prior to incurring expenses.

A. Travel Arrangements

Every effort should be made to make advance travel arrangements to minimize costs to the Company. Whenever possible, employees are to arrange transportation in the least expensive way possible by securing available discounts and special rates by booking their own travel through on-line reservation systems.

B. Travel by Air

Airline tickets should be purchased at the lowest available commercial rate. Twenty-one day advance booking is recommended to secure lower fares. Employees may select the lowest fare from among any of the major airline carriers and need not select a discount carrier. The Company will not reimburse for first-class travel unless there are extenuating circumstances or health reasons that prohibit travel in coach. If an employee chooses to fly first-class, the difference between first-class fare and the lowest available commercial fare must be segregated and will not be reimbursed.

Carrier selection should be influenced by price, not by the traveler's frequent flyer affiliation(s). The lowest available commercial airfare will take precedence over frequent flyer programs. Use of frequent flyer miles for business travel is supported and appreciated, however, there will be no reimbursement since no actual expense is incurred and no tax basis can be determined.

An original airline ticket, itinerary, or receipt must be attached to the Travel Expense voucher. The documentation must clearly show the date, points of departure and arrival, and the total amount paid.

C. Rental Vehicles

Rental vehicles should be used only when less expensive transportation is not available. When a rental is necessary, employees should purchase the insurance coverage offered by the rental agency. The Company carries liability insurance but not physical damage and loss of use of rental vehicles.

D. Use of Personal Vehicle

The Company does not reimburse the cost of driving a personal car between home and a place of work or business. Employees may use their personal vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation. For business-related use of an employee's vehicle, the employee will be reimbursed at a rate consistent with the Federal IRS approved highway mileage guidelines. Mileage reimbursement covers fuel, maintenance, insurance, and operating costs. Tolls and reasonable parking charges will be reimbursed in addition to the mileage allowance.

Personal/vacation travel may be combined with business travel, with appropriate management approval, provided there is no additional cost to the Company. Reimbursement requests should clearly document the business vs personal portion of all expenses and limited to an amount equivalent to the expense of identical business travel, had personal travel not been included.

NOTE: The Company does not assume liability for damage to personal automobiles used for company business and does not assume liability for deductibles or any other uninsured loss to the vehicle. Under no circumstances does the Company consider parking fines and moving violations reimbursable.

E. Other Transportation Costs

Employees will also be reimbursed for shuttle, car service, or taxi fares to and from airports plus reasonable tips (when not included in the service being provided) where public transportation is not practicable. This policy includes transportation between hotels, airports, or meetings.

Receipts for fares of \$20 or more must be submitted with the Travel Expense voucher.

F. Meals

Travel meals occur when an employee is on an authorized work assignment that requires an overnight stay away from his or her home.

Employees in travel status may be reimbursed for two (2) or three (3) separate meals per day providing that the daily meal limit for the travel area is not exceeded (including tax and tips). Different geographic areas have different applicable daily meal allowances:

\$75 Manhattan

\$65 The metropolitan areas of the New York City boroughs (e.g. Brooklyn, Bronx, Queens, Staten Island) and Westchester County, Washington D.C., Boston, Philadelphia, Chicago, Los Angeles, San Francisco, San Jose, San Diego, Anchorage and Honolulu,

\$45 Dallas and all other domestic areas.

Itemized receipts are required for reimbursement on all meals regardless of the amount. Required documentation for approval includes:

- Receipts showing items ordered, cost of item and total amount of meal;
- Date and location;
- Nature and business discussion;
- Name, title, and company name for persons present; and
- Business relationship of persons entertained.

The number of employees present at business meals should be kept to the minimum necessary to accomplish the business purpose. The highest-ranking employee should pick up the expenses and submit the request for reimbursement.

Meal costs for social occasions, such as employees birthdays, Professionals Day, etc., will not be reimbursed.

G. Lodging

The Company will reimburse for actual expenses for comfortable, reasonably priced lodging. Travelers should ask for non-profit or corporate rates when making reservations. An original, itemized hotel bill (not just a credit card receipt) for amounts over \$20 must be submitted with the Travel Expense voucher.

H. Miscellaneous Expenses

Reimbursable expenses include:

- Business-related phone calls and faxes, including those necessary to obtain transportation and hotel reservations;
- Expenses associated with baggage handling and storage;
- Gratuities to porters, bellhops, and other service personnel;
- Laundry or cleaning expense on trips lasting more than five days;
- Cost of reasonable telephone calls to family.

Non-reimbursable expenses include:

- Personal entertainment expenses;
- Costs incurred by traveler's failure to cancel transportation or hotel reservations;
- Laundry or cleaning expenses on trips lasting five or fewer days;
- Commuting between home and the Company;
- Transportation, lodging, and meal expenses for spouses or dependents;

- Non-business-related expenses such as magazines, newspapers, babysitting, in-room movies or videos, haircuts, shoeshine, massages, or similar personal items;
- Cost due to stopovers for personal reasons, if cost is in excess of normal travel expenditures;
- Charges from a hotel mini-bar, unless included in daily meal allowance;
- Loss of cash advance money, airline tickets, or personal funds;
- Loss of luggage;
- Alcoholic beverages, unless included in daily meal allowance.