



Day&Zimmermann

We do what we say.®

Policy: Business Travel

Policy No.: 1306

Responsible Officer: Senior Vice President, Finance and CFO

1.0 Purpose

To set forth the guidelines for the booking of Company business travel and the subsequent reimbursement of expenses incurred by an employee on behalf of the Company while conducting Company business. The Company policy is to reimburse employees for ordinary, necessary, and reasonable business expenses incurred on behalf of the Company when directly connected with or pertaining to Company business. All authorized transactions of Company business incurred under the Company's Corporate Card Program will be paid directly to the card provider. The Company expects Employees to exercise prudent judgment when traveling on Company business and incurring expenses governed under this Policy.

The philosophy governing this Policy is to ensure an employee neither loses nor gains financially as a result of conducting business travel on behalf of the Company.

2.0 Definitions

2.1 Corporate Card Program: Refer to [*Policy 1330-01 – Travel Card Policy and Procedure*](#).

2.2 Travel Advance: Funds provided to an employee prior to taking a business trip. The Company expects the advance to cover the employee's business expenses incurred while traveling.

2.3 Hotel Folio: An accounting record of the in-house charges made by an individual since arrival at the hotel or motel.

2.4 No-Show Charge: A charge when an individual does not arrive in accordance with the reservation at a hotel or motel and makes no explanatory contact. The charge will vary based upon the hotel's policy.

2.5 Car Rental Contract: A contract into which an individual enters when renting a vehicle from a rental car agency that describes the terms and conditions of the rental, as well as the responsibility of the parties.

2.6 Prepay Fuel: An option where the car rental agency refuels the rental car. The individual returns the rental car to the car rental agency at any fuel level.

2.7 Long-Term Parking: A cost effective option for airport parking, which is typically farther from the airport terminals than short-term parking. Nearly all airports offer long-term parking.

2.8 Roomette: A small, private sleeping accommodation on a passenger train. A roomette is the most affordable sleeping accommodation on a sleeping car.

2.9 Rideshare Service: A service that arranges one-way transportation on short notice. The service matches a driver using a private vehicle with an individual seeking local transportation.

2.10 Itemized Receipt: An itemized receipt includes the name of the establishment, the date of service, the items purchased, the amount paid for each item, and the tax. If a tip is not included in the total, an employee must write the amount on the receipt.

2.11 Per Diem: A daily allowance paid to an employee to cover costs incurred while on a business trip.

3.0 Policy

3.1 Travel Arrangements

3.1.1 Travel Agency

Employees must book air, lodging, and car rental reservations, including in-route changes, either online through the Travelink Concur service, or by calling a Travelink Agent.

Local

1500 Spring Garden Street

Philadelphia, PA 19130

(215) 299-5600

(800) 278-0167

Further Travelink contact information can be found on [Accelerate](#)

3.1.2 Group and Meeting Travel

Travelink is an authorized source for arranging group travel. Any Staff/ Business Unit planning to sponsor group travel involving \geq ten (10) participants must communicate the event to Corporate Supply Chain and Travelink to ensure negotiated discounts are confirmed and applied to the event.

3.1.3 Traveler Profile

An employee who travels must utilize Travelink through the Concur online booking tool or a Travelink agent. The Company automatically creates profiles for employees in both Concur Travel and Concur Expense during the onboarding process based on the type of job responsibilities assigned to the employee. The employee owns the responsibility of adding pertinent data, such as a passport number, emergency contacts, and loyalty program numbers, and keeping information up-to-date and accurate.

Corporate Supply Chain can provide profile maintenance support to an employee, as requested.

3.1.4 Enforcement

Reservations made outside of Travelink is a violation of this Policy and may cause the Company to lose valuable management information, special rates, and anticipated funds from contractual arrangements

with Travelink. Reservations made through an alternate source requires the authorization of a Corporate Officer or risk delayed, partial, or forfeited business expense reimbursement.

Exceptions to the use of Travelink include client-directed travel arrangements or travel arrangements made directly through a trade show or conference.

3.1.5 Travel Advance

The Company permits a travel advance on an exception basis depending on the business need.

An employee must account for the full value of the travel advance. In the event an employee does not utilize the full travel advance, the employee must provide the unutilized travel advance to the Company upon return from business travel.

Employees must submit a travel expense report, which will provide the cost distribution of the travel advance, within five (5) business days upon return from business travel or the employee may be liable to reimburse the Company for the travel advance.

3.1.6 Economy in Business Travel

Economy on behalf of the Company is a priority in all respects of business travel. Unless a customer requirement makes economy a secondary consideration, an employee must observe the guidelines in *Sections 3.2* through *Section 3.5*.

3.2 Air Travel

3.2.1 Air Travel - Class of Service

- Domestic Travel: The Company expects employees to travel in coach class. Exceptions, including non-complimentary seat upgrades require an approval from the employee's respective Leadership Council member.
 - International Travel: Employees must plan international travel with a Travelink agent at least twenty-one (21) days in advance in order to take the maximum advantage of cost efficiencies. The Company expects employees to travel in coach class. Exceptions, including business class and first class non-complimentary upgrades, require an approval from the employee's respective Leadership Council member.

The Company encourages employees to utilize the Company's preferred airlines as denoted in the Travelink booking tool. If an employee does not utilize the Company's preferred airlines, the Company may lose valuable management information and benefits, such as special rates from each preferred airline.

The Company maintains contractual agreements with the preferred airlines.

3.2.2 Lowest Available Airfare

Employees must plan travel with adequate lead-time to capitalize on the benefit of discounted rates.

Employees must book airline tickets at the lowest available airfare, as determined by Travelink.

Employees shall utilize the following criteria to determine the lowest available airfare:

- The flight departure or arrival time is within one (1) hour before or after the requested departure or arrival time;
 - One stop or connecting flights might be required if savings \geq two hundred dollars (\$200) can be achieved;
 - Lowest available airfare applies.

3.2.3 Airline Awards Programs

An employee may retain airline awards program benefits, but participation in such programs may not result in an incremental cost to the Company beyond the lowest available airfare.

3.2.4 Airline Amenities

Airline amenities may be reimbursable business expenses. These may include, but are not limited to meals (breakfast, lunch or dinner) and internet access utilized to conduct Company business.

3.2.5 Payment and Documentation

An employee included in the Company's Corporate Card Program must use the Company-issued corporate card for airline tickets. An employee who is not included in the Company's Corporate Card Program must use a personal debit or credit card for an airline ticket. Exceptions (i.e. infrequent travelers, contract or temporary employees) require approval from the employee's immediate supervisor. The Company has Business Travel Account ("BTA") cards at certain office locations, which can be utilized for purchasing airline tickets, if the business need warrants the use of a BTA card.

Electronic Ticket (E-Ticket):

An employee must complete an expense report with the ticket cost. The expense report must include the passenger receipt of the electronic ticket or the itinerary. The documentation must reflect the cost of the ticket and proof of payment.

Advance Purchase Airline Tickets:

If an employee purchases airline tickets in advance through Travelink, the employee may submit an expense report prior to the date of travel using the following procedure:

- Complete an expense report with the ticket cost. Include the original Travelink itinerary or invoice with proof of payment.
 - Upon travel completion, complete an expense report with the additional reimbursable travel expenses from the trip.

3.3 Lodging

3.3.1 Hotel Selection

Travelink and Corporate Supply Chain negotiate preferred rates with certain hotels. Employees are encouraged to utilize the Company's preferred hotels as denoted in the Travelink booking tool. If the Company's preferred hotels are not utilized, the Company may lose valuable management information and benefits, such as special rates from each preferred hotel. If negotiated rates are not available, Travelink will recommend a moderately priced hotel.

The Company maintains contractual agreements with the preferred hotels.

3.3.2 Room Type

The corporate standard is a single room with a private bath in a moderately priced, business class hotel or motel. A suite or luxury accommodation requires an approval from the employee's immediate supervisor and one-over-one manager or director. Approvals must be obtained prior to booking such accommodations.

3.3.3 Cancellations

All hotel or motel rooms will be guaranteed for late check-in. An employee must cancel the room reservation in accordance with the cancellation policy to avoid a "*no-show*" charge, as the cancellation policy can vary based upon the hotel or motel.

An employee must confirm the hotel or motel cancellation policy at the time of reservation. Travelink can execute a reservation cancellation if the employee requests. In the event an employee requests a cancellation directly with a hotel or motel, the employee must request and retain a cancellation number and notify Travelink.

The Company will not reimburse "*no-show*" charges unless the employee obtains approval from the employee's immediate supervisor and one-over-one manager or director.

3.3.4 Hotel Amenities

Hotel amenities may be reimbursable as a business expense. These may include, but are not limited to:

- Room Service – If within reasonable meal allocation.
 - Upgrades – If an upgrade to a premium floor or room type for a minimal cost alleviates standard charges, such as breakfast and internet.
 - Phone – If an employee has a Company-issued mobile phone, use the Company-issued mobile phone for all business related activities. If an employee does not have a Company-issued mobile phone, use personal mobile devices for all business-related activities and include the charges for reimbursement on an expense report. Employees must limit use of hotel room phones on an as needed basis, unless the charge is included in the room rate.
 - Internet – A hotel Wi-Fi connection is a reimbursable expense for business related activities on a Company-issued laptop computer. Employees must abide by

the [Section 1600 – Information Technology](#) policies when using internet connectivity outside a Company office location.

3.3.5 Payment and Documentation

An employee included in the Company's Corporate Card Program must use the Company-issued corporate card for lodging. An employee not in the Corporate Card Program must use a personal debit or credit card for lodging. An employee must itemize lodging expenses on an expense report. An itemized hotel folio and invoice showing the method and proof of payment is required documentation. For personal debit or credit card reimbursement, if hotel folio or invoice does not list the method and proof of payment, the Company accepts a copy of the employee's personal debit or credit card statement.

3.4 Car Rental

3.4.1 Usage

An employee may use a rental car when other means of transportation are not available, more costly, or impractical. Employees must justify use a rental car as a business need and not as a matter of personal convenience or preference.

An intermediate or midsize rental car is the recommended size; however, the size of the car must be based on the number of business travelers or specific circumstances. Employees must make car rental reservations through Travelink.

3.4.2 Car Rental Insurance

For a car rental within the continental United States, The Company does not reimburse optional insurance coverage. The Company has pre-arranged for such coverage with each approved car rental company. For a car rental outside the continental United States, optional property casualty insurance coverage must be purchased from the car rental company and the Company reimburses the cost as a business expense.

- Car rental outside the continental United States:
 - Purchase the general liability and loss damage waiver insurance coverage. Purchase such coverage separately for international travel bookings.
 - The coverage is included in domestic car rental bookings, but must be purchased separately for international.
- Car rental in the continental United States via Travelink:
 - Use Hertz or National/ Enterprise - The daily rate includes insurance coverage.
 - Confirm the invoice shows the Company's Corporate Discount Program number. If not, advise the car rental company and communicate you are an employee of the Company traveling on business.

3.4.3 Refueling

An employee must refuel a car rental vehicle prior to returning to the car rental company. The Company does not allow use of the pre-pay fuel option.

3.4.4 Sharing

An employee must share a car rental when and if \geq two (2) employees are visiting the same location.

3.4.5 Payment and Documentation

An employee included in the Company's Corporate Card Program must use the Company-issued corporate card for a car rental. An employee not in the Corporate Card Program must use a personal debit or credit card for a car rental. Expense reports must document a car rental with the original car rental contract. For personal debit or credit card reimbursement, if the car rental contract does not list the method and proof of payment, the Company accepts a copy of the employee's personal debit or credit card statement.

3.5 Other Transportation

3.5.1 Personal Car

An employee may use a personal car for business travel. Such usage must only occur if other forms of transportation are not available or the circumstances dictate otherwise. Refer to [*Policy 1328 – Usage of Company Vehicles and Reimbursement for Business Use of Personal Vehicles*](#) for additional information. The Company reimburses use of a personal car for business travel based on the Internal Revenue Service regulations. The Corporate Tax Department will issue a communication, no less than annually, to define the Company's reimbursable mileage rate for the new calendar year, effective January 1.

Reimbursable mileage does not include the normal commute to and from a normal work location.

3.5.2 Parking

Parking must be in long-term or an equivalent facility at an airport or similar location. Employees must evaluate economic considerations in the selection of a parking facility, in addition to the safety and security of the parking facility. Contact Corporate Supply Chain for the listing of preferred providers.

Employees must document a legible receipt or invoice for parking on an expense report $>$ \$20.00 (twenty dollars).

3.5.3 Rail

Rail transportation must be in economy class within the continental United States. An employee may travel first class outside the continental United States only if economy class represents a hardship.

If business travel requires sleeping accommodations, a roomette or equivalent value is acceptable. Exceptions, including business class and first class upgrades require an approval from the employee's respective Leadership Council member.

Employees must document a legible receipt or invoice for rail transportation on an expense report $>$ \$20.00 (twenty dollars).

3.5.4 Taxi and Other Transportation

The Company reimburses a taxi or rideshare service to and from a place of business, hotel, airport, or rail station in connection with business related activities. The Company authorizes use of a taxi or rideshare service when a more economical service is not feasible, such as a hotel van or shuttle.

The Company encourages use of public transportation where feasible and safe.

Employees must document a legible receipt or invoice for a taxi, rideshare service, or other form of transportation on an expense report > \$20.00 (twenty dollars).

3.6 Meals and Entertainment Expenses

3.6.1 Business Meals

A business meal is incurred with a current or potential customer, supplier, or non-Company business representative and must involve a substantive and bona fide business discussion. It is appropriate to incur a business meal with one (1) or multiple employees of the Company, as long as a substantive and bona fide business discussion occurs.

Alcoholic beverages consumed during a business meal are a reimbursable business expense. An immediate supervisor must provide guidance on what is deemed reasonable for reimbursement.

Employees must provide a separate general ledger coding for the alcoholic beverages to record the business expense, in accordance with the Company's government contract reporting obligations (*See Section 1312 – Government Contract Reporting*).

The Company reimburses delivery costs and a reasonable tip (up to 20% (twenty percent)) as business expenses. The Company reimburses additional costs incurred over and above a reasonable amount at the discretion of the employee's immediate supervisor.

An expense report for a business meal must define the specific meal (i.e. breakfast, lunch, or dinner) and include a legible itemized receipt, which defines the cost of food and beverage, tax, and tip. The Company does not deem a credit card receipt as adequate documentation to substantiate a business expense. The Company requires adequate records to properly substantiate the business expense to comply with the Internal Revenue Service regulations.

Refer to [*Policy 1102-08 – Giving and Receiving Gifts, Meals and Entertainment*](#) for additional information and guidance.

3.6.2 Entertainment Expenses

An entertainment expense incurred with a current or potential customer, supplier, or non-Company business representative must involve a substantive and bona fide business discussion. The Company deems it appropriate to incur an entertainment expense with one (1) or multiple employees of the Company, as long as a substantive and bona fide business discussion occurs. It is appropriate for the

substantive and bona fide business discussion to occur immediately before, during, or following the conclusion of the business related event.

The guidance in *Section 3.6.1* relating to the consumption of alcoholic beverage during a business meal is applicable to entertainment expenses.

An entertainment expense is defined as, but not limited to, a business expenses incurred at a nightclub, social, athletic, or sporting club, a theater, or a sporting event. An employee's immediate supervisor must approve an entertainment expense in advance of a business related event.

An expense report for an entertainment expense shall define the specific event and include a legible itemized receipt, which defines the cost of the event and ancillary charges. The Company does deem a credit card as adequate documentation to substantiate a business expense. The Company requires adequate records to properly substantiate the business expense to comply with the Internal Revenue Service regulations.

Refer to [*Policy 1102-08 – Giving and Receiving Gifts, Meals and Entertainment*](#) for additional information and guidance.

3.6.3 Non-Governmental Agency Individual

Employees may provide a reasonable business meal and entertainment expense to an individual not defined as an employee of a federal, state, or local government or governmental agency without an expectation or implied understanding of favorable treatment by either party.

Refer to [*Policy 1102-08 – Giving and Receiving Gifts, Meals and Entertainment*](#) for additional information and guidance.

3.6.4 Travel Expenses of Non-Governmental Agency Individual

The Company may pay or reimburse the travel expenses of an individual not defined as an employee of a federal, state, or local government or governmental agency, in accordance with the expense reporting guidance contained herein. The travel expenses shall be reasonable and a customary business practice within the Staff/ Business Group or industry. Employees must obtain an approval for the travel expenses in advance of travel arrangements by a manager or director.

Refer to [*Policy 1102-08 – Giving and Receiving Gifts, Meals and Entertainment*](#) for additional information and guidance.

3.6.5 Expenses Involving Public Office Holders and Political Candidates

The Business Group General Counsel must review and authorize any expenses involving public office holders and political candidates in advance. The application of the procedures must align with the guidelines established in [*Policy 1102-08 – Giving and Receiving Gifts, Meals and Entertainment*](#).

3.6.6 Per Diem

A per diem required and authorized by a customer on an assignment or authorized by a Staff/ Business Group must adhere to the Internal Revenue Service regulation and Staff/ Business Group operating procedures. An employee's home cost center will define the Staff/ Business Group operating procedure and the time charging cost element will define the customer assignment.

3.6.7 Payment and Documentation

Employees must document a legible receipt or invoice for business meals and entertainment expenses on an expense report > \$20.00 (twenty dollars).

An employee included in the Company's Corporate Card Program must use the Company-issued corporate card for business meals and entertainment expenses. An employee not in the Corporate Card Program must use a personal debit or credit card for business meals and entertainment expenses.

An employee must use a debit or credit card, if possible, and must retain a legible itemized receipt, as explained in *3.6.1* and *3.6.2*. The Company does not deem a credit card receipt as adequate documentation to substantiate a business expense.

3.6.8 Internal Revenue Service Regulations

Compliance with the Internal Revenue Service regulations is imperative; therefore, the following information must be included on an expense report where business meals and entertainment expenses are included –

- Attendees: First and Last Name, Job Title, Company Affiliation, and Relationship to the Company
- Event: Name and Location
- Expense: Itemized Total Amount and Date
- Bona Fide Business Topic: Specific Business Topic and Discussion Timeline

A failure to maintain compliance with the Internal Revenue Service regulations reporting requirements may result in a loss of deductible expenses to the Company and an unforeseen tax liability to an individual.

3.7 Spouse or Domestic Partner Travel

Generally, the Company does not reimburse travel expenses for a spouse or domestic partner as a business expense. In the event the Company deems a spouse or domestic partner both essential and directly impactful to a Staff/ Business Group's accomplishment of a specific business objective, the travel expenses may be a reimbursable business expense.

For the avoidance of doubt, employees must obtain an advance approval from the appropriate Leadership Council member.

3.8 Method of Payment: Corporate Card/ Personal Credit or Debit Card

3.8.1 Usage

An employee included in the Company's Corporate Card Program must use the Company-issued corporate card for business expenses. An employee not in the Corporate Card Program must use a personal credit or debit card for business expenses.

The Company expects each employee to minimize the use of cash for reimbursable business expenses.

The Company-issued corporate cards are for business use only and are not authorized for personal expenses (See *Policy 1330-01 – Travel Card Policy and Procedure*).

3.8.2 Issuance Criteria

Refer to *Policy 1330-01 – Travel Card Policy and Procedure* for additional information and guidance.

3.8.3 Billing and Payment

The Company-issued corporate card issuer will send an invoice to the Company on a monthly basis after the close of the billing cycle. The Company will make a payment to Company-issued corporate card issuer, in accordance with the contractual agreed upon terms and conditions. The Company expects each employee to complete the expense report in accordance with the responsibilities outlined in *Policy 1330-01 – Travel Card Policy and Procedure*.

3.9 Expense Report Processing

The Company processes expense reports through Concur® Expense (<http://mytravelandexpenses.dayzim.com>). The SAP® Concur® Mobile App provides a tool to make expense report processing easier for both the employee and the approving manager or director. The Staff/ Business Groups not utilizing Concur® Expense must follow the procedures outlined by the Business Services Organization.

Employees must consult the Accounts Payable Department within the Business Services Organization for question, concerns, or assistance.

3.9.1 Documentation

An original receipt is required for a business expense > \$20.00 (twenty dollars). Employees must include a receipt with an expense report to substantiate and validate the business expense. The expense report must include a business purpose on the expense report and deemed to be required documentation.

3.9.2 Timeliness of Responsible Reporting

Employees must report business expenses on expense report within ten (10) business days after the completion of a trip. If a trip itinerary includes multiple destinations, add the business expenses to an expense report as incurred to eliminate the potential for losing receipts.

Employees must utilize the SAP® Concur® Mobile App to assist in the tracking and recording of business expense receipts.

The Company will not process an expense report submitted that contains business expenses more than 90 (ninety) days old without an approval by the respective Staff/ Business Group Controller.

3.10 Authorization

3.10.1 An expense report submitted through Concur® Expense requires an electronic approval in Concur® Expense. The approval workflow is automated in Concur® Expense. If an additional approval is required outside the defined approval workflow, Employees can obtain the approval by forwarding the expense report within Concur® Expense. If an additional approval is required by an individual outside of Concur® Expense (i.e. customer or non-Concur® Expense user), please consult the Accounts Payable Department within the Business Services Organization.

An expense report submitted outside of Concur® Expense must include one of the following from an approver with designated approval authority:

- A supervisor or director hand-written signature accompanied by a legible printed name
- An approval email with reference to the expense report(s)
- An approval in electronic format

The Company expects the designated approval authorities, as a function of the job responsibilities, to audit the expense reports for accuracy and compliance with Company policies.

3.10.2 If > one (1) employee is present at a business meal or entertainment event, the senior most employee must accept responsibility for the final invoice. In some situations, it may not be possible. The employee must obtain approval of the expense report by the immediate supervisor of the employee paying for the business expense. The approving supervisor must not be an individual present at the business meal or entertainment event or report directly or indirectly to an individual present at the business function or event.

The Company adheres to the guideline that expense reports are approved by an individual who can provide an independent and objective review on the appropriateness of the business event or function. Exceptions include, a senior executive attending a pre-planned event at a field or office location as a guest (i.e. Leadership Council member attending an employee recognition ceremony or a celebration of a business milestone at a field or office location).

3.11 Reimbursement

The Business Services Organization will process an approved expense report within seven (7) business days after receipt. In the event an approved expense report is missing pertinent information for processing, the processing time may be delayed.

3.12 Other Non-Reimbursable Expenses

- Meal between employees of the same location, not including the following:

- Meal served at Company arranged meetings and events
- Meal between employees of the same location during a business trip
- Gift to an employee for a special occasion, such as Christmas, Birthday, or Administrative Professionals' Day
- Holiday party
- Fine for a parking or traffic violation while driving on Company business
- Personal item purchases during a business trip, such as newspapers, toiletries, over-the-counter medicines, or tickets for entertainment and side trip
- Mileage to and from the office on weekends or holidays, except when such trips to the office are requested by the employee's immediate supervisor
- Air travel or other personal trip insurance
- Barber or hair stylist, manicurist, massage therapist, or shoe shine
- Laundry and dry cleaning service (For business trips of less than five (5) consecutive business days)
- Purchase of clothing or baggage
- The cost of recreational activities and entertainment, including side trips, tours and transportation while on a business trip
- Baby-sitting fee
- Airline and hotel club membership
- Credit or debit card membership fee
- Lost or stolen personal property while on a business trip
- Car wash, repair and maintenance for owned, leased, or rental car
- Personal medical expense (Covered under an individual's Medical Insurance)
- Pet sitting fee
- Gift or donation to charity (Use the Request For Charitable Contribution Approval Form)
- Magazine subscription
- Expense for a meal eaten alone without an overnight stay

4.0 Responsibilities

4.1 A Company employee who incurs business expenses is responsible for submitting the expenses in compliance with the Policy. An employee submitting expenses not in compliance with the Policy risks delayed, partial, or forfeited reimbursement. A case of abuse may result in disciplinary action, including termination of employment with the Company.

4.2 A supervisor or manager with pre-established approval authority is responsible for assuring the Policy guidelines, in addition to the applicable Staff/ Business Group policies, are followed prior to approving an employee expense report.

4.3 The Chief Financial Officer is responsible for the development and maintenance of the Policy guidelines. Travelink is responsible for the reinforcement of the travel policy and procedures when making Company travel arrangements. Leadership Council members and their managers are responsible for the enforcement of this Policy within their respective organizations.