



Sample Corporate Travel Policy

Purpose

This document defines the specific policy to be followed when traveling on Company business, as well as employee accountability for Company funds.

Scope

This corporate policy applies to all Sample Company, Inc. employees.

Policy

Either the Vice President or Director of the department to which the expenses are being charged must authorize each domestic business trip in advance. The Vice President of the department to which the expenses are being charged must authorize all International travel.

It is intended that a consistent and equitable practice with respect to incidence and reimbursement of expenses be maintained throughout the Company. The Director of Finance has final responsibility for interpretation of this Corporate Travel Policy.

Travel Management

- The efficiency of the travel agency is optimized when all company business is consolidated through one agency. Therefore, all travel on behalf of the Company including: air, car rental and hotels should be booked through the Company's travel agency.
- All employees who travel on behalf of the company must complete a Traveler Profile. The travel agency will maintain this profile and can be changed at any time by the traveler.
- The travel agency is guided by this travel policy and will confirm the lowest airfare available on the requested itinerary based on the travelers' needs. When a significant savings can be made, alternatives for consideration will be offered. The traveler will have the option of deciding whether the alternative is acceptable or unacceptable. If the traveler declines the lowest airfare, the lost savings will be reflected on the traveler's itinerary by the travel agency.

Expense Reports

To request reimbursement, all authorized travel must be itemized on the expense report. Expense reports must be approved by your department manager, director or VP, and submitted either weekly or per trip completion. Expenses submitted beyond 45-days of expenditure, will not be reimbursed.

Employees are responsible for any delinquent charges incurred due to lateness of submitting an expense report. In addition, employees should always make and retain copies of submitted expense reports.

While it is preferable that all receipts be submitted, receipts are required for all expenses over \$25. Reimbursement for items or activities requiring receipts will not be

Before you begin you should ask yourself these questions:

- Who should be subject to the travel policy and should it apply equally to all levels of employees?
- How forceful should the policy be?
- Should there be an international policy or should each country have its own policy?

Expense Reporting considerations:

- What are the requirements for attaching receipts to expense reports?
- What receipts are acceptable?
- When must travelers file expense reports?
- On what form should employees report their expenses?
- Will the traveler be reimbursed if the mandated agency or online booking system is not used?

made unless receipts are included with the expense report. A receipt must be the original and must include sufficient information to establish the amount, date, place and the essential character of the expenditure. Credit card receipts are not considered adequate support, except for restaurant expenses, if they do not detail the nature of the expenditure.

Reimbursements will be made by Company check, if the amount of expenses exceeds the amount of any cash advances or prepaid items.

Reimbursable Expenses

The following types of expenses, if incurred in compliance with this Company policy and while on Sample Company, Inc. business, may be submitted for reimbursement:

- Air travel
- Airport taxes
- Baggage handling
- Business entertainment
- Car rental
- Mileage pursuant to Company business
- Copy services (for business purposes)
- Fax charges (for business purposes)
- Hotel accommodations
- Laundry and valet services (trips over 6 working days)
- Meals
- Public transportation (railroad, bus, business use of personal vehicle taxi/shuttle, limousine)
- Reasonable tips/gratuities
- Business telephone calls
- Tolls and parking

Payment Methods:

- How should employees pay for travel and entertainment expenditures?
- How are corporate charge card expenses to be billed?
- Which employees should receive corporate cards?
- Corporate cards should not be used to pay for personal expenses when it presents potential liability.
- Determine at what level senior executives should receive Executive / VIP / Gold corporate cards.
- Advise travelers on procedures for how to obtain a card and what to do in the event of a lost or stolen card.

Non-Reimbursable Expenses

Purely personal expenses while traveling are not reimbursable by the company. The following is a partial listing of items that are considered non-reimbursable:

- Dues to airline clubs
- Fines for traffic violations while on Company business
- Damages to an employee's vehicle while on Company business
- Loss of personal property while on Company business
- Loss of cash advance, Company paid airline tickets, or personal funds
- Cost of personal credit cards
- Purchase of liability insurance coverage on car rental agencies U.S. and Canada only
- Any expenditures on behalf of a terminating or transferring employee
- Purchase of life insurance during travel
- Purchase of clothing and other personal items such as haircuts, shoe shines, newspapers, magazines, tobacco, alcohol, etc.
- Purchase of in-room movies and entertainment
- Medical expenses (other than emergency care)
- Personally owned air craft and chartered air craft expenditures

See following pages for an in depth explanation of reimbursable expenses.

1.0 Transportation Expenses

The Company will obtain transportation for the employee or reimburse an employee for the cost of transportation incurred while traveling on authorized Company business.

1.1 Airline travel

It is the policy of the Company to use the lowest fare wherever possible. We require that upfront supervisory approval be obtained on all air travel that is booked with less than 7 days advance notice. All exceptions must receive prior approval. Coach or economy class will be used on all flights.

The Company encourages all employees to purchase their tickets in advance whenever possible. We understand that there are many times when this is not possible but in those times when a meeting, conference or trade show is scheduled in the future, we suggest that you purchase airline tickets for those events early.

Airline selection by an employee will not be permitted unless the cost is at or below the lowest fare offered by the authorized travel agents.

Unused or partially used airline tickets must be returned to for refund/credit within one week of trip cancellation or trip completion.

Frequent flyer benefits can be retained by the employee, but should not be the basis for switching air schedules, hotel accommodations or car rentals unless such choice is reasonably equal in cost to the lowest acceptable alternative. The Company will not reimburse any associate/membership fees for frequent flyer clubs.

Employees may elect to upgrade travel class at any time if they personally pay the cost difference between the class fare on their ticket and the class fare desired.

Unused Tickets/Cancellations: Casto encourages ticket less travel whenever possible. Occasionally, and for international travel, a paper ticket will be used. All unused non-refundable airline tickets must be reported to the travel agency immediately. If a paper ticket was issued, the tickets must be returned immediately to the travel agency. Unused non-refundable tickets will be noted in your profile and you are encouraged to use them for a future trip. There are service charges that will apply; however, it will reduce the cost of your next trip. Refundable tickets reported to Casto will be submitted to the Airline Reporting Corporation for credit and all penalties and surcharges apply.

Reservation Restrictions:

- No more than three employees may travel on the same flight
- No more than two executives may travel on the same flight

International Travel:

All international flights including connections over 10 hours are approved to be booked in business class. First class travel is prohibited. It is extremely important for employees who are traveling internationally to notify Casto well in advance of the trip in order to verify requirements and set the entry application process in motion if necessary. When traveling internationally please ensure that you have the necessary visa, immunizations, and passports. Contact Casto for all visa and passport requirements. If a visa is required, Casto will provide the application and processing information and the fee should be placed on your expense report for reimbursement. Also, be aware of any pertinent customs regulations for your destination. When international business travel is required,

Air Travel considerations:

- What are the parameters for airfare expense?
- If the company or its agency has negotiated discounts with preferred airlines, to what extent is use of such airlines superior or subordinate to other factors in this section?
- Does the company retain rights to the frequent flyer awards earned by employees traveling on company business?
- Will exceptions to air travel policy be allowed in response to travelers' concerns about safety or service?

fees for passports, visas and any necessary vaccinations or medications will be reimbursed. All international travelers should provide Casto with a copy of their passport so assistance can be provided in the event of theft or loss during travel abroad.

Online Booking:

The use of the traditional Internet services for booking travel arrangements is discouraged; Casto has made available to Sample Company, Inc. an Internet portal that you can utilize for Internet bookings. All other Internet booking will not be allowed and will not be reimbursed. This online booking tool should be used for simple one-way trips and/or simple roundtrips. All international travel should be booked with an agent at Casto. By using this Internet tool, you are helping Sample Company, Inc. save on service fees and time.

1.2 Transportation to/from Airport

Parking fees and personal automobile mileage are a reimbursable expense when the total cost is less than taking a limousine, shuttle service, or taxi round-trip.

1.3 Personal Vehicle

Employees may use their personal vehicles on business trips however such factors as the employee's auto insurance coverage and potential loss of working time should be considered. Employees using their personal vehicle on Company business should carry at least \$100,000 / \$300,000 / \$25,000 liability and personal property coverage. In such situations, the employee will be reimbursed for actual mileage:

- Round trip, home/office to destination
- From hotel to the facility being visited and return daily.

The employee will be reimbursed for the total mileage incurred at the normal reimbursement rate as then currently published by the Internal Revenue Service (current rate is 44.5¢ per mile).

1.4 Rental Vehicle

The method of transportation (rental car, airport limousine, taxi and other ground transportation) is dependent upon the location, duration and nature of the business trip. The traveler is expected to use their best judgment as to the method chosen based on business needs.

Car rental reservations are to be made through the Company's authorized travel agents who will select the best-priced vehicle. A compact car is the standard size of vehicle for Company travel. If three (3) or more employees traveling, a mid-size car will be provided. Reimbursement for auto rental expense should be for the amount actually paid for business use. Receipts are required to support car rental expenses.

When renting a car for business purposes, the traveler in the United States should decline any insurance coverage (Collision Damage Waiver [CWD] and Personal Accident Insurance [PAI]). Employees who need to rent cars outside of the United States should always accept additional coverage. In the event of an accident the employee must notify the Director of Finance or his/her designee immediately. Follow the accident instructions listed in the rental car company's rental agreement. Time permitting; refuel the rental

Car Rental considerations:

- Do you have a preferred supplier?
- What size or class of cars should be rented?
- How should reservations be made?
- Under what circumstances might policy suggest or require that rental cars be used or not used?
- Should drivers purchase accidental insurance or liability coverage for personal effects?
- Outline a procedure for the traveler should there be an accident.

car before returning it to the rental company. Gasoline purchased for a rental car used on Company business is a reimbursable expense.

1.5 Return Trips Home

If an employee elects to travel home while on trips of less than three weeks duration, reimbursement will be made only to the extent of the costs, which would have been incurred, had the employee remained at the visiting location. On business trips extending beyond three weeks, authorization of the number and frequency of round trips to home will be determined by the employee's department manager in consultation with the Director of Finance.

1.6 Circuitous Travel for Personal Reasons

Business trips, which also include circuitous travel for personal reasons, will be reimbursed only for the direct or business portion of the trip, based on accommodations actually used for business purposes. Ticket stubs or traveler's receipts covering the routing of both the direct and circuitous portions of the trip must be enclosed with the expense report and the calculation of both business and personal portions of the trip should be provided.

2.0 Lodging

For extended residence, the employee should attempt to obtain accommodations on a weekly or monthly basis at reduced rates. All hotel reservations are to be made by the authorized travel agents and will include guaranteed payment for late arrival. Should the employee need to change or cancel the reservation, it is the employee's responsibility to cancel the reservation in sufficient time to avoid the charge for guaranteed late arrival by either notifying the travel agent, or by calling the hotel directly. The Company will not reimburse any charges by the hotel for a "no-show" due to an employee's failure to comply with this requirement unless there are extenuating circumstances, and has appropriate manager approval.

The following hotel rate guidelines should be adhered to whenever possible. Daily rates, exclusive of taxes, in excess of these guidelines require manager approval. CASTO will reserve your lodging but you will be required to pay for your lodging at check-out and submit an expense report to request reimbursement. Lodging greater than noted below requires prior approval as outlined in the exceptions portion of this policy.

- Manhattan and international metropolitan areas: \$225 - \$275 per night
- Other major cities (i.e. Boston, San Jose, DC, Chicago): \$150 - \$200 per night
- All other: \$125 - \$150 per night

3.0 Personal Meals

Reimbursement will be allowed for actual expense of meals within reasonable limits. "Reasonable" is a matter of judgment inasmuch as the cost of meals will vary by location. The maximum allowable reimbursement is \$50 per day. Meals attended by multiple employees should be paid for and submitted for reimbursement by the most senior employee present.

Meals on one-day trips will normally be allowed when the trip starts before the normal breakfast hour or when the employee is unable to return until after the normal dinner hour and such meals are not available on commercial airline flights, trains, etc. Meals

Hotel policy considerations:

- How should hotel rooms be booked?
- How much should employees pay for hotel rooms?
- What other limitations should be placed on hotel usage?
- Under what circumstances can employees stay in better-quality properties or book higher-rated rooms than ordinarily would be permitted?
- See attached Hotel Costs for reference.

Meal and Entertainment:

- How much are traveling employees allowed to spend on personal meals?
- Specify what personal meal expenses may not be reimbursable.
- If more than one employee is present at a meal, the highest ranking employee should pay. Policy should clearly state this.
- Outline the difference between personal, business and entertainment meals.

also will be allowable during business trips away from the home office less than one day but which extend over the normal mealtime.

4.0 Laundry and Valet Expense

Laundry and valet expenses are normally not allowed on trips of five working days or less. However, if laundry and valet expense is justified for business reasons in connection with trips of five working days or less, an explanation should be enclosed with the expense report.

5.0 Telephone calls

Actual expenses for business calls will be reimbursed.

Reimbursement of personal calls while traveling will be limited to calls to the family home. These calls should be kept to a minimum (not to exceed one call in a 24-hour period) and identified on the expense reports as "Phone-Home".

The employee with corporate calling cards must use the corporate calling card for calling long distance. An 800 number should be used when ever available.

5.1 Cell Phone Charges

Employees who require frequent and recurring mobile phone access due to nature of their job (sales, executives, etc.) are encouraged to join one of the company cell phone plans.

For all other employees, business-related usage charges from a personal phone will be reimbursed up to the following limits:

- \$200 per month (expense reports rec'd through June 30, 2007)
- \$150 per month (expense reports rec'd starting July 1, 2007)

6.0 Customer meetings, Business Meetings and Conferences

The Company will reimburse employees for reasonable and proper expenses incurred in connection with Company-sponsored business meetings, and attendance at meetings of approved professional societies, associations and trade shows. The VP/General Manager or the Director of Finance must approve in advance, ALL business meeting arrangements and conference attendance that will cost in excess of \$500. The director in the group must approve expenses below \$500

- The company should specify that arrangements for travel to meetings should be directed through the same channels and suppliers as transient travel.

Expense reports for customer meetings and conference expenses must show the purpose and nature of the expenditure and also include a detailed description of the expense. The date, place and amount of each separate expenditure incurred during meeting and conferences must be reported on the expense report. The senior person in attendance must pay the bill and submit the expense for reimbursement and approval.

Employee recognition or other business meetings attended by a multiple of Company personnel are to be reported in total by the senior employee arranging the meeting and paying the bill. The names of all attendees should be listed on the expense report.

EXCEPTIONS TO THIS POLICY: Any exceptions to this policy will be evaluated on a case-by-case basis. If your travel plans deviate from the policy as outlined above, or if you have concerns regarding the policy as it is written, your request/concern should be

Additional information:

- Include exceptions to the policy and what steps will be taken when employees violate the policy.

submitted in writing to the departmental supervisor with a copy provided to your immediate supervisor/manager. Every attempt will be made to accommodate special circumstances. In addition, any suggestions for improving the travel policy are encouraged. All submissions will be evaluated prior to the next policy update.

Appendix

Agent Casto
 900 Lafayette Street
 Santa Clara, CA 95050
 Tel 415.273.7400
 Fax 415.433.3354
 Office Hours M-F 8:00am-5:30pm PST

Employee Acknowledgement

Yes, I will use the travel features offered by Casto and book my own travel reservations.

I have read the Sample Company, Inc. Corporate Travel Policy and I understand and accept the obligations, which it imposes upon me without reservation.

Policy distribution:

- How should the policy be distributed?
- To whom should the policy be distributed?

Employee Name Department Date

Please return this page to Accounting.