



Employee Business Expense Policy

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1.0 GENERAL

The purpose of this policy is to provide guidelines and establish procedures for employees incurring travel, entertainment and other business related expenses on behalf of OrthoSynetics, Inc. and subsidiaries (the "Company").

Policy Objectives:

- Ensure all employees have a clear and consistent understanding of policies and procedures for business related expenses incurred by the individual employee.
- Provide business travelers with a reasonable level of service and comfort at the lowest possible cost.
- Maximize the company's ability to negotiate discounted rates with preferred suppliers and reduce travel expenses.

This Policy is subject to modification or revision in part or in its entirety to reflect changes in conditions subsequent to the effective date of this Policy.

2.0 SCOPE

This Policy applies to business related expenses, including travel and entertainment expenses, incurred by all employees, including full-time, part-time, permanent and temporary employees seeking reimbursement from the Company and takes precedence over other previously issued policies related to employee expenses.

The allowable expenses identified in this Policy do not apply to long-term field assignments, which are covered by an employee living allowance, or to permanent relocation. Long-term field assignments and relocation expenses are managed by the Human Resources Department.

3.0 DEFINITIONS

3.1 Expense Report. The approval form for requesting reimbursement for employee business travel expenditures. The Expense Report is used to document expenses incurred on Company business and the use of advance funds. The Expense Report is available at <http://www.orthodon.com/Resources/>

3.2 Non-Reimbursable Costs. Any cost which is not considered to be business-related in accordance with the provisions of this Policy or any other Company policy or procedure and therefore, no reimbursement to an employee will be made.

3.3 Employee. Full-time, part-time, permanent and temporary employees, as well as contractors and consultants performing work on behalf of the Company.

3.4 Manager. The head of a department.

3.5 Client. Any doctor or other customer who utilizes the Company's services.

4.0 RESPONSIBILITY

The Employee is responsible for incurring only those expenses that are reasonable and necessary to conduct Company business and is responsible for complying with the requirements of this Policy. Employees who do not comply with this policy may be subject to delay or withholding of reimbursement and may be subject to disciplinary action.

The **Manager** is responsible for ensuring that all Employee business travel and entertainment expenses are approved prior to committing Company or Client funds. The responsible manager reviews the Expense Report to ensure the expenses incurred were reasonable and in compliance with Company policy.

The **Compliance Officer** or **Chief Financial Officer (CFO)** is responsible for approving deviations from this policy.

The Company assumes no obligation for expenses that are not in compliance with this Policy.

5.0 TRAVEL AUTHORIZATION

5.1 Submitting Travel Authorizations

All employees must obtain approval from the appropriate Manager prior to incurring expenses or committing Company funds.

5.2 Travel Status

An employee is in "travel status" when he or she travels more than 50 miles, one way, from his or her home or office and is away more than four hours.

Travel status initiates when an employee leaves his or her home or office, and travel status terminates when an employee returns to his or her home or office.

For purposes of this Policy, "office" means the employee's regular and continuous place of work.

Overnight accommodations within 50 miles of the employee's home or office require special approval of the appropriate Manager.

5.3 Spouse/Companion Travel

The Company will not reimburse travel and entertainment expenses incurred by or on behalf of an employee's spouse (unless the spouse is also an employee) or other non-employee accompanying an employee on business, unless pre-approved by the Manager. Prior approval should be documented and included in the employee's Expense Report.

A spouse or other individual may accompany an employee on a business trip at the employee's expense.

5.4 Saturday Stays

Employees travelling on behalf of the Company may incur a significant reduction in the cost of airfare to the Company by electing to stay over Saturday night at the business destination. In such cases, if the cost savings for staying over Saturday is greater than or equal to the added cost of meals and hotel accommodations for the extended stay, the traveler may elect to do so and remain within Policy. The prior written approval of the employee's immediate Manager must be included with the Expense Report. Any additional savings amount will not be paid to the employee.

5.5 Necessity of Business Expenses

All travel, entertainment and miscellaneous expenses must be directly related to the conduct of Company business or the employee will not be reimbursed.

The employee should give strong consideration to alternatives to travel, e.g., conference call, video or audio conferencing. Wherever feasible, particularly for staff meetings, these alternatives should be used.

Any off-site staff conferences involving travel or hotel costs must be approved in advance by the CFO and/or Chief Executive Officer (CEO) or appointed designee.

6.0 TRAVEL PLANNING

6.1 Travel Agency

The Company has not entered into contracts with designated travel providers. For these reasons, all travel for all departments within the Company must be booked by the individual employee. When submitting an expense report for reimbursement the employee must include the travel invoice/itinerary for all airline tickets, car rentals and hotels in order to be reimbursed. Failure to include these will result in the expense report being rejected and returned to the employee.

6.2 Reservation Procedures

Travelers or designated travel planners should make reservations as early as possible to take advantage of advance purchase discounts.

7.0 AIR TRAVEL

7.1 Class of Air Travel

Class/Fare	North American* Flights	International Flights
First Class	Not allowed	Not allowed
Business Class	Not allowed	All International flights will be booked and ticketed in economy class. Any deviations from this policy must be pre-approved by the CFO or CEO prior to a ticket being issued. Approval must be submitted with the Expense Report.
Coach/Economy	Advance purchase, non-refundable fares should be used in all cases. Employees are expected to exercise sound judgment when evaluating the applicable penalties/restrictions versus the available cost savings.	Advance purchase, non – refundable fares should be used in all cases. Employees are expected to exercise sound judgment when evaluating the applicable penalties/restrictions versus the available cost savings.
Spouse/Family Travel	Always considered out-of-policy for business trips. Prior authorization by the Business Line Leader required for reimbursement.	Always considered out-of-policy for business trips. Prior authorization by the Business Line Leader required for reimbursement.

* For purposes of Class of Air Travel, North America includes the contiguous United States, Canada and Mexico.

7.2 Upgrades for Air Travel

Employees may upgrade at their own expense or by using frequent flyer miles, so long as there is no incremental cost to the Company. Upgrades may not be included on an Expense Report.

7.3 Lowest Cost Routing

Employees will be expected to use the most cost effective routing when traveling by air. This lowest logical airfare (LLA) is determined by the following:

- Completing travel on Company preferred airline – Southwest Airlines:
<http://www.swabiz.com>
Company ID - 99618750
- Planning trips to take advantage of discounts for advance purchase and non-refundable tickets.
- Booking connecting flights when the savings are in excess of \$200 USD and the scheduled delay en-route does not exceed two (2) hours.
- Being flexible in selecting departure times to use lower cost seats.

- **Alternate Airports:** Alternate departure/arrival airport when the savings is \$200 USD or more. (EX: New Orleans/Baton Rouge, San Francisco/Oakland, Houston Hobby/Houston Intercontinental).

When booking travel arrangements, the traveler/travel coordinator will be advised when the arrangements do not comply with this Policy. The reason and amount will be noted on the invoice as well.

7.4 *Electronic Ticketing*

The airline industry is rapidly moving toward 100% electronic ticketing (E-tickets). This ticketless travel decreases the costs associated with issuing paper tickets, negates the possibility of losing a ticket that could result in a charge for re-issuance and decreases issues that can result with other ticket delivery options.

The use of E-tickets is mandatory whenever available. Unused E-tickets must be reported to the airline; they are not automatically refunded if unused.

7.5 *Unused/Lost/Refundable Tickets*

Unused airline tickets should be reported immediately to the airline. This includes non-refundable tickets, which can be applied toward a credit on future travel with an exchange fee. If the traveler expects to use the credit before it expires (normally expires one year from issue date), then the exchange fee should be paid.

Lost paper tickets should be reported immediately to the issuing airline. This is not an issue for E-tickets, and employees will be held responsible for the full cost of any lost ticket which is not refunded by the issuing carrier. The Company will not reimburse or allow any charges or fees that may be assessed by the carrier for processing a lost ticket application.

7.6 *Conversion*

Employees shall neither convert nor apply the value of any form of air transportation purchased, or otherwise acquired, for use by the Company to any other purpose than the business related travel for which it was intended. Such conversion or application shall be grounds for disciplinary action up to and including termination.

7.7 *Frequent Flyer Programs and Airline Clubs*

The Company recognizes that business travel imposes inconvenience and sometimes hardships on its travelers and therefore elects to allow benefits of frequent flyer (mileage) programs resulting from Company travel to be retained by its travelers for their personal use.

The travelers shall obtain airfares at the lowest cost to the Company and the most direct route that is consistent with travel and schedule requirements. Such purchases shall be made without regard to the benefits or impact that may result from the employee's participation in a frequent flyer program.

Employees may not expense and will not be reimbursed for the direct or indirect fees or costs for any club memberships/incentive programs offered by commercial air carriers.

7.8 Employees Traveling Together

The number of Company personnel traveling together on the same flight shall be limited to:

- No more than six (6) Company employees.
- No more than four (4) Department Heads.
- No more than two (2) Officers.

7.9 Lost or Excess Baggage

The ultimate responsibility for retrieving or compensating for lost baggage lies with the airlines. The Company will not reimburse travelers for personal items lost while traveling on business. Measures that can be taken to minimize baggage losses include:

- Always carry valuables (prescriptions, jewelry, laptop computers, cameras, etc.) onboard the aircraft.
- Always carry important and/or confidential documents onboard the aircraft.
- Clearly tag luggage with name, address and phone number.
- Retain baggage claim receipts for checked luggage.

Follow these procedures if your bags are lost en route:

- Obtain a lost luggage report form from an airline representative in the baggage claim area.
- Itemize the contents of your bag(s), including receipts wherever possible.
- Include a copy of your airline ticket/receipt and baggage claim stubs.
- Keep a copy of the report, airline ticket/receipt and claim stubs.

Employees will be reimbursed for excess baggage charges, with prior approval by the manager, only in the following circumstances:

- When traveling with heavy or bulky materials or equipment necessary for business.
- The excess baggage consists of Company records or property.
- When traveling for more than two (2) weeks.

7.10 Overnight Delays

Should an airline delay necessitate an overnight stay, the traveler must first attempt to secure complimentary lodging from the airline. If the carrier will not absorb the hotel cost due to a forced layover or other reason, reasonable costs associated with such overnight stay will be absorbed by the Company.

7.11 Air Travel Payment Procedures

Air travel costs should be paid using the employee's personal charge card and submitted on an expense report. Additionally, the original invoice, which includes the cost, ticket number and transaction fees, must be attached to the Expense Report in order to be reimbursed. A copy of the charge card statement will not be sufficient support for reimbursement.

8.0 RENTAL CARS

The Company maintains a national account and service agreement with Avis car rental companies located both in the United States. When reserving your car, you must always ask for the best rate available and provide the Company's Avis Worldwide Discount (AWD) Number (T679800) to the Avis reservations agent.

If you are a frequent traveler, you may want to simplify the car rental process by becoming an Avis Preferred Service member. The Preferred Service program streamlines the entire reservation and rental procedure. Members are allowed to skip the lines and paperwork at the rental office, and are given low mileage cars and receive special offers such as free upgrades and weekend rentals. Please go to www.avis.com to join.

8.1 Rental Car Class and Basis for Payment

An intermediate (mid-size) class should be rented. Use of a rental car one size larger is acceptable when:

- three or more employees travel together and share the rental;
- entertaining customers;
- the upgrade is at no additional cost;
- the intermediate size is not available;
- pre-approved for medical reasons (e.g., drivers with disabilities).

8.2 Insurance

For domestic car rentals, employees must decline acceptance of Liability and Loss Damage Waiver (LDW) coverage as it is provided for by the Corporate insurance policy. It is not reimbursable if accepted by the employee.

PAI (Personal Accident Insurance) and PEI (Personal Effects Insurance) are not reimbursable expenses. They may only be accepted at the traveler's expense.

8.3 Fuel Charges

In order to minimize the large surcharges imposed by car rental companies for refueling charges on premise, employees are required to return all rental vehicles with a full tank of gas or accept the prepay option at the time of the rental car pickup, whichever is less expensive. Original gasoline receipts must be attached to the Expense Report for reimbursement.

8.4 Violations of Law

Parking tickets, fines, or other penalties imposed for improper operation of a rented car or violations of law are not reimbursable.

8.5 Accidents

Should a rental car accident occur, travelers without significant injuries should immediately contact:

- The rental car company,
- Local authorities in order to obtain a police report for insurance purposes, and
- Designated company personnel (Corporate Risk Manager).

8.6 Personal Use

Cost resulting from personal use of rental vehicles during authorized business travel is not reimbursable.

8.7 Use of Rental Vehicles in Lieu of Ground Transportation

Use of rental cars for ground transportation to or from the airport and the employee's home is reimbursable only when no other means of transportation is available and/or where the cost of this service is less than commercial ground transportation.

Note: Rental cars may not be used if the cost of the rental, including gasoline and parking charges, exceeds the cost of a regular taxi or limousine service.

8.8 Other Transportation

In circumstances where a rental car is not used or is not practical, employees will be reimbursed for reasonable cab/bus/train/subway fares incurred in traveling to and from the airport, hotels, temporary job sites, and eating establishments. The original receipt is required for any expense in excess of \$15 USD.

Where **rail travel** is required/available, the least expensive class offering reserved seating should be used.

9.0 PERSONAL AUTOMOBILE USE

9.1 Use of Personal Automobile in Lieu of Public Transportation or Rental Car

Personal automobiles may be used for Company business if all the following conditions apply:

- Public transportation is inappropriate or impractical.
- Taxi/car services are more expensive or not available.
- Use of a rental car is more expensive.
- The driver has a valid driver's license.
- The driver has personal liability insurance coverage.
- The personal automobile complies with the safety requirements of the governing state.

The Company will reimburse employees for business use of personal vehicles at the rate of \$.505 per mile or the then current IRS standard mileage rate, whichever is lower. To be reimbursed for use of the employee's personal vehicle for business, employees must provide the following information on the Expense Report:

- Purpose of the trip
- Date and location
- Receipts for tolls and/or parking
- Miles driven

The Company will also reimburse reasonable parking expenses (for example, parking at an airport while flying) and tolls.

Note: Personal automobiles may not be used if the reimbursement cost of mileage will exceed the cost of a rental car. Reimbursement of personal automobile expenses claimed by a traveler will be limited to the equivalent cost of a rental car.

9.2 Use of Personal Automobile in Lieu of Commercial Air Travel

When an employee uses his/her personal automobile on a trip where a plane or train normally is the approved means of transportation, the Company will reimburse the employee for mileage at the allowable mileage rate, but not to exceed the equivalent economy class train or air fare.

9.3 Violations of Law

The Company will not reimburse for personal vehicle or rental car parking tickets, fines or traffic violations, even if these costs result from business travel.

9.4 Unallowable Expenses

The Company will not be responsible for any damage to an employee's personal vehicle while on Company business.

9.5 Accidents

Should an employee be involved in an automobile accident while on Company business, he/she should immediately report the accident to the appropriate local authorities, his/her manager and the Corporate Risk Manager.

9.6 Commuting Expenses

Travel from an employee's residence to his/her normal place of business is treated as a commuting expense and is not reimbursable.

The Company only reimburses employees for business miles incurred in excess of their normal commute. To compute reimbursable miles, employees are required to reduce total miles driven by the number of commuting miles that would have been incurred for that day.

10.0 HOTEL ACCOMMODATIONS

Travelers are required to use negotiated or preferred lodging rates where available. If an employee elects to stay at a hotel other than those with which the Company has negotiated a rate, the employee will not be reimbursed for any amounts paid in excess of the negotiated rate.

Amounts paid or given to relatives or friends in cash or expenditures incurred to express gratitude for providing lodging are not reimbursable.

No lodging expense is authorized for trips under 50 miles (100 miles round trip) unless there is a compelling business reason, the employee receives pre-approval from his/her Manager and the reason is fully documented in the Expense Report. For purposes of this procedure, the 50 mile distance is defined as 50 miles in excess of the employee's normal commute.

Receipts are required for reimbursement of all lodging costs. Receipts for lodging should include the name of the establishment, the location, and the dates of stay. If lodging costs are not incurred (e.g., staying with relative or friends), the employee should provide a written explanation on the Expense Report for the purpose of documenting the overnight stay for reimbursement of other travel expenses (e.g., meals and incidental expenses).

Any expenses (other than lodging) claimed for reimbursement which are included on the hotel bill (e.g., meals, phone calls, internet access, copies, etc.) must be separately identified in the appropriate sections of the Expense Report.

10.1 Long-Term Hotel Stays

Travelers staying a week or longer must inquire about weekly/long-term discounts.

10.2 Hotel Cancellation Procedures

Travelers should note the hotel's cancellation policy at the time of booking. It is the responsibility of the traveler to initiate hotel room cancellations. "No-show" charges incurred due to a failure to cancel a lodging reservation in timely fashion will not be reimbursed unless the failure to cancel was beyond the employee's control. Travelers are advised to secure a cancellation confirmation number in the event that they must cancel a lodging reservation.

The Company will **not** pay avoidable no-show charges, and these remain the responsibility of the traveler. No-show charges beyond the control of the traveler (airline delays, family emergency, client cancellation, etc.) should be explained in the traveler's request for reimbursement.

Note: Cancellation deadlines are based on the local time of the property and the cancellation terms may vary.

10.3 Hotel Payment Procedures

Both "room guarantee" and payment of actual lodging costs should be paid using the employee's charge card and submitted on an Expense Report for reimbursement. Hotel charges should be limited to room rate, tax, hotel parking and meals (however, for reimbursement of meals, see Section 11.1 of this Policy).

10.4 Hotel Frequent Guest Programs

Many hotels or other lodging facilities have frequent guest programs that reward travelers with free accommodations or other rewards in exchange for a given number of paid room nights. Awards from such programs may be retained by employees for personal use. However, participation in these programs must not influence hotel selection, which would result in incremental cost beyond the Company's specially negotiated rate. Any membership fees associated with joining these programs are not reimbursable by the Company.

11.0 MEAL EXPENSES

11.1 Meal Policy

The actual cost of three meals per day, not to exceed the equivalent of \$45 USD, is reimbursable for any overnight stay while in travel status. The \$45 USD per day is not a per diem. Employees are required to submit only the actual expenses that are incurred and only these amounts may be recorded on the Expense Report. Receipts for all meals over \$15 USD are required. Tips are included in the cost of each meal.

Meal Spending Guidelines

Breakfast	\$10.00 USD
Lunch	\$15.00 USD
Dinner	\$20.00 USD

11.2 Business Meals/Entertaining Clients

Business meals are defined as meals with Company customers, prospects, recruits or vendors during which substantial business discussions take place.

The cost of such meals should be reasonable based on the business occasion.

The expense of reasonable meals conforming to this Policy will be reimbursed at actual cost, as submitted on an Expense Report.

All extraordinary (well beyond casual) business meals or entertainment expenses must be approved in advance by the CFO and/or CEO.

The highest-ranking employee at the event must pay all business meals or entertainment expenses.

11.3 Business Meals Taken with Other Employees

Business meals with other employees are discouraged, unless clearly demonstrating sound business judgment. The highest-ranking employee present at the business meal must pay all business meals with employees.

11.4 Documentation and IRS Requirements

For business meal and entertainment expenses, the following documentation is required by the IRS and must be recorded on the Expense Report:

- Names of individuals present, their titles and company name
- Name and location of where the meal or event took place
- Exact amount and date of the expense
- Specific business topic discussed
- In the case of entertainment events, the specific time the business discussion took place (i.e., before, during or after the event)

11.5 Alcoholic Beverages

The use of alcohol for business entertainment purposes should be kept to a minimum. Employees should be aware that the purchase and use of alcohol places significant legal exposure on the Company and act prudently to avoid excessive consumption by guests or Company employees.

11.6 Gratuities

Reasonable tips included on business meal receipts when entertaining clients will be reimbursed. Any tips considered excessive (greater than 20%) will not be reimbursed. Nominal fees and tips to porters and baggage carriers are reimbursable. The maximum reimbursable allowance is \$1 per bag. As a general rule, employees should not tip more than they would on a personal trip.

12.0 OTHER EXPENSES

12.1 Telephone Expenditures

The Company provides cell phones to certain employees for voicemail and e-mail. If those employees wish to use their personal cell phone for business, the phone must allow voice-mail and e-mail so they can stay connected. The Company will reimburse 75% of the personal cell phone bill (up to \$100), unless the employee itemizes the individual calls and the number of business calls exceeds 75% of the total minutes incurred. For example, if the employee's cell phone bill is \$100 for 2,000 minutes, and the employee incurred less than 1,500 minutes of business calls, the employee would be reimbursed \$75. If the employee incurred 1,800 minutes of business calls, the employee would be reimbursed \$90 (or 90% of the phone bill). To receive the higher reimbursement, the employee must submit the entire cell phone bill listing all phone calls and data usage, clearly indicating the business usage.

The Company will not reimburse more than one (1) phone bill for one (1) phone line. The Company does not reimburse separate phone lines for home FAX machines.

Air phone charges are strongly discouraged due to the high cost and will not be reimbursed without justification and approval from the responsible Manager.

Under no circumstances may reimbursement exceed actual costs.

12.2 Dry Cleaning/Laundry

When in travel status for more than five (5) consecutive days, the cost of necessary laundry actually incurred on the trip is reimbursable when substantiated by a receipt.

12.3 Cost of Traveler's Checks

The service charge assessed when purchasing traveler's checks may be expensed. If the traveler's checks are in a foreign currency, the gain (credit) or loss (charge) of converting the checks should also be included. If a trip is cancelled after obtaining traveler's checks, the service charge should be expensed.

12.4 Gifts

Gifts to customers or suppliers must be strictly limited, small in nature and approved in advance by the Manager based on:

- Revenue potential;
- Propriety; and
- Potential conflicts of interest.

In addition, all such gift giving is subject to applicable local, state and federal laws and regulations and the Company's Employment Policies and Benefits Manual.

An original receipt must be attached to the Expense Report and the name, title and company affiliation of the person(s) receiving the gift(s) and the business reason for the gift(s) must be disclosed. Any missing information will result in denial of reimbursement to the employee.

The purchase of gifts for employees or supervisors is not considered a reimbursable company expense. Such gifts are considered personal.

12.5 Home Office

The Company provides office space for all employees in Dallas (Southlake), Metairie and Atlanta (Kennesaw). Employees living within 50 miles of these offices are expected to work in these offices and are not eligible for reimbursement of home office expenses without prior approval of the Compliance Officer or the CFO. Reasonable expenses for maintaining a home office (i.e. office supplies, shipping costs, etc.) for those employees living more than 50 miles from these offices are reimbursable, provided receipts are submitted in accordance with Section 13.2 below. Section 12.1 applies to home offices as well.

13.0 REIMBURSEMENT OF TRAVEL AND ENTERTAINMENT EXPENSES

13.1 Reimbursement Process

All employees seeking payment or reimbursement of travel and entertainment expenses must submit a completed and approved Expense Report.

The Company requires that travelers submit an Expense Report within the later of: 1) five (5) business days of trip completion, or 2) the date the expense was incurred. Expenses submitted more than 45 calendar days after they are incurred will **not** be reimbursed without the approval of the Compliance Officer or the CFO.

To expedite auditing and processing of Expense Reports, it is required that all receipts be in chronological order and taped to 8 1/2" x 11" sheet(s) of paper and attached to the appropriate expense report.

Expense Reports are to be prepared separately for each trip. For extended trips, an Expense Report should not cover more than a 7-day period.

Expense Reports not conforming to the criteria outlined in this Policy will be returned to the employee.

The Company reserves the right to recoup amounts paid to employees that are subsequently found to be in violation of this Policy.

13.2 Substantiation

Each Expense Report must include the following substantiation:

- In addition to the specific requirements for receipts stipulated in this Policy, original receipts are required for any item in excess of \$15 USD. Receipts are required for all laundry (for travel of 5 days or more) and fuel expenses (for rental cars only).
- The amount of each separate expenditure with an original receipt for all expenses. Copies of credit card statements or record of charges are not acceptable in lieu of receipts without Manager approval.
- The dates of departure and return for each trip away from home, and the number of days away from home spent on business.
- The destinations or location (name of city or town) of travel.
- The business reason for the travel or nature of the business benefit derived as a result of travel or expenditure.
- Original airline ticket invoice or other documentation.
- Original paid itemized hotel receipt and itinerary.
- Original car rental receipt.
- Original receipts for tolls and parking.
- Original, employee's charge card receipt or cash register receipt (no restaurant tear tabs).

Receipts must include the name of the restaurant/vendor, location, date, and dollar amount.

13.3 Approvals Required

Each Expense Report **must** be approved by the traveler's direct Manager or higher.

In approving the Expense Report, both the traveler and Manager take responsibility for its accuracy, reasonableness, and conformity to this Policy.

The Corporate Controller or Practice Controller must approve each expense report exceeding \$1,000. The CFO must approve each expense report exceeding \$2,500. And the CEO must approve each expense report exceeding \$4,000.

13.4 Currency International Conversions

When traveling internationally, employees are required to convert all expenses to USD. Employees will use the actual exchange rate whenever available.

14.0 NON-REIMBURSABLE EXPENSES

The Company will **not** reimburse the following expenses:

- Airfares, hotels or rental car charges not in compliance with this Policy
- Alcoholic beverages (except as stated in Section 11.5)
- Annual fees for personal credit cards

- Baby-sitting
- Barbers and hairdressers
- Charitable donations
- Cigarettes or tobacco products
- Clothing or toiletry items
- Country club dues
- Credit card delinquency fees or finance charges
- Dry cleaning
- Expenses not substantiated/approved in accordance with the requirements of this Policy
- Expenses for travel companions/family members
- Expenses not directly related to the conduct of the Company's business
- First class air travel or upgrade fees
- Flower expenses, unless approved by the CFO or the CEO
- Gifts purchased for co-workers or supervisors (Christmas, Secretary's Day, Bosses Day, Birthday's, etc), unless approved by the CFO or the CEO
- Golf fees unless directly associated with a client meeting and with prior approval from Manager
- Health club fees
- Hotel mini-bar refreshments
- Laundry or valet services for travel of fewer than five (5) days
- Loss or theft of cash advance, personal funds or property
- Lost baggage
- Luggage and briefcases
- Magazines, books or other personal reading materials
- Movies (including in-flight and hotel in-house movies)
- Optional travel or baggage insurance
- Parking tickets or traffic violations
- Personal automobile insurance, car washes, repairs/maintenance
- Personal entertainment, including sporting events, other than in connection with entertaining, as addressed in Section 11.1
- Personal medical expenses incurred while traveling
- Personal postcards, postage stamps
- Personal property insurance
- Personal telegrams
- Personal telephone calls in excess of daily limit
- Pet care , including boarding pets
- Saunas, massages
- Shoe-shines
- Souvenirs or personal gifts
- Stretch limousines

These exclusions are examples and are not intended to represent all items for which the Company will not reimburse.

15.0 ATTACHMENTS

15.1 *Expense Report*

Attachment 15.1

Sample Company Approved Expense Report