

# **Employee Travel and Expense Policy and Procedures**

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## Policy Statement

International Tower Lighting, LLC (ITL) will reimburse employees for their reasonable expenses incurred in connection with necessary and authorized Company business. The purpose of this policy is to establish consistent, reasonable, and accountable standards to record and control the cost of business travel and entertainment.

When traveling, ITL employees should be as conservative as circumstances permit. Controlling travel and entertainment as well as business meal costs is the responsibility of each employee. It is expected that good judgment will be exercised when authorizing the use of and / or when utilizing Company funds, in the same way a prudent, budget-minded person would exercise their best judgement when traveling on personal business.

As travel is an inherent part of doing business, employees are hired with the expectation that they are willing to travel in accordance with these guidelines and provide supporting documentation.

This policy covers all ITL employees. The Director of Human Resources must approve any policy changes.

Noncompliance with this policy may result in delayed/non-reimbursement and/or disciplinary action.

All employee travel must be authorized. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Within 21 days of completion of a trip, the traveler must submit a Travel Reimbursement form and supporting documentation to obtain reimbursement of expenses.

An individual may not approve his or her own travel or reimbursement. The Travel Reimbursement form must be signed by the employee's department manager.

Travel and reimbursement for members of the management team must be approved by the Executive VP or President and will be reviewed annually by the internal auditor.

The company will not pay for excess costs resulting from circuitous routes, delays, or luxury accommodations or services unnecessary or unjustified in the performance of official business.

## Procedures

### I. Travel Request

A Travel Request (TR) must be completed and approved in advance of all out-of-state domestic and international trips. Travel may not be undertaken unless it is authorized in advance by the proper authority.

A TR is required whenever transportation or lodging is being purchased for company business travel (e.g., airline ticket, car rental, train, bus, and hotel) and must be approved before committing ITL funds or incurring expenses.

The lower cost should be selected whenever practical and should be reserved through the company's designated travel booking personnel and procedures. Employees traveling by an indirect route must personally assume any extra expense incurred.

ITL also retains the authority to change the approval process as circumstances require.

### II. Air Travel

To control expenses, all employees are expected to obtain the lowest reasonable airfare that meets business travel needs. Air travel should be booked through the company's designated travel administrator and prepaid by the business office.

Travelers are encouraged to book flights at least 30 days in advance to avoid premium airfare pricing, and no later than 14 days in advance. Discount fares should be given priority whenever possible. Any requests for exceptions to this requirement will be thoroughly scrutinized and must be approved in writing in advance by ITL Executive Management before initiating airline reservations with the company travel administrator.

Coach class or economy tickets must be purchased for domestic or international flights (defined as flight time totaling less than five consecutive hours excluding layovers). A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating. A less-than-first-class ticket (i.e., business class) may be purchased at ITL's discretion for international flights (defined as flight time exceeding five consecutive hours excluding layovers).

First-class tickets are not reimbursable, and employees are prohibited from using non-commercial aircraft for business travel.

Unused tickets or refunded fares are the property of ITL and should be applied to future business travel on behalf of the company. It is the employee's responsibility to report any unused tickets or refunded fares to the travel administrator.

## **A. Airline Ancillary Fees**

The following ancillary fees are not reimbursable:

- Early Boarding
- Seat Upgrades/Preferred Seating

## **B. Exceptions**

A traveler may fly with a member of the Executive Management Team in the same class of service for the purpose of conducting ITL business. This exception is available only at the request of the Executive Management Team member.

A traveler may accompany a customer or potential customer who is traveling in business class or first class. This exception must be approved in advance by the appropriate Executive Management Team member.

All requests for policy exceptions must be noted on your TR and must be approved in advance by the appropriate Executive Management Team member.

## **C. Frequent Traveler Programs**

Mileage credits and other benefits from individual frequent traveler programs may be accumulated by ITL employees for personal use. However, suppliers (airlines, hotels, car rentals, etc.) must be selected on the basis of reducing costs, optimization of employee's time, and streamlining company benefits, without regard to the individual employee's preference for promotional programs.

ITL's travel administrator will also ensure that employee travel utilizes the appropriate corporate discounts and account numbers whenever possible.

Any fees for using frequent flyer miles for upgrade are not reimbursable and upgrade requests must be made directly with the airlines and are not the responsibility of ITL's travel administrator.

### **III. Ground Transportation**

The most cost-effective means of transportation must be used while on Company business. The employee should investigate the use of alternative transportation (i.e. airport shuttle, taxi, Uber, etc.) before deciding to rent a car.

#### **A. Car Rentals**

ITL has a negotiated corporate rate inclusive of insurance with its preferred car rental company (Hertz)

- If Company business requires the rental of an automobile, all employees must utilize our preferred vendor. If our preferred vendor is not available, the most economical alternative must be booked. Insurance must be accepted when renting with a company other than our preferred vendor.
- All employees are expected to rent mid-sized cars or smaller. If three or more ITL travelers choose to share a car, the renter may upgrade to a full size car, however rental of vehicles in the “premium” class is prohibited. A list of travelers must be submitted with the expense report. VPs and above may rent full size vehicles.
- Cars may not be rented for use in Asia, India, Central or South America, Africa or the Middle East unless approved in advance by the appropriate Executive Management Team member.
- Fines incurred due to parking, speeding or other violations of the law are NOT reimbursable and must be paid on or before the citation due date.
- Employees are to decline all fuel option purchases and return the car with a full tank of gas (exception - Executive Management Team). If circumstances prevent the refueling of the car, a detailed explanation must be included on the expense report.
- To receive proper reimbursement, an original copy of the Rental Agreement must be attached to the Expense Report.

#### **B. Personal Automobiles**

Employees may be asked to use their personal automobiles for Company business.

Only mileage for business travel plus actual tolls and parking will be reimbursed. In the US, mileage is reimbursed at the IRS standard mileage rate. Mileage should be

calculated as the distance from home to destination minus commuting distance from home to regular office.

If mileage is claimed, the costs of fuel will not be reimbursed.

The employee has sole responsibility for properly insuring his/her vehicle against damage incurred while on official Company business.

### **C. Transportation from Home to the Airport**

Travel between the employee's place of residence and the originating airport closest to the ITL office considered the "official station" for that employee will not be reimbursed unless the distance traveled to the airport incurs additional expenses above the cost of the commute to the employee's official station. In such cases, reimbursable mileage is computed by deducting the mileage amount of the employee's normal commute from the actual mileage driven.

Shuttle service (e.g. Airporter, Supershuttle, etc.) may be used for round trip transportation from the employee's home to the airport, if the cost of airport parking plus mileage allowance equals a greater amount than the round trip shuttle service.

The most cost-effective private car service (e.g. taxis, sedan service) may be used when transferring to or from an international flight exceeding 6 hours of continuous flying.

### **D. Airport Parking**

Employees must use long-term parking while traveling on Company business.

### **E. Use of Taxi/Rideshare Services**

Reasonable taxi/rideshare fares are allowed from airports in destination cities. It is expected that bus or light rail service to or from airports will be used when available and practical. In traveling between hotels or other lodging and meeting or conference sites, reasonable taxi/rideshare fares will be allowed. Receipts are required for reimbursement of taxi/rideshare fares.

The daily expense for utilizing a taxi/rideshare must not exceed the cost of a car rental. If the employee is uncomfortable driving in a foreign country, an exception may be requested in advance from the appropriate Executive Management Team member.

## **IV. Lodging**

Hotels will be considered in compliance with Company policy if they meet the following guidelines:

- ITL preferred hotel booked and charged at the preferred rate, if applicable.
- ITL preferred hotel booked at a rate higher than preferred rate if:
  - There are no other ITL preferred hotels available in the city of travel at the ITL preferred rate.
  - There are no lower rates available at non-preferred hotels.
  - A non-preferred hotel if there is no preferred hotel in the city of travel or if the location of the ITL preferred hotel is impractical - ITL's preferred rate/hotel class must be used as a guideline when reserving alternative accommodations.
  - A non-preferred hotel if the rate is lower than the lowest available ITL preferred rate in that city.

A list of preferred hotels is available from ITL's travel administrator. Failure to follow hotel policy may result in the traveler paying the difference in the price.

This policy does not apply if the employee is attending a convention or meeting and there is a negotiated meeting rate at the host hotel. This rate must be documented by a convention or meeting brochure or registration form.

Hotel cancellations must be made per the hotel's cancellation policy to avoid "No Show" charges. "No Show" charges incurred due to employee's negligence will not be reimbursed.

Frequent traveler programs must not receive priority over cost savings for ITL.

Receipts for all lodging expenses, including itemized room charges and taxes by date, must be submitted for reimbursement.

#### **A. Hotel Direct Billing**

The employee's corporate credit card, or personal credit card, if not in the corporate card program, must be used for hotel accommodations. No hotel charges of any kind are to be billed directly to ITL unless pre-approved.

#### **V. Travel Meals**

It is ITL policy to reimburse employees for reasonable meal expenses (breakfast, lunch and dinner) incurred while traveling on approved Company business. What is deemed reasonable will depend on the employee's travel itinerary and locations visited.



- ITL's maximum per-diem rates include a fixed allowance of \$51.00 for meals and incidental expenses (M & I). M & I rates include all meals, snacks and tips for the entire day.
- The breakdown per meal, including any applicable server tips, is as follows:  
Breakfast \$12; Lunch \$15; Dinner \$24.
- Reimbursement for meals and incidentals for the days of departure and return shall be limited to three-fourths of the M & I rate, for a total of \$40.00. The employee is normally expected to eat breakfast at home on the day of departure and to eat dinner at home on the day they return as they would on a normal work day.
- If an employee is attending a conference at which meals have been included in the price of registration fees, these conference meals should be excluded from the per diem for the day. Should circumstances preclude the employee from attending the conference meal functions, an explanation for claiming meal reimbursement must accompany their expense claim.
- Reimbursable meal expenses must be documented by an itemized receipt for all charges. All receipts must be itemized and imprinted with the name of the establishment. The date and amount of the expense must appear, but do not necessarily need to be imprinted.
- Alcoholic beverages are not reimbursable outside of customer entertainment or business meals with external guests.
- Reimbursable Travel Meal Expenses

Meal expenses are reimbursable when:

- Overnight travel is required to conduct Company business.
- Reimbursement for a single meal (or meals) for employees on one-day travel status with no overnight stay is typically not permitted, unless the trip takes the employee outside their normal work location. This would include:
  - Breakfast if the employee is required to leave home two hours (or more) earlier than normal.
  - Lunch.
  - Dinner when an employee cannot reasonably return home until two hours or more after normal working hours.

## **VI. Business Meals and Entertainment Expenses**

This category is not to be confused with individual meals for traveling employees (See Item V Travel Meals above). ITL will reimburse employees for necessary and verifiable business meals, entertainment expenses, and internal catering. For a business meal, entertainment expense or internal catering to be considered reimbursable, a business discussion must take place during, directly proceeding, or directly following the event.

Reference ITL's Ethical Conduct and Conflict of Interest Addendum for additional Entertainment guidelines.

### **A. Definitions**

*"Business Meal Internal"* is defined as a meal where business discussions take place and all participants are ITL employees.

*"Business Meal External"* is defined as a meal that includes at least one non-ITL participant (such as a current or potential customer, supplier, consultant, or industry associate).

*"Entertainment"* is defined as a business appropriate activity. If there is an activity and a meal is also provided, the entire cost is considered entertainment.

*"Internal Catering"* is defined as an organized on-site meal function for the purpose of conducting ITL business.

### **B. Payment**

Business meal or entertainment expenses must be incurred and reported by the most senior person within the host cost center present. An employee may not report business meal or entertainment expenses if his/her manager was present. If a VP or above is present and is not hosting the event they are not responsible for paying the bill.

Internal catering does not follow the payment guidelines above, but when expensing internal catering, the host cost center must be entered on the expense report and the following must be included: host name and title and event name.

For business meals, entertainment and internal catering expenses, an attendee list must be submitted with request for reimbursement.

### **C. Attendance**

An employee hosting a business meal or entertainment should limit the business associates and other participants to only those who can be expected to contribute to the accomplishment of the business purpose.

### **D. Approval**

Entertainment expenses in excess of \$500.00 and all ITL sponsored off sites and team building events must have Executive Management Team approval. The \$500.00 limit is intended for an event, not for an expense report with multiple activities.

If a contract is issued for an activity, contract policies must be followed.

Reference ITL's Ethical Conduct and Conflict of Interest Addendum for additional Approval guidelines.

## **VII. Expense Reporting and Record Keeping**

Employee Expense Reports should be submitted within 21 days of returning from a business trip. Reports submitted more than 21 days after a trip will be considered late. If the trip is in excess of 30 days, expense reports should be submitted on a weekly or bi-weekly basis. The Expense Report System is used for reimbursement of travel related and entertainment expense, as well as seminar or course fees and subscriptions for which other forms of payment are impractical. Expense reports may not be used for reimbursement of direct material or capital purchases.

The following items must be included with the Expense Report:

- Copy of the travel request associated with the expense report, if applicable.
- The complete itinerary invoice provided by ITL's approved travel agency and ticket, if applicable.
- Original itemized receipts, however, if the vendor does not provide a receipt or if the receipt is lost, ITL will reimburse for the expense up to a maximum of \$15.00 for any single item. This includes, but is not limited to, meals, taxis, limousine service, or other forms of local transportation. Itemized receipts are required for lodging, car rental, cell phone bills and retail purchases regardless of amount. Itemized receipts for purchases charged to miscellaneous and other employee benefits are highly recommended. If the original receipt is lost, contact the supplier for a copy.

- All receipts must be itemized and imprinted with the name of the establishment. The date and amount of the expense must appear, but do not necessarily need to be imprinted.
- Check or money order payable to ITL for any amount owed.

All Expense Reports must be signed.

All expenses must be itemized.

Airline Ancillary Fees must be assigned to the appropriate expense type.

The Expense Report should include an explanation of any deviations of the policy, i.e., the use of unauthorized travel agencies, lodging, or transportation, etc.

## **VIII. Miscellaneous**

### **A. Miscellaneous Expenses**

Individuals who travel frequently may be reimbursed for application fees related to trusted traveler programs, such as TSA Pre-Check and US Customs and Border Protection Global Entry Program.

Expenses related to visas and passports required for business travel are reimbursable.

Internet Access (e.g. hotel, airport, airline, etc.) required for business purposes is reimbursable.

ITL will reimburse reasonable and necessary laundry and dry cleaning charges for employees traveling in excess of seven days or if clothing is soiled accidentally.

Expenses for vaccinations required for business travel are reimbursable.

## **B. Non-Reimbursable Expenses**

Expenses incurred related to ITL business should be allowable, reasonable, and ordinary in the normal course of business. Below are examples of non-reimbursable expenses including, but not limited to, the following

- Alcoholic Beverages outside of customer entertainment or business meals external
- Laptop Bags/Cases
- Boarding fees for pets
- Baby-sitting fees
- Registered-Traveler Identification Programs (exceptions listed above)
- Frequent Traveler Program Enrollment fees (exceptions listed above)
- Airline preferred seat assignments/upgrades
- Airline preferred boarding
- Airline early boarding
- Airline club membership fees
- Flight insurance
- Transportation between home and office on regular workdays
- Car service for normal commute
- Car washes and detailing
- Clothing, luggage and toiletries
- Traffic or parking tickets
- GPS systems, satellite radio, prepaid fuel or fuel option (FPO) in rental cars
- Personal or in-room entertainment (e.g. sporting events, movies, games, etc.)
- Any personal items lost, stolen or damaged while traveling on Company business.
- Medications and Recurring Prescriptions (See your Health Coverage Plan for reimbursement.)
- Transportation, duties, taxes and other fees associated with the shipment of personal effects.
- Hotel or car “no-show” charges without a business purpose
- Magazines, newspapers
- Non-business postage
- Souvenirs and personal gifts
- Vacation and personal expenses

## **IX. Addendum A: Ethical Conduct and Conflict of Interest**

### **A. Business Meals and Entertainment Expenses**

Entertainment does not include gifts.

If any of the following circumstances exist, the prior approval of the Executive VP or President is required:

- The total expense for all Entertainment exceeds the following amounts per attendee:

United States:	\$75 USD
Continental Europe:	€75
United Kingdom:	£75
China:	200 RMB
Japan:	10,000 Yen

- Ten or more customer/government attendees are invited and/or participate in the Entertainment.
- The recipient of the Entertainment has received Entertainment for more than six times in the prior year.
- In all cases, the list of participants, the business purpose, the expense receipts and the internal approval must all be properly documented and recorded before ITL will reimburse for the expenses.

### **B. Other non-ITL Travelers**

This provision is not intended to permit customers or government officials to travel with ITL personnel. ITL sponsored travel involving customers and/or government officials is covered by ITL's Global Anti-Corruption Policy.