Business Expense and Travel Policy
Addendum to Employee Handbook

Overview........................................................................................................................................2
Expense Reports...................................................................................................................................2
Business Related Meal and Entertainment Expenses .................................................................3
Miscellaneous Expenses ................................................................................................................3
Travel Related Expense Guidelines .............................................................................................4
Preferred Travel Provider .............................................................................................................4
Air and Rail Travel ........................................................................................................................5
Automobile Travel ........................................................................................................................5
Lodging and Meals ........................................................................................................................6
Hotel Rewards Program ...............................................................................................................7
Telephone and Internet Expenses ...............................................................................................7
Travel Time.......................................................................................................................................7
Overview

This Business Expense and Travel Policy (the “Policy”) describes: (i) the types of business expenses that will be reimbursed by the Company and (ii) the procedures that must be followed to obtain reimbursement. While this Policy addresses common business expenses, the Company recognizes that no policy can address all of the possible business expenses that may be incurred. In instances where this Policy does not specifically address a potential business expense, the Company expects that employees will use professional judgment to minimize the amount of the expense and, when possible, have the expense pre-approved by the employee’s Division President or a Corporate Executive Officer.

Employees are prohibited from personally purchasing and requesting reimbursement for vendor related labor and materials, which must be procured by the Company’s purchasing department in accordance with the Company’s Internal Control Procedures. In addition, employees must follow the Company’s established accounts payable process to make purchases whenever possible.

The Company assumes no obligation to reimburse employees for incurred expenses that do not comply with this Policy. Any deviation from this Policy must be approved by a Corporate Executive Officer.

Expense Reports

Expense Reimbursement Form: Business expenses must be submitted for reimbursement electronically through the Concur software system, or if Concur is not available, by using the Company’s approved Expense Reimbursement Request Form (referred to herein as an “Expense Report”).

Required Information: Each submitted Expense Report should contain a listing (and explanation when not otherwise apparent) of each business expense with respect to which reimbursement is being sought. To comply with Internal Revenue Service guidelines, descriptions of meal and entertainment expenditures should include, at a minimum:

- Event date and location
- Business purpose
- Amount of expenditure
- Name, title and Company affiliation of each individual present

Required Receipts: Vendor receipts for all expenditures in excess of $25.00 detailing specific charges by line item must be submitted with each Expense Report. Expense Reports containing entries that are not supported by appropriate receipts will be returned to the employee submitting the report and will not be paid until such receipts are submitted. In the rare instance when a vendor receipt is not available, a full explanation of the expense and the reason as to why the receipt is not available must be submitted with the Expense Report, along with a copy of any other supporting documentation (e.g. credit card statement). The Company reserves the right to decline to reimburse such an expense at the discretion of the Company’s Chief Financial Officer or designee.

Deadline for Filing: Absent extraordinary circumstances, employees must file Expense Reports no later than ninety (90) days following the completion of the event to which the expense relates.

Incorrect or Incomplete Expense Reports: Expense Reports that are incorrect or incomplete will be returned to the submitting employee for completion and may result in delayed payment of reported items.
The intentional submission of an Expense Report that does not reflect an actual business expense incurred by the employee (i.e., inflated or false receipts) will result in disciplinary action, up to and including termination of employment.

Approval/Authorization Process: No employee is authorized to approve his or her own Expense Report. Generally, an employee’s supervisor or Department Head is responsible for approving an employee’s Expense Report, although an employee’s Division President or a Corporate Executive Officer may also approve an Expense Report. Each management level employee who approves an Expense Report is responsible: (i) for assuring that expenses reflected on the report were incurred and are being reported in accordance with this Policy, and (ii) for monitoring incurred expenses in light of the applicable departmental or divisional budget.

Business Related Meal and Entertainment Expenses

Business Meals: Employees will be reimbursed for business-related meals taken with other employees and actual or potential business partners in the following circumstances:

- When an actual or potential business partner is present
- When at least one Company employee is from out of town
- With the approval of a Division President or Corporate Executive Officer
- Working meals approved by your manager

Entertainment Expenses: Entertainment expenses include events (meals, sporting events, happy hours, etc.) that involve a business discussion either during, immediately before, and/or immediately after the event. Approval for reimbursement of entertainment expenses may only be granted by a Department Head, Division President or Corporate Executive Officer and will only be granted if the persons entertained has a potential or actual business relationship with the Company and the activities and required reporting procedures are followed consistent with the Company’s Code of Business Conduct and Ethics (see Employee Handbook for more information on reporting and approval procedures regarding sponsored social events). With respect to sporting events, pre-approval from the applicable Division President (or Regional President, if Division President is sponsoring) or Corporate Executive Officer (for Corporate employees) is required.

Alcoholic Beverages and Business Functions: Employees are expected to consume alcoholic beverages responsibly when at business functions. If an employee is attending a business related function and believes he or she is incapable of safely driving following such events, the Company will reimburse the cost of alternative transportation to ensure that employees do not place themselves or others in danger. An employee who is arrested and convicted for driving under the influence of an intoxicating substance while in the performance of Company business or when returning from a business function, is subject to disciplinary action up to and including termination of employment.

Miscellaneous Expenses

Miscellaneous expenses are those that do not fit neatly into other categories, yet are directly related to business activities of the employee and therefore reimbursable, such as the following items:

- Office services (i.e. faxes, copies, overnight delivery / postage)
- Currency conversion fees
- Business gifts of reasonable value with prior management approval
- Laundry / Dry Cleaning / Suit Pressing for trips exceeding 5 days
- Airline baggage check charge – limited to 1 regular bag (within weight limit)

The following items are generally **NOT reimbursable** under this policy:

- Gift cards/certificates (with the exception of employee recognition or homebuyer appreciation reasons. Gift card/certificate purchases must be pre-approved by the Division President or Corporate Executive Officer. In addition, a detailed summary of employee gift card recipients with applicable amounts must be provided to the applicable Area VP of Human Resources for proper payroll reporting).
- Airline club / Country club membership dues
- Parking tickets or other fines
- Airport valet parking
- Delinquency fees / Finance charges for personal credit cards
- More than 1 airline baggage charge or excess baggage weight charges
- Expenses for travel incurred by companions / family members
- Expenses related to vacation or personal days while on a business trip
- Loss / Theft of personal funds or property / Lost baggage
- Avoidable “No-Show” charges for hotel or car service
- Non-Compulsory insurance coverage
- Rental car upgrades
- Repairs due to accidents
- Mini-bar charges
- Pay per view movies

Employees should not assume that an item will be covered under the “Miscellaneous” category. Employees should obtain pre-approval from their Department Head for expense items not specifically outlined in this Policy.

**Travel Related Expense Guidelines**

**Preferred Travel Provider**

The Company’s preferred travel provider is Egencia, a division of Expedia. Through Egencia, the Company has established negotiated rates for air, hotel and car rental services. Egencia may be accessed, and travel arrangements may be scheduled, through the designated Egencia travel coordinator (a list of divisional and corporate designated Egencia travel coordinators can be found on the Company’s intranet site under the heading “Business Expense and Travel Policy”). Please note that while the use of Egencia is encouraged, no employee is required to use Egencia if the rates for travel services obtained elsewhere are at least as favorable as or better than those obtainable through Egencia, or if other circumstances that make the use of Egencia impracticable arise.
Air and Rail Travel

Air and rail travel reservations should be made in such a manner as to secure the best available fare. All air travel must be in coach class (unless the employee is provided with a free upgrade or the upgrade is pre-approved by the employee’s Division President or a Corporate Executive Officer).

When traveling by air, employees are expected to:

- Purchase the lowest logical airfare available
- Obtain Division President or Corporate Executive Officer approval for any airfare in excess of $800
- Obtain Corporate Executive Officer pre-approval for international travel

Upgrades: Employees will not be reimbursed for upgrades for air or rail travel (including seat and/or priority boarding fees) that are not approved in advance by a Corporate Executive Officer (email proof of pre-approval must be attached to the employee’s Expense Report). Certain executives (Regional Presidents, Executive Chair, CEO, COO, CFO, CMO, and others designated by the CEO who travel frequently) will be reimbursed for one premier airline club annual fee.

Cancellations/Unused Tickets: When a trip is cancelled after a ticket has been issued, the employee is expected to make a good faith effort to apply any value remaining in the ticket for future travel. Unused tickets or travel vouchers may have a cash value. To expedite refunds, unused or partially used tickets must be returned immediately to the travel agent/issuing authority to initiate a refund. Employees should not attach unused tickets to their expense reports.

Airport and Train Station Parking: When parking at an airport or train station is part of business travel, employees should generally utilize long term parking lots for trips in excess of three days in length when practicable.

Automobile Travel

Taxi/Shuttles: Employees should utilize airport shuttles or taxis when doing so is less expensive than renting a car. Employees should ask for a receipt if one is not offered (required to be submitted with Expense Report).

Automobile Rentals: Employees may rent car to get to their destination when driving is more cost effective than airline or rail travel. Employees may rent a car at their destination when it is less expensive than other transportation modes such as taxis, airport limousines and airport shuttles. Absent special circumstances, employees traveling together are expected to share the use of a rental car.

Car Class: Employees should reserve a car in the compact rental car category unless multiple employees are traveling together or other special circumstances apply, in which case an intermediate or standard sized car may be reserved. Employees may upgrade to a higher car rental class when an upgrade is available at no extra cost.

Insurance/Inspection: Employees should decline all insurance offered by the rental car agency, except that international travelers should accept all insurance offered. In addition, at the time of rental, employees should inspect the car and be sure that any damage found is noted on the contract before the vehicle is accepted.
**Car Return**: Absent special circumstances, rental cars should be returned to the original rental facility, with a full tank of gas and on time (to avoid additional hourly charges).

**Accidents**: Should a rental car accident occur, the employee should immediately contact the rental car agency, local authorities, applicable Area VP of Human Resources and the Corporate Legal Department.

**Gasoline**: The prepaid gasoline option should not be selected. Gasoline for use in rental cars is a reimbursable with a proper receipt.

**Cancellations/Trip Changes**: When plans change, employees are responsible for working with their travel agent or travel coordinator to cancel or modify rental car reservations.

**Business Use of Personal Vehicles**: Employees may use personal vehicles for business purposes if it is less expensive than renting a car, taking a taxi, or using alternate transportation.

**Insurance**: Employees who regularly use their personal vehicles for Company business must maintain the following minimum levels of personal automobile insurance: $100,000/$300,000 bodily injury coverage and $50,000 property damage coverage.

**Mileage Reimbursement**: For employees who are not receiving an auto allowance, mileage is reimbursed at the rate established by the Internal Revenue Service (refer to www.irs.gov site for the current rate). This mileage allowance is in lieu of actual expenses for gasoline, oil, repairs, registration, insurance and depreciation. Therefore, actual expenses for those items will not be reimbursed if an employee uses a personal vehicle for business.

To be reimbursed for the use of a personal vehicle for business, employees must list on the Expense Report:

- Date and purpose of the trip
- Locations traveled to and from
- Mileage (excluding normal commute miles)

**Mobile Device Use While Driving**: It is the Company’s policy to strictly adhere to federal and state laws and regulations as they apply to the use of mobile devices and other electronic devices while driving. Company employees may not read or send text messages, read or respond to emails, program navigation systems, or talk on a mobile device when driving on Company business, unless the employee is utilizing a hands-free device. As a general rule, the Company recommends that employees minimize the use of telephones (or the undertaking of other distracting activities) while driving.

**Lodging and Meals**

**Hotels/Lodging**: Hotel reservations should be made in such a manner as to secure the best available rate. Employees traveling to locations near Company division offices should check with their local division contact, as some divisions may have established negotiated rates with hotels in their area. Employees are required, whenever possible, to stay in hotels that are $250/night or less. Exceptions will be made for New York or other select cities that may have higher hotel rates (exceptions will be granted on a case-by-case basis and should be pre-approved by the applicable Division President or a Corporate Executive Officer).

Employees will be held responsible, and will not be reimbursed, for “no-show” charges unless there is sufficient proof that the “no-show” circumstances and failure to cancel were beyond the employee’s control. Employees should remember that cancellation deadlines are based on the local time of the property and should always request and record cancellation numbers when canceling a reservation.
Meals & Incidentals: In general, meals and incidentals should not exceed $50 per day (or $30 per day if someone pays for dinner or lunch during an out of town trip). Proper receipts must be submitted with expense reimbursement requests.

Hotel Rewards Program

Employees enrolled in hotel rewards programs should use benefits accumulated from business related travel to offset any expenses related to meals and/or internet usage charges rather than for personal benefit.

Telephone and Internet Expenses

In general, if the employee has been issued a Company mobile device, the employee must use it to make all business related telephone calls and personal telephone calls while traveling. If the employee has not been provided with a Company issued mobile device, the employee is responsible for utilizing the most reasonable calling option available.

Business and Personal Telephone Calls While Traveling: Employees that do not utilize a Company issued mobile device or receive a regular monthly device allowance from the Company will be reimbursed for actual telephone call expenses incurred while traveling on Company business.

Hotel Telephone Usage: Hotels often add substantial surcharges to telephone rates. Employees should avoid making phone calls that have a substantial added surcharge. Employees are encouraged to use mobile devices, charge/credit/calling cards or public telephones to minimize these expenses.

Internet Access: When using a hotel internet connection employees should utilize the logical best cost option. Hotel internet connections are reimbursable only if being used for Company business.

Travel Time

Some employees may be expected to travel as part of their normal work responsibilities. Below are some guidelines to follow if travel is a requirement of your job.

Exempt Employees: Exempt employees have no time restrictions on when they may travel for work related purposes. Exempt employees are not entitled to any additional compensation for traveling since they are paid a salary that covers all hours worked, including travel time.

Non-Exempt Employees: Non-exempt employees are required to schedule all travel time during regular business hours. Any exceptions must be approved in advance by the employee’s supervisor. Unless otherwise required by state law, travel time will be considered as “time worked” only if the travel is during an employee’s normally scheduled work hours or the employee is performing work during such hours. It is the Company’s expectation that employees will perform work-related duties during normally scheduled work hours while traveling (to the extent consistent with safe travel). Time spent taking a break from travel in order to eat a meal, sleep, or engage in purely personal pursuits not connected with traveling or making necessary travel connections is not considered hours worked and should be excluded from timecard entries.