

## **11.6 TRAVEL AND EXPENSE REPORTING**

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### **I. PURPOSE**

Centerplate's travel and entertainment policies and procedures are established to provide standard guidelines for arranging and purchasing all Centerplate business travel. The policy is to ensure consistent quality service for all Centerplate business travelers while consolidating travel purchases to provide leverage in negotiating vendor discounts and minimizing the cost of business travel. The procedures establish a standard method for the preparation, approval and submission of travel expense reporting using Concur applicable to all employees that meet IRS expenditure and reporting requirements. The Travel and Entertainment Policy will also identify reimbursable and non-reimbursable expenses. It will also clarify the responsibility of employees and their superiors for planning, controlling and reporting travel and entertainment items for individual, as well as group or event travel. It is the responsibility of the traveler to fully understand the Travel Policy and to make certain that each business trip is absolutely necessary, and cannot be handled in a less expensive meeting forum.

All approved and paid expense reports are subject to additional review and audit.

### **II. POLICY**

A. The Company policy is to reimburse employees for the actual expense incurred on the Company's behalf while the employee is engaged in authorized Company business. Such expenses must be reasonable and necessary in the performance of Company business and incurred in accordance with the Company Policy. A basic principle for expenditures when traveling on business is the use of "common sense". While assuming a reasonable level of comfort and convenience for the traveler, every effort should be taken to minimize company expenses, in a similar manner that would be employed if the expenses were incurred for private travel. The Company relies on the integrity and good judgment of employees in disbursing Company funds.

B. The Company will provide a Corporate Sponsored Expense card that will be issued to pay Company related expenses. All employees who travel frequently are required to have and utilize a personal Corporate Sponsored Expense card issued to him/her to be used to pay for Company related business expenses. The annual fee for the Corporate Sponsored Expense card is a reimbursable expense. Fees charged to enroll in the Corporate Sponsored Expense cards rewards program will not be reimbursed. The Company Sponsored Expense card closes on the 25<sup>th</sup> of each month. Expenses should be processed as soon as possible, up to or after the 25<sup>th</sup> to prevent late charges, and to achieve a zero balance.

C. Reimbursement of travel expenses will be made only upon the submission of a properly prepared and approved Concur submission. Only those expenses which have a legitimate business purpose, are incurred in accordance with Company Policy and are properly documented will be reimbursable. Centerplate reserves the right to deny reimbursement or coverage of expenses that are not in compliance with the policy and are considered to be lavish, extravagant or otherwise inappropriate, as well as expenses that are not supplied with adequate proper documentation or approval. Non-observance of this Travel and Entertainment Policy, may lead to disciplinary measures for the respective supervisor and traveler, up to and including termination, in the discretion of Centerplate.

D. In order to monitor travel costs and for internal control purposes, **all travel reservations will be made through the official Company travel agency.** Travel arrangements made outside the approved agency may be subject to additional review and approval and may not be reimbursed. Notification of the approved agency will be distributed through Corporate Purchasing.

E. Generally, travel and entertainment expenses will not be billed directly to the Company. Expenses are to be paid by the employee and included on his/her expense report. The only exception to this policy is:

1. Airline charges for employees who haven't been issued a personal Corporate Sponsored Expense Card by the Company may be billed to the Company business travel account.

F. If a spouse or companion accompanies an employee on a business trip, the Company will not reimburse the employee for a spouse's or companion's expenses unless prior approval has been obtained from the Corporate Human Resources Department and the appropriate SVP/EVP. Furthermore, no additional costs for private travel may be incurred to Centerplate when employees combine business with private travel, unless approved prior to the business trip. Any tax impact as a result of authorized spouse travel is the responsibility of the employee.

G. Petty cash and other operating funds within an operation are not to be used to obtain temporary travel advances or reimbursement for travel, entertainment or other expenses normally reported in Concur without the approval of the Corporate Controller.

H. All travel must be pre-approved by the travelers' immediate supervisor prior to the business trip, exceptions to this requirement are employees at the following management levels; CEO, CFO, EVP and SVP.

I. It is the responsibility of the supervisor to insure the trip is necessary and the most economical modes of travel are utilized. The Supervisor will review all expense reports for accuracy, compliance to the Policy and timely submission of the report.

### **III. TRAVEL ADVANCES**

A. All travel and entertainment expenses should be discussed and appropriate approval obtained in advance.

B. Where special circumstances exist, employees who travel infrequently may obtain a temporary travel advance and upon their return from a trip or on a weekly basis, they are to submit and make settlement for the outstanding balance due to the Company and/or the employee. The use of travel advances is discouraged and must be approved in writing by the Area Controller and the appropriate Vice President. Travel advances in excess of \$5,000.00 requires the approval of the Corporate Controller.

C. If the employee traveling does not have a vendor code, a Vendor Maintenance Request Form should be completed and submitted to the appropriate Vice President for approval. This eliminates delays in the processing of travel reimbursement.

D. The Temporary Travel Advance Form is available on Spark.

### **IV. SPECIFIC EXPENSE ITEMS**

While the Company relies on the integrity and good judgment of employees in disbursing Company funds, the following guidelines will apply to these most common business expenses:

#### **A. Air Travel**

1. All requests for air travel should be made as far in advance as possible to take advantage of any airline discounts, preferably 14 days prior to travel. The employee should also consider the lowest logical (considering cost and time) available airfare.

2. **The cost of airfare incurred on Company business trips is reimbursable and must be booked with the approved Company travel agency and with the appropriate Corporate Sponsored Expense card.** Airfare booked outside the stated agency may be subject to additional review and approval and may not be reimbursed.

3. For tickets issued on a discounted fare, the airlines will generally not refund the cost of the ticket, but may allow the value to be placed against future travel (minus an administrative fee). The traveler should inquire about using the ticket in this manner for future travel.
4. Air travel arrangements for employees, who don't possess a Corporate Sponsored Expense card, or other personal credit card, must be made through the Company contracted travel agency and be billed to the Company's business travel card. In order to charge air travel directly to the Company's travel card, the travel plans must be approved by the appropriate Vice President and the Area Controller.
5. Reservations should be made for coach travel for most flights. With prior approval, upgrades may be acceptable for International flight times of over 6 hours. First class travel is not allowed unless there is a business reason to do so, and must be approved by the Chief Executive Officer or the Chief Financial Officer. Free upgrades are acceptable.
6. At the time the reservations are made, the lowest fare that will be offered to the traveler may be a non-refundable ticket. Should you need to change or cancel the itinerary, penalties may occur. The lowest fare should be accepted even if there is a penalty for a change, unless the reservation is tentative. Employees should always consider cost effective travel measures balanced with business goals. Travelers may need to accept longer travel times and accept one stop flights rather than non-stops to achieve better airfares.
7. Employees may receive the benefits from the airlines for frequent flyer programs, overbooking incentives and denied boarding compensation as long as it does not interfere with Company business. Employees are not allowed to book a higher cost airline to accrue personal, frequent flyer mileage.
8. The travel agency must be advised as soon as possible if an employee cancels all or part of their flight arrangements. Changes or cancellations that exceed \$200 USD require authorization from the initial approver. Failure to get this authorization may result in additional fees not to be reimbursed.
9. All business-related airline tickets issued will be charged to the employee's operation or to the operation for which the travel is benefiting. Overhead related travel will always remain within the overhead account, unless specified otherwise and with prior approval of the Corporate Controller.
10. Traveler should not accept travel insurance. Travel insurance purchased by an employee will not be reimbursed.

11. Membership dues for the airline executive clubs are not reimbursable unless approved by the Chief Executive Officer or the Chief Financial Officer.

12. TSA pre-check fees and priority boarding fees are an allowable expense with prior VP approval.

13. Baggage fees are a reimbursable expense.

B. Ground Transportation

1. Rental Cars

a. Alternative forms of transportation such as bus, taxi, or hotel courtesy car, which may be more cost effective, should be considered prior to renting a car. Intermediate or smaller models should be used whenever possible. Larger vehicles may be needed depending on the number of passengers or cargo. When traveling to another office of the Company, an employee may provide transportation. Employees with a common destination should share a rental car or alternate form of transportation.

b. The Company's preferred car rental companies are National, Enterprise and Hertz. However, if there is a substantial cost savings with an alternate car rental company, booking is allowed. **The cost of rental cars incurred on Company business trips are reimbursable and must be booked with the approved Company travel agency and with the appropriate Corporate Sponsored Expense card.** Car rentals booked outside the stated agency may be subject to additional review and approval and may not be reimbursed.

c. Travelers are encouraged to return the rental car with a full tank of gas to avoid the high cost of rental car refueling fees.

d. Additional insurance coverage offered by the car rental company in the United States or Canada should be declined. Coverage for the collision damage deductible, medical expense or personal death benefits is provided by the Company.

e. Any accident involving a rental vehicle while on Company business must be immediately reported to the Corporate Risk Management Department and the traveling employee's supervisor.

f. Car rental charges can be posted on the Concur site as one figure on the day the vehicle is returned. The one exception is the refueling charge

which needs to be noted separately with an explanation so that the approver of the expenses has the option of approving or denying reimbursement.

g. All add-on radio and GPS service fees will not be reimbursed.

2. Public/Local Transportation

a. The cost of taxis, trains, limousines and commuter buses or vans to and from places of business, hotels, railroad stations, airports, or when starting or concluding a trip are reimbursable expenses. Travelers should compare the cost of public transportation to the expenses that would be incurred versus airport parking.

b. Exercise good judgment when determining the most cost effective parking options.

3. Personal Automobiles

a. A personal vehicle may be used for Company business only if valid auto insurance is maintained on the vehicle by the owner or lessee of the vehicle. Be mindful of time when driving versus flying.

b. The Company will reimburse employees for the use of personal vehicles for approved Company business. The total cost of the automobile trip (including hotels, meals, mileage, and all other expenses en route) must not exceed the total that would have been incurred had the trip been made by common carrier.

c. The owned vehicle mileage allowance covers all operating expenses, including gas, oil, repairs, maintenance, insurance, etc., and will be established in accordance with the Internal Revenue Service guidelines. The mileage allowance does not cover parking and tolls which will be reimbursed separately. Mileage incurred for travel to your normal office is not reimbursable under the IRS guidelines. Consider using a rental car as it could be more cost effective depending on the length of travel.

d. Any accident involving a personal vehicle while on Company business must be immediately reported to the Corporate Risk Management Department and the traveling employee's supervisor.

C. Lodging

1. **The cost of lodging incurred on Company business trips is reimbursable and must be booked with the approved Company travel agency and with the appropriate Corporate Sponsored Expense card.** Hotels booked outside the stated agency may be subject to additional review and approval and may not be reimbursed. It is expected that good judgment will be exercised by all employees when selecting lodging accommodations. The Company has set a maximum per day limit for lodging expenses based on the average annual Corporate Travel Hotel Index published by Business Travel News. For cities not covered by the Corporate Travel Hotel Index, the traveling employee should use “common sense” and make every effort to minimize Company expense based on a reasonable level of comfort and convenience for the traveler using Marriott Courtyard and Hilton Garden Inn as a proxy for lodging accommodations. If you are a AAA or AARP member, please inquire on obtaining a discounted rate based on your membership status. Comfort, safety and meeting employee’s minimum business requirements should be the first consideration.

If resort hotels are used, they must be cost effective and the minimum needed for business purposes.

2. Hotel reservations may be guaranteed for late arrival. It is the employee’s responsibility to cancel or modify hotel reservations in accordance with the hotel’s noted cancellation policy. Please note, some hotels may require a 24-hour or more advance notice of cancellation. For many hotels, special rates may be offered at much lower rates, however, the room may be non-refundable. The company requires SVP/VP approval prior to any booking of non-refundable rooms. Private car services or other means of transportation (e.g. Uber, taxi) should only be used if the cost of airport parking exceeds the use of private car service to and from the airport.

3. No Direct Billing – An operation shall not establish a direct bill account with a hotel without authorization by the Corporate Controller. If approved, the arrangement with the hotel must be to bill for room and tax only. The employee is responsible for all other hotel charges including incidentals and must submit these expenses on the Concur site to receive reimbursement.

D. Meals

1. Centerplate will reimburse employees for out-of-town business meal expenses (breakfast, lunch and dinner) actually incurred and supported by adequate receipts. Employees are to eat in quality, comfortable and convenient locations, but to exercise discretion in respect to cost and local regulations.

2. If during a business trip the employee receives complete all-day catering from the Company or from a third party at the Company's request or in connection with any other business purpose, no additional meal expenses will be reimbursed. In case of partial catering the employee can claim appropriate partial reimbursement.
3. Unless authorized in advance by the traveling employee's supervisor, the maximum amount that will be reimbursed for meals will be; breakfast \$20, lunch \$30, dinner \$60 and snacks \$10. Detailed receipts are required.

E. Communications

1. All necessary telecommunication expenses are reimbursable. Use of Company cell phones are recommended as a primary form of communication when on business travel. See Company telecommunications policy regarding the use of Company cell phones. The use of hotel phones are not permitted.
2. Wi-fi charges are a reimbursable expense, both at hotels and in-flight for business purposes only.

F. Entertainment

1. Reasonable expenditures are acceptable with non-company individuals if they are directly related to the active conduct of Company business, the entertainment took place in a clear business setting and there was expectation of achieving a specific business result. Also see Guide to Business Conduct.
2. The nature and extent of such entertainment should be authorized in advance by the traveling employees' supervisor unless the expense is common and accepted in your field of business, trade or profession. Entertainment of clients by VP/SVP does not require additional approvals, as long as it is budgeted and within the corporate guidelines for entertainment. All other expenses for entertainment must have prior approvals by your appropriate supervisor.
3. Entertainment expenses with Company employees are acceptable but must be limited to the cost of meals and the business purpose must be explained in detail. The cost of tickets etc. may be reimbursable under special circumstances.
4. When the Company entertains and more than one company employee is involved, it is customary for the senior ranking employee to be responsible for payment and submission of the expense.



G. Cleaning

Reasonable charges for laundry/dry cleaning incurred while traveling out-of-town for more than five consecutive days will be reimbursed. Charges incurred after returning home are not reimbursable.

H. Tips

Maximum reimbursement for tips should be limited as follows:

- Food and beverage – fifteen percent (15%) to twenty percent (20%)
- Shuttle services – one to two dollars; depending on the distance to/from the airport and to/from the hotel
- Taxi – up to fifteen percent (15%)
- Bellman/Skycaps – one to two dollars per bag but limited to larger bags only
- If feasible, the tip must be recorded on the actual receipt for the service

I. Cancellation Fees

Cancellation fees incurred in the normal course of doing business are reimbursable. Fees incurred by the traveler through negligence, personal choice, or carelessness of the traveler are not reimbursable.

J. Non-Reimbursable Expenses

The following are examples of those travel expenses which will not be reimbursed by the Company:

- The cost of travel between an employee's residence and their principal place of business, no matter how great the distance. This constitutes a commuting expense
- In-flight movies and telephone calls
- Hotel services such as, movies, manicures and hair cutting or styling
- Motor vehicle violation fines or charges
- Annual fees for personal credit cards
- Airline first class upgrades
- Magazines, newspapers, books and other personal items
- Airline or other travel insurance
- Interest on or late and delinquency charges for credit card bills
- Toiletries
- Dues and fees paid to social, athletic and sports clubs

- Transaction fees for use of ATM machines

NOTE: Travel and Expense Reimbursement is not to be used for any primary residence relocation related expenses. Please reference Relocation Policy.

K. Special Allowances

When an employee is temporarily assigned to a location for a short period of time, or permanently relocated to another location, special allowances are provided to the employee other than normal business related expenses. Information on how to apply for a special allowance can be obtained from the Corporate Human Resources Department.

V. DOCUMENTATION

A. All expenses must be properly classified on the Company's web-based automated expense reimbursement tool to insure the appropriate account is being charged. **This is important since Internal Revenue Service regulations state that some business related expenses (meal and entertainment) are not 100% deductible to the Company.**

B. All expenses should be promptly submitted by each employee on the Concur site after incurring travel and entertainment expenses.

C. For airline reimbursements, an airline ticket receipt, itinerary, or an e-mail confirmation which includes the ticket number, date(s) of travel, and cost of the ticket must be attached to the Concur submission and purchased from the Company contracted travel agency in order to obtain reimbursement.

D. Original receipts are required to support reimbursement of all business expenses except mileage reimbursement and in some situations, gratuities or tips. Receipts are to be legible and intact. Receipts should be processed in accordance with the Company's web-based reimbursement tool, Concur. Where receipts are not available or lost, an explanation must be given for the claimed expense. The authorized approver will determine if the expense is allowable. Employees should keep 24 months of receipts on file.

E. For items charged to Company credit cards, the charge slip should be attached to the sales receipt.

F. Personal credit card statements are not acceptable as receipts for reimbursement purposes.

G. Hotel bill charges must be broken down by day and identified on the face of the receipt and properly classified in Concur as lodging, meals, telephone, etc.

H. All meal expenses require an itemized receipt in order to be reimbursed.

I. When meals are claimed for more than one person, the following information must be recorded in Concur:

- Date entertainment took place
- Number of employees and/or guests in the group
- Name and location where entertainment took place
- Type of entertainment; e.g., dinner
- Name and title of each guest
- Reason for entertainment

J. Cellular phone and home office phone reimbursements must be submitted with the entire phone bill, including the call/long distance detail.

## **VI. PREPARATION OF EXPENSE REPORTING**

A. All expenses should be reported through Concur and approved by the traveling employee's supervisor.

B. The cutoff for the Corporate credit card is the 25<sup>th</sup> of each month. The traveler is responsible to finalize their expenses to include all charges through the end of the credit card period. Expense reporting in Concur should be completed after a business trip, but in no case should expenses prior to the 25<sup>th</sup> cutoff of any month not be reconciled by the end of the month. **Failure to follow the procedure will incur late fees on the Corporate credit card that you are responsible for and that will not be reimbursed.**

C. Both the employee and the approving manager reviewing the travel and entertainment expenses are responsible for ensuring that all expenses submitted for reimbursement/coverage are reasonable and in compliance with all aspects of this Policy. A supervisor approving travel and entertainment expenses thereby states that he/she has completely and adequately reviewed the expenses, together with the supporting documentation, and thus approves reimbursement/coverage. Non-observance of this Travel and Entertainment Policy may lead to disciplinary measures for the respective supervisor and the traveler.