

## Purpose and Scope

The purpose of the Corporate Travel Policy is to provide HSM associates with a consistent and effective approach to business travel and meetings related expenses. This policy applies to all associates at all levels. These procedures ensure that all travellers, travel arrangers, meeting planners and attendees clearly understand HSM's objectives concerning appropriate spending and reporting of travel and meeting. The information in this policy governs those who incur and claim reimbursement for business travel and those responsible for approving those expenses.

## Responsibilities

Company...

It is HSM's responsibility to provide programs that maximize the traveller's time, while minimizing cost and inconvenience.

Traveller...

It is the responsibility of the HSM traveller/Manager to make prudent travel purchasing decisions in compliance with this policy and to report/approve expenses according to established expense reporting policy. Failure to comply with these policies may result in declined reimbursements and/or result in disciplinary action.

### 1. GENERAL COMMENT

Employees are expected to exercise prudent business judgement regarding expenses.

All Travel & Expense reports must be submitted to Accounts Payable – Administration Department.

This policy will take into account two kind of situations:

**Long-term Stay**: the travel will be consider a long-term stay if the employee travels during more than 5 days.

**Short-term Stay**: If the employee is travelling 5 days or less.

### 2. TRAVEL AUTHORIZATION

All travel requiring airfare and/or overnight stay should be approved in advance. (e-mail is enough for authorization purposes)

Regarding ticket class, the policy is as follows:

**International**    Coach (1)

**Domestic**        Coach

**(1)** If Coach is not available then Business Class may be substituted. Exceptions must have approval from Company Head (in case of the traveller is the Company Head, it should be approved by Head of Finance)

Travellers should use judgment about the number of direct reports travelling with them on the same flight. Similarly, large numbers of people from the same department should not travel on the same flight.

Frequent flier miles may be retained by the employee. Under no circumstances should an employee alter economical fare arrangements in order to obtain frequent flyer incentives.

### **3. TRAVEL ADVANCES**

Require approval from a Manager level or above. The amount must be similar to cash requirements of the trip, which cannot be paid with a corporate card. Also the amount will be based on the amount limits mentioned on this policy.

For short-term stay, it will be submitted to the traveller by the home country.

For long-term stay, the home country will provide the cash for the first five days, the remaining amount in order to complete the travel period will be provide by the destination country..

All travel advances should be reported and payback (if applicable) no later than 3 weeks after the trip is concluded.

### **4. TRAVEL ARRANGEMENTS**

All travel arrangements should be made through Administration Department or a Designated Travel Agency (DTA) if cost savings result. Commercial arrangements will be priority N<sup>o</sup>1 to buy flight tickets.

### **5. LODGING**

Standard Single Room with negotiated corporate rates (where applicable) should be used. Hotels will include breakfast where possible (Otherwise it will be included under meals).

- a. Preferred Properties: HSM associates travelling on Company business are required preferred hotels that include amenities, such as breakfast. However Commercial arrangements will be priority N<sup>o</sup>1.
- b. Travellers are required to book all hotel reservations through the DTA or Administration department
- c. Hotel Rates: The traveller must book a standard, single room at a preferred hotel, which meets the specific needs of the trip.
- d. Early checkout: Some hotels charge a fee when guests check out prior to schedule. Avoid early check out fees whenever possible.
- e. Host/Hostess Gifts: A limit of USD50 per day is allowed for a token gift (or dinner) for a host/hostess who has provided lodging to a HSM traveller on business. Checks/cash are not acceptable gifts. A receipt is required.
- f. Health Club / Mini-bar / In-Room Movies / Laundry / Dry Cleaning Fees (See Section [12, Listing Reimbursable/Non-Reimbursable Expenses](#)).
- g. Telephone Charges (See Section 12, Listing Reimbursable/Non-Reimbursable Expenses)
- h. Gratuities: Reasonable and customary tipping is acceptable and reimbursable for bellhops, porters, maids and other hotel staff who provide exceptional service.

### **6. MEALS EXPENSES**

- a. Personal Meals

## CORPORATE TRAVEL POLICY



- Daily maximum spending limits are intended for the self-purchase of meals (breakfast, lunch, dinner), including tips.
  1. Individual receipts are required for meal expenses incurred.
  2. The maximum daily cost for meal reimbursement is based on the region where the travel is occurring.

USA	Usd 90
GERMANY	€ 70
SPAIN	€ 60
ITALY	€ 70
ARGENTINA	\$arg 90
MEXICO	\$mex 525
BRASIL	R\$ 135

If the country of visit is not included in the list above, daily allowance should be asked in advance.

3. Travelers must use their American Express Corporate Card to pay for meals wherever possible.
4. Individual receipts are required for all meal expenses. Timely submission of required receipts is necessary to comply with country-specific legal/statutory requirements and VAT (Value Added Tax) reclaim. Failure to submit required receipts will result in delays or holds on employee reimbursements.

### b. Conference Meals

- Reasonable cost of meals, beverages, and tips incurred during the course of a business meeting will be reimbursed. Waiter staff tips will be reimbursed (They will be paid regarding the local customs).

The meeting may be attended by HSM and non-HSM personnel: if HSM is paying for the meeting expense, then the highest rank HSM person in attendance must pay for the meal.

## 7. GROUND TRANSPORTATION

Travellers are encouraged to use the most economical form of ground transportation. Where available, bus and train are preferred mode of transportation above taxis. However, taxis can be used where appropriate.

## 8. ENTERTAINMENT

Acceptable business practice includes entertainment (i.e. night clubs, theatre, sporting events, etc.) under conditions conducive to business discussions. A brief valid business purpose is required and expenses must be approved by the next high level person or above not in attendance.

Such entertaining must serve a definite business purpose with a reasonable expectation of deriving business benefits. Only reasonable cost will be reimbursed. The meeting may be attended by HSM and non-HSM personnel: if HSM is paying for the meeting expense, then the highest rank HSM person in attendance must pay for the bill.

For long-term stays, the employee will be entitled to an additional 50% of their daily expenses per each weekend day, to spend in entertainment activities.

## **9. CORPORATE CARD**

Corporate card must be used whenever possible to pay business related expenses only. **Use of Corporate card for personal expenditures is prohibited.**

**Use of Personal credit cards is not allowed unless Corporate Card is not accepted. Any employee who travels regularly may apply for a corporate card with the approval of their department manager or higher.** Applications for the corporate card are processed by Administration Department.

## **10. GIFTS**

Gifts may be given to a third party if for specific business purpose. (Example: gifts for speakers)

**Prior approval must be obtained from Country Head or Head of Finance** (if gift is given by Country Head). Any gift requires written notification to the Administration Department (due to Tax issues) and advance approval.

The expense report must show the recipient's name, business relationship, amount and business purpose of the gift, and documentation of the payment.

## **11. PERSONAL PROPERTY**

Theft, loss and /or damage of personal property while travelling will be reimbursed at a maximum of U\$500.- for short-term stay and U\$1000.- for long term stay.

When travelling employees should have their luggage wrapped with the plastic luggage protection generally provided at airports. This service usually provides luggage insurance for airline loss. In the event that the airline company lost and/or damaged the luggage, the employee must claim for the insurance amount. HSM will reimburse the employee the difference between the amount recognized by this company and the maximum amount mentioned above.

Employees are advised to minimize all personal valuables taken on any business trip and to take all precautions necessary to minimize risk of loss.

## **12. SPECIFIC CASES**

Please see below, a listing of reimbursable and non-reimbursable expenses is shown here for reference only.

i. Travellers will be reimbursed for the following miscellaneous expenses:

- Overnight delivery or air freight for business purposes.
- Business office expenses (faxes, telegrams, delivery, copy services, etc.).
- Currency conversion fees.
- Fare penalty (non-peak ticket for peak travel).
- Laundry/dry cleaning/suit pressing for long-term trips exceeding five (5) days.
- Highway tolls/parking fees.
- Visa/passport/consulate fees.

- International calls: an international call card will be provided.
- Internet receipts must also be reported.
- Cellular phone: The use of cellular phone will be evaluated regarding the employee duties during their travel.
- Medicine cost when travelling

ii. Following is a listing, though not all-inclusive, of expenses that generally will not be reimbursed by HSM:

- Annual fees for personal credit cards.
- Personal hygiene products (shampoo razor blades, toothbrush, etc.).
- Personal entertainment or recreation (in-room movies, mini-bar, health club fees).
- Expenses for clothing, umbrellas, briefcases, etc.
- Expenses for non-business purposes.
- Charges for upgrades for air, car, hotel, etc.
- Fines (parking, traffic violations).
- Expenses associated with interim stopovers (incremental transportation costs, hotel, meals, etc.) when the stopover is not business related.
- Expenses not supported with a valid receipt (unless otherwise provided within the policy).
- Expenses for spouse/family member accompanying traveller on a business trip.

### **13. EXCHANGE RATE**

The currency Exchange rate for credit card statement should be used for expenses paid by credit card or the effective rate got in a foreign exchange business transaction performed or at Yahoo Finance (<http://finance.yahoo.com/currency>) for cash paid expenses.

### **14. EXPENSE REPORTS**

Upon return from a business trip, the employee must complete an expense report (see attached form). Expense reports should be submitted one week of the completion of the trip to Accounts Payable for processing.

**Expense reports not submitted within 2 weeks of completion of the trip will require the authorization of the Head of Finance. The employee will not be allowed to make a new travel until she/he complete the mentioned report. Original receipts must be submitted.**

All excess advance of money is required to be paid back to the company within 5 working days from concluding the travel.

### **15. DOCUMENTATION REQUIREMENTS**

Each expenditure reported must be documented with a specific **business purpose**. All expenditures must be accompanied by an original receipt and proof of payment, however, where a receipt is not practically

available (i.e. cash tips/gratuities, subway, cab fares, vending machines, etc) then a detail itemization of these expenses will be accepted, and approved if reasonable as to purpose and amount. Additional documentation requirements related to specific expenses are outlined below.

**Air Fare**

The original passenger receipt or boarding pass, which clearly identifies the airline class flown, must be attached to the expense report.

**Meals, Meeting & Entertainment**

When an employee incurs expenses related to meals while travelling, pays for meals at business meetings, or incurs costs for entertainment, all of the following documentation is required:

- o A charge card slip or a receipt from the establishment with the Establishment's name.
- o The names, company and occupation/title of all the persons attending the event.
- o Business relationship of the employee and any person attending.
- o The exact amount of the expense.
- o The place and date of the meal, meeting or event.
- o The **business purpose** of the event.

**Lodging**

In addition to the charge card receipt, the hotel bill detailing the expenses incurred at the hotel should be included with the expense report to support expenses such as room charges, valet and laundry (long stays only), etc.

**16. POLICY ENFORCEMENT**

All expense reports, which contain invalid or undocumented expenditures will be adjusted. Employees will receive an expense adjustment report from Administration - Accounts Payable which indicates the amount reimbursed along with details for any adjustments.

Open disregard for this policy will result in disciplinary action, as necessary.