

Travel Policy

This policy is applicable to all employees and recurring service providers

Business Travels Procedure

1. Objectives

- 1.1 This document provides the guidelines for making travel arrangements and describes information on payment and reimbursement of travel and entertainment expenses incurred while conducting company business travels.
- 1.2 The procedure deals with a definition of the powers for approving pre-business travel costs and post business travel costs.

2. Responsibility

The responsibility for carrying out this policy applies to all company employees in Israel and overseas as well as recurring service providers.

3. Policy

- 3.1 The company sees high importance in employees' business travel, and its significant contribution to the promotion of the company's business, with the knowledge that its cost is high, and therefore needs to be used properly. The company employees are expected to faithfully represent the company while travelling and maintain proper conduct.
- 3.2 In any case that you require assistance while travelling overseas, please don't hesitate to contact your direct manager. Finance & administration department departments will make every effort to assist you in resolving the problem.
- 3.3 The company will reimburse all expenses related to the business travel in accordance with this procedure. All reimbursements will be against receipts only.
- 3.4 Business related expenses that are not detailed in this procedure will be presented only with a written reference from the direct manager. Those expenses will be reimbursed only with the COO/VP Finance approval, as detailed in section 7.
- 3.5 Approval process for flight tickets, lodging, car rental and trade shows should be via e-mails while copying finance department to the confirmation ("Travel Request").

4. **Travel arrangements**

4.1 **Advance Written Approval of the Travel**

A Travel Request will be completed by the employee and forwarded to the direct manager in order to check its necessity and cost.

4.2 **Authority of Approval**

The approval will be given by the authorized level in accordance with the details set out in the table below in order to check the travel purpose and cost:

Passenger	Authorizing level 1	Authorizing level 2
Employee	Appointed Manager	Appointed VP
Appointed Manager	Appointed VP	
Appointed VP	COO	
	Every Travel above \$3,000 requires COO approval	

In the absence of the COO, all travel will be approved by the VP Finance

4.3 **Employees who live and work outside of Israel**

Employees who reside and work outside of Israel will make all necessary arrangements for the travel on their own, according to the above detailed procedure, following direct manager approval or appointed VP.

4.4 **Travel Preparation Expenses**

It is the employee's responsibility to check the validity of his passport, entry visas and driving license, and apply for renewal if required, in sufficient time before the travel.

The company is responsible only for the visa expense, related to travel preparation.

4.5

Flight tickets

4.5.1 The purchase of the flight ticket will be made by the employee following the approval of the appointed manager.

4.5.2 All employees are obligated to the following guidelines:

- A. Flight tickets will be purchased at the lowest price possible.
- B. There will be up to 1 connection in each business flight, the connection will be up to 4 hours.
- C. If the price of a direct flight is up to 10% higher, employee may choose a direct flight over indirect.

4.5.3 All flights, to all destinations, will be made in **economy class** only.

4.5.4 In cases of more than 2 days' trip - departure and arrival hours must be checked in order to get to the cheapest cost.

4.5.5 Frequent Flyer card – the company is aware of the fact that some of the employees hold frequent flyer cards that bestow their users with benefits for various airlines and hotels. It is absolutely forbidden to choose airlines or hotels based on those frequent flyer benefits, unless it is the cheapest option.

4.5.6. Use of airport lounge is permitted only if there is 3 hours' connection or more between flights.

4.6 Overweight

The company is responsible for any expenses related to overweight caused by the company needs.

In case the employee knows in advance of expected overweight, he must specify it at his flight purchase. Personal overweight will be bear by the employee.

4.7 Expenses & Per Diem (Eshel)

Employees who fly for business purposes are entitled to daily Per Diem (Eshel) during the period spent abroad. The Per Diem is reimbursed without receipts, according to the following rates:

Region	For Employees from another region (Daily)
<u>Americas</u>	<u>60 USD</u>
<u>Europe</u>	<u>60 EUR</u>
<u>Asia-Pacific</u>	<u>60 USD</u>

Other than Per Diem (Eshel), all other travel expenses will be reimbursed against receipts only!

Per Diem will cover all living expenses: meals (morning, lunch & dinner), drinks, private travel, tips, etc.

The company is entitled to change the rates from time to time.

4.7.1 If departure hour is until 14:00, employee will be entitled to a full day's Per Diem in the applicable region. Departure after 14:00, employee will be entitled to half a day Per Diem in the applicable region.

4.7.2 If landing hour is after 14:00, employee will be entitled to a full day's Per Diem in the applicable region. Landing until 14:00, employee will be entitled to half a day's Per Diem in the applicable region.

4.7.3 In case an employee goes out to a business meal paid by the company, the Per Diem will be reduced to 30 USD/EUR.

Company employees are not allowed to invite each other to business meals.

4.8 Lodging rates

Below are the maximum lodging rates approved by the company:

USA & Canada: 100 USD

Europe: 90 Euro

Asia-Pacific: 100 USD

Exceptions to those rates requires the approval of the direct manager.

The company is entitled to change the rates from time to time.

The lodging rate is for a single room.

Employees that stay at friends' or family as an alternative to hotel lodging that the company has to provide, will receive an extra 40 USD above his daily Per Diem.

4.9 Public Transportation Expenses

4.11.1 Transportation expenses will be reimbursed only against receipts. Origin and destination of travel must be indicated on the receipt.

4.11.2 In places where it is impossible to get a receipt, a declaration must be filled with the origin and destination of travel detailed.

4.11.3 Transportation to airport – the employee is obligated to use the cheapest taxi company. In case another comfortable alternative is relevant (such as train), the employee would rather use the other alternative.

4.11.4 Transportation to airport/Parking – company will reimburse airport parking or rental car if the cost will be equal or cheaper than a Taxi ride for the same route.

4.10 Communication Expenses

Before flying abroad, make sure you have a foreign SIM card. Please refer to Admin department.

Few options to communicate from abroad:

- Phone calls using Skype (www.skype.com) – free of charge between Skype users (Or other alternatives: Viber, Whatsapp).
- Dialing card (or similar service) and local SIMs.
- The employees must completely avoid using hotel telephones.

4.11 Car rent

4.11.1 Level – rented car will be level B or similar.

The maximum car rental rates approved by the company are:

USA & Canada: up to 50 USD per day.

Europe: up to 40 EURO per day

In cases where there are over 3 passengers together on duty, level C is approved.

Employees must return rental cars with a full tank of gas.

Any exceptions must be approved by the appointed VP.

4.11.2 Cancellation / Change – If the employee's plans have changed and a car is no longer required, the reservation must be cancelled, and a cancellation or change form must be accepted from the car rental company.

4.11.3 Excess insurance – In case the employee was involved in an accident while driving, the excess insurance will be covered by the company. The employee will pay the relevant amount, and will be reimbursed against receipts.

4.12 Business meals

4.12.1 Business meal will take place for promoting company business. The entertainment will be at a reasonable level, and will not be over 50 USD per person.

Employees can include presents for business associates. The present will be at a reasonable level, and will not be over 40 USD.

4.12.2 A company employee will NOT entertain on the company account another company's employee, including employees of affiliated companies.

4.12.3 Receipts must be handed in with guests & company names noted on them.

4.12.4 If a TIP was paid for a business meal at the acceptable rate, not over 15%, it will be reimbursed by the company. The TIP amount will be noted on the receipt and included in the expense report. A TIP larger than 15% will be given at the employee discretion and on his/her account.

4.14 Laundry

An employee staying abroad for more than five days is entitled to laundry. The reimbursement will be only against receipts and at the amount of up to 40 USD per week, starting on the sixth day.

4.15 Travel insurance

4.15.1 The employee will verify that he has travel insurance prior to travel.

4.15.2 In case that the employee doesn't have travel insurance, the employee must present receipt against the insurance in order to get reimbursement

4.15.3 In case of theft or loss of equipment, the employee is required to deliver the proper papers from the local police.

4.15.4 In any case of damage or loss due to airline negligence, the employee must submit the claim to the airline by himself/herself. In case the cost of damage or loss is higher than the airline's coverage, the insurance policy of the company will be activated by finance department.

4.15.5 In any case that the employee requires medical attention, he/she is required to coordinate it with the insurance company according to the details that are specified in the insurance policy. In addition, the employee is required to notify the direct manager at the earliest opportunity, in order to allow the company to assist him/her.

The employee is required to pay for medical treatment, and bring all relevant receipts.

- 4.15.6 A pregnant employee must report the pregnancy to finance department before the flight, in order to extend the insurance. A pregnant employee in week 26 and up will not be able to fly.

4.16 Special Expenses

- 4.16.1 Every special expense occurred on duty for a reasonable amount according to the case, undefined at this procedure and vital for proper performance, will be reported with receipts, written explanation and manager approval.
- 4.16.2 Expenses that require receipts according to procedure and due to objective reasons cannot be received, will be reported on a written statement with the reason of why the receipt could not be received.
- 4.16.3 An employee who booked a flight and worked during rest day (Saturday for Israelis and Sunday for non-Israelis) or holiday, will be entitled to vacation day accordingly.

4.17 What is not allowed:

Below is a list of some examples of non-reimbursable items. **If you question whether an item is reimbursable, contact your finance representative for clarification before you make the expense.**

- Items such as toiletries and tobacco
- Any late payment fees, penalties or fines resulting from the Employee's wrongdoing.
- Issuing or renewing passports
- Membership fees in non-professional associations (airline clubs, etc.)
- Purchase of office equipment or magazines
- Movies and mini bar items at hotel
- Any gratuities not appearing on the receipt or over a reasonable range up to 18%.
- Expenses made without the required prior approval
- Purchase items that are managed by other departments, such as IT or office equipment.

5. Changes of travel planning

5.1 Cancellation or Postponement of Travel

If an approved travel has been decided to be cancelled or postponed, the employee will notify his manager, office manager and finance department

5.2 Changes of travel schedule and/or budget

Every change in travel plan, due to any reason, requires direct manager approval.

6. **Report and Settling of Accounts**

6.1 Travel Expense Reports must be submitted by the end of the month when the employee returned from the flight

6.2 The report must be submitted with all **original** receipts, exchange rates for all relevant currencies (according to the rates at the day of expenses) and itinerary. The receipts must be submitted in an organized and legible manner.

For lodging expenses, any receipt showing proof of payment must be submitted. A credit card slip only is unacceptable for reimbursement.

For car rental expenses, detailed rental car receipts must be submitted. A rental car agreement is unacceptable for reimbursement.

6.3 In order for the expenses to be reimbursed in the correct currency, it is recommended to submit the relevant credit card report. The credit card report can be produced from the credit card website at any time (requires pre-registration).

It is recommended to submit this report as the credit card companies in most cases collect a higher rate than the exchange rate that the banks are providing. Employees that do not submit this report will not be reimbursed for the difference.

6.4 The report will be submitted in the company's form by the employee and will be approved by the finance department.

7. **Exceptions Approval Authority**

7.1 A manager is authorized to approve, at his discretion, and within the limits of his authority, an expense that is exceptional from the procedure. That is after checking the reasons that led to it, and on condition that it was vital to finish the assignment.

This authority does not cover private and personal expenses.

- 7.2 Expenses not covered by receipts are not deductible for tax purposes, and therefore exceptions must be avoided at all cost. Only the COO and VP Finance are authorized to approve such exceptions.
- 7.3 Authorizations for exception approval are as follows:
 - 7.3.1 Exceptions made by employees that are subordinate to the COO, will be approved only by the COO.
 - 7.3.2 No exceptions due to private or personal expense will be approved.