OBJECTIVE
The objective of this policy is to communicate expectations regarding expenses incurred while performing company business and to specify allowable travel and entertainment expenses.

SCOPE
This policy applies to all divisions of First America. Divisions may issue supplementary policies so long as all provisions of the First America policy are still met.

BACKGROUND
Employees may be required to travel in conjunction with their normal duties or incur expenses to fulfill company needs. It is First America’s policy to provide a company credit card for such expenses (see Section 3.6) or to reimburse its employees for reasonable and authorized expenses (see Section 3.7). Employees who pay for authorized business expenses with cash or personal credit card must submit an expense report form to request reimbursement. Any other payment or reimbursement methods must be approved by Divisional CFOs or the First America CFO. Employees traveling without a corporate credit card should make reservations using their supervisor’s corporate credit card.

Travel expenses are subject to examination by the Internal Revenue Service. The Tax Reform Act of 1986 places stringent requirements upon corporations to substantiate travel expenses as valid tax deductions. These expenses are only eligible for deduction when they serve a clear business purpose. In order to be properly documented, all company credit statements and expense reports should be thorough in detailing the purpose of travel and related expenses.

POLICY

Categories of Travel & Entertainment (T&E) Expense

3.1 Air Travel

All reservations for airline travel must be made through the FGA designated Travel Agency, utilizing the lowest logical fare consistent with the known risks of the service selected. Specific information on the FGA designated Travel Agency is available on the FGA Intranet. All transactions must be conducted using the FGA Corporate credit card.

In order to reduce the cost of travel the employee should:
TRAVEL AND ENTERTAINMENT EXPENSES

- All reservations must be made through the FGA Travel Agency. Specific information on the Company Travel Agency is located on the FGA Intranet.
- Book reservations as far in advance as possible. Discounts are based on advance reservations starting twenty-one days in advance.
- Be flexible in travel plans including departure times, connections, and origination city.
- Air travel should only occur on distances of travel more than 250 miles.
- Make sure the Travel Agency has their traveler profile, including all pertinent information and preferences (employee is responsible to update annually).

3.1.1 Domestic Air Travel

Air travel should be arranged using the lowest logical fare when traveling on company business. It is the policy of this company to utilize Coach on domestic flights. **Under no circumstance should First Class be booked when traveling domestically.** The Travel Agent will follow FGA T&E Expense policy to obtain the best airfare:

- The departure time or arrival time may vary up to two hours before and two hours after the requested time, or
- One stop with one change in planes at intermediate city, with a reasonable lay-over period, and
- Book reservations as early as possible.

NOTE: If the desired schedule falls outside the above criteria, and the suggested routing is not used, then approval of the employee’s manager is required.

Non-refundable fares should be used when possible in an effort to be most cost effective with air travel. *(You are able to make several changes to a non-refundable air fare for well below the cost of a ‘refundable’ air fare.)*

3.1.2 International Air Travel

Business Class on international flights over six hours, only with AMB permission.

For international business trips, travelers are encouraged to consult with the Travel Agency for documentation requirements (visas, etc.) of the country to be visited. Any costs incurred for securing the needed documentation should be charged to the employee's department.
3.1.3  Traveler Incentives

The FGA designated Travel Agency is contracted to make travel arrangements in accordance with this Travel Policy. In many instances, travelers are eligible for frequent flyer miles or other incentive programs, which may benefit the employee. In addition, travelers may wish to make personal stops (based on a desired routing) in connection with business travel or to have dependents travel in connection with business trips. Collectively, these are referred to as Traveler Incentives.

If an airline trip is necessary for company business, flight reservations will be made on the least expensive routing, regardless of the traveler's participation in a particular airline mileage program or other employee request. Furthermore, any additional costs incurred for personal travel in connection with business travel must be borne by the employee.

Travel expenses for a spouse, spouse equivalent, and other dependents must be borne by the employee, unless a necessary business purpose is evident and an approval of the employee's manager is obtained.

3.1.4  Tickets – Handling Procedures

Upon completion of a business trip, it is important to ensure that airline tickets are fully accounted for. Passenger coupons or other evidence that the flight was taken should be attached to all travel expense reports or commercial credit card statements.

If purchased tickets are for any reason not used, they must be tracked so that a credit can be obtained toward the next flight purchased on the relevant airline.

Changed Tickets
Before Departure - Changes in travel itineraries can be frequent due to the nature of business travel. If there is a change in the itinerary before a trip has commenced, the Travel Agency should be called for a new ticket to be reissued if time permits. The old ticket should be returned as documented above.
Upgrades/Downgrades - Payments for upgrades on airline tickets are the responsibility of the traveler. Normally, in order to use a “frequent flyer” upgrade, a ticket must be full fare coach rather than a discounted fare. There is no reimbursement for:

- the additional cost between full coach and the lowest logical fare,
- the cost of the “frequent flyer” upgrade.

Voluntary downgrades are an exchange of the original ticket to a lower fare ticket at the discretion of the traveler. The fare difference is not available to the employee to offset other travel expenses. An employee will only be reimbursed for the actual cost of the airfare.

3.1.5 Airline Club Memberships

Membership in airline clubs will not be reimbursed by the Company.

3.1.6 Airline Travel Insurance

The FGA designated Travel Agency provides automatic flight insurance of $100,000 on all air travel tickets provided by the agency at no cost to the company or employee. Should an employee decide to purchase additional coverage, such costs will not be reimbursed by the company.

3.2 Automobile Travel

Travelers making reservations for car transportation must utilize the FGA designated car rental providers. Reservations with the preferred suppliers can be made via the company Travel Agency or Internet.
Specific information about the car rental company can be found on the FGA Intranet. Rental cars should be used when public or private transportation is not a practical alternative or when lack of accommodation near a facility or other place of business requires the use of a car.

3.2.1 Authorized Rental Agencies

Due to negotiated corporate rates and override agreements (which remove many of the restrictions contained in the terms and conditions of the standard rental agreement), rentals can only be obtained from current Authorized Car Rental Agencies as communicated by the Travel Agency.

Even though some companies could have a more economical daily rate in a particular city, only Authorized Car Rental Agencies should be used. In such cases, these lower rates should be reported to Corporate Purchasing. The only exception to this policy should be in the unusual circumstance where no Authorized Car Rental Agency is located in the place of travel.

3.2.2 Authorized Car Size

A mid-size car or smaller should be used in most travel situations. A larger car should be used only when necessary as a result of multiple passengers or other valid business purpose.

3.2.3 Car Rental Charges

General - All reasonable expenses incurred in the operation of a rental car are reimbursable by the Company. These reasonable expenses include:

- gasoline and oil,
- GPS
- toll charges, and
- reasonable parking charges.

A receipt must be submitted with the expense report or commercial credit card statement. See Expense Reimbursement for further details.

Refueling - Refueling charges from the car rental company are typically higher than available through retail gas service centers. To minimize the refueling costs rental cars should be refueled prior to returning the car to the rental agency.

Insurance - First America is self-insured above the dollar amount associated with normal accident and collision damage claims. Therefore, employees should waive all insurance services and fees unless otherwise instructed by the division president or CFO. In addition, using the company provided credit card for car rentals provides insurance coverage. **You must decline all optional insurance.**

Accidents - Any accident and other claim arising out of the use of a rental car is to be reported immediately to the car rental agency, the local police authorities, the Travel Agency, and your immediate manager.
The car rental agency will issue instructions on how to proceed. A copy of all written documentation outlining the accident, etc., should be forwarded to the Company’s General Counsel.

Fines - Any police fines incurred by an employee for parking, speeding or other violation of the law will not be reimbursed by the Company.

3.2.4 Personal Cars

If it is not practical or if it is more costly to use a public carrier or car rental agency, an employee may use their personal car for Company business; provided that liability insurance is carried by the employee in the minimum amount required by the state in which the vehicle is registered.

Expenses for use of an employee's personal car for Company business shall be reimbursed at the current IRS published rates unless the employee is already compensated for personal car use. The mileage allowance includes the cost of all vehicle operating expenses such as gasoline, oil, maintenance, towing, insurance, repairs, etc. Therefore, additional operating cost will not be reimbursed by the company. Allowable mileage will be based on the actual odometer reading.

Travel by personal car to and from employee's residence and regular duty location is not considered a business trip during a regularly scheduled workweek. When travel originates from an employee's residence, the allowable mileage shall be limited to the actual miles driven in excess of the employee's normal mileage between the residence and regular duty location.

3.2.5 Other Transportation

Airport parking - All travelers should use short-term parking only for short trips which requires less than 24-hour parking. Anyone requiring parking at an airport in excess of 24-hours should use long-term parking lots to take advantage of lower rates. The Company will not reimburse parking fees accrued in short term parking in excess of 24-hours. All parking receipts are required to be submitted with the expense report or credit card statement to ensure proper reimbursement.

Limousines – Complimentary airport and hotel limousines should be used when available, convenient and feasible. Reasonable fare and a reasonable gratuity are reimbursable. Rental of chauffeured limousines will not be reimbursed.

3.3 Lodging

When traveling on Company business that requires the use of hotel accommodations, the traveler should obtain the lowest logical rate possible using the FGA designated Travel Agency for hotel reservations.
The Greyhound Drivers’ program is an exception, and follows the Corporate Lodging Program. Specific information on the FGA designated Greyhound Drivers’ lodging program can be found on the FGA Intranet.

Single room accommodations should be used for all normal business travel, unless approved by the employee’s manager.

3.3.1 Cancellations

Because of the different cancellation policies of hotels, it is advisable to cancel unneeded space no later than 24-hours before check-in date at the hotel. In case of international hotels, 48 to 72 hours advance notice is required. It is the traveler’s responsibility to cancel reservations through the Travel Agent if changes in hotel reservations occur. The cancellation number, date, time and name of the person handling the cancellation should be recorded for later use if a discrepancy occurs. Greyhound Drivers’ are to cancel hotel reservations directly with the hotel if changes occur.

3.3.2 Dependent/Spouse/Personal Travel

All expenses incurred in the use of hotel accommodations, other than of a personal nature, are reimbursable by the Company. See Expense Reimbursement. Additional costs incurred for double room accommodations (as opposed to single) or other related items used for dependents, spouses or personal travel are the responsibility of the employee.
3.3.3 Documentation

Expenses are reimbursed with complete, original hotel documentation attached to the expense report. Because of the tax laws, it is very important that meals, telephone charges, and any other miscellaneous charges are segregated from the hotel room and tax charges on the expense report with the business purpose clearly identified.

3.4 Telephone

Most hotels charge excessive fees for local and long-distance calls. Hotel telephone charges will NOT be reimbursed for those employees who have a Company mobile phone (except when cell phone coverage is poor or non-existent).

3.5 Meals

3.5.1 Meals when Traveling

Employees will be reimbursed for all reasonable documented meal expenses. Lunches are limited to when employees are traveling away from their home location. Cost for all meals is limited fifty dollars per day. Meal expenses will vary by geographical region.

When meal expenses include an additional employee(s), the employee's name(s) must be documented on the expense report, plus a complete list of all attendees.

3.5.2 Alcohol Reimbursement

Reimbursement will not be provided for expenses related to alcoholic beverages unless external parties are present, and then company-paid alcohol consumption should be kept to a minimum. Any purchases deemed excessive will be the responsibility of the employee to reimburse the Company. No alcohol should be claimed for reimbursement if employees only are present. In these circumstances, alcohol should be paid out-of-pocket separate from a claimable receipt.

3.5.3 Lunches

The cost of delivered lunches will only be approved if the meeting extends for over three hours and covers the lunchtime period. Lunch must be from an agreed vendor and should be avoided if possible.

All meal expenses should be charged to the corporate credit card when possible.
3.6 Company Credit Cards and Advances

3.6.1 Company Credit Cards

- Employees of director level and above who travel frequently for business are permitted to have a company credit card
- Employees who have ad hoc requirement for hotel bookings or flights should use their senior manager’s credit card for booking the necessary reservations
- All other expenses should be paid by the employee and claimed for reimbursement

First America has a travel and entertainment expense card program. The program is to be used to procure business travel related expenses. Select cardholders may have approval for expanded purchasing capabilities based on their roles and responsibilities within the organization. It is not to be used for personal non-business purchases.

The credit card purchases are paid directly by the company. Employees do not personally pay for company expenses. Corporate credit cards are reimbursed via the Travel and Expense Management system reporting.

There are control mechanisms built into the corporate card program. It is designed to control and limit:

- Maximum dollar amount of a single transaction.
- Total spending per day and month.
- Where the Visa is used, as defined by MCC Code.

On a monthly basis, the cardholder is required to reconcile their monthly transactions using the Travel and Expense Management System. The system will list all charges for the month. The cardholder will follow the corporate credit card procedures per policy, submit and forward expense reports to the next level management for approval.

Using your corporate credit card for car rentals provides insurance coverage. You must decline all optional insurance.

Using the corporate travel and expense credit card provides travel and life insurance, as well as $400,000 of Worldwide Automatic Travel Accident insurance and Lost Luggage Benefits.

3.6.2 Cash Advances

Cash Advances are not allowed.

Exceptions to this policy must be approved by the business unit CFO.
4.0 Expense Reimbursement

An employee shall submit an appropriate Expense Report within thirty business days following completion of a trip utilizing the Travel and Expense Management System. The Company will reimburse employees for reasonable expenses which have been reviewed and approved by the employees’ manager.

Only business expenses specifically enumerated within this Policy will be reimbursed. In general, to qualify as a reimbursable expense the following criteria must be met:

- The expense must be ordinary and necessary in the conduct of business.
- The expense must be supported by original documents and/or receipts, including the business purpose, then submitted in conjunction with an expense report.
- All entertainment related expenses must be directly related to or associated with the active conduct of business. The customer’s name(s) must be included on all receipts.

Extravagant expenditures will not be reimbursed.

All requests for expense reimbursement must be accompanied by an original receipt. Failure to provide an original receipt may result in disallowance of the reimbursement.

The following support is required for expense reimbursement:

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Support Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline Fares</td>
<td>Passenger coupon of the airline ticket.</td>
</tr>
<tr>
<td>Car Rental</td>
<td>Car rental agency invoice with indication that the balance was paid.</td>
</tr>
<tr>
<td>Lodging</td>
<td>Detailed hotel bill with indication that balances was paid.</td>
</tr>
<tr>
<td>Meals and Entertainment</td>
<td>Credit card receipt (cardholder’s copy) or an original vendor receipt.</td>
</tr>
<tr>
<td>Taxis, Buses, Trains</td>
<td>Receipt required for fares over $25</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>Credit card receipts (cardholder’s copy) or original vendor receipts for expenses over $25.</td>
</tr>
</tbody>
</table>

Employees are to be reimbursed for actual expenses only, unless other arrangements have been approved in advance.
The following expenses will be reimbursed, if reasonable:

- Tips
- Tolls
- Parking
- Laundry/valet (if staying over a weekend)
- Currency exchange charges
- Telephone
- Faxes
- Room service
- Health club fees not to exceed $10 per day
- Internet access

The following expenses will not be reimbursed:

- In-flight movies
- Baby sitter fees
- Barber fees
- Personal supplies
- Car washes
- Animal kennel fees or boarding fees
- Hotel room movies
- Traffic fines (including parking fines)
- Gifts
- Luggage, briefcases
- Personal car maintenance
- In room snack services
- Satellite radio
- Valet parking at airport

**Reviews Required**

Internal Audit will regularly review compliance with this policy.