Global Travel and Entertainment Policy

Policy:

This document is designed to act as a guideline for business travel and entertainment expense reimbursement. They are based on practices employed by most organizations of our size and take into consideration what is considered reasonable and customary. This policy is designed to accomplish the following:

- To ensure that all travel and entertainment expenses are incurred in connection with the conduct of legitimate company business.
- Expenses are expended in accordance with Government regulations, are reported properly and on a timely basis and are recorded in conformity with generally accepted accounting principles.
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1. Travel and Entertainment Policy

This policy applies to all Harman International Business Units and is intended to facilitate business required travel and entertainment, in a comfortable fashion, while managing costs and maintaining efficient business processes. It is not intended to be onerous or unduly restrictive. Please direct any concerns regarding this policy to the Director of Corporate Travel. It is a governing guideline that supersedes all previous directives relating to travel, entertainment and other employee expense reimbursement from any other source. Under no circumstances may any Harman employee modify these policies to be less stringent in their application unless authorized by a Country Manager or above with a copy forwarded to the Senior Director Global Corporate Travel.

Employee Responsibility

- Employees are responsible for reading and complying with this policy.
- Prior to travel, if a particular situation is not covered by policy, employees should contact their manager or Travel Manager/Travel Administrator for direction.
- If a situation arises unexpectedly while traveling and employees are not able to reach their manager or Travel Manager/Travel Administrator, the employees should determine the most reasonable and economic option and make the best business decision.
- Knowledge of and adherence to local laws at the travel destination are the responsibility of the employees.
- Employees are responsible for the timely submission of complete and accurate expense reports. Expense reimbursement is not intended to provide additional compensation or inducement for travel.
- Employees who do not comply with policy may be subject to delayed, partial or forfeited reimbursement and/or disciplinary action.

Approver Responsibility

- Approvers are responsible for conveying to their employees the importance of avoiding real or perceived conflict(s) of interest.
- Approvers are responsible for assuring their direct reports are complying and submitting expense reimbursement documents as stated in this policy.

Compliance

- The Company assumes no obligation to reimburse employees for expenses that are not in compliance with policy.
- Violation of any provision contained in this policy may subject involved employees, including approving managers, to corrective action up to and including termination of employment.

2. Company Sponsored Corporate Card

Company-Sponsored Corporate Card Overview

For employees traveling on business more than three times per year, a company corporate card is required. The
corporate card is to be used for all business travel and entertainment expenses, and should be used only for this purpose. A travel profile will be created once your card has been processed.

2.1 Card Use
It is required that all business travel and entertainment expenses be charged to the corporate card. Use of the corporate card provides the company with travel expense data critical to negotiating lower cost preferred supplier contracts. Because of this, the employee is expected to minimize the use of cash or a personal credit card for reimbursable expenses, and is asked to refrain from using the company issued card for personal expenses.

2.2 Liability
The individual cardholder is personally responsible for full payment of all expenses and charges detailed on the monthly statement. The company is not responsible in any way to the issuer of the corporate card for any non-payment or misuse by the employee.
When using electronic expense reporting software, the company will make payments to the corporate card provider on behalf of the employee for all approved business expenses.

The employee is responsible for Delinquency fees and Finance charges for personal credit cards. FINANCE AND DELINQUENCY CHARGES ARE NOT REIMBURSABLE FOR ANY REASON.

It is the responsibility of the employee to promptly report a lost or stolen Corporate Card directly to the card company. Charges incurred due to the delay in reporting a lost or stolen Corporate Card are not reimbursable.

3. Cash / Travel Advances

3.1 Cash Advances
Harman finance offices should avoid issuing cash advances; employees who travel very infrequently should be encouraged to use their own personal credit card, or the Harman finance department may issue a temporary corporate card.

3.2 Corporate Card Cash Advance
A cash advance can be obtained with the corporate card through an automatic teller (ATM). The cash advance can be expensed as out of pocket cash, by line item transaction based on how the monies were spent; the company will reimburse the employee directly and the employee is responsible to pay the corporate card provider directly for the full amount withdrawn. Reimbursements for ATM fees must be accompanied by the ATM receipt and must be attached to the expense report.

3.3 Hotel Cash Advance
Employees obtaining a hotel cash advance and adding the amount of the advance to the hotel folio (bill) must mark the advance amount under Other/Misc as non-reimbursable during the hotel folio allocation and follow the itemized process as stated in the Corporate Card Cash Advance section of this policy. The employee is responsible for paying non-reimbursable amounts to the corporate card provider directly.

4. Travel Arrangements

4.1 Reservation Procedures
It is required that all air, lodging and car rental reservations, including en route changes, be booked through the Company's designated Self Booking Tool (Sound Travels) or the Designated Travel Agency. Reservations made
through any other source causes the Company to lose valuable management information, supplier discounts and benefits, and will cause delayed, partial or forfeited reimbursement.

Refer to Appendix A for current Designated Travel Agency information.

All business travel reservations for domestic trips or easy "point to point" international (Point to Point Examples: Frankfurt to Bangalore roundtrip; Los Angeles to Paris roundtrip, Detroit to Shanghai roundtrip) must be made through the Harman Self Booking Tool (SoundTravels).

The Self Booking Tool (Sound Travels) should not be used for personal travel and only used for Harman employee approved business travel.

4.2 Spouse/Child Travel
Travel expenses for a spouse are not reimbursable as a business expense unless it is shown that the spouse's presence was both essential and directly related to the effective accomplishment of Company business. In the limited instances of such cases, the employee must obtain written approval in advance from their departmental supervisor. For approved spouse travel contact the Designated Travel Agency for securing travel reservations. Spouse travel expenses are to be processed in a separate expense report.

4.3 Group, Tradeshow and Meeting Travel
Any meeting requiring hotel accommodations and/or meeting space (including internal) for 10 participants or more must have Executive Committee member and Chief Human Resources Officer approval. The event should be registered to the Corporate Meeting department via the Harman intranet for the approval process workflow. Once the event is approved the Corporate Meeting team will source the event and assist in contract negotiations and offer assistance toward the execution of the event. This process should be followed as all Harman hosted events should be included in the global meetings and events calendar. Tracking Harman hosted events of 10 participants allows Harman to increase our leverage and buying power with vendors, host hotels and venues.

4.3.1 Definition
Group and meeting expenses are for a planned gathering of ten or more Company employees and invited non-employees in a location specifically set aside to address pre-selected topics. Reimbursable expenses may include, but are not limited to travel, hotel, onsite/onsite food and beverage, ground transportation, equipment rental, meeting rooms, group entertainment and group services.

4.3.2 Payment of Group Charges
Where appropriate, group expenses (i.e. meeting rooms, banquet meals, group activities) should be charged to an AMEX Meeting Corporate Card. Individually incurred expenses during group travel (i.e. room and tax, incidental expenses) should be charged to the individual's corporate card and expensed as individual travel.

4.3.3 Employee Participation
No more than 4 employees from any division to fly to the same event without Executive Committee or Chief Human Resources Officer approval.

4.3.4 Internal Meetings
For cost savings and logistics internal meetings should be conducted by telephone, webcast or video conference. Employees are asked to consider this as an opportunity prior to submitting a request for venue sourcing process.
4.4 T&E Costs Incurred on Behalf of Others
An employee who intends to charge T&E costs to another Department is to receive pre-approval from the receiving Department’s management before incurring expenses. These costs should be processed on a “stand alone” expense claim.

4.5 Traveler Profiles
Employees expecting to travel three (3) or more times per year should submit a Corporate Profile Form along with their Corporate Card application to Corporate Travel to ensure that pertinent details and preferences are adhered to in the reservation process. It is the responsibility of the traveler to maintain their travel profile with current information.

4.6 Use of Preferred Suppliers
Use of preferred air, hotel, and car rental suppliers should take priority. Non-preferred suppliers should be used only in markets not served by the preferred supplier, or when a significant lower fare/rate is offered and available to book using the company designated offline or interactive corporate travel program.

5. Air Travel

5.1 Air Travel Arrangements
Travel arrangements require a Pre Trip approval and should be made through the approved Harman travel service provider in accordance with this policy.

5.2 Payment and Documentation
Airline tickets should be charged to employee held corporate card.

5.3 Lowest Fare Routing (LFR)
Employees are expected to use the lowest fare routing (LFR) when arranging air travel. When making domestic and easy point to point international travel reservations online the employee will be prompted of the lowest fare; for multi-destination international itineraries contract our designated travel counselor, provide your travel dates, destination and preferred arrival or departure time (depending on the traveler's scheduling priorities); the agent(s) will identify the lowest airfare available at the time of your inquiry.

Booking a more expensive, full-price coach seat in order to use an upgrade certificate or sticker when less expensive coach fares are available is not permitted.

While this policy does not cover every possible situation, it establishes adequate parameters for employees to use appropriate judgment to minimize air travel cost.

LFR Exceptions –
For the traveler’s benefit and convenience, the following exceptions are allowed to LFR:

A non-stop flight may be selected over a connecting flight if the fare difference is not greater than $100 USD equivalent. Employees are encouraged to select connecting flights if savings can be achieved and their schedule permits.

5.4 Travel Limitations on Same Flights
To the extent that it is practical to do so by advanced planning, commercial airline travel should be scheduled so that
1) no more than two executives travel together on any one flight,
2) no more than two Directors in the same department travel on the same flight,
3) no more than 4 employees from any division to fly to the same event without Executive Committee member or Chief Human Resources Officer approval,
4) a concentration on one flight of too many employees within the same city, department or function is avoided. These officers or key employees are responsible for ensuring compliance with this policy.

5.5 Advanced Bookings/Restricted Fares
To minimize airfare costs, travelers are required to book flights at least 7 days in advance and use restricted fares when practical. If booking less than 7 days in advance a pre-trip approval must be obtained from your immediate supervisor and either a Country Manager, Regional Head or an Executive Committee member prior to booking the reservation. Each traveler should assess the risk of change to travel plans when booking his/her flight.

5.6 Cancellation of Air Tickets
If a trip is ticketed and then cancelled or changed, it is the responsibility of the individual traveler to ensure that the original ticket price is refunded or documented and used toward future travel. It is a best practice to cancel your ticketed flight reservation PRIOR to the ticketed departure date/time or the ticket may have no value. If the ticketed reservation is canceled prior to ticketed departure time, in most cases the ticket will result in an airfare credit (full or partial depending on the fare rules) issued which can be used by the ticketed passenger within a calendar year and subject to individual airlines requirements. The travel confirmation will indicate the fare type rules.

5.7 Classes of Air Travel
All employees are expected to travel using the following class of travel guidelines:

**Domestic/Continental Travel:** (within your own country/within a continent e.g., less than 8 hour segment)
All employees are expected to travel in economy (coach). Domestic/Continental flight segments times greater than 5 hours employees are allowed to purchase premium economy seating after ticketing as long as the fee is not greater than $150.00 USD equivalent per segment. Requires a Pre Trip approval by your immediate supervisor.

**Intercontinental:** (Segment greater than 8 hours in duration or from one continent to another – over water)
For flight segments greater than 8 hours in duration or from one continent to another:
- Grade 16 & Above: Business class is allowed.
- Grade 14 & 15: Premium economy allowed. With immediate supervisor approval, an upgradeable economy fare is allowed using either personal miles or a company airline travel certificate if available.
- Lower than Grade 14: With immediate supervisor approval, premium economy seating is allowed with a maximum fare difference of $400.00 USD equivalent per 8 hour segment.

Note: All Intercontinental travel with a flight segment greater than 8 hours or flights from one continent* to another requires a Pre Trip approval by your immediate supervisor and either a Country Manager, Regional Head or an Executive Committee member.

These rules apply with the following exceptions:
- Division Presidents and heads of Group functions may further restrict business class travel at their discretion.
- Employee is disabled and requires special accommodations. Documentation of this approval is required to be submitted along with receipt of airline ticket.
- Continent – Europe, Asia, Africa, North America, South America, Australia and Antarctica.

Note: First class airfare will not be reimbursed.
5.8 Transcontinental Travel
Employees may not book a transcontinental flight unless they are staying for a minimum of three full working days at their destination. Any exceptions to this policy must have advance approval of the business unit's group president. Employees are encouraged to utilize video conferencing as an alternative for internal meetings avoiding the cost of transcon flights.

5.9 Frequent Flyer Programs
Traveling employees may retain frequent flyer benefits, such as using frequent flyer miles earned from traveling on business for personal travel. However, participation in these programs will not result in any incremental cost to the Company beyond the "lowest fair routing," as defined in 6.3, above.
Cost and business requirements, not membership in a particular frequent flyer program, must be the determinant when booking a flight.
Employees will not be reimbursed for any free tickets received from air mileage programs and used for business purposes. It is the company's preference that points or mileage earned through business travel be used toward upgrades or future business travel tickets.

5.10 Denied/Volunteer Boarding Compensation
Travelers may volunteer for denied boarding compensation only if:
- The delay in their trip will not cause an increase in the cost of the trip; and
- The delay in their trip will not result in any interruption or loss of business.
The traveler is required to contact the designated travel provider or 24 hour emergency contact number to advise the itinerary change. Travelers may keep the free travel voucher or other allowance for personal use. Note: In some countries there may be personal tax implication when using vouchers for personal use. Refer to your regional travel representative for additional information.

5.11 Airline Clubs
The Company will not reimburse travelers the cost of membership to an Airline Club.

5.12 Privately Owned Planes
Air travel is permissible only on commercial airlines. Use of privately owned or rented aircraft on Company business is prohibited without the express advance approval of the President of Harman International. No employee may operate any aircraft on Company business.

6. Business Travel Accident Insurance
Harman International carries travel accident insurance for accidental death or dismemberment for all employees traveling on company business. Please consult your Human Resources Department for more information.

All employees traveling on company business who have charged their airline tickets to the corporate card are covered for accidental death or injury. Employees should consult the corporate card agreement for details concerning the business travel accident insurance coverage. There is no reimbursement for additional insurance purchased by the employee.

Duty of Care/Travel Risk Management - Employees are covered for certain travel assistance services while on business. Detailed information can be found on the Harman travel website – www.harmantravel.com.
7. **Personal Travel Combined With Business Travel**

Airlines frequently offer special reduced fares which require a traveler to stay over a weekend night. Employees who elect to extend a business trip over a weekend to take advantage of the discounted fares will be reimbursed for reasonable lodging and meals for the employees only under the following conditions:

a) The extended stay must be approved by the employee's supervisor.

b) Reimbursement for additional lodging and meal costs cannot exceed the savings on the airfare (the savings on airfare is generally printed on the itinerary included with the airline tickets).

c) Travel is limited to the area where business was or will be conducted.

If an employee would like to add flight segments for personal use while traveling on a legitimate business trip, they should price the itinerary without the added personal segment, and then price with the additional personal segment. If the fare is higher it is the responsibility of the employee to mark the difference in fare as non-reimbursable. If the fare is lower Harman will not offer compensation for the savings.

8. **Transportation at Destination**

**Transportation at Destination Overview**

Employees are expected to use the most economical facilities appropriate under the circumstances, and are therefore encouraged to use, in order of desirability, 1) courtesy cars, 2) airport buses, 3) taxis (including Uber), 4) rental cars.

8.1 **Courtesy Cars**

Many hotels have courtesy cars, which will pick up and return a traveler to an airport at no charge. Employees are urged to take advantage of this free service whenever possible.

8.2 **Chauffeured Sedans and Limousines**

As a general rule, chauffeured limousines are not reimbursable and require supervisory approval.

8.3 **Taxis / Sharing Economy Ground (Uber)**

A taxi or utilizing Uber is also an option and is an economical and convenient mode of transportation. The use of Uber/taxis is preferred over rental cars, but judgment must be used by the employee.

8.4 **Rental Cars**

8.4.1 **Justification**

As with all expenditures, the use of a rental car must be justified as an economical need, not as a matter of convenience. For example, a car would not normally be justified for transportation from the airport to a hotel if a shuttle or taxi service is available and your schedule permits.

8.4.2 **Sharing of Cars**

When traveling in groups, sharing of cars should be practiced to minimize cost.

8.4.3 **Returning the Car**

Whenever possible, rental cars should be returned to the originating city in order to avoid drop-off charges and higher rates. Also see: Refueling (9.4.8 below).
8.4.4 Payment and Documentation
Car rentals are to be charged to the employee's corporate card. An explanation and specific approval is required for any other payment method. The car rental contract must be submitted with the expense report when the transaction is not charged to the corporate card.

8.4.5 Vendor Selection
The company has preferred provider agreements with several car rental agencies, travelers should book Harman preferred vendors. The only time a non-preferred is acceptable is when the daily rate including insurance is lower than preferred.

8.4.6 Size
Compact or mid-size cars should be rented unless the number of travelers (four or more) or luggage and equipment justifies a larger vehicle. If this occurs, include an explanation with the expense report regarding the reason for the upgrade. Reimbursement for larger vehicles will be made at the "mid-size" rate only.

8.4.7 Insurance
Employees should continue to decline all insurance coverage offered by the company preferred rental agencies when traveling in the United States and Germany. For other rental agencies, employees should decline the optional collision insurance offered by the rental agencies and accept the minimal compulsory liability insurance.

8.4.8 Refueling
Rented autos should be returned to the rental agency with a full tank of gas whenever possible. Some vendors now provide you the option of buying the first tank of gas and returning the car with an empty tank. This is normally not cost-effective and is discouraged.

8.4.9 Inspection
The physical condition of the rented car is to be examined prior to driving it from the rental lot. Damaged areas are to be immediately reported to the car rental agency and documented. This will avoid possible litigation at a later date for damages to the car for which the Company is not responsible.

8.4.10 Accidents
All accidents involving rental cars should be reported to the rental agency and local authorities (e.g. Police), as required, and a copy of the accident report and bill for repairs, if available, should be attached to the expense report. If the rental car is damaged, the rental agency should be instructed to submit a bill for repairs to The Company. The employee must also notify Harman Travel and Risk Management teams’ immediately in writing and include the following:

- Description of the incident/accident including;
  - Location, time, date
  - Special circumstances or conditions
  - Nature of injury or damage
- Contact information of injured parties and/or witnesses
- Copy of Police report

Subject to police instructions, no information relating to an accident or incident should be given to anyone outside Harman, Woodruff-Sawyer & Co. or its Insurers, without the consent of Harman Legal. It is a condition of our insurance policies that we do not admit liability until confirmed by our insurers.
8.4.11 Personal Use
Employees may use the preferred provider Corporate Rental Agreement when reserving rental cars for personal use in order to obtain a better rate. However, optional insurance coverage is not included in the rental price when used for personal use. Check your personal auto insurance policy to determine whether rental cars are covered.

8.4.12 Disputed Rental Rates
Upon return of a rental car, the rental agreement should be reviewed by the employee to ascertain that the proper rental rate has been charged. The employee should resolve any discrepancies while still at the rental counter.

8.5 Rail
All domestic/continental rail transportation must be in economy class. Sleeping accommodations, when necessary, are limited to a roomette or equivalent.

8.6 Personal Car
Employees may utilize personal cars for business travel when other transportation is unavailable or uneconomical. The use of personal cars for business will be reimbursed at the current mileage allowance. This mileage allowance covers all auto cost (e.g. gasoline, repairs, insurance, etc.) other than parking and tolls. The total cost for use of a personal car on a business trip is limited to the economy airfare for the same destination(s).

Company employees are required to provide their own transportation to/from and during work. **Employees will not be reimbursed for rental of vehicles in their home cities.**

Mileage must be calculated from the employee’s base (office) location of where the trip originates.

8.6.1 Parking and Tolls
Employees will be reimbursed for parking expenses incurred in connection with business travel, provided that the parking expenses are reasonable and supported by an original receipt.

Employees must use self-parking facilities whenever possible; valet parking services should not be used.

Off-airport parking of personal automobiles while on Company business will be reimbursed. On-airport parking will only be reimbursed when off-airport options do not exist or are not available. Travelers are encouraged to use least cost parking facilities at airports when leaving personal autos for trips exceeding two days in order to minimize cost.

8.6.2 Insurance Coverage
Any increase in your personal premium due to maintaining adequate insurance limits, due to a change in use classification, or resulting from accidents during the use of a personal automobile for Company business is not reimbursable. **Harman International is not liable for and will not reimburse employees for damage to, theft or loss of personal vehicles while used in connection with company business.**

9. Lodging

9.1 Hotel Selection
Hotel reservations should be made through Self Booking Tool (Sound Travels) or the Designated Travel Agency. Travelers are expected to utilize Company preferred hotels in cities where available as a first option. In destinations
where Harman negotiated rates are not available, traveler is required to select a moderately priced hotel. For hotel stays of seven (7) nights or longer, employees are expected to use mid-service/extended-stay hotels.

Employee must verify their name; company name and company address is clearly indicated on the hotel invoice. This is needed for company tax purposes and expense reimbursement.

It is the responsibility of the employee to verify that the rate shown on the itinerary is the rate charged by the hotel. Employees should reconfirm upon check-in that Harman is receiving the lowest rate available. Any unusual items should be explained when completing the expense report.

9.2 Room Type
A moderately priced business class hotel is the corporate standard. Travelers should not upgrade to a "Business Class/Club" room/floor at a rate higher than the standard room rate.

9.3 Cancellation
To avoid financial penalties, it is the employee’s responsibility to be knowledgeable of and adhere to hotel cancellation, early check-out and guarantee/no-show rules. Penalties resulting from the failure to follow the applicable rules are not reimbursable.

A no-show charge may be reimbursable, if extenuating circumstances make it impossible for the employee to cancel the reservation within the hotel’s cancellation policy timeframe. Justification is required when seeking reimbursement.

9.4 Payment and Documentation
Lodging charges are to be billed to the employee's corporate card. The original, itemized hotel bill is required documentation for reimbursement of lodging charges. Detailed hotel invoice must be itemized as it appears on the hotel folio in the expense report. Employees will not be reimbursed for excessive "Mini-Bar" charges (not to exceed $10.00 per day). In-room movies, gifts, spa treatments, sundries or clothing purchased from hotel shops or concessions and charged to the room should be marked non-reimbursable and is the responsibility of the employee.

9.5 Third-Party Lodging
While traveling on business, an employee may be provided lodging without charge by a fellow employee, business acquaintance, friend or relative. In such situations, it may be appropriate to offer the host or hostess a token of appreciation. A maximum gift of $75 per host location, per stay/occurrence (e.g., not per night - 5 nights warrants one transaction of $75.00) for flowers, a meal or a gift certificate is reimbursable, provided a receipt is attached to the expense report. A cash payment of $75.00 to host is not acceptable, must be in a form of a gift.

10. Meals and Entertainment

10.1 Personal Meals/Breakfast, Lunch, Dinner
Employees will be reimbursed for the actual cost of meals incurred, including reasonable tips (not to exceed 15%/20%), in the course of approved company business. Meal costs must be appropriate to the nature of the business. Current per diem cost guidelines by individual U.S. cities are available from the Harman Corporate Travel Department.

Meal expense is reimbursable; provided that the restaurant is reasonably priced for the locale and that the expense is incurred while conducting company business under one of the following conditions:
The business travel requires overnight lodging;
The business entertainment is reasonable and necessary to the conduct of business.
Meals will not be reimbursed once the employee returns to their home city.

10.2 Business Meals With Others
Business meals are considered to be all those meals taken with clients, prospects or business associates during which a business discussion takes place. The Company will reimburse employees for the reasonable costs of business meals when they are "directly related to" or "associated with" the active conduct of business. Expenses deemed lavish or extravagant will not be reimbursed.

When having a meal with other Harman employees, for the purpose of internal controls the highest-ranking employee present should pay the bill.

10.3 Alcohol
As a general rule, alcoholic beverages purchased by an employee are not reimbursable. However, the Company recognizes that alcoholic beverages during a business meal or when entertaining may be appropriate. It is expected that employees will act responsibly and avoid excess... It is against company policy to reimburse employees for drinks in lieu of meals. Consumption of alcohol during normal business hours or on company premises is prohibited.

10.4 Entertainment Expenses
Entertainment expenses include events such as theater and sporting events when a business discussion takes place immediately before, during or after the event. Entertainment tickets must be used by the employee and customer together. The number of Harman employees attending must be kept to a minimum and the venue/event must take place in an environment that is conducive to the business objective. Note: Entertainment expenses relating to Gentlemen’s clubs and like establishments will not be reimbursed.

10.5 Receipt/Tax Requirements
To be in compliance with tax requirements, the following information must be included on employee expense reports as support for all business meals and entertainment expenses:

✓ A receipt for entertainment expenses regardless of cost or form of payment; Name, title and company of all attendees;
✓ Name and location of establishment where event took place;
✓ Amount and date of expense;
✓ Specific business topic discussed;
✓ In case of entertainment expenses, the specific time the business discussion took place. (i.e., before, during or after the event);
✓ A handwritten restaurant “tear-tab” receipt or a ticket stub is not acceptable;
✓ When possible the original itemized restaurant receipt must support expenses for business meals.
✓ Failure to comply with tax reporting requirements may result in a loss of expense deductibility to the Company and in unforeseen tax liability to the employee.

Tax accounting requirements may differ outside the U.S. Expense report submitters should follow guidance from their local accounting office regarding what receipts are required to support business expenses.

11. Tips
Tips are a reimbursable expense and should be appropriate to the location, service level and local protocol and never to exceed 20% of the total bill. Additional tipping guidelines may be available in the Worldwide Tipping Guideline Chart located on the Harman Travel Website under Travel Policy.

The following would be considered reasonable and appropriate:

- Porters/Bellperson: $1 - $2 per bag
- Meals: Based on service 10% – 20% (if not included in the charge); and should be included in the charge card payment.
- Taxi Service: If tip is not included, 10-15% is appropriate.

Harman will not accept a rounded flat amount for tips during a trip; all tips must be itemized by transaction/occurrence.

Excessive tipping will be audited and may not be reimbursed.

12. Telephone Usage

12.1 Business Calls
Generally, all business travelers will be issued a company sponsored mobile phone. This should be used while traveling on company business.

If the employee does not carry a sponsored mobile phone, the Company will pay for local and long distance business calls made outside a Company office provided the calls are substantiated by a listing, hotel bill, telephone bill, or downloaded telephone corporate card charge. When possible, office phones should be used to avoid hotel surcharges.

12.2 Personal Calls
The Company will pay charges for personal long distance calls not exceeding $10/day while traveling on business. These calls must be substantiated in the same manner as business calls. When possible, office phones should be used to avoid hotel surcharges.

12.3 Cellular Phones
Most travelers are issued a company sponsored mobile; please check with your immediate supervisor to determine if you qualify. If using your personal mobile phone, the complete original, itemized bill should support reimbursement for cellular phone charges. Excessive or unnecessary cellular charges will not be reimbursed. Cellular access charges are reimbursable; provided that the business unit president has approved the charges and that the cellular telephone is required for the employee to conduct company business.

12.4 Mobile Roaming
In order to help keep roaming costs at a minimum, for travel outside your home country employees are required to ensure that an international data and voice plan is setup. It is the responsibility of the employee to schedule their roaming plan when planning a trip outside their home country by visiting the Harman Hub under Tool & Applications/Mobility Portal.

13. In-Town Expenses

In-Town Expenses Overview
In-town expenses are expenditures incurred by the employee in his/her home city for business meals, entertainment, in-town transportation, telephone expenses and other items necessary for conducting business. See the following guidelines, applicable for in-town expenses:

13.1 In-Town Transportation
When traveling within the home city, employees will be reimbursed for authorized local transportation expenses, including taxis and use of personal cars, if required for business purposes. The use of personal cars for local business transportation will be reimbursed at the applicable rate posted by the IRS.

To determine reimbursable mileage (allowable under tax authority guidelines), employees are to use the following criteria:

- Mileage or other ground transportation from an employee’s home to his/her primary office location is not reimbursable. This is considered commuting by tax authorities and is not a company business expense.
- For travel to business, training or airport locations that are not the employee’s primary office location; the number of miles traveled greater than those to the primary office location will be reimbursed.

13.2 After-Hours Transportation - Major Metropolitan Areas
For employees using public transportation, the cost of transportation to and from work under normal working conditions is the responsibility of the employee. When overtime (authorized by immediate supervisor) situations occur and public transportation is either not available or unsafe, the Company will reimburse each employee for the use of a taxi.

13.3 In-Town Meals or Meals With Others
"In-town" meals are meals purchased in the immediate vicinity of the employee’s location and which qualify for reimbursement. These include meals taken during authorized extended overtime work, or while attending professional association or business meetings. These meals should be taken at reasonable and moderately priced restaurants.

When having a meal with other Harman employees, for the purpose of internal controls the highest ranking employee present should pay the bill.

14. Business Gifts

Business Gifts Overview
The Company recognizes that in certain circumstances it may be appropriate to give or accept business courtesies on occasion as a means of fostering good will. Harman employees should exercise caution when exchanging gifts to avoid any implication that unfair or preferential treatment will be granted or received in their course of dealing on behalf of the company. A basic consideration before accepting gifts should be that public disclosure would not be embarrassing to the company or the recipient. With the foregoing in mind, employees should exercise good judgment before accepting any business courtesies from those with whom the company does business and must comply with the approval and disclosure requirements set forth below. Harman employees should never solicit business courtesies of any kind from any business contact. When gift expenditures are submitted for reimbursement, the cost and description of the item and the business relationship of the recipient must be furnished with the report.

14.1 Customer Gifts
Harman International employees should consider customer policies in regards to being a recipient of a gift. A business gift should be nominal in cost, quantity and frequency and can withstand public scrutiny without damaging Harman’s reputation. Gifts of Harman consumer products are generally appropriate as these items are marked with
Harman promotional labeling. When deciding on the appropriateness of giving a business gift, consider how the gift compares in value to the usual gift-giving practices in our industry and recipients home country, the suitability of the item(s) given your position at Harman, the impact of the gift on building positive business relations with the recipient, and how the transaction might look to an outsider. Any gift over a value of $200.00 USD equivalent should be approved by the CHRO or Divisional President.

14.2 Contributions or Donations
Contributions to charitable and non-profit organizations of items of value given in connection with sales campaigns or promotions are not considered gifts. Employees are required to refer to the Harman Manager of Community Relations for contribution information. These type of expenses should not be charged to the company sponsored corporate card and processed through T&E.

14.3 Employee Gifts
On occasion Harman International may want to recognize an employee for outstanding achievement or for a major milestone such as a promotion or retirement. Employee gifts may also include expression of sympathy (immediate family only), gift for promotion, etc. Any employee gifts over a value of $100.00 USD equivalent should be approved by the CHRO or Divisional President.

Gift Policy Points to Consider:
- No Harman International employee may give or receive a gift that violates the law, regulations, agreements or reasonable customs of the marketplace.
- Make sure any business gift is nominal in cost, quantity and frequency and that the gift can withstand public scrutiny without damaging company reputation.
- Gifts of Harman International consumer products are generally likely to be appropriate, as are gifts of items that are marked with Harman International promotional labeling.
- Properly record any business gift (purpose, recipient name, title, etc.) and make sure that it complies with any policies of your specific Harman business unit.
- When deciding on the appropriateness of giving or receiving a business gift, consider how the gift compares in value to the usual gift-giving practices in our industry and country, the sum of gifts to or from that entity over time, the suitability of the gift given your position at Harman International, the impact of the gift on building positive business relations with the recipient, and how the gift might look to an outsider.
- These guidelines apply even when no reimbursement from the company is sought.
- If you plan to give or accept a business gift of more than a nominal value, you must inform your supervisor.
- Consult with your Harman International legal counsel before giving business gifts to consultants and employees of state and local government agencies.
- Individual holiday and birthday exchanges from a supervisor to a direct report is considered personal and viewed as a non-reimbursable expense.

Gift Policy Points to Avoid:
- Giving or receiving money or other cash equivalent as a business gift.
- Unless it is clear that applicable laws and regulations permit it or prior approval has been obtained from assigned Harman legal counsel, offering business gifts to government employees.
- Giving or receiving gifts that are too costly or frequent to be within the customs of the marketplace.
- Giving any gift to reward a government employee without seeking legal counsel.
- Giving or receiving gifts that influence or give the appearance of influencing business judgment.
- Offering a gift if you know it would violate the recipient’s policy to accept it.
• Giving or receiving entertainment, such as tickets to a sporting event, where a representative of the company offering the gift will not be accompanying the recipient to the event.

15. **Business and Entertainment of Public Officials**

**Business and Entertainment of Public Officials, Employees of Public and Government Agencies Overview**

Business meals directly related to ongoing meetings and/or negotiations with public officials and/or employees are to remain within budget and policy guidelines. It is important to remember, to the extent that an employee of Harman International has reason to deal with federal, state and/or municipal officials in connection with contracts, permits, licenses or other arrangements, it is extremely important to avoid even the appearance of impropriety. Failure in this regard can result in loss of business, as well as publicity, which is damaging to the reputation of the Company and the employee. Company employees should always bear in mind that each governmental entity will probably have its own rules governing the conduct of its employees and that these rules may be very different from any others you have encountered. In addition, you must be sensitive to requests or comments by government officials, which appear perfectly proper, but may be susceptible to a different interpretation by other government officials or the media. All questions or uncertainties should be raised immediately with Company senior management.

15.1 **Gifts**

Federal law prohibits the offer, promise, or gift of anything of value to an employee, agent, or official of the federal government if made with intent to influence such individual in the performance of an official act or because of an official act performed or to be performed by the public official. A number of state and local governmental bodies, as well as foreign governments, have similar statutes or regulations. Since it is difficult to establish that a particular gift was given with no intent to influence, in order to avoid any appearance of impropriety as well as any questions under the statutes and reevaluation, it is the policy of The Company not to offer, promise or make any gift to any government employee, agent or official—federal, state, local or foreign.

15.2 **Entertainment**

Federal law also prohibits the entertainment of a public official. Entertainment is generally viewed as simply a type of gift, and the rules stated in the preceding paragraph also bar providing entertainment to public officials.

15.3 **Meals, etc.**

Federal agencies have developed detailed guidelines on when a company may provide a public official with refreshments or meals in connection with a business meeting. Generally, the requirements permit a company to supply refreshments or meals only if such service would facilitate the conduct of official business and if the public official cannot determine a value for the official’s share of the food provided. The regulations vary among the different agencies, and no refreshments or meals should be provided unless expressly authorized by the agency’s stated policy. Moreover, no refreshments or meals may be provided to public officials who serve a procurement function. Questions concerning the application of this policy should be referred to senior management.

16. **Other REIMBURSABLE Expenses**

The following incidental expenses, when directly related to business travel, are reimbursable:

• Tip guideline: Appropriate to the location, service level and local protocol (above 20% is considered excessive)
• Tips Non-Discretionary: Service provider automatically includes a tip for service rendered.
• Parking when conducting legitimate company business
• Currency conversion
• Passport/Visa fees
• Airline Baggage Fees
• Health Club Daily Fee (hotel gym); must be associated with hotel folio and not exceed $15.00 per day.
• Laundry/Valet: For trips of five consecutive calendar days or more. (see line item in non-reimbursable) Professional meetings, seminars, conferences, training courses or conventions when pre-approved by supervisor. (The supervisor in charge shall arrange payment for group meals and other special charges.)
• Dues covering memberships in trade, professional and technical organizations when memberships are used primarily and in greater part for Company benefit when pre-approved by supervisor.
• Reimbursement for damages and losses of a personal nature sustained as a result of traveling on Company business will be allowed on a case-by-case basis, but only for the portion of damage or loss not compensated for by carrier, hotel management, personal travel or homeowner’s insurance, etc. (For example: personal damages such as clothing torn, damage to handbag or briefcase, etc. on a business trip will not be reimbursed.) Evidence of loss, such as a copy of a police, airline or hotel report, plus a statement by the employee concerning the loss (including names of employee's insurance companies) should be attached to the expense report.
• Photo copies, collation, and fax services will be reimbursed when an appropriate business explanation is included.
• Car rental winter tire upgrade
• Car rental GPS when traveling to an unfamiliar destination or a foreign language country

17. NON-REIMBURSABLE Expenses

It is the policy of the Company to reimburse the employees for all reasonable expenses directly associated with traveling on behalf of the Company. Expenditures made by the traveling employee for personal entertainment or which are primarily personal in nature are the responsibility of the employee and will not be reimbursed by the Company. The following list is provided as a guide of non-reimbursable expenses and is not necessarily all inclusive:

• Personal entertainment not associated with a specific business contact. This includes in-flight movies, hotel room movies, pay television fees, sporting events, plays, magazines, books, hotel spa fees, court fees, green fees, sporting equipment, gambling, satellite radio, etc.
• Personal costs incurred for personal at-home expenses such as child care, lawn or home maintenance fees, kennel fees, etc.
• Personal articles or personal care costs such as clothing, clothing rental, shoe shine, hair dryers, toiletries, over the counter medication, medical prescriptions, medical service fees, barber and hairdresser fees, tobacco, candy/gum, magazine, books, etc.
• Laundry, valet and dry cleaning expenses unless the employee has traveled at least five consecutive days on the trip prior to incurring the costs. The company will not reimburse laundry expense day of check-in or check-out unless the traveler shows proof of continued travel prior or post to hotel stay.
• Domestic Preferred Airline Seating/Pre-Boarding
• Membership Fees – Personal credit card fees, interest or finance charges, or any other membership fees.
• Frequent Flyer Upgrades (cost of frequent flyer coupons/upgrades) or Mile Acceleration
• Traffic/Parking Violations – Cost of traffic/parking tickets or other violations.
• Frequent Flyer Miles – Personal Frequent Flyer miles that are used for business travel.
• Airline Clubs – Membership to private airline clubs (i.e. Red Carpet or Admiral’s Club).
• Spouse Travel – Travel expenses of a spouse. (Except in certain pre-approved circumstances.)
• Local tolls – Tolls for travel to/from work.
• Subway tokens – Subway tokens for travel to/from work.
• Limousine/Black Car use (unless cost is same or lower of local cab or shuttle service)
• Theft of personal items
• Expenses which are not supported by receipts
• Priority airline boarding fee
• Business travel life/accidental insurance (Harman provides a company sponsored program)

18. Expense Reimbursement
All employees must incur and report their own travel expenses and must report all expenses promptly and accurately with the required documentation, including required receipts. Employees must always review all bills and documents for accuracy before accepting or paying them.

18.1 Receipt Requirements
Receipt policy is based on documentation of reasonable and actual expenses supported by original receipts for all submitted expenses. For expenses greater than $100.00 USD equivalent an itemized receipt is required which details every individual item ordered on the bill/invoice. This requirement is not satisfied with just the credit card charge slip. For business meals, meals with others, etc. both the credit card charge slip (which should include the tip) and the detailed itemized receipt must be included. Monthly credit card statements alone are not acceptable as backup documentation.

18.1.1 Domestic Travel Receipts
Original receipts are required for all expenses regardless of amount or form of payment. Specific categories may have additional receipt requirements

18.1.2 International Travel Receipts
For international travel, all original receipts are required regardless of amount or form of payment. Harman companies recover VAT (Value Added Taxes) from qualifying international countries by submitting original receipts. Since VAT is not always clearly defined, it is required that all international receipts are submitted to Accounting.

18.1.3 Hotel Receipts (Both Domestic and International Travel)
The original detailed hotel statement (folio) is required.

18.1.4 Receipt Submission
All receipts should be clearly scanned and linked/matched to the corresponding online expense report. Original receipts without VAT potential should be attached to the corresponding report and locally retained by the traveler. It is the traveler’s responsibility to keep non-VAT receipts in clean order and prepared for mailing if an inquiry is requested by Internal Audit. Receipts with potential VAT reclaim should be taped neatly to 8.5” x 11” or A4 paper; attach to the corresponding printed report and submitted to the Accounting office address indicated on the report cover sheet. Only submit required receipts to Accounting. The cost of managing and storing unnecessary receipts adds up rapidly when multiplied by the number of expense reports for the entire company. Current VAT and GST countries are available from the Harman Director of Corporate Travel.

18.1.5 Missing or Lost Receipts
The absence of an original receipt where one is required is an exception to policy, and reimbursement of the associated expense requires specific approval on a case-by-case basis. If you are missing a required receipt, please include an explanation of why the receipt is not available.

18.1.6 Tax Receipt Requirements
Tax accounting requirements may differ outside the U.S. Expense report submitters should follow guidance from their local accounting office regarding what receipts are required to support business expenses.
18.2 Corporate Card Transactions
Transactions charged to the employee's corporate card will be downloaded from the card provider on a daily basis. If you are using the Harman standard electronic T&E software, these card charges will be distributed to your software. Please use the electronically downloaded transactions for all expenses incurred with the corporate card. Do not build or enter these transactions manually into the software.

18.3 Expense Processing
Where applicable, all expenses will be processed through the automated T&E system.

18.3.1 Expense Entry
- Expenses that are corporate card transactions will be entered into your expense data via the daily distribution of downloaded card transactions. These transactions will be partially or completely detailed in the system based on the information provided by the vendor.
- Cash transactions must be entered into the system manually, based on the information on the associated receipt.
- It is the responsibility of the employee to ensure that all appropriate information is recorded for each transaction. This includes information about exchange rates, attendees whose costs are included on the transaction, and other pertinent information.
- If you know at the time of submission that an explanation is necessary to substantiate a specific business expense, please attach an explanation or other supporting documentation to the transaction.

18.3.3 Expense Submission
- Airfare expense with the PreTrip Approval should be submitted at the time of booking; and should not be held until the trip is completed.
- All reimbursable expenses should be submitted within two weeks from the date of the transaction or the end of the trip.
- Expenses submitted more than 60 days past the date of the transaction may not be reimbursed, and require exception review and approval. For online reimbursement, expenses should be processed as they occur in your expense reporting account. (Airline tickets should be purchased in advance and submitted prior to the trip.)

18.4 Reimbursement Distribution
Reimbursements are processed weekly for distribution. **Expenses charged to the employee's corporate card:**
- Company payment directly to the corporate card provider on behalf of the employee.

**Expenses paid for with personal funds:**
- Direct deposit to the employee's bank account.
- Added as a non-taxable item to your payroll

The choice between reimbursement of personal funds will be based on the method decided by the individual business unit/country reimbursement policy.

19. Policy Non-Compliance

19.1 Expense Reports Returned to Employee
Approvers will review each expense report containing policy exceptions. If required, the expense report submitted with unapproved policy exceptions will be returned to the employee with an explanation of the reason for rejection.
The rejected expense will not be processed until 1) the exception is corrected, or 2) the exception to policy is approved based on additional information. The employee may remove the rejected expense from the expense report; correct the problem identified by the approver, or mark the expense as a personal expense. The expense report can then be resubmitted.

19.2 Approval of Policy Exceptions
Exceptions will require Manager approval. In no case can an employee approve his or her own policy exception.

19.3 Fraudulent Reporting
The filing of an expense report containing fraudulent expense data shall be cause for immediate dismissal from the Company.

19.4 Reporting of Policy Exceptions
A report of policy exceptions will be compiled and periodically submitted to senior management for review.