
Supplier Travel and Entertainment Expense Policy

Department: Supply Chain

Policy Owner: Cathy Shackleford – Vice President Supply Chain

Date Implemented: 11/01/2017

Date Revised: 11/01/2017

PURPOSE

The purpose of this Policy is to set forth requirements and procedures for reimbursement of expenses incurred by Suppliers arising from performance of services for U.S. Cellular and its subsidiaries ("U.S. Cellular" or "Company").

SCOPE

This Policy applies to U.S. Cellular Suppliers and represents the minimum requirements and procedures for reimbursement of expenses. Suppliers must be prudent with U.S. Cellular's funds when incurring business travel expenses and shall view this Policy as a maximum under which expenses may be reimbursed by U.S. Cellular.

In the event of a conflict or inconsistency between this Policy and the Procurement Agreement, the Procurement Agreement will control, unless any such conflict or inconsistency, in U.S. Cellular's sole discretion, lessens the responsibility of Supplier in any manner, then, in such case, this Policy will govern.

DEFINITIONS

- **"Lowest Logical Fare"** shall have the meaning ascribed in Section 3.1 of this Policy.
- **"Policy"** means this Supplier Travel and Entertainment Expense Policy.
- **"Procurement Agreement"** means any written agreement to obtain products, services, and/or software from a third party including purchase orders, master agreements, contracts, statements of work, change orders, and amendments.
- **"Purchase Order"** an order for the purchase of products and/or services containing approved Company terms and conditions which defines certain variable terms of the purchase transaction (e.g., quantity, product description, delivery dates and instructions) that may be used as the entire vehicle for the transaction unless the transaction is governed under the terms of a Procurement Agreement.
- **"Supplier"** means a party engaged by USCC to provide goods, services or software pursuant to a Procurement Agreement including, but not limited to, contractors, consultants, and all other persons not hired as an employee of U.S. Cellular.

POLICY

1.0 DESCRIPTION

U.S. Cellular's policy is to reimburse its Suppliers for reasonable and necessary expenses, provided that, such Suppliers are engaged in the performance of services on behalf of U.S. Cellular under an executed Procurement Agreement and the expenses arise from such performance of services. These expenses, if incurred by Supplier, are reimbursable in accordance with this Policy.

2.0 SUPPLIER RESPONSIBILITIES

Supplier must:

- 2.1 Use best efforts to use local qualified personnel for performance of services. U.S. Cellular shall have no responsibility to reimburse any travel expenses performed by local personnel. For the purposes of this Policy, the term "local" shall mean residence or Supplier designated office of the applicable personnel within a fifty (50) mile radius of the location where the applicable services are performed.

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- 2.2 Utilize the U.S. Cellular travel program, which includes negotiated travel discounts with airlines, hotels, and car rental agencies, or Supplier's own corporate travel program, based upon **the lowest priced option**.
- 2.3 Seek and obtain written approval prior to incurring any expense on behalf of U.S. Cellular and adhere to U.S. Cellular's expense reporting requirements contained in Section 9.2 of this Policy.
- 2.4 Pay expenses with its own credit card or other method. **No direct billing** of any travel costs or related expenses shall be permitted.
- 2.5 Assume sole responsibility for insurance, except as otherwise provided herein.

3.0 AIR TRAVEL

- 3.1 Airline Tickets
Supplier should purchase non-refundable airline tickets a minimum of fourteen (14) days in advance of the travel departure date whenever possible. Supplier must travel Economy/Coach class unless otherwise approved in writing by the authorized U.S. Cellular Manager responsible for the Procurement Agreement.

Supplier must book the "Lowest Logical Fare" which shall be the lowest fare within a three (3) hour departure window and may include connections that do not add more than a two (2) hour layover. Exceptions to the Lowest Logical Fare must be approved in writing by an authorized associate at U.S. Cellular.
- 3.2 Unused Airline Tickets
For Supplier travel, any unused, non-refundable airline ticket that has been authorized by U.S. Cellular in accordance with this Policy, may be reimbursed by U.S. Cellular, provided that, the impacted ticket was the result of changes or cancellations caused solely by U.S. Cellular. Any such reimbursement must be approved in writing by the authorized U.S. Cellular Manager responsible for the Procurement Agreement.

In the event that the Supplier received an airline credit for the unused ticket, Supplier shall inform the U.S. Cellular Manager responsible for the Procurement Agreement and apply such credit to its next travel instance related to U.S. Cellular business.
- 3.3 Baggage Fees
Baggage fees for a reasonable amount of personal luggage will be reimbursed: (i) for any trips which exceed two (2) business days, or (ii) in the event the selected airline does not permit free carry-on luggage.

4.0 GROUND TRANSPORTATION

Supplier must utilize the most cost-effective mode of ground transportation. Expenses for parking, gas and tolls will be reimbursed to the extent that they are necessary and reasonable and are incurred in accordance with this Policy.

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4.1 Car Rental

Supplier must rent mid-size or smaller vehicles whenever possible. Full-size vehicles are allowed only when being shared by three or more Supplier personnel all of which are performing services at the same U.S. Cellular location. Cars should be shared whenever possible. All cars must be refueled before returning to avoid fuel surcharges. USCC will not reimburse rental agency fuel surcharges.

4.2 Mileage

If a personal automobile is used in lieu of air travel or rental car, Supplier will be reimbursed for actual business mileage according to the standard IRS rate up to the cost of the lowest available and applicable airfare.

4.3 Rental Car vs. Personal Vehicle Use

Rental cars should be considered if the multiplied daily rate is less than the estimated total mileage costs for the use of a personal automobile.

5.0 LODGING

- 5.1 Regardless of whether Supplier uses its corporate travel program or U.S. Cellular's travel program, rates must not exceed rate caps, including taxes, for each state, as stated below. Suppliers are encouraged to use hotel booking aggregator sites to find the lowest rates in hotels near USCC offices. Rates in excess of the caps below must be pre-approved by U.S. Cellular.

RATE CAPS	
Illinois	\$250
Wisconsin	\$225
Tennessee	\$175

- 5.2 Reimbursement for lodging is limited to the single standard room rate. No upgraded room category will be reimbursed.

- 5.3 Expenses for staying in a private home (e.g., family, friends, or at Supplier's personal residence) in lieu of hotel costs are not reimbursable.

6.0 FREQUENT FLYER/FREQUENT GUEST PROGRAMS

Supplier may retain program awards and benefits. Participation in such programs should not influence flight or lodging selections in any manner that would result in increased costs to U.S. Cellular.

7.0 MEALS

Supplier will be reimbursed for actual personal meal expenses up to a limit of \$45.00 per day. Copies of original itemized receipts are required for meals greater than \$25.00 (tear tab receipts are not accepted).

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Gratuity up to 18% is warranted for good service and will generally be reimbursed. However, for non-U.S. locations, tipping should be calculated in accordance with reasonable and customary practices in the applicable location.

8.0 CANCELLATIONS

Immediately upon learning that previously reserved travel arrangements are no longer required, Supplier shall cancel all reservations for air travel, car rental and hotel(s) to expedite the refund process and avoid hotel no-show penalties or any other similar or additional penalties. Failure of the Supplier to adhere to this process will result in declination of reimbursement of such expenses or any associated penalties.

Supplier shall not seek reimbursement for incurred travel expenses that are cancelled solely at the discretion of Supplier. However, when a trip is cancelled by U.S. Cellular after Supplier's ticket and/or invoice has been issued, Supplier shall inquire about using the same ticket for future travel to U.S. Cellular or obtain a refund to be applied.

Supplier is responsible for cancelling any hotel rooms and must secure a cancellation number. U.S. Cellular will not reimburse Supplier for any hotel expenses which could have been avoided by prompt cancellation.

9.0 PRE-APPROVAL & REPORTING

9.1 Pre-Approval

Supplier must provide advance written notice, which may be in the form of a Travel Authorization Form (Exhibit A), to the authorized U.S. Cellular approver as specified in the applicable Procurement Agreement, indicating travel will be necessary or expenses will be incurred. Such notice must include: (a) which personnel of the Supplier will be incurring the expenses; (b) the reason for incurring the expenses; (c) the estimated amount of the expenses; and (d) the anticipated dates that the expenses will be incurred. U.S. Cellular will review such notice and either approve or deny Supplier's request. Any travel or expenses incurred without the prior approval of an authorized U.S. Cellular approver will not be reimbursed.

9.2 Reporting

Except as otherwise provided herein, any expense submitted by Supplier for reimbursement greater than \$25.00 must be specifically itemized and accompanied by a receipt attached to the respective invoice submitted to U.S. Cellular's Accounts Payable; or, uploaded into USCC's third-party Vendor Management System (if required). Any expense that requires, but is not otherwise supported by an applicable receipt, will not be considered for reimbursement.

When submitting requests for reimbursement, at a minimum, Supplier should provide the following forms of documentation:

- 9.2.1 Air Travel — copies of original airline receipt or itinerary/invoice
- 9.2.2 Taxi and ride sharing services — copies of original receipt(s)
- 9.2.3 Car Rental — copies of original receipt(s) for rental car and fuel regardless of amount
- 9.2.4 Mileage — mileage log listing the date and to/from location of each trip in a personal automobile required (including trips between locations during the normal course of business)
- 9.2.5 Hotel — copies of original hotel folio receipt(s) required regardless of amount

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In addition, Supplier's reimbursement request shall be accompanied by either: (a) a complete copy of the Travel and Expense Authorization Form (Exhibit A), or (b) written correspondence with an authorized U.S. Cellular associate detailing the type and amount of travel and expense incurred and U.S. Cellular's approval.

10.0 NON-REIMBURSABLE EXPENSES

Non-reimbursable items include, but are not limited to:

- 10.1 Airline club memberships
- 10.2 No-show fees for hotels, airfare, or car rentals
- 10.3 Cancellation fees except those unavoidable due to business requirements
- 10.4 Class of service upgrades
- 10.5 Car, train, and air phones
- 10.6 Barber, hair stylist, manicurist, spa services, shoe shines, and other grooming/personal service expenses
- 10.7 Lost or stolen personal items
- 10.8 Personal entertainment including movies and DVD rentals
- 10.9 Traffic/parking violations
- 10.10 Fuel charges from the rental car company
- 10.11 Family member or other non-business associate's expenses
- 10.12 Credit card fees including annual or membership fees, late fees, and interest charges
- 10.13 Insurance premiums (including trip, auto or flight insurance)
- 10.14 Entertainment (including entertaining U.S. Cellular employees and any event entertainment)
- 10.15 Foreign travel document requirements
- 10.16 Laundry and dry cleaning unless trip exceeds five (5) business days
- 10.17 Membership fees (including frequent flyer/frequent guest programs)
- 10.18 Use of private jet
- 10.19 Telephone calls (non-U.S. Cellular business related)
- 10.20 Cell phone charges
- 10.21 Pet care or kennel costs
- 10.22 Babysitters or house-sitters
- 10.23 Computer hardware/software, whether required for the performance of services or not
- 10.24 The purchase of gifts or gift cards for any occasion
- 10.25 Going away, welcoming, holiday, birthday, team building, Administrative Professionals' Day, or other "special occasion" parties/activities/cards
- 10.26 Flowers
- 10.27 Sponsorship of teams (sports, music, intellectual, etc.) including fees to attend tournaments, purchase T-shirts, registration, etc.
- 10.28 Contributions or donations to charitable, political and nonprofit organizations
- 10.29 In-flight WiFi expenses
- 10.30 Entertainment clubs
- 10.31 TSA PreCheck and/or Global Entry
- 10.32 Expenses greater than \$25.00 without a receipt

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DISCIPLINARY ACTIONS

Violating this Policy could significantly damage U.S. Cellular and expose it to unintended legal and commercial liabilities. Suppliers who violate this Policy are subject to appropriate disciplinary action by the Company, including possible termination of the applicable Procurement Agreement(s).

RIGHTS & EXCEPTIONS

U.S. Cellular reserves the right to cancel and/or modify this Policy without notice at any time in its sole discretion. Except as otherwise provided herein, the Vice President, Supply Chain must approve any exception not covered by this Policy in advance and in writing.

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TRAVEL AUTHORIZATION FORM

Requestor's Name:		U.S. Cellular Approver:	
Requestor's Title:		U.S. Cellular Approver Title/Department:	
Requestor's Contact Information:		Timeframe for Date of Travel:	
Purpose:		Total Expenses:	

Expense Type	Description	Daily or Individual Cost	Units	Total Cost	Recipient(s)	U.S. Cellular Approver
Total						

U.S. Cellular Signature: _____ Date: _____