

TRAVEL AND BUSINESS EXPENSES

It is important that all employees have some assurance that any appropriate expenditures they have while traveling on behalf of Qualis Corporation will be reimbursed to them. In addition, Qualis Corporation wishes to ensure that equitable standards and effective procedures are in place for controlling travel costs. Therefore, Qualis Corporation has adopted guidelines pursuant to the U.S. Government Joint Travel Regulations (JTR). Employees are expected to exercise prudent business judgment regarding expenses covered by this policy. Failure to adhere to these guidelines could result in non-approval of expense reports and non-reimbursement to the employee.

TRAVEL AUTHORIZATION

Travel may be initiated by the customer or contract which the employee supports. Certain contracts may dictate a different manner in which to handle travel. This policy has been written as a guideline to those employees and subcontractors of Qualis Corporation who must adhere to corporate policy. If there is a discrepancy between corporate policy and a contract, the contract takes precedence.

Qualis Corporation has selected CHRISTOPHERSON TRAVEL as its primary travel agency. Until such time as this policy is changed to specify another agency, reservations, including air travel, car rentals, and lodging, will be facilitated through CHRISTOPHERSON TRAVEL. Using the criteria provided in this policy, the CHRISTOPHERSON TRAVEL agent will find the most economical and efficient air, hotel, and rental car available that meet the needs of the traveler. CHRISTOPHERSON TRAVEL will be providing regular reports to Qualis Corporation detailing all upgrades and bookings that deviate from this policy. All deviations from policy must be documented and approved prior to reimbursement.

CHRISTOPHERSON TRAVEL Contacts:

Contact:	Bill C. Barber, Corporate Travel Advisor
Direct Phone Number:	205-874-8503
Contact Email:	Bill.Barber@cbtravel.com
Office Hours:	8:00 AM to 5:00 PM CST, Mon-Fri
After Hours Number:	855-788-1034/800-930-8808
Web Address:	https://www.cbtravel.com

TRAVEL PROCESS

Individuals notified of pending business travel are required to complete a Travel Authorization Form (TAF) and have it approved by appropriate personnel (Qualis Supervisor and/or Government personnel) **prior** to travel. The approved TAF must be sent to the Qualis Travel Department, at travel@qualis-corp.com, and Bill Barber Bill.Barber@cbtravel.com (a separate email is not required). The following information is required:

- Requested mode of travel (i.e. Airline or Car)
- Preferred Departure and Arrival times
- Suggested hotel and/or rental car
- Any additional information needed to book travel

In addition, required classified visit requests will be prompted by the submittal of this form. Once the TAF is received the Qualis Travel Department will advise if any additional information is needed and Mr. Bill Barber, an employee of CHRISTOPHERSON TRAVEL, will compile the information and send the traveler a temporary itinerary for review. The traveler will notify Bill Barber of any changes or provide confirmation of the itinerary. When confirmation is received, Travel will request final approval from Program Control and Contracts. The Qualis Travel Department will notify both the traveler and Bill Barber of final travel approval, and Bill Barber will finalize the traveler's itinerary. Upon return from his/her trip the traveler must submit the official itinerary, all receipts incurred during the traveler's trip, and the Qualis Expense Report to the Qualis Travel Department at or by fax at 256-971-1708 within **FIVE BUSINESS DAYS** of trip return.

All traveler questions and or concerns should be emailed (preferred) to Marilee Foreman, the Qualis Travel Coordinator, at travel@qualis-corp.com. While e-mail is the preferred method of communication, travelers must effectively communicate all travel needs and requests.

All first-time travelers must create a travel profile at <https://legacy.cbtravel.com/business/profile/qualis/>.

AIR TRAVEL

All travelers should make a concerted effort to book all airfare at least 14 days in advance to take advantage of available discount fares. Any changes to a booked ticket resulting in a fee or additional charges must be explained in detail in the expense report and approved by appropriate persons. Explanations determined not to be in compliance with DCAA guidelines, may not be reimbursed. Travel should be booked at times that will allow the employee to maximize the workday. Travelers may request, but will not be guaranteed a specific airline carrier.

Class of Service:

Travelers are expected to travel coach class for international and domestic travel. Employees may upgrade at their own expense or utilize personal airline credits when possible for upgrades.

The lowest available coach fare during normal business hours that meets individual schedule and itinerary requirements should be achieved through the use of advance purchase, least costly departure terminal, one-stop flight, and all other discount mechanisms; such fare will be considered the baseline for allowable cost. Surcharges imposed by the airlines for baggage handling, fuel, etc. are considered as additions to the ticket fare. Costs in excess of this fare shall be allowed only under the following circumstances, if documented by the employee as part of the Business Travel Expense form submitted:

- When such accommodations require extensive circuitous routing.
- When travel would be required during unreasonable hours or excessively prolong travel.
- Other transportation or per diem savings resulting from the differing flight schedule would offset the increased cost.
- When travel accommodations are not reasonably adequate for the physical or medical needs of the traveler. (Such special needs must be documented and signed by an appropriate medical provider as part of the travel expense package.)
- When air travel direct between authorized origin and destination points separated by several time zones and either the origin or destination point is outside the continental United States (OCONUS)

and scheduled flight time (including stopover) is in excess of 14 hours. When business class option is exercised, employee is not eligible for a rest stop en route to, or a rest period upon arrival at duty site.

- When a particular choice will not reasonably allow traveler to fulfill mission requirements (meetings, connections, etc.).
- When lowest fare would not comply with the Fly America Act.

Additional costs for preferred services such as reserved seating or early boarding are not reimbursable by government clients and will be charged to an unallowable account if approved for reimbursement by management.

In order for the lowest available airfare cost to be established, CHRISTOPHERSON Travel, Bill Barber will provide the traveler with three (3) quotes from the airlines. ***The traveler is responsible for ensuring that the 3 quotes are provided and must provide a written detailed explanation if the lower airfare is not chosen. If the price of the selected airfare option is more than \$100 over the lowest option, in addition to a detailed explanation, the employee must receive approval from his/her Supervisor. Failure to ensure 3 quotes are received, provide written explanation and obtain approval for higher priced airfare will result in delayed approval of travel and additional cost being passed to the employee. The Travel Coordinator will work with the traveler as necessary to ensure documentation meets audit requirements.***

Conversion for Personal Benefit:

Qualis Corporation prohibits conversion of airline tickets for personal benefit. For example, downgrading of tickets, returning unused tickets for cash, credit or personal airline tickets is not permitted and is grounds for disciplinary action up to and including termination. Every effort should be made to purchase nonrefundable tickets. Unused airline tickets must be returned immediately to the CHRISTOPHERSON TRAVEL agent so that they may be used for future travel requirements.

Airline Frequent Flyer Programs:

The routing of air travel should not be designed to benefit any Frequent Flyer Program; the lowest logical airfare should be accepted regardless of airline carrier. Any Frequent Flyer miles accrued to the business traveler as a result of business travel, belong to the traveler.

Frequent flyer and personal hotel membership awards earned by the traveler may be used for business travel but are not reimbursable. The value of free tickets or vouchers the traveler receives from an airline as compensation for an overbooked flight, to restore goodwill after a personal inconvenience, etc. will not be reimbursable by Qualis Corporation. Travelers that volunteer to be bumped or to change their travel plans will be responsible for any incurred cost associated with an extra night's lodging or per diem, etc.

Drive vs. Fly

If the traveler's destination is more than 3 hours or 150 miles of departure location a Travel Comparison for Drive vs. Fly must be completed by the traveler to determine the most cost-effective means of transportation. The traveler must submit the Travel Comparison along with TAF.

Cancellation Procedures:

It is the traveler's sole responsibility to notify CHRISTOPHERSON TRAVEL to cancel air fare reservations prior to any cancellation deadline to avoid a "no-show" charge. If CHRISTOPHERSON TRAVEL is not available, it is the **traveler's** responsibility to notify the airline. Remember that cancellation deadlines are based on the local time. Any no show charges billed to Qualis Corporation will be passed on to the employee.

LODGING**Reservations:**

CHRISTOPHERSON TRAVEL will attempt to book all business travelers at lodging rates that fall within the government per diem rates for that geographic area. (See www.gsa.gov, Per Diem Rates.) Any charges in excess of the Government per diem must obtain approval:

- Excess charges - Direct: Under direct contract travel a detailed explanation of the overage must be given and approval must be obtained by the appropriate contract defined person prior to booking.
- Excess charges - Indirect: Under indirect travel a detailed explanation of the overage must be given and approval must be given by the appropriate Qualis Officer prior to booking.

Approvals must accompany expense report to receive reimbursement of the excess charges. **Any costs, including taxes, that are not approved will be the financial responsibility of the traveler.**

Conference Reservations:

When traveling to a conference, it is appropriate to stay at one of the hotels hosting the conference. If there is a choice of several conference hotels, the business traveler should stay at the most economical property. The CHRISTOPHERSON TRAVEL agent can often book the conference hotel rates based on codes provided in the conference information. Lodging for a conference cannot exceed 125% of the published per diem rate for the area, unless approved as stated above.

Cancellation Procedures:

It is the traveler's sole responsibility to notify CHRISTOPHERSON TRAVEL to cancel a room reservation prior to any cancellation deadline to avoid a "no-show" charge. If CHRISTOPHERSON TRAVEL is not available, it is the traveler's responsibility to notify the hotel. Remember that cancellation deadlines are based on the local time at the destination hotel. Any no show charges billed to Qualis Corporation will be passed on to the employee.

RENTAL AND PERSONAL VEHICLES**RENTAL VEHICLE**

The business traveler may rent a car to travel to their destination if driving is more economical than airline or rail travel and it is less expensive than other transportation modes such as taxis, airport limousines, and airport shuttles. All rental car reservations will be made through CHRISTOPHERSON TRAVEL who will negotiate a discounted rate on behalf of Qualis Corporation.

Size of Rental Vehicle:

Travelers may rent up to an intermediate sized vehicle if the contract does not specify a specific car size. Any daily rental costs in excess of the amount approved for an intermediate sized vehicle is not reimbursable by Qualis Corporation. When traveling with 3 or more people, all of whom are on company business, the business traveler may rent a full size vehicle or a minivan, if necessary.

Vehicle Insurance and Driver's License:

On business travel, auto insurance should not be obtained from rental car agency for all travelers within the U.S. and outside the U.S. All Qualis employees are covered under our corporate insurance policy. All business travelers must carry a valid driver's license with them at all times.

Reimbursable Rental Car Costs:

Reimbursable costs related to rental cars include the daily rental fee, mileage fee, gasoline charges, and tolls. **Travelers should always refuel the gas tank to avoid costly gasoline charges imposed by car rental vendors.** Non-reimbursable costs include, but are not limited to, car repairs and traffic violations.

Rental Car Cancellation Procedures:

Travelers are responsible for canceling rental car reservations through CHRISTOPHERSON TRAVEL. If CHRISTOPHERSON TRAVEL is not available, it is the traveler's responsibility to contact the rental car company.

PERSONAL VEHICLE**Use of Personal Vehicles:**

Travelers may use their personal vehicle for business purposes if it is more economical to Qualis Corporation than renting a vehicle, taking a taxi, or using alternate transportation, and if it will save significant time. It is the responsibility of the owners of vehicles being used for business to carry proof of current automobile insurance coverage for their protection and for the protection of any passengers as well as a valid driver's license.

Reimbursement for Personal Vehicle Usage:

Travelers will be reimbursed for appropriate and authorized business usage of personal vehicles at the rate designated by the GSA. The current mileage rates for personally owned vehicles can be found at www.gsa.gov, POV Mileage Reimbursement Rates.

Reimbursable expenses include:

- Weekday and weekend miles traveled for business purposes;
- Tolls; and
- Parking fees
- Mileage from departure site to airport

Unallowable (non-reimbursable) expenses include:

- Car repairs;
- Rental car costs during repair of personal car;
- Insurance
- State and Federal tax

- Tickets, fines, or traffic violations; and
- Gasoline and oil
- Vehicle depreciation cost

Personal Vehicles vs. Rental Car

If the traveler is driving his/her personal vehicle a Travel Comparison for POV vs. Rental must be completed by the traveler to determine the most cost-effective means of transportation. The traveler must submit the Travel Comparison along with TAF

MEAL EXPENSES

Personal Meal Expenses:

Employees traveling out-of-town on company business are reimbursed for meal expenses up to the per diem rate in place under the U.S. General Services Administration per diem rates (www.gsa.gov, Per Diem Rates). Meal costs may vary by geographic location. The per diem for meals during a travel day will not exceed 75%. Meals provided by other means during travel should be deducted from per diem in accordance with the Meal Breakdown section of the GSA website (www.gsa.gov). Trips that are less than twelve (12) hours in duration will not be eligible for per diem reimbursement.

MISCELLANEOUS EXPENSES

Reimbursable:

Travelers will be reimbursed for the following miscellaneous expenses incurred on company business (provided appropriate documentation is included with a properly completed and approved expense form):

- Business office expenses (fax, copy services, telegrams/telexes, etc.)
- Business phone calls
- Currency conversion fees
- Gasoline (if mileage allowance not claimed)
- Ground transportation (taxi, bus, subway, etc.)
- Laundry/dry cleaning/suit pressing (only if travel is in excess of 5 days)
- Overnight delivery/postage of business-related materials
- Parking and tolls
- Visa/passport/consulate fees (if traveling outside of the continental US and is required for business purposes).

Non-Reimbursable:

Most personal expenses incurred while traveling will not be reimbursed. These include, but are not limited to:

- In-room movies rentals
- Drinks and snacks purchased between meals while traveling
- Negligent/accidental charges (boots, tows, speeding tickets, traffic fines, collision repair)
- Dues and initiation fees for business travel organizations, travel clubs, airline clubs, hotel membership programs, and/or frequent flyer programs.

EXPENSE REPORTING

Qualis Corporation requires that a Travel Expense Report be filed with the Accounting and Finance Department within **FIVE BUSINESS DAYS** of trip completion. For those individuals on lengthy Temporary Duty (TDY), a Travel Expense Report should be filed **MONTHLY**.

The following documentation is required to substantiate expenses on your expense report form:

- Air/Rail – airline/rail passenger receipt or electronic ticket (e-ticket) coupon; three quotes from the airlines as received from Bill Barber when determining lowest airfare; (Airfare is billed directly to Qualis Corporation through CHRISTOPHERSON TRAVEL; however, proper documentation is still required for expense reporting.)
- Hotel - original or e-copy hotel folio (not credit card receipt) with itemized charges; (Itemized charges include room cost and applicable taxes, laundry for a stay of 5 consecutive days or more, etc. Movie charges placed directly from the hotel are not eligible expenses. Meals and gratuity charged under hotel receipt are reimbursed under per Diem rate. Charges incurred as a result of spouse accompaniment should be deducted before submitting your expense report.)
- Car Rental - car rental agreement receipt;
- Personal Car Usage - receipts for tolls and parking and daily mileage log.

In addition,

- Fully legible photocopies or e-copies will be accepted and must include a detailed explanation of why the original is not available.
- Receipts must include the name of the vendor, location, date, and dollar amount.
- Credit card statements or record of charge slips accompanying the monthly billing statement are **not** acceptable in lieu of original or e-copy receipts for hotel charges.

Each individual submitting an expense report form should sign and email the expense report form first to their supervisor for review and approval. It is the responsibility of the employee to: prepare and complete the travel expense report(s) for the billing period, attach all required receipts, to include the 3 quotes, sign the expense report form and submit the completed expense report to his/her supervisor for approval, after approval from Supervisor employee should forward all appropriate travel expense documents to the Qualis Travel Department at travel@qualis-corp.com

The Accounting and Finance Department will review all expense reports to ensure that company policies are being followed. Any exceptions or violations will be reported to the supervisor and will be addressed with the employee. All expense reports that are cleared for payment will be processed according to company policy which currently states that approved expenses received in the Accounting and Finance Department by Wednesday at Noon, will be paid the following Wednesday via direct deposit.

CONVERTING CURRENCY

Reimbursement amounts in expense reports must be submitted in U.S. Dollars with an explanation and translation of the receipts and their conversions. Travelers must use the currency rates that were in effect when travel took place. Currency exchange receipts should be saved and used for converting currencies back to U.S. dollars on the expense report. Travelers may use OANDA.com as a tool for converting rates (www.oanda.com/convert/classic).

COMPANY CREDIT CARDS

A Diner's Club MasterCard may be requested for those that travel on a frequent basis. Once issued, this card is to be used for business purposes only and will be monitored by Qualis Corporation. The bill will be sent directly to the employee's home for payment. To obtain a Diner's Club card, an application and a release form can be obtained from the Director of Accounting and Finance. Both must be returned and signed. The Director of Accounting and Finance will forward the application for processing to the Diner's Club. Processing can take 10-15 business days, so please allow adequate time.

GROUP TRAVEL

In situations where five (5) or more Qualis Corporation employees are traveling to the same destination for a meeting, conference etc., arrangements for air, hotel and ground transportation should be coordinated through CHRISTOPHERSON TRAVEL. This will enable CHRISTOPHERSON TRAVEL to negotiate volume discounts with these vendors on behalf of Qualis Corporation.

COMBINING PERSONAL TRAVEL WITH BUSINESS TRAVEL

Qualis Corporation will not reimburse any expenses incurred during such personal time, including charges for rental cars, including insurance, meals, lodging, or any other expense. At no time will Qualis Corporation reimburse an employee for expenses or charges related to travel of the employee's spouse, family or acquaintances. Employees should arrange separate billings for expenses related to personal travel.

CORPORATE OFFICER TRAVEL

In order to safeguard company assets and top leadership control, no more than two corporate officers (Board Members and Executive Management) should travel together on any one mode of transportation at any given time. If it is necessary for corporate officers to deviate from the guidelines above, then careful consideration should be given to securing additional insurance coverage.

HOURS WORKED WHILE TRAVELING

Travel time consists of time spent in travel status or getting to and from a meeting spot, or traveling between hotel and airport, etc.

Exempt Employees:

Time spent traveling should be considered paid hours of work if the time charged is:

- Direct charge to Contract
- Involves the performance of work while traveling.

Nonexempt Employees:

Time spent traveling should be considered paid hours of work if:

- The employee is required to travel at the authorization of Customer or Manager;
- The employee is required to drive a vehicle or perform other work while traveling;
- The employee is required to travel as a passenger on a one-day assignment away from the normal work location; or

- The employee is required to travel as a passenger on an overnight assignment away from the normal work location during hours on non-workdays (i.e. holidays and weekends) that correspond to the employee's regular working hours.

In addition, the following scenarios incident to travel **will not** be considered paid hours of work:

- Ordinary home-to-work travel;
- Layover time at the employee's convenience;
- Excess time because the employee chose to use a personal conveyance instead of a commercial carrier.

Note: Should contract requirements provide a better travel benefit than that which is offered by Qualis Corporation, then the contract requirements will take precedence.

RELATED DOCUMENTS/FORMS:

- Travel Authorization Form (TAF-191-0308)
- Travel Expense Report Form (TR-008-0308)
- Non-Travel Expense Report Form (EXP-007-0308)
- Qualis Corporation Travel Comparison of Estimated Travel Cost
- U.S. General Services Administration (GSA) website (www.gsa.gov)

Qualis Corporation President

Date