

# Travel and Expense

## Contents

|  |    |
|--|----|
| Travel.....                                  | 2  |
| Making Travel Arrangements .....             | 4  |
| Air Travel Arrangements .....                | 6  |
| Hotel Accommodations .....                   | 8  |
| Car Rentals .....                            | 10 |
| Group Travel.....                            | 12 |
| Hourly Associate Travel and Training.....    | 14 |
| International and Canadian Travel.....       | 17 |
| Officer Travel Guidelines.....               | 21 |
| Management Travel Limitation Guideline ..... | 22 |
| Corporate Cards.....                         | 23 |
| Reporting Travel Expenses .....              | 25 |
| Meals .....                                  | 26 |
| Business Meals and Entertainment.....        | 27 |
| Mileage, Parking, and Tolls .....            | 28 |
| Miscellaneous Expenses .....                 | 29 |
| Non-Reimbursable Expense.....                | 30 |

## Travel

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### Introduction

HD Supply reimburses associates for travel expenses while conducting Company business as governed by this Standard Operating Procedures (SOP).

To be paid by the Company, all expenses must be:

- Necessary to conduct Company business
- Reasonable in amount
- In compliance with this SOP

A function SVP or Business President may further restrict this SOP within their organizations. For example, they may require flight booking at least 14 days in advance. Associates must be familiar with, and comply with, such restrictions.

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### Associate and Management Accountability

Associates and approvers must make certain that all submitted expenses comply with the travel and reimbursement policies in this SOP. Associates must use good judgment in their travel habits to reduce unnecessary expenses by choosing cost saving options which benefit the Company. Associates must use the methods outlined in this policy to make travel arrangements, receive reimbursement, and to conduct overall Company business.

Approvers are held accountable for the following:

- Authorization of expenses for payment
  - Understanding the impact of the expense to the associated cost center
  - Reviewing expense reports and P&L statements to ensure the most effective spend
  - Ensuring the most effective spend habits by the traveler
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### Companion Travel

Expenses for non-associates accompanying an associate on travel are not considered business expenses and will not be reimbursed. If an individual accompanies an associate on a business trip, the incremental cost of each charge should be reflected separately on all receipts. The incremental cost should be deducted from the total expenses to arrive at the amount to be reimbursed on the expense report.

Incremental expenses are the amounts that exceed the charge for the associate alone. For example, if a hotel charges a \$20 extra fee for a double room, in addition to the standard single room rate, the \$20 will be non-reimbursable.

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|---|--|
| <b>Exceptions</b>                       | <p>Exceptions to the Travel and Expense SOP require an SVP or Business President's approval based on a valid business reason. Patterns of abuse may subject both the associate and the approver to disciplinary action, up to and including termination of employment.</p> <p>Further, unless the context indicates otherwise the term 'SVP' includes higher levels of management, for example 'EVP' or 'CEO'. Therefore, where SVP approval is needed, an EVP or the CEO will suffice, but the associate need not obtain approval at both levels.</p> |
| <b>Corporate Travel Agency</b>          | <p>HD Supply has selected Travel Inc. as its exclusive corporate travel agency. Travel Inc. provides comprehensive support for all associates' individual business travel needs. Travel Inc. has access to the best airfares available, HD Supply discounts with airlines, hotels and car rental agencies, and Travel Inc. will work in accordance with this SOP.</p> <p>Personal travel bookings are not allowed through Travel Inc.</p>  |
| <b>Definition of out of Town travel</b> | <p>Out of town travel is travel that cannot be completed in one day due to transit time, meeting time or both.</p>   |
| <b>Branch/Distribution Center</b>       | <p>Before booking travel, all Branch / Distribution Center out of town travel must be pre-approved by the person to whom the associate reports, not less than the Director level.</p>  |
| <b>Sales and Support Associates</b>     | <p>Before booking travel, all Sales and Support associates' travel must be pre-approved by the person to whom the associate reports, but not less than Director level. Authorization is required for</p> <ul style="list-style-type: none"><li>▪ New reservations, air, car, and /or hotel.</li><li>▪ Changes to existing reservations that result in an additional cost for \$150 or more.</li></ul>  |

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## Making Travel Arrangements

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### Travel reservations

All Travel reservations (including air, hotel, & car) must be booked through Travel Inc.

All standard business travel should be booked via Cliqbook, the Travel Inc. online reservation system. **Cliqbook is the most cost effective option for booking. Compliant use of this tool will be monitored.**

- There will be a link to the Travel Inc. Portal available on all Intranet sites within HD Supply. Within the Travel Inc. Portal, employees will be able to update their travel profiles and access the Cliqbook online booking tool. NOTE: You can only access the Travel Inc. Portal, and subsequently Cliqbook, through our company Intranet sites.

If you have a more complicated itinerary that requires assistance, you must call Travel Inc. to book your travel reservations. Complicated itineraries include: all international travel, trips with more than four segments, travelers who do not have a corporate card, and locations not authorized under the online booking tool.

- For phone reservations, call Travel Inc.
  - US Travelers
    - 888-922-8786 from inside US
    - 770-291-4292 from outside US
  - Canadian Travelers
    - 877-568-3658
  - Primary reservation hours are Monday – Friday, 8:00am to 8:00pm, EST
  - Outside the primary reservation hours, you will be directed to the After Hours Emergency service

NOTE: Emergency after-hours service should be used ONLY for urgent requests.

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### Changing travel Reservations

Most reservations can be changed through Cliqbook. If you need to change an AirTran ticket or require additional assistance, call 888-922-8786 (US) or 877-568-3658 (Canada).

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### Canceling travel Reservations

To cancel reservations, call Travel Inc. before the scheduled departure time at 888-922-8786 (US) or 877-568-3658 (Canada), and speak to an agent. Be sure to obtain a confirmation number for all hotel cancellations. "No show" charges will NOT be reimbursed.

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**Additional  
Information about  
Travel**

You can find additional information regarding travel:

- On the HD Supply intranet site at Operations > HD Supply Travel > Home.
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## Air Travel Arrangements

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### Policy

For air travel:

- Associates must make travel arrangements between 7-14 days before the date of travel unless absolutely unavoidable
  - Upgrades to first class must be paid for separately at the associate's personal expense. Violation of this rule is reported to the Business CFO and the SVP over the associate's functional department.
  - Associates should book the lowest fare, regardless of carrier, within one hour of their desired departure and arrival times. However, associates may book a comparable flight if the fare is within \$30 of the lowest fare. This includes all carriers that are FAA approved.
  - Associates must generally use the lowest applicable fare. However, if a refundable fare is less than \$100 greater than the non-refundable fare, a refundable fare can be used; otherwise, the non-refundable fare is required.
  - Associates are required to take a connecting flight over a non-stop when savings opportunity is \$200 or more and the traveler is not delayed more than two hours. Any exception to this policy must be approved by a traveler's Business President or SVP to whom traveler reports or designee.
  - Air travel is only allowed for a distance of 200 miles (322 kilometers) or more. If traveling less than 200 miles (322 kilometers), airline travel is acceptable if the cost of the airline ticket is less than mileage reimbursement or rental car. Any exceptions must be approved by the Business CFO or designee.
  - Personal air fare expenses must NOT be charged to the corporate card, as all air fare is direct-billed to the Company. Airfare paid by personal credit card will not be reimbursed unless pre-approved by the Business CFO.
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### Policy Compliance Tracking

When booking through Cliqbook, you will receive a colored flag which will dictate your policy adherence and subsequent approval process.

- A green flag indicates you have booked within our policy guidelines and your itinerary will be emailed automatically to your direct report manager.
  - A yellow flag indicates minor policy deviations and your itinerary will be emailed automatically to your direct report manager for notification of such deviations.
  - A red flag indicates major policy deviations and your itinerary will first be emailed to your direct report manager for deviation approval and, if approved, will then be emailed to the next level manager for a second approval. It will be necessary for both managers to approve the itinerary prior to issuance of your airline ticket. If one of the managers does not approve, your trip will be cancelled.
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### Class of Travel for Domestic Trips

For domestic travel, associates must book coach class of service. Exceptions to this policy require the approval of the Business President or SVP authorizing the associate's travel and the Business CFO.

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**Making airline Reservations**

Airline reservations must be made through Cliqbook or by phone with Travel Inc. at least 7 days before the travel date. Cliqbook requires approval from two managers prior to confirming airline reservations within 7 days of departure.

If an emergency requires travel with less than 7 days notice, approval from two managers is required to confirm reservations. See "Policy" on page 6 for more information.

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**Changing or Canceling flight Reservations**

Changing flight reservations during the course of a trip involving fares with advanced purchase requirements should only be done for a change in itinerary that saves a day or more of travel. The desire to depart a city a few hours earlier does NOT justify the additional costs to the Company. Travelers in such cases must stand by for alternate flights versus incurring additional costs to the Company.

If you are unable to change your flight on Cliqbook, contact Travel Inc. at 888-922-8786 (US) or 877-568-3658 (Canada) to make changes to your flights or to cancel your reservation.

Canceling reservations should be accomplished as soon as possible. In most cases, if reservations are canceled within the same business day they are processed the Company is not billed (except for ticket exchanges).

- If the ticket is refundable, it is processed for a refund and both the charge and corresponding credit should be put on an expense report.
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**Unused tickets**

If an airline ticket is NOT going to be used, cancel the reservation prior to departure, and use the credit towards future travel. Unused tickets can be viewed and applied through Cliqbook.

When airline tickets are exchanged or the class of service is changed, all refunds are due to the Company.

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**Frequent traveler Programs**

Associates may participate in all frequent traveler programs and obtain credit for earned points provided HD Supply's travel policy is followed. Travel decisions should not be influenced by frequent traveler program affiliations.

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**Ancillary Fees**

Many airlines charge ancillary fees for services such as checked baggage and seat assignments. Associates should consider these fees when booking an airline ticket and seek to minimize such fees whenever possible. Seat assignment fees are a non-reimbursable expense.

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**Use of chartered/ Private aircraft**

Charter flights are NOT allowed without prior approval of the CEO.

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## Hotel Accommodations

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### Policy

Hotel reservations must be made through Cliqbook or by phone with Travel Inc. HD Supply's ability to negotiate low rates depends on volume with contract hotels. The following criteria should be used to select a hotel:

1. Contract with an approved hotel convenient to the work location.
2. When a contract hotel is not available or convenient to the work location, you may book a comparable hotel costing under \$110.
3. In locations where moderately priced hotel rates exceed \$110, you may book the lowest cost option in close proximity to the work location.
4. Many other companies have contract rates near their headquarters and other operations that you can utilize. Please provide details to Travel Inc. to confirm booking at such hotels.

Associate must select a room rate that is no more that \$10 greater than the least expensive room rate available at the selected approved hotel.

Hotel expenses are only reimbursable for Out of Town Travel.

Associates may not arrange direct bill with hotels. Direct billing can be arranged by the Business Accounts Payable Manager.

NOTE: Hotel reservation for conferences should be booked by the traveler according to the conference instructions; however, responsible discretion must be used. When completing the expense report, the associate must include documents verifying all conference expenses. Attach the documents along with the receipts.

NOTE: When reporting a hotel expense, list only the lodging cost plus applicable tax. The cost of meals and other reimbursable miscellaneous charges must be expensed separately.

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  - A yellow flag indicates minor policy deviations and your itinerary will be emailed automatically to your direct report manager for notification of such deviations.
  - A red flag indicates major policy deviations and your itinerary will first be emailed to your direct report manager for deviation approval and, if approved, will then be emailed to the next level manager for a second approval. It will be necessary for both managers to approve the itinerary in order to keep your hotel reservation. If one of the managers does not approve, your hotel reservation will be cancelled.
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**Unapproved rates**      Hotel rates exceeding approved hotel limits violate this SOP unless the hotel has been booked by Travel Inc. and the room rate is noted on the traveler's itinerary.

For reimbursement, submit the hotel bill listing all itemized charges with expense report.

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**Canceling hotel Reservations**      All hotel reservations must be reserved and guaranteed with a credit card. To cancel a hotel reservation, call Travel Inc. or the hotel directly, to avoid a "no show" charge. Hotel cancellation procedures vary, so check the travel itinerary for cancellation information. "No show" charges will not be reimbursed unless a valid cancellation number is provided. Any "no show" charges direct billed to the Company will be charged to the associate's cost center.

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**Ancillary Fees**      Many hotels charge ancillary fees for services such as parking, internet access, and breakfast. Associates should consider these fees when booking a hotel and seek to minimize such fees whenever possible.

Most of the HD Supply preferred hotels have these services included for free with the room rate. Associates should check their final bill to ensure these services were not erroneously billed.

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**Payment Responsibility**      Payment for hotel accommodations is the associate's responsibility. Corporate cardholders should charge hotel accommodations to their corporate card. Non-corporate cardholders should charge hotel accommodations to a personal credit card, and then request reimbursement.

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## Car Rentals

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### Policy

Associates on official business may rent automobiles from the preferred supplier through Travel Inc. Associates should take advantage of any discounts offered to the Company.

All rental cars must be intermediate/mid-sized or smaller. Only groups of more than three persons may rent full-sized vehicles.

When renting a car, associates must always:

- In the U.S., decline all additional insurance coverage. In Canada, accept the insurance coverage. Insurance coverage is guaranteed in the Hertz contract, including contract rates and promotional rates. If additional coverage is selected at the counter, it will add unnecessary cost.
  - Insurance coverage should always be accepted for international rentals.
  - Refill the gas tank before returning a vehicle to avoid the extra charge.
  - Associates who combine business and personal use of rental car are responsible for the cost of the car during personal use. As long as at least one day of the rental is for business purpose, insurance coverage under our contract applies to the entire rental.
  - Associates are responsible for any fines or traffic violations incurred when using a rental car for business or personal travel.
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### Policy Compliance Tracking

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  - A yellow flag indicates minor policy deviations and your itinerary will be emailed automatically to your direct report manager for notification of such deviations.
  - A red flag indicates major policy deviations and your itinerary will first be emailed to your direct report manager for deviation approval and, if approved, will then be emailed to the next level manager for a second approval. It will be necessary for both managers to approve the itinerary in order to keep your car reservation. If one of the managers does not approve, your car reservation will be cancelled.
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### Ancillary Fees

Associates may be charged ancillary fees for rental car services such as GPS or satellite radio. Associates should not have these services as a default requirement in their rental car profile. GPS should only be requested when necessary. Satellite radio is a non-reimbursable expense.

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**Damage/Accidents**

Damage and accidents involving rental vehicles should be reported immediately to Hertz, your Manager and the HD Supply Travel Manager

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## Group Travel

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**Policy**

Group travel takes time and effort to plan and execute. HD Supply has defined group travel below and estimated the time needed to plan and execute an event. Each Line of Business will have to get approval as defined below for any meeting/event. Once approved, it is the responsibility of the requesting Line of Business to plan and execute the meeting/event. However, Indirect Sourcing MUST be involved with any and all contract negotiations with hotels/resorts where the meeting/event will take place. The HD Supply Travel Department will be available to assist when needed once the meeting/event has been approved.

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**Definitions and Lead Times**

**Meeting** – 25 to 50 attendees containing one or more of the following components:

- Hotel room nights
- Off-site meeting room
- Simple food and beverage and AV

Estimated Lead time: 1 month

**Event** – 51 or more attendees containing two or more of the following components:

- Hotel room nights
- Large amount of meeting space and/or breakouts
- Presentations requiring AV production and labor
- Award ceremony or presentation
- Multiple food and beverage events
- Themed meals or receptions
- Group activities
- Air contracts
- Deliverables: online registration, signage, invitations and printed materials

Estimated Lead time: 51-75 attendees – 3 months  
 76-175 attendees – 6 months  
 176 attendees and above – 9 months

Incentive travel events with more than 50 attendees require 12 - 15 months lead time.

NOTE: Costs may increase with reduction in lead time due to availability issues. Meetings held at an HD Supply facility are not applicable for review.

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**Approval**

Group travel for all Meetings & Events MUST be approved by the HD Supply General Counsel.

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**Requesting Group Travel**

To arrange group travel, the meeting requestor should submit a request form which is located on the HD Supply Travel Intranet site.

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**Providing  
Authorization**

Once the request form is received, it will be submitted to the HD Supply General Counsel for approval. If approved, the Line of Business may begin making arrangements. If denied, the meeting requestor will be notified.

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**Changing or  
Canceling air travel  
for group travel**

Any changes to air travel reservations that result in a fee of \$150 or more must be approved by the Business CFO or designee.

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**Ground  
Transportation**

Each Line of Business and Business Function must arrange all group ground transportation for all training/event needs. Car-pooling is required if rental cars are used.

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## Hourly Associate Travel and Training

### Policy

HD Supply pays hourly associates for the following items incurred while attending Company-authorized events:

- Work time
- Travel time (either using personal or public transportation)
- Mileage (personal vehicle ONLY)

Hourly associates are NOT paid for meal breaks.

### Pay for commuting By GROUND

If hourly associates are commuting by GROUND, the Company pays them for travel time using these guidelines.

| If associates are.... | Then they are paid for travel time from ....   |
|-----------------------|--|
| NOT staying overnight | <ul style="list-style-type: none"> <li>➤ Home to the non-based Branch/Distribution Center or training facility (less the normal commute time to work)</li> <li>➤ The non-based Branch/Distribution Center or training facility to home (less the normal commute time to work)</li> </ul>   |
| Staying overnight     | <ul style="list-style-type: none"> <li>➤ Home to the hotel (less the normal commute time to work)</li> <li>➤ The non-based Branch/Distribution Center or training facility to home (less the normal commute time to work)</li> </ul> <p>Note: Travel time between the hotel and the non-based Branch/Distribution Center or training facility is NOT paid.</p> |

### Pay for commuting By AIR, NOT staying overnight

If hourly associates are commuting by AIR, and NOT staying overnight, then they are paid travel time using this table.

| The associate is paid for travel time from....              | Which includes.....   |
|---|---|
| Home to the non-based Distribution Center or training event | <ul style="list-style-type: none"> <li>➤ Travel time from home to the airport (less normal commute time to work)</li> <li>➤ Ample time before check-in</li> <li>➤ Travel time during the flight</li> <li>➤ Travel time from the airport to the training facility</li> </ul> |
| The non-based Distribution Center or training event to home | <ul style="list-style-type: none"> <li>➤ Travel time from the training facility to the airport</li> <li>➤ Ample time before check-in</li> <li>➤ Travel time during the flight</li> <li>➤ Travel time from the airport to home less (the normal commute time)</li> </ul>     |

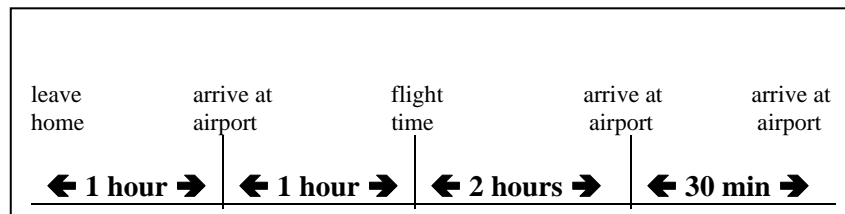
**Paying for commuting by AIR, staying overnight**

If associates ARE staying overnight, then they are paid travel time using this table.

| The associate is paid for travel time from....                     | Which includes.....   |
|--|---|
| Home to the hotel  | <ul style="list-style-type: none"> <li>➤ Travel time from home to the airport (less normal commute time to work)</li> <li>➤ Ample time before check-in</li> <li>➤ Travel time during the flight</li> <li>➤ Travel time from the airport to the hotel</li> </ul> <p>Note: Travel time between the hotel and training facility is NOT paid.</p> |
| The non-based Branch/Distribution Center or training event to home | <ul style="list-style-type: none"> <li>➤ Travel time from the non-based Branch/Distribution Center or training facility to the airport</li> <li>➤ Ample time before check-in</li> <li>➤ Travel time during the flight</li> <li>➤ Travel time from the airport to home (less the normal commute time)</li> </ul>                               |

**Example**

This example is a time line of an associate flying to the non-based Branch/Distribution Center or training event and how travel pay is calculated. The associate's normal commute time to work is .5 hours.



HD Supply Pays travel time for:

- Travel from home to airport 1 hour
- Ample time before check-in 1 hour
- Actual flight time 2 hours
- Travel from airport to hotel .5 hours

Subtract commute time to work -.5 hours  
 Paid travel time TO the event 4 hours

**Training travel time pay rate**

In all states, except California, Nevada, and Washington, travel time is paid at the regular rate of pay and NOT used when calculating overtime hours.

In California, Nevada and Washington, travel time IS used in calculating overtime, when an associate's total daily time is more than 8 hours, or weekly time is more than 40 hours.

**Mileage**

Mileage is paid in addition to travel time at the standard reimbursable rate. For more information on mileage reimbursement, see “Mileage, Parking, and Tolls” on page 28.

**Receiving pay for Travel time**

To receive pay for travel time, an associate must complete these steps.

| Step                                    | Action  |         |   |                                 |
|---|---|---------|---|---------------------------------|
| 1                                       | Complete two Time and Attendance Change forms. One for the total commute time: <ul style="list-style-type: none"> <li>➤ TO the non-based Branch/Distribution Center or training event and indicate the normal commute time to work</li> <li>➤ FROM the non-based Branch/Distribution Center or training event and indicate the normal commute time from work.</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <table border="1"> <thead> <tr> <th data-bbox="634 667 1326 699">Example</th> </tr> </thead> <tbody> <tr> <td data-bbox="634 699 1326 730">Travel time to training event: 4½ hours</td> </tr> <tr> <td data-bbox="634 730 1326 762">Normal commute time: 30 minutes</td> </tr> </tbody> </table> </div> | Example | Travel time to training event: 4½ hours | Normal commute time: 30 minutes |
| Example                                 |   |         |   |                                 |
| Travel time to training event: 4½ hours |   |         |   |                                 |
| Normal commute time: 30 minutes         |   |         |   |                                 |
| 2                                       | Get management approval.  |         |   |                                 |
| 3                                       | Give the forms to a Supervisor to enter into Time-keeping system.   |         |   |                                 |

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## International and Canadian Travel

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|   |   |
|---|---|
| <b>Introduction</b>                           | <p>These guidelines for international travel are in addition to domestic travel provisions.</p>   |
| <b>Policy</b>                                 | <p>Document all International and Canadian travel expenses on an expense report.</p> <p>Permission for international travel must be granted in writing by the SVP or Business President to whom the associate reports. In addition, a list of all international travel will be provided to Corporate Security to assess and analyze any potential risks and/or safety concerns. If travel is deemed to be in a high risk area, the traveler along with the SVP or Business President will be advised of the risk(s) along with recommendation(s) by Corporate Security. International travel is travel OUTSIDE the continental United States, Alaska, Hawaii, and Canada.</p> <p>Associates traveling outside their country of citizenship must ensure that all passports, visas, and immunizations are obtained before departure. A passport is now required for any travel between countries including travel between North American countries. Most countries require that you have at least 6 months validity remaining on your passport. Failure to comply may result in extreme inconvenience or a denial to enter the country. If you have questions about obtaining a passport or visa, call Travel Inc. at 888-922-8786 (US) or 877-568-3658 (Canada).</p> |
| <b>Booking<br/>International travel</b>       | <p>Book all international travel through Travel Inc. The online booking tool may not be used to book international travel.</p> <p>Request air travel reservations as far in advance as possible to take advantage of lower fares.</p> <p>International travelers must reconfirm their flights with the carrier 72 hours before departure.</p>   |
| <b>Class of travel for<br/>Overseas trips</b> | <p>For overseas travel</p> <ul style="list-style-type: none"> <li>▪ SVPs are booked in Business Class of Service if the OVERSEAS trip portion exceeds four hours.</li> <li>▪ All other associates are booked in Coach Class of Service for travel to South America, Europe or Africa, and Business Class for travel to Asia or Australia. Exceptions to this policy require the approval of the Vice President/SVP authorizing the associate's travel and the Business CFO.</li> </ul>  |
| <b>Hotels</b>                                 | <p>For international travelers, approved hotel rate amounts may vary. Check with Travel Inc. for the best rates.</p>  |

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**Car rental**

In addition to “Car Rentals” provisions on pages 10 -11:

- To drive in a foreign country, it is advisable to obtain an International Driver’s License. American Automobile Association, AAA, (800-222-1134) can issue an International Drivers License at their various offices. Bring with you:
    - Two passport sized photos, or have AAA take these photos on site for a nominal charge.
    - A completed application. Applications are also available at the AAA office.
    - A current Driver’s License for identification
  
  - Outside of North America, **ACCEPT** the Optional Auto Liability Insurance from the car rental company. For foreign nationals traveling to North America for business, **REFUSE** the Optional Auto liability Insurance from the car rental company.  
During visits outside of North America, two or more associates should share a car.
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**Laundry**

Laundry costs are reimbursed for out-of-town travel that exceeds four hotel-stay days. The maximum reimbursement is \$40.00 per week, subject to approval by the expense approver.

The Company recommends using the hotel’s laundry service, but not express laundry service.

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**Telephone**

For international calls follow these guidelines:

- Use a corporate HD Supply network phone card, cell phone, or an office phone at all times.
  - The associate is expected to make no more than one personal phone call per day from the foreign country to the US (or home country), not to exceed thirty minutes. The call can be made from the hotel using the Corporate HD Supply network phone card. Any exceptions must be approved by the appropriate Vice President/SVP or Business CFO.
  - Reimbursement is made for the access line charge when calling from the hotel. However, no reimbursement is made for amounts over the ten minutes, or for charges using the hotel’s long distance carrier.
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|--|--|
| <b>Safety and security</b>   | Once international business arrangements have been made, I-SOS will email an Automated Travel Alert (ATA) for the destination country and general Security/Precautionary checklist to help the traveler prepare for their visit, along with information on health and immunization requirements. If the traveler has additional questions or concerns, he or she should contact Corporate Security.  |
| <hr/>  |  |
| <b>Security and safety while overseas</b>  | <ul style="list-style-type: none"><li>▪ Make all international travel in a personal name, NOT HD Supply's name.</li><li>▪ Carry a photocopy of your passport at all times and leave a photo copy of your passport at home.</li><li>▪ Remove all Company logos and US flags from personal luggage.</li><li>▪ Make transactions by credit card when possible. Do NOT carry a large amount of cash.</li></ul>   |
| In certain countries, religion strongly influences government policy. It may be illegal to possess sexually-oriented publications or alcoholic beverages. Violators may be subject to harsh treatment and/or prison confinement. |  |
| <hr/>  |  |
| <b>Travel to high risk Locations</b>   | Associates who plan to travel to a high risk location must before traveling: <ul style="list-style-type: none"><li>▪ Get written approval from an SVP or Business President and Corporate Security.</li><li>▪ Contact the Corporate Security for a country risk briefing. Corporate Security must be satisfied that appropriate security resources are available to the traveler.</li></ul>  |
| <hr/>  |  |
| <b>Pre-travel Medical Exam</b>   | Before any international travel, associates must have a medical exam. As soon as associates know they will travel internationally, they should call Passport Health to schedule an exam. For the phone number of a site in your area, go to <a href="http://www.passporthealthusa.com">www.passporthealthusa.com</a> . Associates should pay for the exam with their corporate card and expense all charges. Call the HD Supply Travel Manager with any questions. |
| <hr/>  |  |
| <b>Personal Health Insurance</b>   | An associate covered by HD Supply health insurance is also covered when traveling outside of North America. However, because foreign countries do NOT have Preferred Providers, an associate may be asked to pay the entire amount of the bill at the time services are rendered. The I-SOS program can help expedite this process when urgent care is needed (see next page).   |

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**I-SOS Traveler Program**

In addition to an associate's chosen medical coverage, HD Supply subscribes to I-SOS. This traveler program includes medical referrals and emergency assistance services. This service covers all HD Supply associates traveling abroad on business.

I-SOS may be used for medical provider referrals, emergency medical evacuations, translation services, legal referrals, assistance with lost or stolen travel documents, repatriation, and more.

Information on the I-SOS program is listed on the HD Supply Travel home page on the Intranet, where travelers will also find a link to print out a membership card prior to International travel. The card lists the HD Supply membership number and key phone numbers. Travelers are encouraged to carry this card with them at all times while overseas.

Visit [www.internationalsos.com](http://www.internationalsos.com) or contact the HD Supply Travel Manager for more information.

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**Prepare for medical Emergencies while Overseas**

Be prepared for a medical emergency while overseas.

- Travelers should keep medical history (such as allergies, blood type, illnesses, medications) in their possession.
  - To verify that controlled substances in the traveler's possession are legally authorized, and so refills may be obtained, the associate should carry a copy of current medical prescriptions. Medications should always be carried in the originally dispensed container.
  - Travelers should carry a printed copy of the I-SOS membership card in their wallet at all times while overseas.
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**Conversion Guidelines**

These are conversion guidelines for foreign travel:

- Expenses should be charged to the traveler's corporate card whenever possible as this guarantees the best interbank exchange rates.
  - All receipts must be converted and reported in US dollars.
  - Obtain conversion rates from the commercial establishment, Foreign Exchange section of the Wall Street Journal, or for cash conversion from the Foreign Exchange Currency form.
  - The conversion rate and converted dollar amount must be written on each receipt for that day.
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## Officer Travel Guidelines

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**Policy**

Business Presidents and SVPs must comply with all Travel SOP requirements except as follows:

- Scheduled flight time of two hours or greater may be booked in first class.
  - Full size rental cars may be booked.
  - This notwithstanding, Business Presidents and SVPs are encouraged to fly coach when travel is necessary.
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## Management Travel Limitation Guideline

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**Introduction**

In order to reduce the HD Supply's business risk, group travel of key persons is limited. This Section includes travel guidelines for Company SVPs, specific Division Personnel, and key management.

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**Policy**

This is the policy for management travel:

- Company SVPs may not travel together with more than 50 percent of their direct reports and /or key personnel, using any mode of transportation. A Company SVP is defined as the CEO and direct reports to the CEO.
  - No more than 50 percent of any organizational stream can travel together (for example, SVPs, division presidents, etc.)
  - When making travel arrangements for groups, consider any other combination that might be considered poor judgment for group travel. Business continuity should be the primary consideration when making decisions about who should travel together. It is not in the best interest of the Company to have all or most of the managers, directors, merchants, etc., from one department travel together in any mode of transportation.
  - HD Supply prohibits Company SVPs and/or key personnel from flying their own airplane while conducting Company business. These expenses are NOT reimbursable.
  - Chartered flights are not allowed without the prior approval of the CEO.
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**HD Supply Travel Limitation Guidelines**

HD Supply's Travel Limitation Guidelines for Company SVPs, Specific Division SVPs, and for SVPs of HD Supply Companies is issued to Travel Inc. and SVP's Assistants. These guidelines are prepared and issued by Loss Prevention in conjunction with Executive Management and are reviewed and updated as business warrants.

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**More information**

For more information on HD Supply Travel Limitation Guidelines, contact Risk Management.

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## Corporate Cards

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### Policy

All business-related travel expenses must be charged to the corporate card only. Any exceptions must be approved by the appropriate Vice President/SVP or Business CFO. Do NOT charge personal expenses on the corporate card. Any expense incurred by the Company related to unreconciled credit card charges for business-related expenses will be charged back to the associate's department. Failure to reconcile charges timely is a violation of policy and may result in revocation of card privileges or termination of employment.

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### Reconciliation & Payment responsibility

Corporate cardholders must reconcile their charges and submit expense reports to their managers for approval by the 10th of the month following the statement date. Charges not reconciled within 60 days of being incurred will be reported to Line of Business management. Non business-related charges not reconciled within 60 days of being incurred will result in payroll deduction from Cardholder, card suspension and the Cardholder's travel privileges being revoked. In order to reinstate Cardholder's travel privileges, the personal charges must be reconciled and Cardholder must furnish a written authorization from the Line of Business CFO reinstating travel privileges.

Charges made on the corporate card that are in compliance with this travel SOP, reported on the expense report, and supported by appropriate receipts, are paid to the card company.

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### Charge Errors

Review corporate card statements for charge errors. Call the corporate card company to correct errors. Verify that charge errors are corrected in subsequent monthly statements

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### Airfare

Airfare is typically charged to the traveler's Corporate Card and should be added to an expense report for reconciliation. For some Businesses, airfare booked to the corporate card is billed directly to the Company and must be reported on an expense report, with original receipts attached. In these Businesses, airfare appears on the monthly corporate card statement as a memo billing only. When completing an expense report, enter **Paid By Company** for business related airfare.

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### Foreign currency Conversion rates

The foreign currency conversion rate for credit card charges is based on the date the charge is processed by the credit card company. Therefore, the amount expensed may be different that what is charged on you statement. If the amounts differ, submit an expense report for the difference and include a copy of the expense report and the corporate card statement.

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### Cardholder Agreement

Refer to the Cardholder Corporate Card Usage Form for additional guidelines.

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**Credit card loss or Theft**

If a credit card is lost or stolen, the associate must immediately notify the card company as indicated on the Cardholder Agreement. Notify the HD Supply Card Program Administrator as soon as possible

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**Transferring or Terminated Associates**

Upon transfer or termination, all associates must return corporate credit cards. Terminated associates are personally liable for credit card charges occurring after their effective date of termination. Terminated employees are responsible for removing their corporate credit card information from personal travel accounts such as hotel loyalty accounts and car rental accounts.

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## Reporting Travel Expenses

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**Time Limit on Submitting expense reports**

For all associates, expenses submitted 90 days or more after the incurred expense will not be reimbursed without the approval of the Business CFO.

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**Required Receipts**

Detailed receipts are required for all items over \$25.00 unless otherwise required by your approving manager (who can require receipts for less than \$25.00)

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**Retention of Reimbursement Receipts**

Retain copies of all submitted receipts for one year.

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## Meals

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### Policy

This is the policy for meals:

- Meals are reimbursable for out-of-town travel only. See “Definition of out of town travel” on page 3.
  - Each associate should pay for their own meal expense. If an associate does pay for the expenses of another associate (for example, on meal check for three or more associates instead of asking for separate checks), document the expenses on the expense report. The names of attendees must be included. Do NOT enter this expense as business entertainment because it limits the tax benefit to the Company.
  - Meals costs must be actual and reasonable to be reimbursed. Receipts must be provided.
  - An associate leaving for a trip in mid-afternoon is NOT reimbursed for breakfast and lunch on departure day.
  - If the evening meal is served on the plane, the evening meal is NOT reimbursed.
  - Out-of-town HD Supply travelers must NOT expense lunches for other HD Supply associates at the location being visited.
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## Business Meals and Entertainment

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**Policy**

Approved business meals and entertainment expenses must be supported with receipts indicating the place, dates, times, names of the persons entertained, and the business purpose.

Neither alcoholic beverages nor tobacco products are reimbursable unless incurred during a business meeting or event where a customer is present. Even then, such costs must be reasonable.

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**Expense  
Responsibility**

Meal and entertainment charges incurred at any event properly payable by Company shall be paid by the highest ranking associate at such event. The only exception to this requirement is if the event is being sponsored by an associate that does not report, directly or indirectly, to the highest ranking associate at such event. Similarly, if there are multiple highest ranking associates, any one or more of them is permitted to pay for such charge (e.g., if multiple CEO direct reports are present at such event, any one of such direct reports may pay for the expense, or more than one may share such expense).

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## Mileage, Parking, and Tolls

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### Introduction

Mileage expenses include miles driven on Company business using one's personal vehicle, as well as parking fees and tolls related to the miles driven.

The following applies for all mileage reimbursement:

- Mileage is reimbursed for Company-related travel at a rate of \$0.485 per mile. This is the maximum amount that will be reimbursed.
  - Gas purchases are NOT reimbursed, except for rental cars.
  - Mileage is NOT reimbursed for rental cars.
  - All fees for parking and toll roads are reimbursable-receipts are required except for tolls under \$10.
  - Reimbursed expenses are not subject to taxes and do not show as earned income.
  - Managers should ensure that all travel is cost effective for the Company. Associates should carpool when possible. If appropriate, associates should compare the cost of reimbursing mileage to the cost of renting a vehicle and choose the least expensive. For example, a one day trip of 300 total miles would be reimbursed at about \$145.50. If the cost for a rental car would be \$45 plus \$45 for gas, the cost effective solution would be to rent a car.
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## Miscellaneous Expenses

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**Telephone Calls**

For telephone calls for out-of-town travel

- Reimbursement is not to exceed an average of \$4.00 (\$5.50 Canadian) per day for personal calls. Receipts are required. Any exceptions must be approved by the associate's Vice President.
  - Frequent travelers must use the Corporate HD Supply network phone card and submit the monthly bill on an expense report. All personal calls must be identified and requested reimbursement amount adjusted to reflect the authorized reimbursement rate of \$4.00 per day (averaged over the number of days out-of-town on business travel).
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**Health Club Fees**

Out-of-town hotel health club fees will not be reimbursed.

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## Non-Reimbursable Expense

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### Policy

The cost of any personal expense (such as tennis court fees, golf fees, movie rentals, mini bars, etc.) must be paid for by the associate separately and is NOT reimbursable.

Dues paid for membership in airline "VIP" clubs are NOT reimbursable.

The following non-exclusive list of miscellaneous expenses is non-reimbursable:

- Tobacco or Alcoholic beverages (unless associated with a business-related meeting or event occurring off company property and where a customer is present)
  - Travel insurance under travel accident insurance policy purchased by an associate
  - Medicine or Medical services (unless for international travel and approved)
  - Expenses for spouses who accompany associate on Company business
  - Dependent care expenses
  - Movies, plays, and concerts
  - Sightseeing tours
  - Clothing and toiletries
  - Haircuts, personal hygiene, and shoe shines
  - Child care
  - Air-phones
  - Personal reading material
  - Traffic tickets or fines for motor vehicle violations
  - Damage to associate's vehicle
  - Vehicle repair and maintenance
  - Car wash
  - Pet boarding fees
  - The cost of personal greeting cards
  - Farewell department meals and parties
  - All gifts to associates including Christmas and Secretaries Week gifts
  - Birthday parties
  - Flowers (Flowers are NOT reimbursable unless they are for an associate's hospital stay, or death of an associate or an associate's immediate family member. These expenses must not exceed \$80.)
  - Replacement/repair of personal items stolen, lost or damaged
  - Moving/relocation expenses charged to the corporate card (these expenses need to be approved by Human Resources prior to the move and submitted through Payroll. Relocation is considered taxable income and must go through Payroll)
  - Unexplained or undocumented expenses
  - Donations should at no time be put on the Corporate Card.
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