

TRAVEL AND EXPENSE POLICY

Statement of Purpose

This document establishes guidelines and policies governing the reimbursement of travel and general expenses incurred during the conduct of Company business. The Company will reimburse an employee ordinary, necessary and reasonable travel expenses when directly connected with, or pertaining to the transaction of Company business. When submitting expense reports to claim reimbursement, employees are expected to neither gain nor lose financially.

The following policies and guidelines are intended to assure maximum cost control for the Company, while maintaining a high level of quality and consistency in services and accommodations for our travelers.

This document serves as the standard travel policy and guideline. In all cases, employees are expected to exercise prudent judgment regarding travel and entertainment expenses covered by these guidelines. In most instances, you will be best equipped to make the best business judgement regarding specific client situations. Employees submitting expenses that are not in compliance with this policy risk delayed, partial, or forfeited reimbursement. Cases of significant abuse will result in disciplinary action, up to and including termination.

Responsibilities and Enforcement

Company employees who incur business and travel / entertainment expenses are responsible for complying with this policy. *The expense report is to be submitted for reimbursement by noon on the last business day of the month when charges are incurred.* Company will reimburse employees for authorized approved business travel and entertainment expenses on the sixth business day of the subsequent month. Any business expense over 90 days old will not be reimbursed by the Company.

The use of our preferred suppliers is of paramount importance. Only with your cooperation will we maintain the integrity and optimal pricing of our programs.

The employee's expense report submission certifies that all expenditures listed on the expense report are clearly and correctly described, actual amounts in all instances are shown, and expenses are supported by receipts (where possible) in accordance with this policy.

Receipts and Documentation of Expense

Documentation of expenses is required for reimbursement for Company and IRS purposes. All travelers should make it a practice to support all expenses, regardless of the amount, with a receipt. The following are guidelines for submission of supporting documentation.

- A receipt or other appropriate documentation should support all expenses submitted for reimbursement.
- All air travel receipts/itineraries must be submitted with the related expense report. Support for any other transportation expenses (i.e., taxi, bus, etc.) must be provided.

- A receipt for all hotel charges must be provided for reimbursement. Meals and entertainment expense charged to a room must be separately itemized on the expense report.
- A receipt must support all other miscellaneous costs if possible. This includes items such as laundry costs (if permissible), phone charges, etc.

Travel Arrangements

To the fullest extent possible, all travel arrangements (to include airline, lodging, rental car, etc.) must be arranged through Blue Ribbon Business Travel International. The choice of transportation should be based on the most efficient use of an employee's time and cost to the Company. Cost effectiveness and negotiated discounts, resulting in savings to the Company, can be monitored only if an authorized Company travel agency handles all business travel. Expense reports may be denied if travel was not booked through our approved agency.

Air Travel

Each business trip by air travel must be at a distance of more than 200 miles from the employee's principal place of business. The employee's principal place of business is defined as the location that the employee performs the majority of their business activity. Business trips that are less than 200 miles are subject to reimbursement under the personal motor vehicle section of this policy.

- a. All domestic business air travel will be by discounted coach/economy class. Upgrades are allowed at the traveler's personal expense.
- b. When possible, airline reservations should be made at least 14 days in advance.
- c. When making airline reservations, employees are required to accept flights that utilize lowest logical fare routing. This includes alternate airlines such as Southwest, Jet Blue, Sun Country, etc. Employees may be encouraged to take a connecting flight, a direct flight or go to an alternate airport if the savings to the Company or customer is greater than \$300.00, and the routing does not increase the one-way total elapsed trip time by more than two hours. Employees are not obligated to accept travel arrangements which involve return trips arriving at the airport after 10:00 p.m.
- d. Frequent Flyer program benefits must in no way influence flight selection.
- e. Employees must retain receipts/itineraries provided by Blue Ribbon Business Travel International.
- f. The Company will utilize nonrefundable tickets canceled due to changes in business plans. Nonrefundable tickets will be used toward the purchase of another ticket. Tickets are valid for exchange generally for one year.

- g. Frequent Flyer Miles - Although frequent flyer miles are earned from Company-paid travel, the Company allows employees to accrue the miles earned through such programs for their own personal use. Misuse and abuse of earning frequent flyer miles at additional Company expense will not be tolerated. Such misuse and abuse is subject to disciplinary action including, but not limited to, reimbursement by the employee of the difference between the lowest airfare and the actual price of the airline ticket.
- h. Airline Clubs - If employee chooses to join airline club for business use, the employee is responsible to contribute an annual co-payment of \$200 for each club joined. (Company will reimburse one club per employee.)

Motor Vehicle Travel

- a. Parking: Parking at the airport or while visiting customers will be reimbursed to a reasonable level. Keep in mind that the cost of a taxi may be less expensive than airport parking for an extended trip.
- b. Public Transport (Bus/Shuttle/Taxi) - The cost of public transportation to and from places of business, hotels, or airports in connection with business activities is reimbursable. Actual cost of transportation used plus tips not exceeding 15% of total bill will be reimbursed.
- c. Rental Car
 - i) Radian Group is partnered with two vehicle rental agencies for preferred pricing and liability purposes. National is the primary partner, Avis is the secondary rental partner. Please see Radian Car Rental Program Summary in Dropbox to register using Radian's contract ID# prior to business travel requiring a rental vehicle.
 - ii) *Decline additional insurance*, the Company's coverage applies to all travelers.
 - iii) All rental cars should be mid-size or smaller, unless a larger car is needed due to entertaining a client or traveling with more than three (3) employees. Any charges incurred for renting a larger vehicle are the sole responsibility of the employee.
 - iv) Every reasonable effort must be made to return the rental car to the original rental location (unless approved for a one-way rental). Cars must be returned on time to avoid additional hourly charges (late fees begin to accrue after a one-hour grace period).
 - v) Employees are expected to **refuel** rental cars prior to returning them to the vendor. Emergency drop-off fees are non-reimbursable.
 - vi) Gas purchased for the rented vehicle at a service or gasoline station is a reimbursable expense.

- vii) Any employee traveling on behalf of the Company (in a leased vehicle, rented vehicle, or in their personal car) involved in a car accident should contact a Principal as soon as possible for information regarding the procedures to follow.
- viii) All employees are responsible for obeying all federal, state, and local governmental laws, including motor vehicle laws. The Company will not reimburse employees for penalties involving moving, traffic, parking or other motor vehicle violations while performing Company business.
- d. Personal Vehicle: The Company will reimburse employees for incidental use of their personal vehicle for trips to/from the airport and local meetings at the rate per mile allowed by the IRS (minus standard commute miles). This rate will be reviewed annually. Employees who work at home or regularly use their personal vehicle for business will be reimbursed per the IRS guidelines.
- e. Sedan/Limousine Services: This service should only be used when traveling with clients. Exceptions should be approved in advance by the CFO. Any excess cost associated with this service without prior approval by the CFO will be the sole responsibility of the employee.

Lodging

- a. Employees are expected to use quality, reasonably priced hotels that provide a corporate or Blue Ribbon Travel International discount rate. All hotels must be booked through Blue Ribbon Travel or the Concur portal, NOT directly through the hotel.
- b. If the employee chooses to stay with family or friends while traveling, the Company will reimburse a reasonable gratuity (i.e. flowers, meal) to thank them for their hospitality.
- b. Employees are responsible for canceling hotel rooms and must do so through the designated travel agency. Employees will be held responsible for requesting and recording the cancellation number and will not be reimbursed for “no-show” charges.
- d. Frequent guest programs may in no way influence hotel choice.

Meals & Business Entertainment

- a. Employees are expected to be reasonable, use good judgment and use restaurants and types of entertainment that fit the business purpose.
- b. Personal (out-of-town) meals are defined as meal expenses incurred by employees when dining alone on an overnight trip.
- c. Business meals are defined as meals taken with other Company employees, potential employees, clients, potential clients, and business partners.

- d. Entertainment expenses are discretionary and must be **approved and paid** by a Director or Principal as they are NOT deductible business expenses. Entertainment expenses include events such as theater, sporting events, and other activities where a business discussion takes place before, during, or immediately after the event when with a customer. Employee entertainment expenses are not reimbursable.
- e. Meals will be reimbursed for actual expense when a receipt is provided with the expense report.
- f. For business meal and entertainment expenses, the following documentation is required by the IRS and must be included on the expense report:
 - i) Names of individuals present, their titles and Company name
 - ii) Name and location of meal or event;
 - iii) Exact amount and date of expense
 - iv) Specific business topic
 - v) In the case of entertainment events, the specific time the business discussion took place (before, during or after the event).
- g. Office snacks and beverages are to be expensed as meals.

Wireless Phones

Radian recognizes that mobile phones are a routine fixture in society and that many people wish to have a single device that supports both their work and personal lives. To that end, Radian will provide a wireless phone stipend for the business use of a personal device. The stipend is not intended to fund the entire cost of the phone nor pay for the entire monthly bill. The assumption is that most employees will use their wireless phone for both business and personal purposes.

Reimbursement: The Company will reimburse employees through a monthly, non-taxable payroll contribution. Radian strives to provide employees with the right technology tools to do their jobs. If you find that the stipend is not sufficiently reimbursing the *business use* of your device, please contact your manager and the CFO and expenses will be reviewed on a case by case basis.

Gratuities

Gratuities for certain services will be reimbursed. The amount of the gratuity should fairly represent the level of service received. The following list is a guideline for all employees to use when paying out gratuities:

<u>Service</u>	<u>Amount</u>
Personal Meals	15%
Business Meals	15%
Cabs/Shuttle Service	15%



Baggage Handlers	\$2 per bag
Door Attendants	\$2 per day/per attendant
Maids	\$2 per day/per maid

Laundry

Only the necessary and reasonable cost of laundry and dry cleaning will be reimbursed by under the following guidelines:

- a. If the business trip lasts at least three (3) days or longer, all necessary and reasonable costs for dry-cleaning, the cleaning of dress shirts/blouses and pressing will be reimbursed.
- b. If the business trip lasts at least five (5) days or longer, all necessary and reasonable costs for laundry will be paid.

Additional Guidelines

- a. Spouse/Companion Travel: Travel expenses for a spouse or guest are only reimbursable if the trip is made at the Company's request or if there is a bona fide business purpose for taking the spouse or other individual. All spouse/companion travel must have approval prior to trip commencement by Senior Management.
- b. Expenses resulting from unavoidable travel delays, such as inclement weather, are reimbursable within the parameters of this policy.

Non-Reimbursable Expenses

Personal expenses incurred while traveling are not reimbursable. Examples of these expense include:

- a. Annual fees for frequent flyer, frequent guest clubs or car rental clubs
- b. Traffic and parking violations, towing charges
- c. Hotel expenses incurred from failing to cancel reservations
- d. Replacement cost of briefcases and luggage or contents lost/delayed while on Company business (including toiletry articles such as toothpaste, toothbrush, deodorant, etc.) Employees should file claims with the airlines.
- e. Hotel room movies
- f. Hotel health and fitness center charges
- g. Magazines and/ or books
- h. Season tickets
- i. Shoe shines, haircuts, etc.
- j. Clothing and related accessories

- k. Late charges assessed to any account unless due to unreasonable delay in processing a submitted expense report.
- l. Any estimated or unexplained expenses
- m. Charges incurred because of a third-party misuse of lost credit cards
- n. Political or Charitable Contributions
- o. Loss of cell phones and accessories for cell phones unless approved in advance by senior management
- p. Holiday gifts unless specifically approved in advance by senior management
- q. Employee and customer gifts unless specifically approved in advance by the senior management
- r. Theft of personal items while on business travel



Employee Responsibility

- a. Employee travelers and their manager are jointly accountable for T&E policy compliance.
- b. Provide a current travel profile to the travel agency through the Concur portal and update information as it changes (e.g., phone, address, credit card numbers and expiration date, etc.).

Expense Report Submission

The following original documentation, at a minimum, is required for all expenditures:

	Documentation
Air Transportation	Airline Ticket Receipt. Copy of itinerary required. In addition, if changes or cancellations are made that include a service charge, receipt must be attached.
Car Rental	Record of charge or billing receipt.
Lodging	Hotel folio and record of charge.
Business Meals	Record of charge indicating name and business purpose. If meal is before or after the business discussion, the place, date and duration of the discussion is required.
Personal Meals	Record of charge.
Entertainment	Record of charge indicating name and business purpose; if meal is before or after the business discussion, then the place, date and duration of the discussion are required. All entertainment costs must have approval by a Director or Principal in advance of being incurred.
Telephone/Cell	Receipt, hotel bill (for access charges only) or telephone bill.
Taxi/Local Transportation	Transportation receipts.
Other Expenses	Receipts and/or supporting documentation for all items.

CORPORATE CARD PROGRAM

Corporate Card

The Company has a corporate card program for *air travel*. This program minimizes the employee's personal outflow of cash and generates management reports for budgeting purposes.

All air travel will be booked with Blue Ribbon Travel or on the Concur portal and paid with the corporate card on file. Air travel booked on a personal credit card will not be reimbursed without prior approval.

EXPENSE REPORT PROCEDURE

General Information

- a) *The expense report is to be submitted for reimbursement by noon on the last business day of the month when charges are incurred. Any business expense over 90 days old will not be reimbursed by the Company.*
- b) All expense reports should be completed on-line through Concur Expense with the approved format.
- c) All employees submitting, approving or processing these reports are to do so in a timely manner to avoid any delay in reimbursing the employee.
- d) *Reimbursement of expenses after review and approval will occur by the sixth business day of the subsequent month.*
- e) The IRS requires that all expenses be substantiated by receipts or they are disallowed. Only those expenses where receipts are normally unobtainable are exempt from this requirement. Lack of receipts must be explained in detail on the expense report.
- f) All reports not properly completed, supported by receipts, or other documentation will be returned to the employee. If the expense report is not completed accurately or documentation is missing, reimbursement will be reduced by the questionable amount and returned to the employee for re-submission.
- g) Falsification of expense reports, receipts and/or supporting documentation will not be tolerated, and is subject to disciplinary action up to and including termination.