



## **Roche Travel Guidelines for Vendors**

All agencies, vendors, organizations or other suppliers (each a “Supplier”) retained by Roche must ensure its employees (each a “Supplier Employee”) comply with the following when travelling for Roche business:

### **1. GENERAL STATEMENT**

All Supplier Employees traveling on business for Roche or its Affiliates, other than by personal automobile, whether for meetings, seminars, conventions, field work or any other business purpose, are required to use the designated travel department of Roche or its Affiliates, as the case may be ("Travel Department"). Supplier Employees should contact the Travel Department as far in advance of a business trip as possible so that the most economical fares are achieved.

Recommendations of the Travel Department must be followed for Roche to reimburse the travel expenses. The Travel Department has negotiated volume discount fares with certain airlines, hotels, and vehicle rental agencies and the ticket or room price may not always convey the final cost. All savings and commissions are returned to Roche, thus reducing travel costs.

For Supplier travel: Roche will reimburse Supplier for reasonable travel and other out-of-pocket expenses (at cost with no accounting, handling and/or management surcharge) incurred in connection with the Agreement and associated Statements of Work which have the prior written approval of Roche. Supplier will utilize the lowest current available airfare of which Supplier has knowledge. Receipts for any and all expenses in the amount of CAD\$25.00 (CHF 25.00 or USD25.00) or more should be kept by Supplier and submitted to Roche, upon Roche's request.

For travel by air, Supplier must fly economy class on all flights in order for Roche to reimburse travel expenses. In accordance with Roche policy, all flights will be non-stop unless otherwise unavailable.

### **2. RESPONSIBILITY AND ENFORCEMENT**

Supplier is responsible to ensure that each Supplier Employee complies fully with this guideline. The purpose of this guideline is to determine how Roche will reimburse Supplier for its expenses. Roche will not reimburse Supplier Employees or even review individual expense reports, but rather will only review Supplier invoices containing information on expenses incurred.

The appropriate Roche contact or their designees are responsible for reviewing invoices for accuracy, ensuring compliance with policies, and providing guidance regarding reasonable business expenditures subject to the Agreement.

Roche will reimburse Supplier for all reasonable and necessary expenses, as more fully delineated in this policy, while traveling or performing authorized Roche business.

Roche will not reimburse expenses that are not in compliance with this policy, unless an exception authorization is obtained.

Supplier Employees who do not comply with this policy may cause their Supplier's invoices to be delayed or reimbursements withheld. Any falsification or misrepresentation of names, events, amounts or other

explanations, whether for personal gain or to deceive the person approving any expense report, is prohibited and considered a serious disciplinary offense which may subject the Supplier to serious consequences, up to and including termination.

### **3. TRAVEL ARRANGEMENTS**

#### *A. Reservation Procedures*

To the extent practicable, all air travel, lodging rail and vehicle rental reservations and limousine service, including enroute changes, must be made through the Travel Department. Frequent travelers will be asked to complete a traveler profile, which will speed up the reservation process, identify traveler preferences and ensure accurate delivery of tickets.

#### *B. Emergency Procedures*

During the hours of 8:00 a.m. and 6:00 p.m. Eastern Standard Time, Supplier Employees are required to contact the Travel Department for any changes in their itinerary. After these hours, Supplier Employees must use the 24-hour toll free Emergency Travel Center for all changes. The phone number appears on the itinerary accompanying each ticket. When it is impractical for the Supplier Employee to use the Travel Department or Emergency Travel Center to make emergency lodging accommodations, the Supplier Employee shall obtain the corporate rate.

#### *C. Rail Travel*

Supplier Employees requesting tickets for travel on business for Roche will be provided the most economical airline tickets (see Section D. below) or first class rail accommodations.

The exchange of tickets at airline counters or at other travel agencies for cash or other personal gain is prohibited.

All unused tickets or portions thereof, must be returned to the Travel Department. These tickets have cash value and will be returned for credit. Do not send unused tickets to the airlines.

Lost or stolen airline tickets must be reported promptly to the Travel Department who will file a lost ticket application.

#### *D. Lowest Airfare Definition*

Supplier Employee air travel should be booked using the lowest coach class airfare consistent with business needs. These fares are determined by the Travel Department based on the following parameters:

- specially negotiated fares;
- non refundable fares; and
- Saturday night stayovers

Full fare tickets may be issued for trips, which require frequent changes, however, approval by Roche Senior Management is required. Senior Management and Senior Manager are defined as Roche Canada VP-level employees or higher.



A Supplier Employee cannot decline an airline or hotel accommodation because of preferred frequent flyer programs or other incentives for the Supplier Employee's benefit.

*E. Air Travel*

All air travel must be in economy class, except where medically required and substantiated with medical documentation.

Supplier Employees tickets will be booked using the lowest airfare. The Travel Department will book the most direct and economical carrier consistent with business needs.

*F. Service Issues*

Poor service or inferior quality provided by any of the suppliers booked through the Travel Department should be reported to the Travel Department via the use of the Customer Comment Card provided in your ticket envelope with your tickets.

*G. Flight Insurance*

Individual flight insurance is not reimbursable.

*H. Denied Boarding Compensation*

Airlines occasionally offer free tickets or cash allowances to compensate individuals for delays or inconveniences due to overbooking, flight cancellations, or changes of equipment. Supplier Employees must not volunteer for denied boarding compensation when on Roche business and on Roche time.

*I. Lost Baggage*

The airlines have the ultimate responsibility for retrieving and compensating for lost baggage. Roche will not reimburse Supplier Employees for personal items lost while traveling on business. Roche encourages the following steps to be taken to minimize losses:

- carry valuables on board the aircraft (or leave unnecessary valuables at home);
- carry important or confidential documents on board the aircraft; and
- tag luggage with name, business address, and phone number

Losses not covered by the airlines should be pursued with Supplier insurance coverage or the Supplier Employee's homeowner's or renter's insurance.

*J. Bonus Award Programs*

Supplier Employees who participate in bonus award or frequent flyer programs may retain for personal credit any bonus awards they receive from business travel, as long as the Supplier Employee's accommodations or



reservations are made in accordance with this policy. Fees required for participation are not reimbursable as a business expense. Travelers cannot refuse an accommodation, airline carrier, or other authorized vendor because of the loss of bonus credits or program points.

#### *K. Ticket Delivery*

Tickets will be delivered to the Supplier's Employee via e-mail (E-Ticket) prior to the trip.

Off-site Supplier Employees will have tickets e-mailed to their e-mail address.

Emergency tickets can be sent via e-mail. It is the responsibility of the Supplier Employee to notify the Travel Department when there is a change of email address.

### **4. REIMBURSEMENT OF TRAVEL/BUSINESS EXPENSES**

In the course of business, certain expenses are incurred by the Supplier Employees which can be categorized as reimbursable. The determination of reimbursable expenses relies partially on the tax deductibility of those expenses, as specified in the Canada Revenue or other applicable regulations. Roche also realizes that the nature and amount of travel and business related expenditures may vary with the objectives of each assignment and surrounding circumstances. Supplier Managers are responsible for clearly communicating the travel and reimbursement policy to all Supplier Employees and how it is applied. Supplier is expected to be in full compliance with these policies and will be held accountable for unauthorized policy deviations.

All travel and business expenses must be approved by Roche before the expense is incurred.

All expenses must be reported, supported and approved prior to reimbursement, and receipts covering same must be included with Supplier invoices.

#### *A. Reimbursable expenses*

The following business expenses are reimbursable:

##### 1. Travel expenses

###### a. Air and Rail Travel

All arrangements must be made at the lowest fare available. Ticket stubs or passenger receipts (in the case of electronic ticketing) and the itinerary are to be attached to the Supplier Invoice.

###### b. Limousine Service

A receipt must be included from the driver, and this receipt, along with the itinerary must be attached to the Supplier Invoice.

###### c. Taxi and Airport Limo/Shuttle Service

The cost of taxis, limos or shuttles to or from places of business, hotels, airports, or railroad stations is reimbursable. Supplier Employees should use scheduled bus or shuttle services to and from airports or hotels, wherever possible.

#### d. Vehicle Rental

Vehicle rentals must be arranged through the Travel Department. Vehicle rental expenses are reimbursable when the vehicle is rented for business use. Supplier Employees should rent a compact car unless:

- there are two or more Supplier Employees traveling together;
- they are escorting customers in the vehicle; and/or
- they need a large trunk to carry business material or exhibit items

The deciding factors for renting a vehicle should be the location you are traveling to or from, and the availability of public transportation; not personal convenience or anticipated personal use.

The Travel Department has negotiated discount rates with certain national vehicle rental companies. Supplier must rent from one of these companies unless the location Supplier Employees are traveling to is not serviced by one of these vendors. The Travel Department issues notices each year announcing the authorized vendors and indicating necessary ID numbers.

Supplier Employees should not accept Collision Damage and Personal Accident Insurance for vehicles rented for domestic travel for business purposes. However, Supplier Employees should take the insurance for international rentals.

Rental agreements and receipts must be retained and attached to Supplier invoice. Vehicles should be fueled to capacity before returning the rental vehicle to the return station. Retain and submit all receipts for gas or oil purchases. If the vehicle is not fueled to capacity, an explanation as to the reason should be included.

Express check out slips are not receipts, however, they will be accepted if they are submitted with the original rental agreement.

### 2. Lodging

Hotel reservations, whether for business travel or group meetings, must be made through the Travel Department. The only allowable exceptions to this policy are:

- when an Supplier Employee is attending a convention/symposium which offers special rates for attendees;
- when lodging expenses are being absorbed by Roche or person being visited; or
- when impractical (e.g., due to emergency last minute changes (see Section 3, B, Emergency Procedures))

Hotel expenses are reimbursable at a cost, which is usual for the area being visited. The Travel Department can identify appropriate hotel properties for you. A standard single room is normally acceptable, however, deluxe accommodations may be requested if the business need exists, (e.g., a suite is used for interviews or local management meetings). Any such upgrades must be approved by Roche in writing prior to booking.

A detailed hotel receipt must be attached to the Supplier invoice. The bill must be marked paid, show a zero balance, or be accompanied by a charge card receipt. All categories of charges (e.g., room rate and tax, phone, room service), must be itemized separately on a daily basis.

### 3. Meals, Entertainment, and Other Living Expenses

#### a. Meals

Personal meals are defined as meal expenses incurred by the Supplier Employee when dining alone as a result of a Roche requested business trip or business function. Meals are reimbursed according to actual and



reasonable cost. The cost of meals should include tips and taxes. Receipts must be submitted for any single expense of \$25 or more. Charge card receipts are preferred.

Restaurant stubs are not accepted. Meals must be itemized separately for breakfast, lunch and dinner.

b. Business Meal Expenses

Business meals are defined as those meals during which a specific Roche business discussion takes place. Supplier will be reimbursed for business meal expenses according to actual and reasonable costs. Receipts are required for all business meals. The documentation for business meals must include the name(s) of the person(s) being entertained, their business affiliation and title, and the purpose of the business meeting.

c. Business Meals Taken With Roche Employees

Meals for social occasions (e.g., birthdays, anniversaries, Secretary's Day), are not classified as business meals and will not be reimbursed.

d. Documentation Requirements

Roche requires the following documentation for meals and entertainment:

- an original receipt must be submitted with the expense report;
- names of the individuals entertained, their titles, and Supplier affiliation;
- name and location of where the meal or event took place;
- exact amount and date of the expense;
- specific business topic discussed; and
- in the case of entertainment events, the time the discussion took place (i.e., before, during or after)

e. Gratuities

Reasonable tips are reimbursable as determined by level of service and local custom. As a general rule, employees should not tip more than they would on a personal trip. All tips, other than those for meals (e.g., skycap, bellman, or housekeeping) should be reported separately on the expense report.

Lavish or unreasonable gratuities as determined by Roche will not be reimbursed.

f. Laundry and Valet Service

Roche will not reimburse for any laundry or valet service.

g. Telephone

Business related phone and fax charges are reimbursable. This includes calls to home while traveling on Roche business. Good judgment should dictate the need, duration and number of calls. Roche expects every

individual to use good financial judgment when deciding how the calls should be made, e.g., credit card, cell phone, hotel, long distance.

h. Other Reimbursable Expenses

Supplier will be reimbursed for the following miscellaneous expenses:

- air freight for Roche business purposes;
- business office expenses (e.g., copies, faxes);
- overnight delivery of business materials;
- parking when at a location other than Supplier site;
- seminar fees;

Supplier will **not** be reimbursed for the following expenses:

- airline club membership dues;
- annual fees for personal credit cards;
- baby-sitting;
- barbers, hairdressers, and any other personal service;
- clothing;
- dry cleaning;
- charge card delinquency fees;
- commuting expenses between employees' residence and place of work , even if working overtime or scheduled
- day off;
- country club dues;
- excess baggage charges (unless it is business materials);
- expenses not supported by a voucher or receipt without adequate explanation;
- flight insurance;
- flowers, fruit baskets, cakes, etc. to fellow employee or their relative, when they are ill, have a birthday, have a
- baby, death in family, etc.;
- golf fees;
- gum, candy, cigarettes or toiletries;
- health club facility fees, saunas, massages;
- in flight telephone charges;
- loss or theft of personal property or funds;
- lost baggage;
- magazines, books, newspapers;
- mini bar refreshments and/or snacks;
- movies (including in flight and hotel in house movies);
- no show charges for hotel or car service;

- parking or traffic tickets;
- personal accident insurance;
- personal entertainment;
- pet care;
- post cards;
- rental car upgrades;
- shoeshine;
- souvenirs/personal gifts;
- tobacco Product;
- transportation to/from regular work locations;
- travel companions' traveling costs

i. Miscellaneous Expenses

Any miscellaneous expense not mentioned above should be approved (prior to incurring the expense), specifically by a Roche Director-level or higher person. A clear explanation of the business purpose must be attached to the receipt or the IRS will disallow the deduction.

B. *Expense Reporting*

a. Timing and submission

Supplier Employees should include expense reimbursement reports with each invoice to Roche for the expense.

b. Approval Process

Expense reports submitted to Roche for reimbursement will be reviewed (for reasonableness and policy compliance).

All expense reports are subject to audit for such things as:

- accuracy;
- approval signatures;
- business purpose;
- supporting documentation and receipts; and
- policy compliance

c. Documentation

All Supplier or Supplier Employee expenses must have the following information in order to be reimbursed for expenditures:

- business purpose;
- names of individuals present, their titles, and Supplier name;
- name and location of where meal or event took place;
- exact amount and date of each expense; and
- in the case of entertainment events, when the business discussion took place





The following documentation must be supplied:

- air/rail - original passenger coupon plus itinerary;
- hotel - hotel folio plus charge card receipt;
- vehicle rental- vehicle rental agreement, charge card receipt, or express check out form;
- meals/entertainment - (expenses of \$25 or more) charge card receipt or cash register receipt (no tear off stubs); and
- other expenses- (of \$25 or more) original charge card or cash register receipts.

Original receipts must be submitted whenever possible. Photocopies will be accepted only with a detailed explanation as to why the original is not available.

## **5. OTHER**

### *A. Group and Meeting Travel*

Any assemblage of 10 or more people, Supplier Employee and/or Roche, to a common destination for a common purpose is considered a group. Roche Meeting Planning Department must be used to plan such trips. Meeting planning service is provided at hotels or conference centers throughout the United States and Canada. This includes negotiating and contracting for guest rooms, meeting space, audio visual equipment, food functions, ground and air transportation, discounts, commissions and extra amenities, as well as auditing and processing all invoices.

### *B. Video Conferencing*

Video conference facilities are available at the Mississauga, Basel and South San Francisco facilities, as well as several other business sites and can be arranged through your Roche contact. Video conferencing may be a cost saving alternative to travel and should be considered.

### *C. Policy Deviations*

Except where otherwise specified above, any deviations from this policy must be reviewed and approved by the appropriate Roche Director-level or higher employee.

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