

Travel and Hospitality Policy

Board of Directors – CATSA

1. Policy objective

To ensure that economy and consistency in traveling and offering hospitality are maintained while ensuring the required level of control.

2. Principles

The following principles were developed by the Board of Directors. These principles are the cornerstone of managing the Board of Directors business travel and for extending hospitality. These principles shall guide the Directors in achieving fair, reasonable and modern practices.

Trust – Increase the amount of discretion and latitude for Directors to act in a fair and reasonable manner.

Respect – Create a sensitive, supportive environment and processes which meet Director's needs.

Transparency – Ensure consistent, fair and equitable application of the policy and its practices.

Modern travel practices – Introduce travel management practices that support these principles and are in keeping with travel industry trends and realities; develop and implement an appropriate travel accountability framework and structure.

Fiscal responsibility – Ensure that public funds are properly managed.

3. Administration

3.1 Authorization

The Chairperson has the responsibility to authorize and determine when business travel is necessary, and to ensure that all travel arrangements are consistent with the provisions of this policy and may approve exceptions to this policy where it is consistent with the principles stated above. The Corporate Secretary will assist the Chairperson with the interpretation and implementation of the policy.

Business travel shall be authorized in advance by the Chairperson to ensure all travel arrangements are in compliance with the provisions of this policy. In special circumstances, travel shall be post authorized by the Chairperson. A blanket authorization has been granted to Directors for all Board and Board Committee meetings.

Expenses resulting from misinterpretations or mistakes are not a basis for reimbursement or non reimbursement. However, such situations shall be reviewed on a case by case basis.

3.2 Loyalty programs

Provided that there are no additional costs to CATSA, Directors traveling on CATSA business can join loyalty programs and retain benefits offered by the travel industry for business or personal use. Such privilege is conditional upon the use of CATSA approved services and products.

3.3 Overpayments

Overpayments, namely amounts reimbursed or paid to Directors, which are not in accordance with the terms of this policy, shall be recovered from the Director as a debt owing to CATSA.

3.4 Receipts

Where the Director certifies that the receipt was lost, accidentally destroyed or unobtainable, a personal declaration shall replace the receipt.

3.5 Responsibilities

The Corporate Secretary shall:

- (a) establish the proper delegation framework to comply with the policy;
- (b) support the Chairperson in determining whether travel is necessary;
- (c) ensure that travel arrangements are consistent with the provisions of this policy;
- (d) ensure that accommodation of needs is provided to avoid undue hardship;
- (e) verify and ensure proper approval of travel expense claims before reimbursement;
and
- (f) ensure that all travel arrangements comply with relevant federal government legislation and CATSA policies.

Directors shall:

- (a) become familiar with the provisions of this policy;
- (b) consult and obtain authorization to travel in accordance with the policy;
- (c) inform CATSA or its suppliers of his/her needs that may require accommodations;
- (d) complete and submit travel expense claims with necessary supporting documentation within 30 days after the completion of the travel. In travel situations exceeding one month, the Director may submit interim travel expense claims prior to the completion of the travel; and

- (e) be responsible for cancelling reservations as required, safeguarding travel advances and funds provided, and making outstanding remittance promptly.

3.6 Travel forms

CATSA approved travel forms shall be used for submitting travel claims with the supporting documentation where necessary.

4. Travel

The provisions outlined in this travel section apply when a Director is away from his/her home city on CATSA business travel or as otherwise approved by the Chair in advance, on a case by case basis, in the event of exceptional circumstances.

A daily comprehensive allowance may be authorized in circumstances where established allowances are neither practical, reasonable nor equitable.

4.1 Accommodation

The Standard for accommodation is a single room, in a safe environment, conveniently located and comfortably equipped.

Government hotel directories shall serve as a guide for the cost, location and selection of accommodations. To facilitate CATSA business, Directors may stay on business floors of hotels.

4.2 Additional business expenses

Directors shall be reimbursed business expenses related to their responsibilities and not otherwise covered such as business calls, photocopies, faxes, internet connections, rental and transportation of necessary office equipment and transportation of required personal effects.

Directors whose schedules have been altered for reasons outside their control shall be reimbursed reasonable telephone costs to attend to situations related to the Directors' altered schedule.

When a Director is required to proceed outside Canada on authorized CATSA business, CATSA shall make the necessary arrangements for obtaining an appropriate passport and/or visa, and any required inoculations, vaccinations, X-rays and certificates of health, at no expense to the Directors.

4.3 Currency exchange

The costs incurred in converting reasonable sums to foreign currencies and/or reconverting any unused balance to Canadian currency shall be reimbursed, based upon receipts, from all transactions and sources.

When these costs are not supported by receipts, the average Bank of Canada currency exchange rate for the month in which travel occurred shall be applied. In cases where the Bank of Canada does not provide exchange rate, an alternate bank rate from an established institution, as determined by CATSA, shall be applied.

4.4 Incidental expense allowance

A Director shall be paid an incidental expense allowance that covers a number of miscellaneous expenses not otherwise provided for in this policy for each day or part day in travel status as per Appendix A. Part day does not include days where a late-night flight arrives in the traveler's headquarters area after midnight.

When a Director visits locations in Canada and the USA on the same day, the incidental expense allowance paid shall be that for the location where the day commences.

Actual incidental costs may be claimed in unusual circumstances. However, if one decides to claim actual incidental costs instead of the predetermined incidental daily allowance, then all incidental expenses reimbursements incurred on that day will be on the basis of receipts.

4.5 Meals

Claims may include the daily meal allowances or actual and reasonable expenses incurred, based on receipts. When actual expenses are claimed for a meal (based on receipts), meal allowances are applicable to the other meal purchased that day (and no receipts are required).

Actual meal expenses shall not include costs associated with guests or additional cost of room service, which is to be identified by the claimant. Where Directors are traveling together, one Director may submit the actual bill for the group's meal with the identity of the other Directors present. However, claims that cover a number of guests must be made in accordance with the Hospitality provisions.

Actual expenses shall not include costs associated with alcoholic beverages unless they are justified in writing and pre-approved by the Chairperson.

Meal allowances shall be reimbursed in accordance with the rates specified in Appendix A.

A meal allowance shall not be paid to a Director with respect to a meal that is provided. In exceptional situations where a Director has incurred out of pocket expenses to

supplement meals provided, the actual incurred costs may be reimbursed, based on receipts, up to the applicable meal allowance.

4.6 Personal Insurance when using commercial transportation

Additional premium costs for personal insurance purchased by a Director using commercial transportation while traveling on CATSA business shall be reimbursed unless such insurance is already provided by the Authority.

4.7 Transportation

The selection of the mode of transportation shall be based on cost, duration, convenience, safety and practicality. In addition to provisions outlined in this section under *Commercial and Vehicles*, expenses associated with the selected mode of transportation such as ferries, tolls, docking fees, shall be reimbursed.

(a) Commercial

Where commercial transportation is authorized and used, Directors shall arrange for their respective travel and submit such expense claims for reimbursement.

Directors may at their discretion use Business Class Travel for trips of 850 air kilometers or more one way. The lowest available airfares appropriate to particular itineraries shall be sought and bookings shall be made as far in advance as possible.

When business class is not available for trips of 850 air kilometers or more, economy fares are to be used.

The standard for rail travel is the next higher class after the full economy class.

Taxis, shuttles and local transportation services are alternatives for short local trips. Actual expenses shall be reimbursed.

(b) Vehicles

The standard for rental vehicles is mid size. Rental vehicles beyond the standard shall be authorized based upon factors such as but not limited to safety, the needs of the traveler and the bulk or weight of goods transported.

The kilometric rates payable for the use of privately owned vehicles driven on authorized CATSA business are prescribed in Appendix A. Directors shall use the most direct, safe and practical road routes and shall claim only for distances necessary driven on CATSA business travel.

Directors, who drive, who are driven or picked up from a public carrier terminal, shall be reimbursed the kilometric rate based on the distance to and from the public carrier terminal for each round trip.

In the interests of safe driving, when director-driven vehicles are used, Directors shall not normally be expected to drive more than:

- 250 kilometers after having worked a full day;
- 350 kilometers after having worked one-half day; or
- 550 kilometers on any day when the employee has not worked.

In respect of every day on which a Director uses a vehicle driven on authorized CATSA business, the Director shall be reimbursed the actual costs of parking the vehicle for that period of time.

(c) Vehicle insurance

Collision damage waiver coverage for the entire period that a vehicle is rented is required and shall be reimbursed.

Directors shall not be reimbursed for personal accidental insurance coverage premiums when using privately owned vehicles.

CATSA assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate and the supplementary business insurance premium for the applicable period, where required. CATSA is not responsible for reimbursing deductible amounts related to insurance coverage.

Privately owned vehicles or other types of transportation used on CATSA business shall have at least the minimum provincial/territorial, state/country, insurance coverage of public liability and property damage.

Directors who intend to carry passengers are advised to confirm with their insurance agent that they are adequately insured.

5. Hospitality

5.1 Work Related events

Hospitality refers to work-related events. Expenses for work-related hospitality events include only expenses for food and beverages.

Work related events refer to long meetings, retreats or team-building workshops, day sessions, training sessions or formal activities where interrupting the work or dispersing participants is not desirable. While participants are normally Directors, they can also

include Management, consultants, union representatives or other stakeholders with whom CATSA does business.

Cost should be consistent with the status or rank of the guest(s), the number of person attending, the circumstances and local prices.

Expenses for work-related hospitality events do not normally include meals at restaurants. Meetings at restaurants should only take place when there is a business justification and it has been pre-approved by the Chairperson.

Alcoholic beverages are not to be served at work-related hospitality events. If alcoholic beverages are required, it must be justified in writing and pre-approved by the Chairperson.

5.2 Spouse or other accompanying person

Hospitality extended to the spouse or other accompanying person of a Director officially attending a function must be restricted to situations where the presence of the spouse or other accompanying person enhances the conduct of the function because of protocol and is subject to the Chairperson preauthorizing the expenses. Travel expenses of spouses or other accompanying person shall be reimbursed to the Director concerned.

6. Monitoring

6.1 Effective Date and Review

This policy is effective at the date of its approval by the Board of Directors. The Corporate Governance and Human Resources Committee will evaluate the administration of this policy by conducting periodic reviews.

6.2 Inquiries

All inquiries regarding this policy should be routed through the Corporate Secretary. For interpretation of specific policy statements contained in this policy, you should contact the Corporate Secretariat at corporate.secretary@catsa-acsta.gc.ca .

Appendix A

Meal Allowances, Incidental Expenses and Kilometric Rates*

Directors on travel status shall receive meal allowances, incidentals and kilometric rates as follows:

Breakfast	\$14.05
Lunch	\$13.50
Dinner	\$38.40
Incidentals*	\$17.30

* applies whether Director is on part-day or full day travel status

Area	Cents/km * (Taxes included)
Alberta	49.5
British Columbia	50.0
Manitoba	47.0
New Brunswick	47.5
Newfoundland and Labrador	51.5
Northwest Territories	54.5
Nova Scotia	48.5
Nunavut	54.5
Ontario	52.0
Prince Edward Island	48.0
Quebec	54.5
Saskatchewan	45.5
Yukon	57.5

*Kilometric rates are subject to increase and/or decrease based on Treasury Board updates in April and October annually

The rates will be reviewed on April 1st of each year.