



OBJECTIVE:

The objective of this Expense Policy is to establish a standardized framework for reimbursable travel, entertainment, and other necessary expenses incurred by Employees across all divisions of Destination Pet, LLC (referred to as 'Destination Pet' or 'DP'). This Policy aims to delineate the types of business-related expenses eligible for reimbursement, outline Employee responsibilities regarding expense control and reporting, and provide clear guidance on the process and requirements for filing and obtaining reimbursement for approved expenses.

EFFECTIVE DATE:

February 14, 2024

AUDIENCE:

All employees.

PROCEDURE/POLICY:

SECTION 1: INTRODUCTION

1.1 Purpose:

This policy (the “Policy”) sets out a unified approach to reimbursable travel, entertainment, and all other necessary expense (“expense(s)”) for Employees across all banners of Destination Pet, LLC (“Destination Pet”, “DP” or the “Company”). The Policy:

- 🐾 Describes the types of business-related expenses that are reimbursable by the Company.
- 🐾 Informs Employees of their responsibilities to control and report expenses.
- 🐾 Describes the process and requirements for Employees to file and obtain reimbursement for approved expenses.

1.2 Scope:

All Company Employees who incur expenses on behalf of the Company are responsible for complying with this Policy.

1.3 Roles and Responsibilities:



Employees: Employees are responsible for incurring only ordinary, necessary, and reasonable expenses that are directly connected to or pertaining to the transaction of Company business. Employees are expected to exercise prudent business judgment regarding expenses covered by this Policy.

To ensure accurate expense tracking, Employees must make their best effort to properly classify incurred expense type based on the supporting details, provide proper documentation, and reconcile expenses within a timely manner within this Policy's guidelines.

Supervisors: All members of management ("Supervisor(s)") are responsible for ensuring that all requirements set forth in this Policy have been followed before they approve Employee expense reports. This includes reviewing expense line items and returning expense reports to Employees for correction if an expense is misclassified, does not comply with this Policy or does not contain the appropriate documentation. Any deviations must be explained in the Expense Report. Supervisor(s) are responsible for ensuring that all newly hired Employees who may incur expenses as part of their job responsibilities receive a copy of this Policy.

1.4 Compliance:

Compliance with this Policy is vital to the success of Destination Pet. Each Employee and approving Supervisor is expected to learn, understand, and comply with this Policy, available on Destination Pet SharePoint.

Non-compliance with this Policy may result in non-reimbursement, card vendor non-payment, card deactivation, and disciplinary action, up to and including termination. In addition, Destination Pet will seek restitution for any inappropriate charge(s).

SECTION 2: CORPORATE TRAVEL

2.1 Definition

"Corporate Travel" or "Travel" is defined as travel requested by or deemed necessary for the Company and may include flights, lodging, transportation.

2.2 Travel Arrangements

All bookings for Corporate Travel that include Air Travel, Lodging, or a Rental Car must be completed through Destination Pet's travel platform Navan. The use of Navan ensures Travel holds to Employee's set Travel Budget and requires approval from Employee's Supervisor, member or designee. If Employee is unable to find appropriate travel within the Platform, they must seek written approval from the Employee's Supervisor, member or designee prior to booking outside of Navan. Unless otherwise approved, travel



bookings completed outside of Navan may not be reimbursed. The Employee may be held responsible for expenses incurred and may be subject to disciplinary action, up to and including termination.

Employees should make every effort to book Travel 28 days prior to intended Travel dates. If Employee must book travel within 14 days of intended Travel dates, approval will be required from Employee's Supervisor. If Employee repeatedly and without sufficient reason books travel less than 14 days prior to intended Travel dates, Employee may be subject to warnings or disciplinary action, up to and including termination.

2.3 Air Travel

Air Travel must be selected based upon safety, time of travel, and cost.

When booking flights, Employees must exercise prudent business judgement and select cost-effective flights that allow for the maximum time at their destination. Flights should not be selected if they necessitate an additional night in the field with no additional visit time. If available and within Employee's budget, non-stop flights should be booked to minimize travel time and maximize Employee's time in the field.

Employees may collect and retain membership points from Airlines; however, Employees are not to select a preferred Airline over another if less expensive, comparable tickets are available on another Airline.

Qualifying Airfare expenses are as follows:

- 🐾 Airfare, Economy or Main Cabin; Employees may not book Basic Economy, Business or First Class, or "Flexible" (fully-refundable) fares.
- 🐾 Carry-on bag, 1 per traveler per flight.
- 🐾 Checked bag, 1 per traveler per flight.
- 🐾 In-flight internet, if flight exceeds 2 hours, and if used for business purposes; may either be made as a one-time purchase or subscription, depending upon Employee's frequency of travel.

Non-qualifying Airfare expenses are as follows:

- 🐾 TSA Pre-Check, Clear, or similar
- 🐾 Airline Club Memberships, unless expressly used for business purposes and with approval
- 🐾 Class Upgrades
- 🐾 Premium Seats
- 🐾 Early check-in
- 🐾 In-flight entertainment
- 🐾 Travel insurance or baggage insurance



2.4 Lodging

If an Employee is required to stay overnight in the field, lodging should be selected based upon safety, distance to visiting location, and cost.

Employees may collect and retain membership points from Hotel brands; however, Employees are not to select a preferred Hotel over another if less expensive, comparable rooms are available at another Hotel brand.

Qualifying Hotel expenses are as follows:

- 🐾 Hotel room, flexible rate; Employees should avoid paying for rooms prior to stay
- 🐾 Hotel breakfast, if added to room rate
- 🐾 In-room internet, if used for business purposes

Non-qualifying Hotel expenses are as follows:

- 🐾 In-room entertainment
- 🐾 Laundry
- 🐾 Room service
- 🐾 Mini-bar refreshments

2.5 Auto & Parking

“Auto & Parking” may refer to and include Taxi service (including Lyft and Uber), Rental Vehicles, or parking.

When traveling, Employees should select transportation based upon safety, time efficiency, and cost. If at any time an Employee feels unsafe utilizing Taxi service, a Rental Vehicle should be secured.

All Rental Vehicles should be secured from the Company’s rental partners, National and Enterprise. Prior to booking travel, Employees should ensure they are linked to the Company’s corporate pricing by contacting vendor.specialist@destpet.com. If no vehicles are available through the Company’s rental partners, Employees may book through other vehicle rental companies.

Destination Pet has insurance coverage for Employees operating rental vehicles. Team Members therefore should not purchase the optional insurance coverage offered by vehicle rental companies. Additional insurance purchased may not be reimbursed.

Qualifying Auto & Parking expenses:

- 🐾 Taxi service to/from the airport.



- ✿ Airport Long-Term Parking.
- ✿ Taxi service tips, not to exceed 20%.
- ✿ Vehicle rental, Compact, Mid-Size, or Full-Size car; only if deemed necessary for safety due to weather or other concerns may an AWD vehicle be selected. All other selections of an AWD vehicle must be approved by the Employee's Supervisor, member, or designee prior to booking.
- ✿ Gas for vehicle rental.
- ✿ Tolls when using a rental vehicle if alternate routes are unavailable.

Non-qualifying Auto & Parking expenses:

- ✿ Airport Short-Term or Valet Parking.
- ✿ Parking and traffic violations.
- ✿ Gas for personal vehicles, except in conjunction with a Vehicle Stipend.
- ✿ Additional rental vehicle insurance.
- ✿ Car washes.

Employees must obey all traffic and parking laws while operating a Rental Vehicle. In case of car accident, Employee must immediately alert Employee's Supervisor. Employee's Supervisor must submit an Incident Report Form according to the Company's SOP. If Employee's Supervisor is unavailable, Employee should contact their District Director or Human Resource Business Partner.

2.6 Personal Vehicles

If an Employee must make use of their personal vehicle for business purposes, Employee will be entitled to either a Vehicle Stipend or mileage reimbursement.

Vehicle Stipends will only be available to certain positions and will be outlined in Employee's employment agreement or offer letter. Employees receiving a Vehicle Stipend will be reimbursed for fuel consumed on business-related trips but are not eligible for mileage reimbursement, unless approved by the Employee's Supervisor for a specific trip.

Mileage will be reimbursed at the 2024 IRS rate of \$0.67 per mile. This rate includes expenses related to fuel, insurance, maintenance, and depreciation costs. Employees should subtract normal commuting miles before submitting for reimbursement. Mileage must be submitted for reimbursement according to the Company's SOP within the month it occurred.

The following activities are considered business-related purposes and are eligible for mileage reimbursement:



- ❗ Attending a meeting at a location other than the Employee's regular place of work or the Company Headquarters.
- ❗ Making a business-related visit to a Company location ("Center"), if not the Employee's regular place of work.
- ❗ Leaving the Employee's regular place of work to perform business-related errands, such as retrieving or purchasing supplies necessary for Center operation.
- ❗ Traveling for Continuing Education, based upon Employee's employment agreement or offer letter.

The following activities are not eligible for mileage reimbursement:

- ❗ Traveling to/from Employee's regular place of work or the Company Headquarters.
- ❗ Traveling to/from the airport.

Employees who use their personal vehicle for business-related purposes must have a valid driver's license and at least the minimum insurance coverage required by law.

Employees must obey all traffic and parking laws while operating a vehicle for business-related purposes. Parking and traffic violations are not reimbursable. Primary insurance for Employees who use their personal vehicles for business purposes will be through the Employee's personal auto insurance policy. Employee will be responsible for any damage to their personal vehicle, as well as for liability.

2.7 Personal Travel and Family Members

Employees may use Time Off either at the beginning or end of business-related Travel, provided there are no additional Expenses to the Company. Employees must approve all plans to combine Time Off with business-related Travel with their Supervisor prior to scheduling. The Company will not reimburse non-business-related expenses incurred during the Employee's Time Off.

Family Members may travel with the Employee, provided there are no additional Expenses to the Company, and Employee is unobstructed from fulfilling the trip's purpose. The Company will not reimburse expenses incurred for Family Members of the Employee, unless by specific invitation from the Company.

2.8 Events and Meetings Travel

In-person meetings should only occur when there is a significant additional value that cannot be accomplished through virtual alternatives. Any Employee wishing to plan an in-person meeting must obtain pre-approval from the senior-most member of their department.

If a meeting is approved, the meeting planner should provide adequate and timely information to allow attendees to book their travel before the required 28 days.

2.9 Meals

Version 1.2, Updated August 2024
Destination Pet, LLC – Expense Policy
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For inquiries, please contact Finance Department at accounting@destpet.com.
This policy is subject to change at the discretion of Destination Pet, LLC.



Destination Pet will reimburse employee meals when travel is required to conduct Company business away from their normal work location for 6 hours or more in a day.

Below are the daily maximum allowable expenses for meals including gratuity and taxes, calculated per person:

Standard Per Diem	Major City* Per Diem
\$70	\$85
*Major Cities: Boston, Chicago, San Francisco, Miami, Los Angeles, Seattle, Washington DC, New York City, San Diego, Denver.	

Expenses that exceed the daily reimbursable rate are subject to review and may not be reimbursed. Employees that repeatedly exceed the daily reimbursable rate may be subject to warnings and/or disciplinary action, up to and including termination.

All meal receipts should be itemized and include tax and tip on the receipt. Employees should tip no more than 20% on meal purchases. If Employees dine together, the senior-most Employee present must pay for the meal and is responsible to appropriately allocate the expense. Alcoholic beverages will be reimbursed only when purchased with meals, up to a maximum of two (2) drinks per person, per day.

SECTION 3: EXPENSES

3.0 Order of Expenses

If a business purchase needs to be made, Employees should resort to the following sources, in order, to make the purchase:

1. Coupa
2. pCard
3. Out-of-Pocket

3.1 pCard Expenses

Employees may be provided a Corporate Purchase Card (“pCard”), according to Employees’ needs to purchase materials for the Company. All Employees who receive a pCard must read and sign a Cardholder User Agreement prior to activating or using the card.



Employees should not utilize a pCard for purchases that otherwise could be made through Coupa, unless deemed necessary and approved by Employee's Supervisor. These purchases include, but are not limited to the following:

- 🐾 Computer hardware and software or office equipment, including printers and communication equipment
- 🐾 Office furniture, supplies, and fixtures
- 🐾 Marketing, branded, or print items
- 🐾 Center operating supplies
- 🐾 Uniforms

3.2 pCard Expense Reporting

All pCard expenses must be appropriately reconciled and submit for approval according to the Company's SOP.

Supervisors must review any pCard expenses according to the Company's SOP and verify that all expenses comply with this Policy. Expense reports should be reviewed and approved within 3 days of submission.

3.3 Out-of-Pocket Expenses

When making a business-related purchase, Employees should make every effort to utilize Coupa or a pCard, respectively. Only if absolutely necessary may employees make a purchase out-of-pocket and request reimbursement from the Company.

Reimbursement of out-of-pocket expenses is subject to this Policy. All reimbursements will require proof of purchase (itemized receipt) and the approval of Employee's Supervisor. Failure to receive approval will result in non-reimbursement. Prior authorization is strongly recommended.

3.4 Out-of-Pocket Expense Reporting

All out-of-pocket expenses must be appropriately reported and submitted for reimbursement according to the Company's SOP within 30 days of the purchase date. Expenses submitted for reimbursement after 30 days may not be reimbursed.

Supervisors must review any expenses according to the Company's SOP and verify that all expenses comply with this Policy. Expense reports should be reviewed and approved within 3 days of submission.

3.5 Continuing Education



Destination Pet will reimburse an agreed upon amount based on Employee's employment agreement or offer letter for Continuing Education. Prior to incurring expenses, Employee must disclose intended expenses and receive approval from Employee's Supervisor.

Qualifying expenses for Continuing Education are as follows:

- 🐾 Attendance and registration fees
- 🐾 Webinar, seminar, and web labs registration
- 🐾 E-learning courses and E-learning platforms
- 🐾 Travel, according to the travel policy in section 2

Continuing education expenses must be out-of-pocket and submitted for reimbursement following procedures outlined in Section 3.4 of this Policy.

CONTACTS:

For assistance, please don't hesitate to contact one of the individuals listed below, each specializing in addressing specific questions or concerns related to our policy:

Insurance

Rhonda Winters, 208-424-2918, Rhonda.Winters@MarshMMA.com.

pCards

Accounting, dpaccounting@destpet.com.

Workday

Monaye Simmons, monaye.simmons@destpet.com.

REFERENCE:

AMEX Cardholder User Agreement; MasterCard Cardholder User Agreement; Destination Pet Standard Operating Procedures.