DestinationPet™
Controlled Substances Policy

OBJECTIVE: The purpose of this Controlled Substances Policy ("**Policy**") is to ensure compliance with state and federal regulations governing the acquisition, storage, administration, handling, dispensing, prescribing, recordkeeping, and disposal of drugs classified as being within one of the five schedules under the Controlled Substances Act ("**Controlled Substances**"), and to outline procedures to achieve such compliance.

EFFECTIVE DATE: May 2022

AUDIENCE: Medical Directors, veterinarians, veterinary technicians, and all other medical personnel ("**Medical Personnel**") of Destination Pet, LLC or its affiliates or managed entities (collectively, "**Destination Pet**")

1. **Policy**. This Policy educates and empowers Destination Pet personnel on proper procedures to monitor and track how Controlled Substances are used within each Destination Pet veterinary clinic's closed system when ordering, receiving, securing, storing, recordkeeping, logging, administering, dispensing and/or prescribing Controlled Substances to the ultimate end-user, i.e., the pet or owner on behalf of the pet.

2. **Overview**. At the beginning or end of each workday, the Primary Registrant (defined in Section 6.2) or its authorized employee(s) must take a complete daily reconciliation of all Controlled Substances to assure that the balances are current, complete, and accurate by writing the daily reconciled total of each substance in the Controlled Substance Administration and Dispensing Reconciliation Logs by Schedule;. All Controlled Substances in each Destination Pet veterinary clinic must be stored in a securely locked, substantially constructed cabinet (e.g., a steel cabinet or a safe) ("**Lockbox**"). In addition, Schedule I Controlled Substances must be secured in a Lockbox that is a steel cabinet or safe.

3. **Responsibilities**.

3.1 **Veterinarian Registration**. All veterinarians employed by Destination Pet are required to have a current DVM license, a current Drug Enforcement Agency ("**DEA**") Certificate, and a State Controlled Substance license (where required by state law) for the state where they provide veterinary services.

3.2 **Primary Registrant**. Each Destination Pet veterinary clinic is required to have at least one licensed veterinarian who is currently registered with DEA as the "Primary Registrant" and who shall designate a minimum of one authorized staff member who is delegated to ensure compliance with applicable state and federal regulations. For the purposes of clarity, the Primary Registrant is ultimately responsible for DEA compliance in all instances.

3.2.1 The Primary Registrant is responsible for managing the Controlled Substances in accordance with the requirements of the DEA's federal regulations (Title 21 CFR 1300 to end) and state regulations, including inventory, record keeping, and security provisions.

3.2.2 The Primary Registrant is responsible for assisting with the compliance of all state and federal Controlled Substances rules and regulations, including (a) educating all Destination Pet Medical Personnel and staff members about Controlled Substances' regulatory requirements, (b) assisting as necessary during new hire implementation, (c) providing ongoing training, and (b) providing regular and ongoing oversight to ensure Controlled Substances compliance is current, complete, and accurate at all times.

3.3 **Veterinary Technicians**. Each Destination Pet veterinary clinic is strongly encouraged to have at least one licensed veterinary technician who will work under the supervision of the Primary Registrant to properly dispense Controlled Substances in accordance with the requirements of the DEA's federal regulations and state regulations regarding inventory, record keeping, and security provisions. While veterinary technicians can assist in performing a wide variety of tasks, such as dispensing certain Controlled Substances, they cannot diagnose, prescribe, perform surgery, or engage in any activity prohibited by a state's veterinary practice act.

4. **General Information About Controlled Substances**.

4.1 **Controlled Substance Schedules and Importance of Accurate Recordkeeping**. Federal law classifies Controlled Substances into five schedule categories according to their medical use and potential abuse. Most states also have five controlled substance schedules, however, some states have six or seven schedule categories. The DEA specifies required forms for the procurement of drugs within these schedules. It is the responsibility of the Primary Registrant and the individual(s) delegated pursuant to Section 5.2 to stay abreast of any changes in state or federal schedule categories and make the appropriate changes in all corresponding controlled substance documents. The DEA updates and publishes a complete list of the controlled substance schedules annually in Title 21 Code of Federal Regulations (Title 21 C.F.R. 1308.11 through 1308.15). Controlled Substances are placed in their respective schedules based on whether they have a currently accepted medical use in treatment in the U.S., their relative abuse potential, and the likelihood of causing dependence when abused. Some examples of the drugs in each schedule are listed below and are current as of the publication of this Policy.

4.2 **Schedule I Controlled Substances.** These Controlled Substances have no currently accepted medical use in the United States, a lack of accepted safety for use under medical supervision, and a high potential for abuse. Examples of Schedule I Controlled Substances are heroin, lysergic acid diethylamide (LSD), and marijuana (cannabis). Schedule I Controlled Substances currently are not used in the practice of veterinary medicine.

4.3 **Schedule II Controlled Substances.** These Controlled Substances have a high potential for abuse which may lead to severe psychological or physical dependence. Examples of Schedule II Controlled Substances used in the practice of veterinary medicine include Hydromorphone (Dilaudid®), methadone (Dolophine®), hydrocodone, pentobarbital (Nembutal, etc.), morphine, and fentanyl (Duragesic®).

4.4 **Schedule III Controlled Substances.** These Controlled Substances have a potential for abuse less than Controlled Substances in Schedules I or II and abuse may lead to moderate or low physical dependence or high psychological dependence. Examples of Schedule III Controlled Substances used in the practice of veterinary medicine include products containing not more than 90 milligrams of codeine per dosage unit (Tylenol with Codeine®), and buprenorphine (Suboxone®) and ketamine.

4.5 **Schedule IV Controlled Substances.** These Controlled Substances have a low potential for abuse relative to substances in Schedule III. Examples of Schedule IV Controlled Substances commonly used in the practice of veterinary medicine include alfaxalone (alfaxan), alprazolam (Xanax®), butorphanol (Stadol®, Torbutrol®, Torbugesic®, Dolorex®), diazepam (Valium®), lorazepam (Ativan®), midazolam (Versed®), phenobarbital, tramadol (Ultram®).

4.6 **Schedule V Controlled Substances**. These Controlled Substances have a low potential for abuse relative to substances listed in Schedule IV and consist primarily of preparations containing limited quantities of certain narcotics. Examples of Schedule V Controlled Substances commonly used in the practice of veterinary medicine include cough preparations containing not more than 200 milligrams of codeine per 100 milliliters or per 100 grams (Phenergan with Codeine®), and atropine & diphenoxylate (Lomotil®).

5. **Authorized Use of Controlled Substances & Screening Questions**.

5.1 **Authorized Access to Controlled Substances**. Only the Primary Registrant or staff members authorized by the Primary Registrant may have access to the keys or code to the Lockbox to obtain Controlled Substances for patient use. Only authorized agents and staff members under the direct supervision of the Primary Registrant may engage in Controlled Substance activities approved by the Primary Registrant via a written order.

Screening Questionnaire. The DEA requires Destination Pet obtain additional information on all individuals who will have access to Controlled Substances, whether new or existing employees. The need to know this information is a matter of business necessity and is essential to overall Controlled Substances security. In this regard, the DEA deems information about the conviction of crimes and unauthorized use of Controlled Substances as activities that are proper subjects for inquiry. The Primary Registrant or its authorized staff member(s) are required to screen all employees who have access to Controlled Substances. As part of the screening process, the Primary Registrant or an

authorized staff member must provide an Employee Screening Questionnaire including questions required by federal regulations (21 CFR1301.90). In addition, Destination Pet must obtain written authorization from all individuals who will have access to Controlled Substances to allow background inquiries by courts and law enforcement agencies for possible pending charges or convictions. The completed Screening Questionnaire must be sent to the applicable regional Destination Pet Human Resources Business Partner ("**DP HRBP**") with instructions to the DP HRBP to upload and save in the employee's personnel file. Medical Personnel are not permitted to access Controlled Substances unless and until the screening questionnaire and written authorization have been completed and reviewed by the Primary Registrant and, if necessary, the applicable DP HRBP. Either the Primary Registrant or the applicable DP HRBP will let Medical Personnel know when the screening questionnaire process has been completed.

6. Ordering and Receipt of Controlled Substances.

6.1 Ordering Controlled Substances & Power of Attorney.

6.1.1 The required DEA order form(s) may be filled out only by the Primary Registrant or a staff member authorized by the Primary Registrant to do so. The Primary Registrant may authorize a dedicated staff member(s) to order on its behalf using the DEA's Controlled Substance Power of Attorney Form for the practitioners at the Primary Registrant's veterinary clinic. The Primary Registrant's signature is still required where applicable.

6.1.2 A Power of Attorney Form may be filled out by the Primary Registrant to authorize other staff members to assist with the procurement, receipt, storage, recordkeeping, inventorying, dispensing, and destruction of all Controlled Substances stored at a veterinary clinic. A Power of Attorney Form is only to be used for this specific purpose. If more than one staff member is authorized or a new employee is authorized, then a Power of Attorney Form must be filled out for each authorized employee.

6.1.3 The Power of Attorney Form(s) must be kept on file at each Destination Pet veterinary clinic where the Primary Registrant and the authorized staff member(s) work.

6.1.4 A Power of Attorney Revocation Form must be filled out by the Primary Registrant when the authorized staff member leaves Destination Pet's employment. The Power of Attorney Revocation Form must be kept on file at each Destination Pet veterinary clinic where the departing staff member was employed.

6.1.5 A current list of staff members authorized to evaluate the necessary drug supply and order Controlled Substances must be listed on an Approved Access Sheet kept at each veterinary clinic, and on the Approved Access Sheet in the front of each Controlled Substance Administration and Dispensing Reconciliation Log by Schedule. The Primary Registrant must regularly review Controlled Substance orders for any suspicious orders or activities and promptly report such orders to (a) the local DEA Field Division Office and to (b) Compliance@destpet.com. Suspicious orders include orders of unusual size, orders deviating substantially from a normal pattern, and orders of unusual frequency.

6.2 Receiving Controlled Substances.

6.2.1 All shipments of Controlled Substances are to be immediately delivered unopened to the applicable veterinary clinic and fully secured into the closed Controlled Substances Lockbox and immediately entered in the Closed Controlled Substance Reconciliation Logs by Schedule. The only exception to this procedure is if the newly received shipment of Controlled Substances is placed into open inventory for immediate use and logged into the Open Controlled Substance Reconciliation Logs by Schedule.

6.2.2 Except as provided in Section 8.2.3, the time, date, and total quantity of each Controlled Substance received, plus the Primary Registrant's and an authorized representative's initials (i.e., two sets of initials), must be written on the retained copy of the DEA 222-order form and attached to the invoice. Documents must be stored in a locked file cabinet. Documents regarding Schedule II Controlled Substances must be stored in a locked file

cabinet and kept separate from all documents regarding Schedule III, IV, and V Controlled Substances.

6.2.3 The use of the DEA's Controlled Substance Ordering System ("**CSOS**") program is exempt from section 8.2.2 because it allows for secure electronic orders of Controlled Substances without requiring DEA form 222. Prior to using CSOS, Primary Registrants must register with the DEA as a CSOS user to obtain a CSOS digital certificate. CSOS certificates contain the same identification information as DEA form 222, which allows for timely and accurate validation by the supplier. Additionally, CSOS has no line-item limit for a single order.

6.2.4 Shipments received are to be immediately reconciled with the order form, inventoried, and recorded in the Controlled Substance Administration and Dispensing Reconciliation Logs by Schedule, by the Primary Registrant, or staff members authorized by the Primary Registrant to reconcile the order form. Once reconciled, the shipments must then immediately be stored in the Lockbox.

6.2.5 A current list of staff members authorized to reconcile Controlled Substances with the order form must be on the Employee Signature Form located at each veterinary clinic and placed in the front of each Controlled Substance Reconciliation Log by Schedule.

6.2.6 Any discrepancies between the order placed and items received must be immediately reported to the distributor, the Primary Registrant, and the DEA via a Controlled Substance Shipment Discrepancy Form.

7. **Transfer of Controlled Substances Between DEA Registrants: The 5% Rule**. The DEA's 5% Rule mandates that no more than 5% of a Primary Registrant's annual Controlled Substance inventory may be transferred to another Primary Registrant each year (annually). The Controlled Substance inventory transfer form can be found here: QF-99-58 (C) DEA Transfer and Destruction Log (2024).xlsx.

7.1 **Transfer of Schedule II Controlled Substances**. Transfers of Schedule II Controlled Substances between DEA Registrants require the use of a DEA 222 Form.

10.1.1 A DEA 222 Form must be created and signed by the Primary Registrant requesting the Schedule II Controlled Substance(s).

10.1.2 An invoice must also be created and attached to the 222 Form listing the Schedule II Controlled Substance(s) transferred between Primary Registrants, plus the charge associated with each Controlled Substance transferred between Primary Registrants.

10.1.3 Both Primary Registrants must sign and date the invoice.

10.1.4 Both Primary Registrants must maintain copies of all transfer documents.

10.1.5 Documents regarding Schedule II Controlled Substances must be kept in a locked cabinet and separate from all documents regarding Schedule III, IV, and V Controlled Substances.

7.2 **Transfer of Schedule III, IV, and V Controlled Substances**. Transfers of Schedule III, IV, and V Controlled Substances require a signed and dated invoice between Primary Registrants prior to transfer. A template transfer invoice for Schedule III, IV, and V Controlled Substances can be found here: Transfer Invoice.pdf.

10.2.1 An invoice must be created listing the Schedule III, IV, and/or V Controlled Substance(s) transferred, and the charge associated with each Controlled Substance transferred between Primary Registrants.

10.2.2 The invoice must be signed and dated by both Primary Registrants involved in the transfer.

10.2.3 Both Primary Registrants must maintain copies of the documents.

10.2.4 Documents regarding Schedule III, IV, and V Controlled Substances must be kept in a locked cabinet and separate from documents regarding Schedule II Controlled Substances.

8. **Comingling Controlled Substances**. Different Controlled Substances may be drawn up by Primary Registrants into a single syringe for immediate administration to a patient as long as (a) all the recordkeeping steps described in this Policy are followed, (b) the Controlled Substances drawn into the syringe match the order from the veterinarian for the patient, and (c) the patient has a substantiating diagnosis such as spay, neuter, TPLO, etc. that justifies the use of multiple Controlled Substances in one dose. For the purposes of clarity, only a Primary Registrant may comingle Controlled Substances.

9. **Disposal and Removal of Controlled Substances**.

9.1.1 **Accounting and Removal**. All expired and/or unwanted Controlled Substances must be immediately accounted for upon their return to a government-approved reverse distributor. The Primary Registrant or authorized staff member must immediately remove the expired/unwanted Controlled Substances from the veterinary clinic's closed and/or open inventory and send to a government-approved reverse distributor. All Controlled Substances medical waste must be immediately accounted for and destroyed per state and federal DEA regulations utilizing a government-approved medical waste hauler.

DEA Reverse Distribution (Sharps Compliance) Policy.pdf

DEA Reverse Distribution for Registrants - PI Sheet.pdf

DEA Reverse Distribution for Registrants IFU.pdf

QF-99-58 (C) DEA Transfer and Destruction Log (2024).xlsx

12.1 **Updating Records**. The Primary Registrant or authorized staff member who removes the expired/unwanted Controlled Substances for destruction must notate in the Controlled Substance Administration and Reconciliation Log by Schedule the removal of the expired/unwanted Controlled Substance, by dating and stating in the log: ***Expired (or unwanted) returned to reverse distributor for destruction***.

12.2 **When Immediate Processing Cannot Occur**. Where possible, the return of Controlled Substances should be completed following the steps described in Sections 11.1 and 11.2 completely. If the expired/unwanted Controlled Substances are not immediately processed for disposal as directed in Sections 11.1 and 11.2, then the following system must occur:

12.3.1 Immediately remove the expired/unwanted Controlled Substance(s) from active closed or open inventory.

12.3.2 Clearly label each bottle as expired or unwanted.

12.3.3 Lock the Controlled Substances, by Schedule, in a separate Lockbox specifically created for storing the expired/unwanted Controlled Substances, until sent to the reverse distributor for destruction.

12.3.4 Create a Controlled Substance Expired/Unwanted Log by Schedule listing exactly what was placed in the expired/unwanted Lockbox until sent to the reverse distributor for destruction.

12.3.5 When ready to return the Controlled Substances to the reverse distributor for destruction, follow the steps in Section 11.1 and 11.2 and the reverse distributor's directions completely.

13. **Inventory**.

10.1 **Weekly Spot Audit**. Each week, the Registrant or authorized representative, will select a drug to audit. The drug will be counted and compared to the correlating log. Confirm that the math is correct, that there is a signature and witness for each time the drug was dispensed.

10.2 **Biennial**. The inventory of all controlled substances on hand need to be done at least every two years. The biennial inventory may be taken on any date as long as it is within two years of the previous biennial inventory date. The inventory sheet can be found here: Biennial Form.pdf

10.3 **Annually**. A complete year-end inventory of all Controlled Substances stored at each veterinary clinic must be taken on the last business day of each calendar year. All corresponding Controlled Substance Reconciliation Logs by Schedule must then be closed, and new Controlled Substance Administration and Dispensing Logs by Schedule will be opened on the first business day of each new year. The inventory sheet can be found here: Inventory Form.pdf. Additionally, an annual compliance check will be done by either the DVD or DVS. They will look at all logs (master, dispensing, purchase), safes, safety, and make suggestions for improved compliance if needed. They will also do a spot audit on one drug.

10.4 **Quarterly**. A complete inventory of all Controlled Substances in each veterinary clinic is required by Destination Pet every quarter and will be submitted by the Primary Registrant or its authorized individual upon completion to the applicable District Veterinary Director and Director of Veterinary Services. The inventory sheet can be found here: Inventory Form.pdf

14. **Record-Keeping Requirements.**

14.1 **Real-Time Recordkeeping & Responsibility**. The administration and dispensing of Controlled Substances, as well as the Controlled Substance recordkeeping requirements, for patients treated at veterinary clinics must occur in real-time to assure the Controlled Substance Reconciliation Logs and corresponding documents are current, complete, and accurate at all times and maintained in accordance with state and federal regulations. The Primary Registrant and its authorized employees are responsible for maintaining the Closed and Open Controlled Substance Administration and Dispensing Reconciliation Logs by Schedule on an ongoing and daily basis to ensure they are current, complete, and accurate at all times.

14.2 **Controlled Substances Orders**.

14.4.13 All prescription or medication orders for Controlled Substances issued by the Primary Registrant or its authorized employee(s) must be written on a separate prescription pad or, if available in Destination Pet's production information management system ("PIMS"), sent electronically directly to the pharmacy as required by state law.

14.4.14 Documentation of the Controlled Substance prescription(s) prescribed to a patient must be kept in the patient's chart and, if available, in the pharmacy section of the PIMS. The Controlled Substance dispensed to a patient or the patient's owner on the patient's behalf must also be recorded in the Controlled Substance Administration and Dispensing Reconciliation Log(s) By Schedule in accordance with Section 13.4.

14.3 **Daily Reconciliation & Responsibility**. Daily reconciliation of Controlled Substances must be taken by the Primary Registrant or the authorized staff member(s) at the opening (AM) or closing (PM) of each business day to assure that the balances in each Controlled Substance Reconciliation Log by Schedule are accurate. Verification of the reconciliation must be made by signature or initialing of the Primary Registrant or authorized employee(s) who is responsible for the Controlled Substances inventory. Any unresolved discrepancies must be immediately reported to the Primary Registrant and immediately investigated by the Primary Registrant.

14.4 **Content of Logs**. The continuing use of the Controlled Substance Administration and Dispensing

Reconciliation Logs by Schedule for both Closed and Open Controlled Substances must be maintained by (a) Schedule, (b) when ordered, received, or transferred, (c) as each Controlled Substance is administered or dispensed to a patient or owner on behalf of the patient and (d) in the event of any discrepancy or disposal. Current, complete, and accurate recordkeeping of the Controlled Substance Reconciliation Logs by Schedule is required by the DEA and will ensure complete accountability of all Controlled Substances administered, dispensed, wasted, or destroyed. Each entry into the Controlled Substance Reconciliation Logs by Schedule must include at a minimum:

14.4.1 When a Controlled Substances order is placed; the name and address of the owner of the Controlled Substances; the anticipated date of receipt or delivery; the actual date of receipt or delivery; the DEA registration number of the Primary Registrant who received and distributed the Controlled Substances; the kind and quantities of Controlled Substances received; transfers of Controlled Substances to and from closed to open; discrepancies; and Controlled Substances wasted or disposed of.

14.4.2 Identification, size, and the strength of each Controlled Substance, and the beginning amount and other required relevant information on each page of the Controlled Substance Reconciliation Logs by Schedule.

14.4.3 The date of administration; the owner's name and address; the patient's name, species, and age; diagnosis; Controlled Substance used, class, and strength; reason for the use; the amount used; anticipated duration of use; the remaining amount; and the initials of the ordering veterinarian and, if applicable, the initials of the employee administering the Controlled Substance under the veterinarian's direct supervision. This information must also be collected and maintained in the patient's medical chart or record.

14.5 **Amending Patient Records and Logs**.

14.5.1 If the Primary Registrant or its authorized employee(s) need to amend or alter a Controlled Substance record in the patient's chart, the change must be documented immediately upon discovery by dating and initialing the change by drawing a line through the error, documenting the reason for the change, and then documenting the correct information. If it is a late entry, it must be documented as such. If the patient chart error corresponds to an error in the Controlled Substance Administration and Dispensing Reconciliation Log(s) by Schedule, the Primary Registrant or its authorized employee(s) must immediately date and initial the change in the Controlled Substance Administration and Dispensing Reconciliation Log(s) by Schedule in accordance with Section 13.4.2.

14.5.2 If the Primary Registrant or its authorized employee(s) need to amend or alter a Controlled Substance Administration and Dispensing Reconciliation Log(s) by Schedule, the change must be documented immediately upon discovery by dating and initialing the change by drawing a line through the error, documenting the reason for the change, and then documenting the correct information. Any such amendment or alteration must be documented on the date the need for the change is found, not on the date the change should have occurred. Reference to the date of the change needed must be included in the reason for the change. **Do not backdate any notes in the Controlled Substance Administration and Dispensing Reconciliation Logs.**

14.5.3 Any changes, additions, or mistakes in the Patient's chart and in the Controlled Substance Administration and Dispensing Reconciliation Logs by Schedule must be performed in real-time as the change is needed to ensure current, complete, and accurate information.

14.6 **Storage of Logs**.

14.6.1 Records, such as 222 forms, invoices, and packing slips for Schedule I and II Controlled Substances must be maintained by Schedule and must be maintained separately from all other Controlled Substance records. Schedule I and II Controlled Substance records, such as 222 forms, invoices and packing slips must be kept in corresponding monthly files, in sequential order by date, in a locked file cabinet.

14.6.2 Records such as invoices and packing slips for Schedules III, IV and V Controlled

Substances will be maintained by Schedule and may be maintained together. Schedule III, IV & V Controlled Substance records, such as invoices and packing slips, must be kept in corresponding monthly files, in sequential order by date, in a locked file cabinet.

14.7 **Significant Loss or Theft**. Any unresolved significant loss or theft of a Controlled Substance(s) is to be immediately reported to the Primary Registrant in accordance with Section 15. Additional information is in Section 15 (Security Requirements For All Medical Personnel). DEA Form 106 must be used to report the theft or significant loss within 1 business day after the discovery of the loss or theft. A completed Form 106 must be kept on file at the veterinary clinic where the theft or significant loss occurred and emailed to a Regional Veterinary Director and Compliance@destpet.com.

14.7.1 Thefts and significant losses must be reported regardless of whether the Controlled Substances are subsequently recovered, the responsible parties are identified, and action is taken against them.

14.7.2 When reporting theft or significant loss, the Primary Registrant must email a Regional Veterinary Director and Compliance@destpet.com to report the theft or loss and must include in the email (a) the actual quantity of Controlled Substances lost in relation to the supply regularly kept on hand at the veterinary clinic; (b) the identity of the Controlled Substances lost; (c) whether the loss of the Controlled Substances may be associated with individuals who have access to Controlled Substances or whether the loss can be attributed to unique activities that may take place involving the Controlled Substances; (d) whether there exists a pattern of losses over a specific time period, whether the losses appear to be random, and the results of efforts taken to resolve the losses; and, if known, (e) whether the specific Controlled Substances are likely candidates for diversion; (f) local trends and other indicators of the diversion potential of the missing Controlled Substances.

15. **Record Retention**. Controlled Substance Administration & Dispensing Reconciliation Log by Schedule and all other documents required by or relating to this Policy, including inventories and other records such as certificates of registration, purchase orders or DEA Order Forms, loss records, and screening questionnaires (collectively, "**Controlled Substances Records**") must be kept in a central and locked location at each veterinary clinic and for a minimum of 7 years from the date of last entry. If a state requires patients' medical records or other Controlled Substances Records be kept longer than 7 years from the date of last entry, then the documents must be retained for the same amount of time. Controlled Substances Records are subject to audit at any time.

16. **Security Requirements**. The Primary Registrant and its authorized employees shall provide effective controls to guard against the theft or diversion of Controlled Substances.

16.1 **Storage & Removal**. The Primary Registrant and its authorized employees are required to maintain a Lockbox compliant with federal and state regulations for all Controlled Substances under their control. All Lockboxes are to be maintained in a secure area that is not readily accessible to non-authorized individuals. Controlled Substances must be stored in a Lockbox that is not easily broken into or moved. Cameras are strongly encouraged to be utilized near the Lockbox. Controlled Substances may be removed from the Lockbox only by the Primary Registrant or the Primary Registrant's authorized employee(s) and only for authorized transactions. The Primary Registrant must limit access to the Lockbox unit to a few designated employees.

16.2 **Reporting Theft or Diversion**.

16.2.1 Reports of drug theft or diversion by fellow employees are not only a necessary part of an overall employee security program, but they also serve the public interest at large. It is, therefore, paramount to Destination Pet any employee who has knowledge of drug theft or diversion by Destination Pet or a fellow employee has an obligation to immediately report the information to Compliance@destpet.com, the Primary Registrant, the veterinary clinic's Medical Director, the applicable Regional Veterinary Director, the applicable Regional Manager, the Vice President of Veterinary Operations, the Chief Medical Officer or Chief Executive Officer.

16.2.2 Within 24 hours, but in all cases no later than 1 business day after the discovery of the

theft, Compliance@destpet.com, the Primary Registrant, the veterinary clinic's Medical Director, the applicable District Veterinary Director, the applicable District Director, the Director of Veterinary Services and must report the theft to the regional DEA office.

16.2.3 Information about a suspected or confirmed theft or diversion will be treated as confidential and the person(s) to whom a report was made will take reasonable steps to protect the confidentiality of the information and the identity of the employee furnishing information.

16.2.4 **Failure to report information regarding drug theft or diversion will be considered a violation of this Policy and will subject the non-reporting employee to discipline, up to and including termination of employment.**

16.3 **Attempted Theft**. The safety of Destination Pet's employees, patients, and owners is of utmost importance to Destination Pet. In the event of a theft or attempted theft of a Controlled Substance, follow the following steps:

16.3.1 Do not confront any individual who demands access to a Controlled Substance.

16.3.2 Promptly meet the demands of the individual – do not put your safety at risk by attempting to distract the individual. However, if the individual is not aware Controlled Substances are maintained in more than one area, attempt to limit loss by providing the requested item(s) from only one source.

16.3.3 Mentally create a picture of the individual's height, weight, hair color, eye color, distinguishing marks, clothing, etc. If safe to do so, observe the individual's automobile or other methods of transportation.

16.3.4 Do not impede the individual's departure. Do not impede the individual's departure.

16.3.5 As soon as it is safe to do so, promptly call #911 to report the theft or attempted theft.

16.3.6 As soon as it is safe to do so, immediately contact Compliance@destpet.com, the Primary Registrant, the veterinary clinic's Medical Director, the applicable District Veterinary Director, the applicable District Director, the Director of Veterinary Services.

11. **Prescription Drug Monitoring Programs ("PDMPs") for Veterinarians**. Destination Pet supports PDMPs to help reduce doctor shopping and addiction to Controlled Substances. All states, except for Wyoming, Nebraska, Kansas, and Missouri ("**Excluded States**"), mandate veterinarians report to the state PDMP. If a state mandates PDMP reporting, then Destination Pet requires veterinarians in those states who dispense Controlled Substances to timely report necessary information. Except for the Excluded States, all states require veterinarians or authorized employee(s) to consult the state PDMP registry before prescribing or dispensing Controlled Substances to patients. Except for the excluded states, all states require a zero report if no Controlled Substances have been dispensed. Every veterinarian and Practice Manager employed by Destination Pet must stay independently informed of (a) the PDMP requirements in the state(s) in which they work and (b) any changes to a state PDMP or the addition of a PDMP in a state.

17. **Resources**.

18.1 **Internal**. Destination Pet has resources and people available to answer questions and guide employees. For questions about this Policy or to obtain guidance about handling Controlled Substances, please reach out to the veterinary clinic's Medical Director, the applicable District Veterinary Director, the applicable District Director, the Director of Veterinary Services.

18.2 **External**. Please keep the following DEA contact information handy:

DEA Registration for Medical Practitioners:
Drug registrant information or questions:
DEA.Registration.Help@dea.gov
(800) 882-9539

DEA Headquarters:
Attn: Office of Diversion Control
8701 Morrissette Drive
Springfield, VA 22152
(202) 307-1000

Reporting Unlawful Activities:
1-877-792-2873

18. **Mandatory Reporting**. If any Medical Personnel becomes aware of any criminal activity or violation of this Policy, then the individual must report the activity to Compliance@destpet.com, to a member of the Destination Pet Human Resources department or through Destination Pet's third party reporting hotline for employees through Syntrio at the following URL: Lighthouse | Destination Pet. Individuals making reports in good faith will not face retaliation or other disciplinary action, even if the report turns out to be a false alarm. Reporting in good faith means the individual honestly believes a violation may have occurred. However, if any Medical Personnel knowingly make false accusations, they will be subject to discipline. Destination Pet's more detailed policies and procedures relating to reporting violations are included in the Destination Pet Whistleblowing Policy, which is available in Workjam, SharePoint, and from Compliance@destpet.com.

19. **Violations of this Policy**. Conduct that violates this Policy is always considered outside the scope of employment of any employee acting on behalf of the Company. Any employee regardless of position or title, who violates any provision of this Policy will be subject to discipline, up to and including termination of employment.

20. **Administration of this Policy**. The Company expressly reserves the right to change, modify, or delete the provisions of this Policy at any time. The Operations and Medical teams are responsible for the administration of this Policy. All Medical Personnel are responsible for consulting and complying with the most current version of this Policy.

ACKNOWLEDGMENT

I hereby acknowledge I have received and reviewed Destination Pet's Controlled Substances Policy ("**Policy**").

I acknowledge any questions I had regarding the Policy have been answered. I certify I fully understand the Policy and I agree to be bound by, and shall continue to comply with, the Policy.

I understand failure to comply with the Policy may subject me to immediate adverse action, which may include suspension or termination of employment.

Signature: _____

Print Name: _____

Date Signed: _____