



Business Travel, Entertainment, and Operations Expense Policy

Effective date November 2022

1.0 Policy Statement

It is the policy of Down To Earth (or the "Company") to reimburse employees for reasonable and necessary expenses incurred in connection with approved travel, entertainment, and operations expenses (collectively, "business expenses") on behalf of the Company. Employees are expected to follow the procedures set forth below, and exercise discretion and good judgment, when incurring business expenses.

2.0 Purpose

This policy outlines the criteria for incurring business expenses, the appropriate use of Company credit cards, and the expense reimbursement process for business expenses.

3.0 Company Credit Card Procedures

Down to Earth provides a Company credit card ("credit card") for the following positions:

- Business Developers
- Golf Superintendents
- Branch Managers
- Regional Operations Leaders
- Directors

However, credit card usage can be rescinded at any time. Any request for a Company credit card outside of the above named positions must be reviewed and approved by the head of the applicable department and CFO or CEO.

The Company shall determine which credit card will be issued to and used by Down To Earth. The credit card is for employees to pay business expenses incurred on behalf of or in furtherance of Company operations. Although the Company credit card is issued in an employee's name, it is the property of Down To Earth and is not for personal use. Employees are responsible for the credit card's security and may only use it for Down To Earth business expenses. Employees must report a lost or stolen credit card immediately to both Down To Earth and the credit card company (such as American Express).

Using the credit card outside of the policy established by Down To Earth will result in the employee's loss of credit card privileges, disciplinary action up to and including termination of employment, and repayment by employee of the balance on the credit card incurred not in compliance with the policy, meaning, an employee who makes



unauthorized purchases will be personally liable for such unauthorized purchases.

3.1 Guidelines for Company Credit Card Purchases

The Company credit card is to be used for business travel and entertainment purposes (see Section 5 of this policy) **or** for limited operations expenses due to an emergency, as defined below. **The Company credit card should be the last option for operations expenses other than travel and entertainment.** Expenses attributed to a particular job should have a purchase order (PO) number in Aspire with the vendor listed as the credit card company (such as “AMEX” for the American Express card).

Down To Earth has identified vendors for the most common purchases and has accounts with these vendors. Employees should use these vendors when making purchases **and not use the Company credit card.**

3.2 Emergency Purchases

Emergency purchases are defined as critical to maintaining operations or avoiding potential customer issues.

3.3 Company Vehicle Carwash and Maintenance

When a carwash for a Company vehicle cannot be completed at the closest Company operating branch, employees may use the Company credit card to pay for it up to \$25 once a month.

Maintenance and repair of Company vehicles (oil change, tires, etc.) should be performed at the Company branch closest to the employee’s home. If the work cannot be completed at the branch, an outside repair shop can be used following the guidelines of the Company’s Fleet Department.

4.0 Expense Support/Receipts and Reimbursement Procedures

When a purchase is made using the Company credit card, receipts and supporting documentation must be retained and submitted with an expense report as proof of the purchase. Failure to submit the supporting receipts or documentation to Down To Earth may result in the loss of credit card privileges and disciplinary action, including termination. The employee will be personally liable for undocumented expenses.

1. **Employees with a Company credit card** must submit their expenses and receipts in the Certify expense reporting system **every two weeks**.
 - a. Approving Managers should review expense report submissions **every week**.
 - b. The Approving Manager should carefully review each expense for accuracy and supporting documentation. The report should be rejected and routed back to the employee if inaccuracies exist or required supporting documentation is missing.
 - c. Any approved business expenses incurred other than by use of the Company credit card will be reimbursed through payroll weekly.

2. **Employees without a Company credit card** must submit an expense report to request reimbursement. Employees should submit expense reports to the Approving Manager every two weeks. Expense reports should be filled out as follows:
 - a. Expense reports must be completed using Down To Earth's form. It must be legible, signed, and dated by the submitting employee and the Approving Manager.
 - b. Employees should submit expense reports with supporting receipts every two weeks.
 - c. Expense reports should include the employee's name and location and covered period. It should reflect each separate expense by the day when the expense was incurred.
 - d. Employees are responsible for the preparation of expense reports which reflect reasonableness and completeness as to supporting receipt documentation, business purpose, and proper expenditures, all following Down To Earth's policy.
 - e. Once approved by the Approving Manager, all expense reports will be routed to the Accounts Payable Group for review and audit per this Policy. Accounts Payable will refund employees through payroll.
 - f. Down To Earth will not reimburse expenses after 90 days of the date when the expense was incurred.

4.1 Receipt Requirements

Original receipts are required to support expenditures on an expense report and should be attached to the expense report before submission. All receipts must be itemized and support proof of purchase.

If an original receipt is lost or unobtainable, the employee should submit a signed statement to that effect, including the business reason for the expense, names of attendees if applicable, and the Approving Manager's approval.

5.0 Business Travel and Entertainment

5.1 Overview

All business travel and entertainment paid with Down To Earth funds must comply with Company expenditure and reimbursement policies. Employees traveling for company business should incur the lowest reasonable travel expense possible. If a circumstance is not explicitly covered in this travel and entertainment policy, employees should consult with their manager or department manager before incurring a Company expense, if possible. Also, reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources.

5.2 General Business Travel and Entertainment Policies

All travel on behalf of the Company, including air, ground transportation, car rental, and lodging, should be scheduled in advance to reduce costs. Down To Earth's policy is to reimburse employees for actual, necessary, and reasonable expenses incurred when traveling on Company business. Unreasonable or excessive charges, charges of personal nature, and charges not directly related to and essential for the conduct of Company business will not be reimbursed. This policy is designed to ensure that:

1. Expenses are consistent with Down To Earth's necessary and normal business operations;
2. Prudent business judgment is exercised, and reasonable cost comparisons have been conducted; and
3. Proper supporting documentation is maintained to justify any expense and to comply with applicable tax regulations.

5.3 Travel Arrangements

1. **Travel Authorization:** Employees who are required to travel must obtain pre-trip authorization from their Branch Manager, Regional Operations Leader or Department Manager.
2. **Reservation Procedures:** All reservations for trips requiring air travel must be scheduled 30 days in advance where possible to help ensure consistent adherence to Company policies and maximize cost-effectiveness. There may be circumstances when last-minute reservations are required, and employees should minimize these instances whenever possible.
3. **Changes and Change Fee Management:** Where possible, a no cost alternative (such as standby) should be selected as the change method to keep change fee costs as low as possible.

5.4 Air Travel

1. **Class of Service:** All employees must travel in coach class unless they receive a free upgrade.
2. **Airfare:** All airline tickets must be booked at the lowest available airfare. The following criteria will be utilized to determine the lowest available airfare:
 - a. The flight's departure or arrival time is within two hours before or after the requested departure or arrival time.
 - b. One-stop or connecting flights should be considered if savings of \$100 or more can be achieved.
 - c. Employees may specify a preferred carrier but should not incur additional costs.
3. **Approval Limits:** Approval limits on flights are set at **\$400** round-trip, including all taxes and fees. Any flight above this limit will require approval from the CFO or Regional Operations Leader. Some cities may have higher fares associated with

them during certain peak travel times, and reasonable attempts must be made to keep the costs low such as utilizing advanced purchases, buying non-refundable tickets, and booking flights with connections.

4. **Frequent Flyer Programs:** Traveling employees may retain frequent flyer program benefits. However, participation in these programs may not result in any incremental cost to the Company.
5. **Baggage Fees:** Wherever possible, employees are encouraged to utilize no cost carry-on bags to avoid unnecessary baggage fees. Employees will be reimbursed for a single checked bag.
6. **Unused Tickets/Cancellations:** Unused non-refundable tickets will be applied to the corresponding airline's next ticket purchased for Company business.

5.5 Lodging

1. **Daily Rate:** The maximum daily rate for lodging is **\$150**, exclusive of taxes. If you exceed this rate, prior approval is required by the CFO or Regional Operations Leader.
2. **Payment and Documentation:** Lodging charges will be billed to the employee upon check-in/check-out and reported on their expense report for reimbursement. The original receipt of charges is required documentation for reimbursement of lodging charges.

5.6 Car Rentals

Employees are encouraged to use airport bus/shuttle services, taxis, or public transportation when convenient and cost-effective. Employees should rent cars only when other means of transportation are unavailable, more costly, or impractical. In the event of an accident, the employee should immediately notify the Safety & Risk Manager.

1. **Size Limit:** All rentals should be for intermediate-size cars or smaller. If three or more people are traveling together, standard or full size can be selected without approval. The employee may take advantage of the upgrade if the rental company provides an upgrade at no cost.
2. **Car Rental Insurance:** For rentals within North America, optional theft and collision insurance should be declined. Optional theft and collision insurance premium charges are not reimbursable.
3. **Refueling:** Employees are expected to refuel cars before returning them to the rental company to avoid excessive refueling charges from the rental car company.
4. **Payment and Documentation:** The original receipt of charges is required documentation that must be turned in with standard expense report procedures. Personal belongings that are lost or stolen from a rented vehicle are not covered by Down To Earth insurance and are not considered reimbursable expenses. Fines imposed in connection with a traffic or parking law violation when renting a vehicle are not reimbursable expenses under any circumstances.

5.7 Other Transportation

1. **Personal Car:** Employees may utilize personal cars for business travel if their manager approves the expense. Employee will be reimbursed for mileage at the applicable federal rate.
2. **Parking and Tolls:** Parking charges and tolls are considered reimbursable expenses. The original receipt is required as support and must be turned in with standard expense report procedures. Employee must use the most cost-effective method when parking at the airport. The utilization of off-site parking facilities is preferred when practical. Valet parking at airports will not be reimbursed unless medically necessary or there are no other parking options (maximum reimbursement amount is \$15).
3. **Taxi, Ride-Share (Uber, Lyft), and Other Local Transportation:** The cost of transportation to and from places of business, hotels, airports, or railroad stations in connection with business activities is reimbursable. Employees are encouraged to use the most economical services (public transportation, hotel vans, and shuttles) whenever feasible. Receipts are required for all transportation expenses.

5.8 Meals and Entertainment

1. **Personal Meals:** Personal meals (when an employee is dining alone on an out-of-town business trip) will be reimbursed up to a \$40 daily limit (including taxes and gratuity), only when an overnight stay is required. It will be at the employee's discretion to allocate the cost limit among breakfast, lunch, and dinner. Amounts incurred over the limit will be the obligation of the employee. An original itemized receipt of charges is required documentation that must be turned in with standard expense report procedures.
2. **Business Meals:** Business meals are those taken with clients, prospects, or associates during a business discussion and will not be restricted under the same daily limits as personal meals. The senior level person in attendance is required to charge the expense, and must be approved by the appropriate manager before it is incurred.
3. **Entertainment Expenses:** Entertainment includes events such as nightclubs, theatre, and sporting events, when a business discussion takes place immediately before, during, or immediately after the event. The CEO or CFO must approve these expenses before they are incurred, regardless of the amount.
4. **Payment and Documentation:** Business meals and entertainment expenses must be supported by an original itemized receipt and an expense report. Employees who have Company credit cards should use them to pay for expenses whenever possible and the credit card receipts are the preferred form of documentation.

5. **Spouse travel Combined with Business/Circuitous Travel for Personal**

Reasons: Travel expenses for a spouse or other family member(s) are not reimbursable as a business expense. However, a spouse or other family members may share accommodations if there is no additional cost to Down To Earth. Business trips which include circuitous travel for personal reasons will be reimbursed only for the direct or business portion of the trip, based on accommodations used for business purposes that align with the limits outlined in the policy.

5.9 Telecommunications

1. **Cell Phones:** Employees using a cellular device for Company business are provided a monthly reimbursement through the Bring Your Own Device policy.
2. **Other Telecommunications Devices:** Expenses for telecommunication devices other than cellular phones will be reviewed and approved on an as-needed basis by the CFO.

5.10 Other Reimbursable Expenses

1. The following incidental expenses, when directly related to business travel, are reimbursable:
 - a. Tips: 18% at restaurants
 - b. \$1 per bag for bellman
 - c. \$15 for Valet
 - d. Laundry/Valet for trips over five days
 - e. Copy service for business purposes
2. Receipts are required for all miscellaneous reimbursable expenses and must be turned in with standard expense reporting procedures.

5.11 Non-Reimbursable Expenses

The following expenses are **NOT** reimbursable:

1. Babysitter, pet-sitter, or home-sitter fees
2. Charitable contributions
3. Commuting between home and the primary work location
4. Personal gifts or personal articles (for example toiletries or magazines)
5. Evening or formal wear expenses
6. Medical expenses (outside of workers compensation payment)
7. Gasoline, except for instances noted within this policy
8. Airline club memberships
9. Airline upgrades



10. Cancellation fees incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion
11. Barber/hairstylist
12. Traffic and parking fines
13. In-flight movies/refreshment or hotel movies, games, and other charges

6.0 Business Travel, Entertainment, and Operations Expense Policy Signature and Acknowledgment

I affirm that I have read the above policy and understand my obligations under this policy. I understand that failure to follow the policies and procedures outlined in this policy may result in disciplinary action up to and including termination of my employment.

Company Credit Card Holders (if applicable)

As a Company credit card holder (if applicable), I affirm I have read the above policy and will comply with the policies and procedures as set forth. I acknowledge that if I use the Company credit card for purchases other than Down To Earth business purposes, I am liable personally for such purchases. I agree that the balance of all outstanding monies due for unauthorized purchases on the Company credit card provided by Down To Earth may be deducted from my last paycheck(s) or any other funds Down To Earth owes to me, consistent with applicable law. After that, if any monies remain due and owed by me on the Company credit card provided by Down To Earth, I agree to pay immediately, upon demand, the remaining balance. If I default on these obligations, Down To Earth, in addition to any other available legal remedies, has the right to a first lien any of my assets, including but not limited to merchandise purchased with the Company credit card provided to me by Down To Earth. I also consent to garnishment against my future wages or earnings to pay the balance of the Company credit card provided by Down To Earth for any unauthorized purchases I incurred.

Signature:

Date:

Printed Name: