



## **Employee Handbook**

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## **Section 1: Introduction**

### **1.1 Welcome to AdvaCare Systems**

Thank you for joining the AdvaCare team.

You are about to embark upon a remarkable journey, and we're delighted to be a part of it.

As a partner with hospice organizations and skilled nursing facilities, AdvaCare takes its role as a provider of DME (durable medical equipment) seriously. In many cases, our organization helps provide end-of-life quality, and that profound responsibility informs everything we do. That responsibility resonates with our employees and creates a framework that leads to success with each other and our customers.

In the coming weeks, you will meet many coworkers, supervisors, managers, and human resources staff. We are all here to support you. You will also learn more about AdvaCare Systems and its mission and culture as you read through this Employee Handbook.

At AdvaCare Systems, we are one team with a shared goal, and we're excited that you have decided to join us. We look forward to a positive working relationship.



Larry Feldman, President

### **1.2 Mission Statement**

To provide the best durable medical equipment (DME) products through excellence in service, quality, and access.

### **1.3 Vision Statement**

To be the premier, outcome-driven DME provider in the Midwest. We will achieve this vision by providing the best products and services, through a dedicated staff of knowledgeable, caring individuals who understand the emotional impact of care, and are committed to providing end-of-life quality.

## **1.4 About the Employee Handbook**

This Handbook, including any applicable state supplement, has been designed to acquaint new employees with AdvaCare Systems (hereby “the Company”) and provide them with information about working conditions, benefits, and policies affecting their employment.

The Handbook, including any applicable state supplement, contains information about the employment policies and practices of the Company. Employees are responsible for reading this Handbook carefully, as it is a valuable reference for understanding their job and the Company. The policies outlined in this Handbook should be regarded as management guidelines only, which in a developing business will require changes periodically. The Company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the Company, unless otherwise restricted by applicable law. This Handbook supersedes and replaces all prior Employee Handbooks and written policy statements.

Except for the policy of at-will employment, which can only be changed by the President of the Company in a signed written contract, the Company reserves the rights to revise, delete, and add to the provisions of this Handbook at any time without further notice, unless otherwise restricted by applicable law. All such revisions, deletions, or additions to the Employee Handbook must be in writing. No oral statements or representations can change the provisions of this Handbook.

The provisions of this Handbook are not intended to create contractual obligations with respect to any matters it covers. Nor is this Handbook intended to create a contract guaranteeing that you will be employed for any specific time period.

## **1.5 At-Will Notice**

The Company is an At-Will Employer. There is no expressed or implied contract with any employees concerning the terms and conditions of employment. This means that the employment relationship is for no definite or determinable period and, regardless of salary or rate of pay, may be terminated at any time by either the employee or the Company for any reason, with or without cause and with or without warning or notice.

Neither this handbook nor any other company guidelines, policies, or practices creates an employment contract, bargain, or agreement or confers any contractual rights whatsoever. Employment with the company is at-will, and either the employee or the company may terminate employment at any time, with or without cause or reason. No representative of the company is authorized to provide any employee, individually or on a collective basis, with an employment contract or special arrangement concerning the terms or conditions of employment unless the contract or agreement is in writing and signed by the president of the company.

## Section 2: Definitions of Employee Status

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, the Company classifies its employees as shown below.

**Employee:** An employee is a person who regularly works for the Company on a wage or salary basis. Employees may include exempt, non-exempt, full-time, part-time, and temporary persons, and others employed with the Company who are subject to the control and direction of the Company in the performance of their duties.

**Exempt:** Employees that are not entitled to overtime pay. Exempt employees generally receive a salary which is intended to cover all hours worked in excess of 40 in a workweek or overtime as otherwise mandated by applicable federal and state laws.

**Non-Exempt:** Employees that are entitled to overtime pay for hours worked in excess of 40 in a workweek or as otherwise required by applicable federal and state laws.

**Regular, Full-Time:** For purposes of the employer shared responsibility provisions and Affordable Care Act, a full-time employee works an average of at least thirty (30) hours per week and maintains continuous employment status. Generally, they are eligible for the Company's benefit package, subject to the terms, conditions, and limitations of each benefit program.

**Regular, Part-Time:** A part-time employee works fewer than thirty (30) hours per week and maintains continuous employment status. Part-time employees are eligible for some of the benefits offered by the company and are subject to the terms, conditions, and limitations of each benefits program.

**Temporary:** Those who are hired as interim replacements to assist in the completion of a specific project or for vacation relief, which generally does not exceed six months. A temporary employee may work a full-time or part-time schedule. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of the Company's benefit programs.

Upon hire, new employees are notified of their status and classification by their supervisor and/or Human Resources. If an employee changes position during the employee's employment as a result of a promotion, transfer or otherwise, management will inform the employee of any change in the employee's job classification.

## **Section 3: Employment Policies**

### **3.1 Employee Relations**

The Company is committed to providing the best possible climate for maximum development and goal achievement for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork - individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, the Company provides a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere (see Section 8.1, Open-Door Policy). We take into account individual circumstances and the individual employee.

The Company believes that with direct communication, we can continue to resolve any difficulties that may arise and develop a mutually beneficial relationship.

### **3.2 Equal Employment Opportunity**

The Company is committed to the principles of equal employment opportunity in all areas of its employment process, including, but not limited to, recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, discipline, discharge, employee activities, access to facilities and programs, awarding of benefits and general treatment during employment. Therefore, we do not discriminate on the basis of race, color, creed, religion, sex or gender (including pregnancy), gender identity or expression (including transgender status), sexual orientation, marital status, age, national origin, ancestry, physical or mental disability, genetic information, veteran status, citizenship status, arrest record, or any other characteristic protected by applicable federal, state, or local laws.

The Company expressly prohibits any form of employee harassment or discrimination based on any of the characteristics mentioned above. Improper interference with the ability of other employees to perform their expected job duties is not tolerated.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of the Director of Human Resources. The Company will not allow any form of retaliation against individuals who raise issues of equal employment opportunity in good faith. If an employee feels the employee has been subjected to any such retaliation, the employee should bring it to the attention of the Director of Human Resources.

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy, or participated in the

reporting and investigation process described below. “Adverse conduct” includes but is not limited to:

- Shunning and avoiding an individual who reports harassment, discrimination or retaliation;
- Express or implied threats or intimidation intended to prevent an individual from reporting harassment, discrimination or retaliation; or
- Denying employment benefits because an applicant or employee reported harassment, discrimination or retaliation or participated in the reporting and investigation process.

Complaints of discrimination should be filed according to the procedures described in the Harassment and Complaint Procedure.

### **3.3 Commitment to Diversity**

The Company is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way the Company conducts business.

### **3.4 Reasonable Accommodation**

The Company is committed to providing equal employment opportunities to the known physical or mental limitations of qualified individuals with disabilities, without regard to any protected classifications, unless the accommodation would impose an undue hardship on the operation of our business. This may include providing reasonable accommodation where appropriate for an otherwise qualified individual to perform the essential functions of the job. It is the employee’s responsibility to notify their supervisor of the need for accommodation. Upon doing so, the supervisor may ask for the employee’s input to the type of accommodation they believe may be necessary or the functional limitations caused by their disability. Also, when appropriate, the Company may need the employee’s permission to obtain additional information from their physician or other medical or rehabilitation professionals.

### **3.5 Immigration Reform and Control Act**

In compliance with the federal Immigration Reform and Control Act of 1986 (IRCA), as amended, and any state law requirements, if applicable, the Company is committed to employing only individuals who are authorized to work in the United States.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility within three (3) business days of commencing employment.

If an employee is authorized to work in this country for a limited time period, they will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the Company.

### **3.6 HIPAA Compliance**

Any individually identifiable health or personal information including, but not limited to information regarding physical, mental or clinical conditions, prescriptions, treatment, or payment program, social security numbers, financial account numbers, state identification numbers, and certain other personal affairs or information of patients, customers, members of the Company's workforce and their families ("Confidential Personal Information") is strictly confidential and is to be accessed, used, processed, disclosed, modified, or deleted only as authorized and in the course of completing your assigned responsibilities for the Company. Any such activity shall be conducted in accordance with all applicable state and Federal regulations, including, but not limited to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, if applicable, and the Company's Information Privacy and Security Program.

All members of the Company's workforce are responsible for protecting the privacy and security of Confidential Personal Information (in any form including oral, written or electronic) that is obtained, handled, learned, heard or viewed in the course of their work or association with the Company in accordance with its Information Privacy and Security Program. For example, discussions regarding Confidential Personal Information should not take place in the presence of persons not entitled to such information or in public places (elevators, lobbies, cafeterias, off premises, etc.). Participation in and compliance with our Information Privacy and Security Program is a condition of employment and is a factor that will be considered in every employee's performance evaluation. Failure to comply with the Information Privacy and Security Program may subject the workforce member to disciplinary action up to and including termination of employment or relationship with the Company.

Workforce members who have access to Confidential Personal Information will be required to execute a Confidentiality Agreement, as a condition of employment.

All workforce members who become aware of a possible breach of the security or confidentiality of Confidential Personal Information are required to immediately notify the Director of Human Resources at (888) 233-7677, extension 1043. This notification can be done anonymously. No adverse action will be taken against the member who makes such a report in good faith and is not involved in the practice at issue.

### **3.7 Non-Disclosure & Confidentiality**

The protection of confidential business information and trade secrets is vital to the interests and success of the Company. Such confidential information includes, but is not limited to, the following examples:

- Compensation data,
- Financial information,
- Marketing strategies,
- Product/Service pricing,
- Pending projects and proposals,
- Proprietary production processes,
- Personnel/Payroll records, and
- Conversations between any persons associated with the Company.

All employees are required to acknowledge and sign a Confidentiality Agreement as a condition of employment. If an employee is required to sign a Non-Compete Agreement as a condition of employment, the signed Non-Compete Agreement will supersede any previously signed Confidentiality Agreement.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to corrective action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

### **3.8 New Employee Orientation**

Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about the Company, and prepared for their position.

New employees will complete all onboarding activities (including a review of this Handbook) through the Company's Human Capital Management (HCM) software. The employee is required to digitally sign their acknowledgement of the Employee Handbook as part of their onboarding activities.

New employees are presented with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor will introduce them to staff throughout the Company, review their job description and scope of their position, explain the Company's evaluation procedures, and begin the training process.

### **3.9 Introduction Period**

New employees hired by the Company will begin an introduction period on the first day of their employment. The new employee completes the introduction period after ninety (90) calendar days. During the introductory period, new employees will be able to determine if their new job is suitable for them, and their supervisor will have an opportunity to evaluate their work performance. A competency test designed for the position may be given at the end of this period.

The completion of the introduction period does not guarantee employment for any period of time, since the employee is at-will both during and after the introduction period. Neither, does it constitute a promise to increased wages or salary.

### **3.10 Business Hours**

The Company is open for business from 8:00 a.m. to 5:00 p.m. Monday through Friday, except for Holidays (See Section 7.10, Holidays).

The standard workweek is forty (40) hours. In the computation of various employee benefits, the employee workweek begins on Monday (starting at 12:00am) through Sunday (ending at 11:59pm).

Because of the nature of the Company's business, an employee's work schedule may vary depending on their job. Employees should direct any questions concerning work hours with their supervisor.

### **3.11 Meals**

Employees are provided with meal and/or rest periods to the extent required and in accordance with applicable law. Supervisors will inform employees of their scheduled hours as well as any meal and/or rest periods. Supervisors will inform employees of their scheduled hours as well as any meal and/or rest periods.

Generally, employees will be provided with meal periods consistent with the following:

Exempt employees (see Section 2, Definitions of Employee Status) are allowed a one-hour, unpaid lunch break. Lunch breaks generally are taken between the hours of 12:00pm and 2:00 pm (or a time frame agreed upon by the employee and their supervisor) on a staggered schedule so that an employee's absence does not create a problem for co-workers or customers.

Non-exempt employees (see Section 2, Definitions of Employee Status) are allowed a half-hour, unpaid lunch break. The time frame for the lunch break should be agreed upon by the employee and their supervisor, so that their absence does not create a problem for co-workers or customers.

### **3.12 Personnel Files**

The following items, if applicable, will be maintained on the Company's HCM software:

- Employment Application
- Resume (if provided)

- Employment Contract
- Payroll Tax forms: Federal Tax, State Tax, I-9 with appropriate identification
- Orientation Documentation
- Job Description
- Background Check
- Confidentiality Agreement (signed)
- Employee Handbook Acknowledgement (signed)
- Professional License(s)/Certificate(s)/Accreditation(s)/Proof of Insurance
- Performance Appraisals
- Training Records (internal or external)
- Competency Tests
- Vacation, PTO, and leave requests
- Equipment Release
- Corrective Action

The following items, if applicable, will be maintained in a separate medical file:

- Pre-Employment Physical
- Drug Test
- TB Testing
- Hepatitis B Vaccine Consent/Refusal form (signed)
- Dental and Medical Enrollment Forms
- Doctor's Note/Drug Prescriptions

### **3.13 Employee Access to Personnel Files**

Human Resources and Executive Officers of the Company have full access to employee records. The employee's supervisor also has access to employee records, except for information having no direct impact on work (i.e., medical files). Any non-business use of employee records is not permitted.

To the full extent required and in accordance with applicable state law, upon written request, an employee may inspect their personnel file up to two times each year. Inspections will be held on Company premises in the presence of a Company official, unless otherwise is required by applicable law. Employees will be permitted to review records related to their qualification for employment, compensation and disciplinary action. Employees are not permitted access to any

letter of reference maintained by the Company, unless otherwise is required by applicable law. If an employee disagrees with the accuracy of any statement in their records and no correction can be agreed upon, the employee may submit an explanatory statement, which will be attached to the record in question.

### **3.14 Changes in Personal Data**

It is the responsibility of each employee to promptly notify the Company's Human Resources Department of any changes in personal data, including, but not limited to, the following:

- Mailing address,
- Telephone numbers,
- Name and number of dependents,
- Individuals to be contacted in the event of an emergency, and
- Specialized training or skills acquired

An employee's personal data should always be accurate and current. Unreported changes of address, marital status, etc. can affect withholding tax and benefit coverage. Further, an out-of-date emergency contact or an inability to reach an employee in a crisis may be extremely problematic.

### **3.15 Performance Appraisals**

Supervisors will conduct performance appraisals with all full-time and part-time employees on an annual basis. Supervisors may conduct informal performance appraisals more often if they choose or if the need arises. However, annual evaluations are not intended to discourage feedback sessions or delay discussion of any performance issues that may occur at any given time.

The purpose of the appraisal is to assist in measuring performance, setting goals and identifying areas for improvement. A performance appraisal does not necessarily give rise to an increase in an employee's compensation. The Company will provide an employee performance appraisal, and a signed copy will be maintained on the Company's HCM software. A competency test for that position may be administered at the time of the appraisal.

Performance appraisals are an opportunity to review the employee and Company goals that were set during the previous review period. New goals will be set that are mutually agreeable to both employee and supervisor. Any suggestions or ideas to improve the efficiency or accuracy of the services provided by the Company may be discussed at this time. The employee should feel free to discuss in a professional manner any problems or complaints they have with the Company, a supervisor, or staff.

Both the supervisor and employee will sign the appraisal. If an employee disagrees with the appraisal, they may indicate that they are signing to acknowledge receipt and not agreement with its content.

### **3.16 Promotions & Transfers**

The Company believes that career advancement is rewarding for both the employee and the Company. The Company will promote qualified employees to new or vacated positions whenever possible.

Internal job openings may be posted by the Company via an internal job posting on the Company's HCM software. An employee who is interested in applying for an open position should contact their supervisor.

### **3.17 Outside Employment**

Employees may hold outside jobs in non-related businesses or professions as long as the employee meets the performance requirements of their job description with the Company. Unless an alternative work schedule has been approved by their supervisor, employees will be subject to the Company's scheduling demands, regardless of any existing outside work assignments.

The Company's office space, equipment, and materials are not to be used for outside employment.

### **3.18 Employment of Relatives and Domestic Partners**

Relatives and domestic partners may be hired by the Company if:

- the persons concerned will not work in a direct supervisory relationship, and
- the employment will not pose difficulties for supervision, security, safety, or morale.

For the purposes of this policy, *relatives* are defined as spouses, children, siblings, parents, or grandparents. A *domestic partnership* is generally defined as a committed relationship between two individuals who are sharing a home or living arrangements.

Current employees who marry each other or become involved in a domestic partnership will be permitted to continue employment with the company provided they don't work in a direct supervisory relationship with each other or otherwise pose difficulties as mentioned above. If employees who marry or live together do work in a direct supervisory relationship with each other, the company will attempt to reassign one of the employees to another position for which the individual is qualified if such a position is available (See Section 5.7, Workplace

Fraternization). If no such position is available, the employees will be permitted to determine which one of them will resign from the company.

### **3.19 Corrective Action**

The Company holds each of its employees to certain work rules and standards of conduct (see Section 5, Standards of Conduct). When an employee deviates from these rules and standards, the Company expects the employee's supervisor to take corrective action.

Corrective action is progressive. That is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected.

The usual sequence of corrective actions includes a verbal warning, a written warning, suspension with or without pay, and termination of employment. In deciding which initial corrective action would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record.

Though committed to a progressive approach to corrective action, the Company considers certain rule infractions and violations of standards as grounds for immediate termination of employment. These include, but are not limited to, infractions that endanger the employee, staff, customers, or the general public, infractions that endanger the Company or its professional standing, or infractions that result in the revocation of Company accreditation or licensure.

### **3.20 Termination of Employment**

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:

#### *Resignation*

The voluntary termination of employment initiated by an employee.

#### *Termination*

The involuntary termination of employment initiated by the Company.

#### *Layoff*

The involuntary termination of employment initiated by the Company for non-disciplinary reasons (lack of work, elimination of position, etc.).

When an employee intends to resign their position with the Company, they are encouraged to give Human Resources at least two (2) weeks' written notice. This professional courtesy will be noted favorably should the employee wish to reapply for employment with the Company (see Section 3.22, Rehiring Former Employees). Additionally, all resigning employees may be asked to complete a brief exit interview prior to leaving.

Since employment with the Company is based on mutual consent, both the employee and the Company have the right to terminate employment at-will, at any time, with or without cause (see Section 1.5, At-Will Notice).

The Company does not provide a "letter of reference" to former employees. Generally, the Company will confirm upon request the former employee's dates of employment and job title, to the full extent and in accordance with applicable law.

All Company property, including this Handbook, must be returned upon termination. Otherwise, the Company may take action to recoup any replacement costs and/or seek the return of Company property through the appropriate legal recourse.

Employee benefits will be affected by employment termination in the following manner: all accrued vested benefits that are due and payable at termination will be paid (except in cases of gross misconduct, unless prohibited by law). Some benefits may be continued at the employee's expense (See Section 7, Benefits and Services) if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations.

Former employees are advised to notify the Company if their address changes during the calendar year in which termination occurs, so that their tax information will be sent to the proper address.

### **3.21 Rehiring Former Employees**

In some cases, the Company may rehire a terminated employee who separated from the Company in good standing.

Employees who are rehired following a break in service in excess of 12 months other than an approved leave of absence must serve a new introduction period (see Section 3.10, Introduction Period), whether such a period was previously completed. Rehired employees that provide patient care or view patient information are required to successfully pass a Background Check, Motor Vehicle Report, and/or Drug Screen. Such employees are considered new employees from the effective date of their reemployment for all purposes, including the measuring of benefits, unless otherwise required by applicable law.

## **Section 4: Workplace Safety**

The Company believes that safety can only be achieved through teamwork. Employees, supervisors, and managers must practice safety awareness by thinking defensively, anticipating unsafe situations, and reporting unsafe conditions immediately.

Please observe the following precautions:

- Notify a supervisor of any emergency situation (see Section 4.1, Incident Reporting).
- If an employee is injured or becomes sick at work, regardless of the severity, they must inform their supervisor immediately (see Section 4.1, Incident Reporting).
- If an employee is involved in an accident with a Company-owned vehicle, they must inform their supervisor immediately (see Section 4.2, Accident Reporting).
- The unauthorized use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the Company's property is forbidden (see Section 4.5, Substance Abuse).
- An employee is allowed to use, adjust and repair machines and equipment only if they are trained and qualified.
- Applicable employees must know and adhere to proper lifting procedures. Get help when lifting or pushing heavy objects.
- If an employee is unaware or unsure of a safety procedure, they should ask their supervisor for clarification.
- All employees should know the locations, contents and use of first aid and firefighting equipment.
- Employees must wear personal protective equipment in accordance with the job they are performing.
- All employees must comply with Occupational Safety and Health Act (OSHA) standards.
- Unauthorized possession, use or sale of weapons, firearms or explosives on work premises is forbidden.

The Company provides information to employees about workplace safety through regular internal communication such as:

- Training sessions
- Team meetings
- Memorandums
- Other written communications

A violation of an established safety precaution is considered an unsafe act, and will result in corrective action up to and including termination of employment.

## **4.1 Incident Reporting**

Immediate notification of employee incidents, injuries or illnesses, contracted on the job, is essential to ensure proper care of the injured individual, and expediting an immediate investigation of the accident, to identify causation with the intent of taking corrective action to reduce or eliminate the risk of repeat occurrences, and to maximize employee safety.

If one of the following occurs, the employee must immediately notify their supervisor:

- An unusual or unexpected occurrence;
- An occurrence that is inconsistent with the desired outcome for patient care;
- Any occurrence having an adverse effect on the patient;
- Any occurrence causing injury to a patient or customer;
- An occurrence capable of precipitating a lawsuit;
- An occurrence that places a patient, visitor or employee at risk;
- Any loss or damage to property belonging to patients, visitors or the Company;
- Any patient/client complaint that must be resolved by the Company;
- A blood-borne pathogen exposure or coming into contact with a client's blood or other potential infectious material;
- Any first aid situation where blood or other potentially infectious material is present.
- Any employee accident, injury, or illness;
- Any vehicle accident (see Section 4.3, Accident Reporting)

Once notified of the incident, the supervisor must file an Incident Report with Human Resources within twenty-four (24) hours of occurrence. Human Resources will notify the Company's insurance provider and/or legal counsel as appropriate.

Do not discuss the circumstances surrounding the incident with anyone other than authorized personnel (Supervisor, Human Resources, Executive Management). When applicable, the Company's workers compensation insurance provider will retain an independent firm to investigate the incident. Human Resources will then notify the employee and the independent investigation firm. All employees are to cooperate fully in an authorized investigation.

An employee involved in a reportable incident may be required to complete a post-accident/incident drug screening prior to returning to work, to the full extent and in accordance with applicable law.

## **4.2 Accident Reporting**

In the event that an employee is involved in an accident (single-vehicle, multi-vehicle, property damage, etc.) while operating a Company-owned vehicle or driving a personal vehicle for Company business, the employee should notify the local authorities to file an accident report (if reportable), exchange information with driver of the other vehicle(s) (if not reportable), and report the accident to their supervisor (see Section 4.1, Incident/Accident Reporting). Photos taken at the scene of the accident should also be forwarded to the employee's supervisor.

Each accident will be investigated internally to determine fault and/or preventability. If it is determined that an accident was preventable, or that employee negligence directly contributed to the accident, the employee may be charged for the cost of repair, to a maximum of \$1,000.00 (see Section 6.4, Payroll Deductions).

## **4.3 Health-Related Issues**

Employees that become aware of any health-related issues, including pregnancy, should notify Human Resources of their health status. This policy has been instituted strictly to protect the employee.

At the time notice is given, the employee must provide Human Resources with a written physician's note, authorizing the employee to work. The doctor's note should specify whether the employee is able to perform regular duties as outlined in the employee's job description. If an employee is unable to perform their regular duties, the physician's note should include restrictions for modified and/or light duty work. Management will review the physician's note to determine if the Company can accommodate modified and/or light duty work.

If the need arises for a leave of absence, an employee should notify their supervisor or Human Resources. A leave of absence may be granted on a case-by-case basis (See Section 7.19, Leave of Absence; 7.20, Federal Family Medical Leave Act; and/or 7.21, Victims' Economic Security & Safety Act).

## **4.4 Employees Requiring Medical Attention**

In the event that an employee requires medical attention, whether injured or becoming ill while at work, the employee's personal physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, the employee's emergency contact will be called to transport the employee to the appropriate facility.

If an emergency arises which requires Emergency Medical Services to evaluate the injury/illness of an employee on-site, the employee will be responsible for any transportation charges. Furthermore, the Company or its employees will not be responsible for transportation of another employee due to liabilities that may occur.

## 4.5 Substance Abuse

The Company is committed to ensuring a safe, healthy and efficient working environment for its employees and others. The unlawful or unauthorized presence or use of controlled substances, drug paraphernalia, or alcohol in the workplace presents a danger to everyone. For these reasons, the Company established as a condition of employment the following substance abuse policy.

Employees are prohibited from reporting to work or working while using illegal or unauthorized drugs including drug paraphernalia. Employees are prohibited from reporting to work or working when they are using or under the influence of any drugs, as well as any controlled substances which may impact an employee's ability to perform the employee's job or otherwise pose a safety concern, except when the use is pursuant to a doctor's orders and the doctor advised the employee that the substance does not adversely affect the employee's ability to safely perform the individual's job duties. However, to the extent permitted by and in accordance with applicable law, this exception does not extend any right to report to work or perform work under the influence of medical marijuana or to treat the lawful use of medical marijuana as a defense to a policy violation or a positive drug test, to the extent you are subject to any drug testing requirement.

In addition, employees are strictly prohibited from engaging in the unlawful or unauthorized manufacture, distribution, solicitation, theft, purchase, transfer, sale or possession of illegal controlled substances, drugs paraphernalia, or alcohol in the workplace including: on Company paid time, on Company premises, in Company-owned vehicles or driving a personal vehicle for Company business, while representing the Company, or while engaged in Company activities (whether or not on Company premises). Employees are also prohibited from reporting for duty or remaining on duty with any alcohol in their systems. Employees are also prohibited from consuming alcohol during working hours, including meal and break periods.

Violation of this policy will result in disciplinary action up to and including termination of employment. However, in accordance with applicable federal, state and local laws, the Company may, at its sole discretion, allow an employee to participate in and successfully complete an appropriate treatment, counseling or rehabilitation program (as recommended by a substance abuse professional) in lieu of termination and as a condition of continued employment.

Consistent with its fair employment policy (see Section 3.2, Equal Employment Opportunity), the Company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting treatment for substance abuse conditions. We encourage employees to seek assistance before their drug and/or alcohol use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves, or others. The Company will attempt to assist its employees through referrals to rehabilitation, appropriate leaves of absence, and other measures, consistent with the Company's policies and applicable federal, state or local laws.

## 4.6 Inspections

The Company further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of employee's person, personal possessions, personal property, a personal vehicle parked on Company or client property, and work areas. This includes Company issued lockers, desks or other suspected areas of concealment, as well as personal mail sent to the Company or to its clients, to the maximum extent permitted by applicable law. Employees are expected to cooperate in the conduct of any search or inspection.

## 4.7 Housekeeping

A neat and organized workspace is essential for job safety and efficiency. All employees are expected to keep their workspace organized and materials in good order at all times. Damaged equipment or equipment in need of repair should be reported to a supervisor immediately.

Employees that bring their lunch to work are responsible for the timely disposal of their food, and the cleaning of any plates, glasses, or utensils. Employees that use a Company-owned appliance (refrigerators, microwaves, coffee makers, etc.) are responsible for cleaning the appliance after its use. Management reserves the right to dispose of any unclaimed items stored in Company-owned appliances after forty-eight (48) hours.

## 4.8 Smoking & Tobaccos Products

Smoking, including use of e-cigarettes, vaping devices and similar electronic devices, and the use of tobacco products is not permitted on Company property, including private offices, at any time. Compliance with this policy is mandatory for all employees and persons visiting the Company, with no exceptions. Depending on state and local regulations, smoking may be permitted at a safe distance from Company property. In these cases, management may designate an approved smoking area. Employees should see their supervisor to learn the approved smoking area at their location.

*Company property* is defined as all company-owned or leased buildings and surrounding areas such as sidewalks, walkways, driveways and parking lots under the Company's ownership or control. This policy also applies to all Company-owned or leased vehicles.

Employees who violate this policy may be subject to disciplinary action. Any disputes involving smoking and any employees with questions should discuss their issues/concerns with the Director of Human Resources. Employees will not be subject to retaliation for reporting violations of this policy in good faith.

## **4.9 Building Security**

All employees who are issued keys/key cards to Company premises are responsible for their safekeeping. Lost or stolen key cards will be replaced at the employee's expense (see Section 6.4, Payroll Deductions). The last employee, or a designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and/or weekend setting, and all appliances and lights are turned off (with the exception of security lighting).

Employees are not allowed on Company premises after hours without prior authorization from their supervisor.

## **4.10 Visitors in the Workplace**

To provide for the safety and security of employees, visitors, and Company premises, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

## **4.11 Personal Items in the Workplace**

Employees are urged to take all personal items (electronics, clothing, etc.) with them when they leave Company premises.

All employees should be sure that their own personal insurance policies cover the loss of anything occasionally left on Company premises. The Company assumes no risk for any loss or damage to personal property.

## **4.12 Workplace Violence**

AdvaCare Systems is committed to preventing workplace violence and to maintaining a safe work environment. The Company has adopted the following guidelines to deal with intimidation, harassment or other threats of or actual violence that may occur onsite or onsite during work-related activities.

### ***Prohibited Conduct***

All employees, customers, vendors and business associates should always be treated with courtesy and respect. Employees are expected to refrain from fighting, horseplay, or other conduct that may be dangerous to others. Conduct that threatens, intimidates or coerces another employee, customer, vendor, or business associate will not be tolerated. Company resources may not be used to threaten, stalk, or harass anyone at or outside the workplace. The Company treats threats coming from an abusive personal relationship as it does other forms of violence.

Indirect or direct threats of violence, incidents of actual violence, and suspicious individuals or activities should be reported as soon as possible to a manager, supervisor, Human Resources, or a member of executive management. When reporting a threat or incident of violence, the employee should be as specific and detailed as possible. Employees should not place themselves in peril, nor should they attempt to intercede during an incident.

Employees should promptly inform Human Resources of any protective or restraining order that they have obtained that lists the workplace as a protected area. Employees are encouraged to report safety concerns about domestic violence and will not be retaliated against for making good-faith reports. The Company is committed to supporting victims of domestic violence by providing referrals to the Company's employee assistance program (see Section 7.18, Employee Assistance Program), community resources and, where applicable, by providing time off for reasons related to domestic violence.

### *Investigations and Enforcement*

The Company will promptly and thoroughly investigate all reports of threats of violence, incidents of actual violence, and/or of suspicious individuals or activities. The identity of the individual making a report will be protected as much as possible. The Company will not retaliate against employees making good-faith reports of violence, threats, or suspicious individuals or activities. To maintain workplace safety and the integrity of its investigation, the Company may suspend employees suspected of workplace violence or threats of violence, either with or without pay, pending investigation.

Violations of this policy, including failure to report or fully cooperate in a Company investigation, will result in corrective action, up to and including termination of employment.

## **4.13 Weapon-Free Workplace**

The Company is strongly committed to providing a workplace that is safe and free of violence for all employees. The possession and use of concealed weapons on Company property is prohibited unless such prohibition is restricted by applicable law. A license to carry the concealed weapon does not supersede Company policy, unless provided by law. Any employee in violation of this policy will be subject to disciplinary action, up to and including termination of employment. All Company employees are subject to this provision, including contract and temporary employees, visitors and customers on Company property.

*Company property* is defined as all company-owned or leased buildings and surrounding areas such as sidewalks, walkways, driveways and parking lots under the Company's ownership or control. This policy applies to all Company-owned or leased vehicles and all vehicles that come onto Company property.

*Concealed weapons* include, but are not limited to, firearms, explosives, knives and other weapons that might be considered dangerous or that could cause harm. Employees are

responsible for making sure that any item possessed by the employee is not prohibited by this policy.

The Company reserves the right at any time and at its discretion to search all Company-owned or leased vehicles and all vehicles, packages, containers, briefcases, purses, lockers, desks, enclosures and persons entering its property, for the purpose of determining whether any weapon has been brought onto its property or premises in violation of this policy. Employees who fail or refuse to promptly permit a search under this policy will be subject to discipline up to and including termination of employment.

## **Section 5: Standards of Conduct**

### **5.1 Code of Conduct**

This Code of Conduct outlines the Company's expectations regarding its employees' behavior towards customers, coworkers, management, and the organization in general.

The Company promotes freedom of expression and open communication. But all employees are expected to follow the Company's Code of Conduct. Employees should not offend, participate in serious disputes, and/or disrupt the workplace. Employees are also expected to foster a well-organized, respectful, and collaborative environment.

#### *Components of the Code of Conduct*

##### **Attendance**

Employees are expected to follow their work schedules and be punctual when coming to and leaving work. Employees are expected to notify their manager or supervisor if they will be absent or late for their scheduled shift.

##### **Benefits**

The Company expects its employees to not abuse their employment benefits. This includes, but is not limited to, paid time off, insurance, or other benefits the Company offers.

##### **Collaboration**

Employees should be friendly and collaborative, and not disrupt the workplace or present obstacles to their colleagues' work.

##### **Communication**

Employees are expected to openly communicate with their coworkers, supervisors, and managers.

##### **Compliance with Law**

All employees are expected to protect the Company's legality. This includes compliance with all environmental, safety, and fair-dealing laws. The Company expects its employees to be ethical and responsible when dealing with Company finances, products, partnerships, and public image.

### **Conflicts of interest**

Employees are expected to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their job duties.

### **Job Duties & Authority**

All employees should fulfill their job duties with integrity and respect toward coworkers, customers, and the community-at-large. Managers and supervisors should not abuse their authority. The Company expects managers/supervisors to delegate duties to their team based on employee competency and workload. Likewise, the Company expects employees to follow manager/supervisor instructions and complete their duties with skill and in a timely fashion.

### **Personal Appearance**

All employees must follow the Company dress code and personal hygiene guidelines.

### **Professionalism**

All employees must show integrity and professionalism in the workplace.

### **Profiteering & Influence Peddling**

The Company discourages employees from accepting gifts from clients or partners. The Company prohibits bribes for the benefit of any external or internal party.

### **Protection of Company Property**

All employees should treat the Company's property, whether material or intangible, with respect and care.

### **Respect in the Workplace**

All employees should respect their coworkers. The Company prohibits any kind of discriminatory behavior, harassment, and/or victimization. Employees should conform with the equal employment opportunity policy (see Section 3.2, Equal Employment Opportunity) in all aspects of their work, from recruitment and performance evaluation, to interpersonal relations.

### ***Code of Conduct Violations***

Violations of the Code of Conduct will result in corrective action, up to and including termination of employment.

The decision to terminate employment will be based on an assessment of all relevant factors.

## **5.2 Attendance**

All employees are expected to be punctual in attendance, and be in the office, ready to work, at their scheduled starting time each day. If an employee is going to be late for work, they must notify their manager or supervisor as far in advance as is feasible under the circumstances, but no later than one-half hour before the start of their scheduled shift, unless otherwise excused by applicable law.

In evaluating employee attendance and otherwise administering this policy, the Company does not consider absences/tardiness protected by applicable federal, state, or local law.

## **5.3 Absence With/Without Notice**

If an employee is going to be absent from work, they must notify their supervisor as far in advance as is feasible under the circumstances, but no later than one-half hour before the start of their scheduled shift, unless otherwise excused by applicable law.

In the case of an employee illness, the employee should contact their supervisor or Human Resources, and give explanation of the following:

- Type of illness;
- If the sickness requires a physician visit (a copy of a doctor's note may be required prior to returning to work);
- Approximate number of days to be taken off;
- Any other descriptions related to the illness

Human Resources will document the date(s) of each employee's time off and type of illness. The accumulative time off will be kept in the employee's personnel file.

If an employee becomes ill while at work and/or must leave Company premises before the end of their shift, they are responsible to inform their supervisor.

Personal issues requiring time away from work such as doctor appointments should be scheduled during non-working hours if possible.

If an employee does not report for work, it will be assumed after three (3) consecutive days of unreported absence that the employee has voluntarily resigned, and they will be removed from the payroll.

For further information, please refer to Section 7.9, Sick & Personal Days.

## **5.4 Special Work Hours or Make-Up Time**

An employee that wishes to work hours other than those they are scheduled to work or to makeup hours missed must notify their supervisor at least two (2) days in advance. Each request for special work hours or make-up time will be considered based on non-discriminatory factors including, but not limited to, the employee's needs and the needs of the Company. The Company reserves the right to deny any requests for special hours or make-up time.

## **5.5 Discrimination, Harassment & Retaliation Prevention**

Sexual and other harassment is a violation of Title VII of the Civil Rights Act of 1964 (Title VII), as amended, as well as many state laws. Discrimination or harassment based on a characteristic protected by law, such as race, color, creed, ancestry, national origin, sex or gender (including pregnancy, childbirth and related medical conditions), sexual orientation, gender identity or gender expression (including transgender status), marital status, religion, age, physical or mental disability, military service, veteran status, or other characteristic protected by state federal, or local law and ordinances (referred as "protected characteristics"), is prohibited. The Company also prohibits retaliation as defined below.

It is the Company's policy to provide a work environment free of discrimination and harassment. To that end, discrimination or harassment of or against our job applicants, contractors, interns, volunteers, or employees by another employee, management, supervisors, coworkers, customer, or nonemployees who are in the workplace, or any other third party, is absolutely prohibited.

### *Definition of Discrimination.*

Discrimination under this policy generally means treating differently or denying or granting a benefit to an individual because of the individual's protected characteristic.

### *Definition of Harassment.*

Harassment generally is defined in this policy as unwelcome verbal, visual or physical conduct that denigrates or shows hostility or aversion towards an individual because of any protected characteristic or which creates an intimidating, hostile, or offensive working environment that substantially and unreasonably interferes with an individual's work performance; or otherwise adversely affects an individual's employment opportunities because of the individual's membership in a protected class.

Harassment can be verbal (including, epithets; slurs; jokes; gestures or teasing), visual (including offensive posters, symbols, cartoons, drawings, computer displays, comments, written or graphic material, text messages, social media posts or e-mails) or physical conduct (including physically

threatening another, blocking someone's way, etc.) Such conduct violates this policy, even if it does not rise to the level of a violation of applicable federal, state, or local laws and ordinances. Because it is difficult to define unlawful harassment, employees are always expected to behave in a manner consistent with the intended purpose of this policy.

### *Definition of Sexual Harassment.*

While all forms of harassment are prohibited, special attention should be paid to sexual harassment. Sexual harassment can include all the above actions, as well as, other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal or physical conduct of a sexual nature where:

- Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual's employment or as a basis for employment decisions; or
- Submission to or rejection of the conduct or advances or requests by an individual is used as the basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct that, if unwelcome, may constitute sexual harassment depending on the totality of the circumstances, including the severity of the conduct and its pervasiveness:

- Unwanted flirtations, leering, whistling, touching, pinching, assault, blocking normal movement whether they involve physical touching or not;
- Requests for sexual favors or demands for sexual favors in exchange for favorable treatment
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life, comments about an individual's body, comments about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, or cartoons;
- Unwelcome leering, whistling, brushing up against the body, sexual gestures, or suggestive or insulting comments;
- Inquiries into one's sexual experiences; and
- Discussion of one's sexual activities.

All employees should take special note that, as stated above, retaliation against an individual who has complained about sexual harassment and retaliation against individuals for cooperating with an investigation of sexual harassment complaint is unlawful and will not be tolerated.

## *Definition of Retaliation*

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy, or participated in the reporting and investigation process described below. “Adverse conduct” includes but is not limited to: any action that would keep an individual from reporting discrimination, harassment or retaliation; shunning and avoiding an individual who reports harassment, discrimination, harassment or retaliation; express or implied threats or intimidation intended to prevent an individual from reporting harassment, discrimination, harassment or retaliation; and denying employment benefits because an applicant or employee reported harassment, discrimination, harassment or retaliation or participated in the reporting and investigation process described below.

Further, any retaliation against an individual who has complained about sexual or other harassment or retaliation against individuals for cooperating with an investigation of a harassment complaint is similarly strictly prohibited and will not be tolerated.

## *Complaint Procedure*

Any employee who believes someone has been subject to or witnessed any violation this policy or our Equal Employment Opportunity Policy, is requested and encouraged to promptly make a complaint. An employee may complain directly to their immediate supervisor or department manager. If either of these individuals is the person toward whom the complaint is directed, you should contact any higher-level manager in your reporting chain. If the employee makes a complaint under this policy and has not received an initial response within five (5) business days, the employee should contact the Director of Human Resources immediately. Every supervisor who learns of any employee’s concern about conduct in violation of this policy or our Equal Employment Opportunity Policy, whether in a formal complaint or informally, or who otherwise is aware of conduct in violation of this policy must immediately report the issues raised or conduct to senior management, the Director of Human Resources or to executive management.

## *Investigation Procedures*

Upon receiving a complaint, the Company will promptly conduct a fair and thorough investigation into the facts and circumstances of any claim of a violation of this policy or our Equal Employment Opportunity policy to ensure due process for all parties. To the extent possible, the Company will endeavor to keep the reporting employee’s concerns confidential. However, complete confidentiality may not be possible in all circumstances. Employees are required to cooperate in all investigations conducted pursuant to this policy.

During the investigation, the Company generally will interview the complainant and the accused, conduct further interviews as necessary and review any relevant documents or other information. Upon completion of the investigation, the Company will determine whether this

policy or our Equal Employment Opportunity policy has been violated based upon its reasonable evaluation of the information gathered during the investigation. The Company will inform the complainant and the accused of the results of the investigation.

The Company will take corrective measures against any person who it finds to have engaged in conduct in violation of this policy, if the Company determines such measures are necessary. These measures may include, but are not limited to, counseling, suspension, or immediate termination. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy or our Equal Employment Opportunity policy will be subject to discipline, up to and including termination. This includes individuals engaging in discrimination, harassment or retaliation, as well as supervisors who fail to report violations of this policy, or knowingly allow prohibited conduct to continue. Individuals who engage in conduct that rises to the level of a violation of law can be held personally liable for such conduct.

## 5.6 Workplace Bullying

The Company does not condone or tolerate any instance of bullying behavior in the workplace. Bullying is defined as health-harming mistreatment of one or more people by one or more perpetrators. It is abusive conduct that includes:

- Threatening, humiliating or intimidating behaviors
- Work interference/sabotage that prevents work from getting done
- Verbal abuse

The following types of behavior are examples of bullying:

- **Verbal bullying:** Slandering, ridiculing or maligning a person or his or her family; persistent name-calling that is hurtful, insulting or humiliating; using a person as the butt of jokes; abusive and offensive remarks.
- **Physical bullying:** Pushing, shoving, kicking, poking, tripping, assault or threat of physical assault, damage to a person's work area or property.
- **Gesture bullying:** Nonverbal gestures that can convey threatening messages.
- **Exclusion:** Socially or physically excluding or disregarding a person in work-related activities.

In addition, the following examples may constitute or contribute to evidence of bullying in the workplace:

- Persistent singling out of one person
- Shouting or raising one's voice at an individual in public or in private
- Using obscene or intimidating gestures
- Not allowing the person to speak or express himself or herself (i.e., ignoring or interrupting)
- Personal insults and use of offensive nicknames

- Public humiliation in any form
- Constant criticism on matters unrelated or minimally related to the person's job performance or description
- Public reprimands
- Repeatedly accusing someone of errors that cannot be documented
- Deliberately interfering with mail and other communications
- Spreading rumors and gossip regarding individuals
- Encouraging others to disregard a supervisor's instructions
- Manipulating the ability of someone to do their work (e.g., overloading, underloading, withholding information, setting deadlines that cannot be met, giving deliberately ambiguous instructions)
- Assigning menial tasks not in keeping with the normal responsibilities of the job
- Taking credit for another person's ideas
- Refusing reasonable requests for leave in the absence of work-related reasons not to grant leave
- Deliberately excluding an individual or isolating him or her from work-related activities, such as meetings
- Unwanted physical contact, physical abuse or threats of abuse to an individual or an individual's property (defacing or marking up property)

Employees who feel they have experienced bullying should report their concerns to their supervisor or to Human Resources before the conduct becomes severe or pervasive. All employees are strongly encouraged to report any bullying conduct they experience or witness as soon as possible to allow the Company to take appropriate action.

Employees found in violation of this policy will face corrective action, up to and including termination of employment.

## **5.7 Workplace Fraternization**

The Company strongly believes that a work environment where employees maintain clear boundaries between employee personal and business interactions is necessary for effective business operations. Although this policy does not prevent the development of friendships or romantic relationships between co-workers, it does establish boundaries as to how relationships are conducted during working hours and within the working environment.

Individuals in supervisory or managerial roles, and those with authority over others' terms and conditions of employment, are subject to more stringent requirements under this policy due to their status as role models, their access to sensitive information, and their ability to affect the employment of individuals in subordinate positions.

- During work time and in work areas, employees are expected to conduct themselves in an appropriate workplace manner that does not interfere with others or with overall productivity.
- During non-work time, such as lunches, breaks, and before and after work periods, employees engaging in personal exchanges in non-work areas should observe appropriate workplace behavior to avoid offending other workers or putting others in an uncomfortable position.
- Employees are strictly prohibited from engaging in physical contact that would be deemed inappropriate in the workplace by a reasonable person while anywhere on company premises, whether during working hours or not.
- Employees who allow personal relationships with co-workers to adversely affect the work environment will be subject to corrective action. Failure to change behavior and maintain expected work responsibilities is viewed as a serious disciplinary matter and could result in termination of employment.
- Employee off-duty conduct is generally regarded as private, provided such conduct does not create problems within the workplace. An exception to this principle, however, is romantic or sexual relationships between supervisors and subordinates.
- Any supervisor, manager, executive or other company official in a sensitive or influential position with the Company must disclose the existence of a romantic or sexual relationship with another co-worker. Disclosure may be made to the individual's immediate supervisor or the Director of Human Resources. The Company will review the circumstances to determine whether any conflict of interest exists.
- When a conflict-of-interest or potential risk is identified due to a company official's relationship with a co-worker, the Company will work with the parties involved to consider options for resolving the problem. The initial solution may be to make sure the parties no longer work together on matters of import, in which one is able to influence and/or act the other. Matters such as hiring, firing, promotions, performance management, compensation decisions and financial transactions are examples of situations that may require reallocation of duties to avoid any actual or perceived reward or disadvantage. In some cases, other measures may be necessary, such as transfer of one or both parties to other positions or departments. If one or both parties refuse to accept a reasonable solution, such refusal will be deemed a voluntary resignation.
- Failure to cooperate with the Company to resolve a conflict or problem caused by a romantic or sexual relationship between co-workers or among managers, supervisors or others in positions of authority in a mutually agreeable fashion may be deemed insubordination and result in disciplinary action up to and including termination.
- The provisions of this policy apply regardless of the sexual orientation of the parties involved.
- Where doubts exist as to the specific meaning of the terms used above, employees should make judgments based on the overall spirit and intent of this policy.

Any concerns about the administration of this policy should be addressed to the Director of Human Resources.

## **5.8 Conflicts of Interest**

The Company expects all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct, and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

Exactly what constitutes a conflict of interest or an unethical business practice is both a moral and a legal question. The Company recognizes and respects the individual employee's right to engage in activities outside of employment which are private in nature and do not in any way conflict with or reflect poorly on the company.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises where there is a potential conflict of interest, the employee should discuss this with a manager for advice and guidance on how to proceed. The list below suggests some of the types of activity that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

- Simultaneous employment by another firm that is a competitor of or supplier to the Company.
- Carrying on company business with a firm in which the employee, or a close relative of the employee, has a substantial ownership or interest.
- Holding a substantial interest in, or participating in the management of, a firm to which the company makes sales or from which it makes purchases.
- Borrowing money from customers or firms, other than recognized loan institutions, from which our company buys services, materials, equipment, or supplies.
- Accepting substantial gifts or excessive entertainment from an outside organization or agency.
- Speculating or dealing in materials, equipment, supplies, services, or property purchased by the company.
- Participating in civic or professional organization activities in a manner that divulges confidential company information.
- Misusing privileged information or revealing confidential data to outsiders.
- Using one's position in the company or knowledge of its affairs for personal gains.
- Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of company business.

## 5.9 Telephone Use

Landlines and cellphones/smartphones are commonly used by authorized employees to conduct the business of the Company.

At no time should the use of a landline or a Company-owned/personal cellphone/smartphone disrupt Company business.

### *Telephone Calls*

Office phones are to be used to conduct Company business. Disruptions during working time can lead to errors and delays. Therefore, we ask that personal telephone calls be kept to a minimum, and only be made or received after working time, or during meal or break times. Any personal use must not interfere with performance or operations and must not violate any Company policy or applicable law. Users have no legitimate expectation of privacy regarding telephone usage.

### *Company-owned Cellphones/Smartphones*

Authorized employees will be given a Company-owned cellphone/smartphone to conduct Company business. The employee is responsible for ensuring the phone is on and operational during their scheduled shift. A minute plan, text plan, and data plan may be included, and some cellphones/smartphones may be restricted to limit the types of call(s) that can be made/received.

Company-owned cellphones/smartphones are to be used to conduct Company business. Any personal use must not interfere with performance or operations and must not violate any Company policy or applicable law. Users have no legitimate expectation of privacy regarding cellphones usage.

Overages to call, text, or data plans caused by personal use will be charged back to the employee and will be paid via payroll deduction (see Section 6.4, Payroll Deductions).

The downloading of ring tones, music, premium text messaging, etc. is strictly prohibited on Company-owned cellphones/smartphones. Unauthorized downloads will be charged back to the employee, and will be paid via payroll deduction (see Section 6.4, Payroll Deductions).

To the full extent permitted and in accordance with applicable law, employees who lose or damage their Company-owned cellphone/smartphone will be responsible for the cost of replacement. Replacement costs will be paid via payroll deduction (see Section 6.4, Payroll Deductions).

Continued misuse of Company-owned cellphones/smartphones will result in corrective action, up to and including termination of employment.

Employees that knowingly circumvent lock codes to remove restrictions, or add personal contacts to a restricted phone, are subject to immediate termination of employment.

### *Personal Cellphones/Smartphones*

Employees are not to make/receive calls, send/receive text messages, or access the internet/data features on their personal cellphone/smartphone during business hours. Calls/texts can be made/sent from an employee's personal cellphone/smartphone during authorized breaks and should be limited to the length of the break. In case of emergency, an employee should notify their supervisor before making a call or text messaging on their personal cell phone.

Personal cellphones/smartphones should be placed on pulse/vibrate during business hours to avoid distraction.

Continued misuse of a personal cellphone/smartphone during business hours will result in corrective action, up to and including termination of employment.

## **5.10 Electronic Communications**

Employees may use Company systems to communicate internally with coworkers or externally with customers, suppliers, and vendors for business purposes.

Electronic communications include: messages, images, data or any other information used in e-mail, instant messages, voicemail, fax machines, computers, personal digital assistants, pagers, telephones, cellphones/smartphones, Intranet, Internet, back-up storage, information on a memory or flash key or card, jump or zip drive, or any other type of internal or external removable storage drives.

All Electronic Communications contained in Company systems are Company records and/or property. Although an employee may have an individual password to access Company systems, the systems and electronic communications belong to the Company. The systems and electronic communications are accessible to the Company at all times including periodic unannounced inspections. Company systems and electronic communications are subject to use, access, monitoring, review, recording and disclosure without further notice. Company systems and electronic communications are not confidential or private. The Company's right to use, access, monitor, record and disclose electronic communications without further notice applies equally to employee-provided systems or equipment used in the workplace, during working time, or to accomplish work tasks.

Any personal use must not interfere with performance or operations and must not violate any Company policy or applicable law. Users have no legitimate expectation of privacy regarding system usage. Personal communications found in Company systems will be treated the same as

all other electronic communications and will be used, accessed, recorded, monitored, and disclosed by the Company at any time without further notice.

All Company policies including, but not limited to, those prohibiting harassment, in its entirety, apply fully to electronic communications. Additionally, employees may not use the Company's communication and computer systems in violation of any law including, but not limited to, those related to copyrights and software piracy.

In addition, employees may not use Company systems:

- To download, save, send, or access any defamatory, discriminatory or obscene material;
- To download, save, send, or access any music, audio or video file;
- To download anything from the Internet (including shareware or free software) without the advance written permission of the IT Department;
- To download, save, send, or access any site or content that the Company might deem "adult entertainment;"
- To access any "blog" or otherwise post a personal opinion on the Internet/Intranet;
- To solicit employees or others;
- To attempt or to gain unauthorized or unlawful access to computers, equipment, networks, or systems of the Company or any other person or entity;
- In connection with any infringement of intellectual property rights, including but not limited to copyrights; and
- In connection with the violation or attempted violation of any law.

An employee may not misrepresent, disguise, or conceal their or another employee's identity in any way while using Company systems; make changes to electronic communications without clearly indicating such changes; or use another employee's account, mail box, password, etc. without prior written approval of the account owner and without identifying the actual author.

Employees must always comply with all intellectual property laws such as copyrights and trademarks. Employees must not copy, use, or transfer proprietary materials of the Company or others without appropriate authorization.

All systems passwords and encryption keys must be available and known to the Company. Employees may not install password or encryption programs without the written permission of the Company's IT Department. Employees may not use the passwords and encryption keys belonging to other employees.

Numerous state and federal laws apply to electronic communications. The Company will comply with applicable laws. Employees also must comply with applicable laws and should recognize

that an employee could be personally liable and/or subject to fine and imprisonment for violation of applicable laws.

Violations of this policy may result in corrective action up to and including termination of employment, as well as possible civil liabilities or criminal prosecution. Where appropriate, the Company may advise legal officials or appropriate third parties of policy violations and cooperate with official investigations.

## **5.11 Voice Mail Use**

The voice mail system is intended for business use. The use of the Company's voice mail system to solicit fellow employees or distribute non job-related information to fellow employees is strictly prohibited.

All Company policies including, but not limited to, those prohibiting harassment, in its entirety, apply fully to electronic communications. Additionally, employees may not use the Company's communication and computer systems in violation of any law.

All voice mail passwords must be made available to the Company at all times. Please notify your supervisor if you need to change your password.

For business purposes, management reserves the right to enter, search and/or monitor the Company's private voice mail system and the voice mail of any employee without advance notice and consistent with applicable state and federal laws. Employees should expect that communications that they send and receive by the Company's private voice mail system will be disclosed to management. Employees should not assume that communications that they send and receive by the Company's private voice mail system are private or confidential.

Violation of this policy will result in corrective action, up to and including termination of employment.

## **5.12 Internet Use**

The Internet is intended for business use. Any personal use must not interfere with performance or operations and must not violate any Company policy or applicable law. Users have no legitimate expectation of privacy in regard to internet usage.

Use of the Internet must not disrupt operation of the Company computer network, or interfere with an employee's productivity. Employees are responsible for using the Internet in a manner that is ethical and lawful.

The Company's policies against sexual and other types of harassment apply fully to Internet usage (see Section 5.5, Harassment & Complaint Procedure).

Consistent with applicable federal and state law, time spent on the Internet may be tracked through activity logs for business purposes. All abnormal usage will be investigated thoroughly.

Employees should report any misuse of the Internet to their supervisor immediately.

Violation of this policy will result in corrective action, up to and including termination of employment.

### **5.13 E-mail Use**

The e-mail system is intended for business use. The use of the Company's e-mail system to solicit fellow employees or distribute non job-related information to fellow employees is strictly prohibited.

All Company's policies including, but not limited to, those prohibiting harassment, in its entirety, apply fully to electronic communications. Additionally, employees may not use the Company's communication and computer systems in violation of any law including, but not limited to, those related to copyrights and software piracy.

Employees shall not use unauthorized codes or passwords to gain access to another employee's files. Employees should not divulge their e-mail password to another employee.

An employee should contact the IT Department if they need to reset their e-mail password.

For business purposes, management reserves the right to enter, search and/or monitor the Company's private e-mail system and the files/transmission of any employee without advance notice and consistent with applicable state and federal laws. Employees should expect that communications that they send and receive by the Company's private e-mail system will be disclosed to management. Employees should not assume that communications that they send and receive by the Company's private e-mail system are private or confidential.

Violation of this policy will result in corrective action, up to and including termination of employment.

### **5.14 Personal Electronic Devices (P.E.D.s)**

It is critical that employees who are responsible for direct communications with our customers, vendors, and/or the general public at-large remain focused on their job and do not have any unnecessary distractions. For these employees, personal electronic devices, such as cell phones (please see Section 5.9, Telephone Use), laptops, tablets, eReaders, CD players, MP3 players, radios, video games, and pagers are prohibited in the workplace, except during authorized breaks. Use of P.E.D.s should be limited to the length of the break.

In areas which employees are not responsible for direct communication with customers, vendors, or the general public at-large, the use of P.E.D.s is at the discretion of the departmental supervisor, provided their use does not cause unnecessary distraction or interrupts the flow of business.

Continued misuse of a P.E.D. during business hours will result in corrective action, up to and including termination of employment.

## **5.15 Recording Devices in the Workplace**

Except as otherwise provided for in this policy, no employee may photograph, tape, or otherwise record any person, document, conversation or communication, or activity that in any way involves the Company or employees of the Company, any clients or any other individual with whom the Company is doing business or intending to do business in any capacity (for example, vendors, suppliers, consultants, attorneys, or independent contractors). The authorized copying of documents in the ordinary course of business for the benefit of the Company is not prohibited by this policy.

Photographing, taping, and recording under this policy includes taking still or video pictures (film or digital), or recording of any conversation or communications, regardless of whether the conversation or communication takes place in person, over the telephone, or via any other communications device or equipment, and regardless of the method used to tape or record (for example, tape recorder, video recorder, mechanical recording, or wire-tapping equipment), and regardless of where the conversation or communication takes place (i.e., whether on or off the Company's premises). Taping or recording also includes photographing or recording digital images through cameras of any kind (for example, camera phones, PDA cameras, or concealed cameras). Limited exceptions will apply where the photographing, taping, or recording is being conducted by an individual who has been provided advance written authorization for the activity by an authorized member of Company management, or when they are used in a manner consistent with your right to engage in concerted activity under section 7 of the National Labor Relations Act (NLRA). Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment.

Violations of this policy will result in corrective action, up to and including termination of employment. Where the conduct engaged in is illegal, violators may also be subject to prosecution under applicable federal, state, or local laws.

## **5.16 Solicitation & Distribution**

In order to avoid unnecessary annoyances and interruptions of Company business, solicitation by an employee of another employee is prohibited while either person is on working time. Working

time includes the time during which any of the employees involved are actually scheduled to work, but does not include scheduled rest periods, meal breaks and other specified times when employees are not expected to be working.

Employee distribution of literature, including handbills in work areas or during working time is prohibited.

Trespassing, soliciting or distribution of literature by non-employees on these premises is prohibited at all times.

## **5.17 Dress Code**

Employees are expected to represent a professional, businesslike image to customers and the general public.

### *Office Employees*

Office employees are expected to dress in a manner that is normally acceptable in similar business establishments.

Office employees are not permitted to wear: Athletic clothing (sweat pants, warm-up gear, etc.), Flip-flops, Sandals, Open-toed Shoes, Gym Shoes, Hats, Jeans, Novelty buttons, Shorts, Suggestive attire, or T-shirts.

### *Service Technicians*

Service Technicians are expected to dress in an approved uniform that consists of:

- AdvaCare polo or t-shirt (navy or gray)
- AdvaCare fleece or hooded sweatshirt (weather permitting)
- Navy work pants or work shorts (weather permitting)
- AdvaCare baseball hat and/or winter cap (weather permitting)
- AdvaCare jacket (optional & weather permitting)
- Protective steel-toed footwear

New Service Technicians purchase an initial inventory of:

- Five (5) AdvaCare polo shirts
- Five (5) AdvaCare t-shirts
- Two (2) AdvaCare fleece or hooded sweatshirt (or one of each)
- Four (4) Navy work pant
- Two (2) Navy work short

- Two (2) AdvaCare baseball cap or knit cap (or one of each)

Service Technicians are required to purchase the following replacement items annually:

- Three (3) AdvaCare polos
- Three (3) AdvaCare t-shirts
- Two (2) pairs navy work pants
- One (1) paid navy work shorts

The cost of the uniform purchase will be paid via payroll deduction, unless otherwise is prohibited by applicable law (see Section 6.4, Payroll Deductions).

Service Technicians are responsible for keeping their uniforms clean and well-kempt. Uniform shirts should always remain tucked in; shirts and pants should be free of holes/tears. If a uniform item needs replacement outside of the annual purchase schedule, it will be replaced at the employee's expense, and can be paid for via a standard payroll deduction, unless otherwise is prohibited by applicable law (see Section 6.4, Payroll Deductions).

### *Warehouse Employees*

Depending on their function (cleaning/repairing, shipping/receiving, inventory, etc.), warehouse employees are expected to dress according to guidelines established for either Office Employees or Service Technicians. The employee's supervisor shall be responsible for determining which guideline should be followed.

### *Personal Hygiene*

All employees are expected to maintain their personal appearance in accordance with this policy. Radical departures from personal grooming and hygiene standards are not permitted.

- Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.
- Facial hair (sideburns, moustaches, beards, etc.) should be neatly trimmed.

### *Jewelry & Tattoos*

The Company permits employees to wear jewelry and/or to display tattoos at the workplace within certain guidelines. Factors that management will consider determining whether jewelry or tattoos may pose a conflict with the employee's job or work environment include:

- Personal safety of self or others, or damage to company property
- Productivity or performance expectations

- Offensiveness to coworkers, customers, vendors or others in the workplace based on racial, sexual, religious, ethnic, or other characteristics or attributes of a sensitive or legally protected nature
- Corporate or societal norms
- Customer complaints

If management determines an employee's jewelry or tattoos may present such a conflict, the employee will be encouraged to identify appropriate options, such as removal of excess or offensive jewelry, covering of tattoos, transfer to an alternative position, or other reasonable means to resolve the conflict.

An environment of cooperation, respect, and fair and consistent treatment for all employees is the company's goal. Nonetheless, the company is legally responsible for ensuring that no employees are subject to harassment or a hostile work environment. As an initial step toward resolution of any complaint or offense under this policy, supervisors and managers will be responsible for explaining the policy and answering employee questions. If an agreeable solution cannot be reached at that stage, the human resource manager will follow company procedures to resolve the issue.

### *Employee Uniform Purchases*

The Company will provide employees with an opportunity to purchase uniform items. Employees may purchase approved uniform items and pay for them via a standard payroll deduction, unless otherwise is required by applicable law (see Section 6.4, Payroll Deductions).

### *Steel-Toed Boot Reimbursement*

Employees who are required to use protective footwear in areas where there is a danger of foot injuries due to falling or rolling objects, can be reimbursed up to 50% (max \$50.00) of their steel-toed boot purchase, unless otherwise is required by applicable law (see Section 6.5 Expense Reimbursement).

An employee that wishes to be reimbursed for their steel-toed boot purchase should submit a copy of the receipt to their manager, supervisor, or Human Resources. There is a limit of one reimbursement per calendar year, per employee, unless otherwise is required by applicable law.

### *Casual Days*

At its discretion, the Company may allow employees to dress in a more casual fashion than is normally required under this policy. On these occasions, employees are still expected to present a neat appearance.

Human Resources will notify all employees when a casual day has been scheduled for the Company.

### *Exceptions to the Policy*

In the event of extreme heat or cold, broken heating/air conditioning, or other situation that management deems warranted, the Company may temporarily change the guidelines to allow for comfort.

Nothing in this policy is intended to discriminate against an employee's sincerely held religious beliefs or practices or physical or mental disability. Employees who may need an accommodation based on a sincerely held religious belief or practice or physical or mental disability can contact Human Resources.

Violation of this policy will result in corrective action, up to and including termination of employment. If an employee has not met established dress code, a supervisor may require the employee to return home to change clothes. Employees will not be compensated for any work time missed because of failure to comply with the dress code where permitted by applicable law.

## **5.18 Care of Company Property & Equipment**

All employees are expected to practice proper care when using Company property and equipment. Company property may not be removed from the premises without proper authorization from a supervisor, manager, or Human Resources.

Unauthorized removal of Company property or equipment will be viewed as theft, and will result in corrective action up to and including termination of employment, as well as possible civil liabilities or criminal prosecution.

If an employee loses, breaks, or damages any Company property and/or equipment, they are required to report it to a supervisor immediately, and may be required to pay for its repair or replacement (see Section 6.4, Payroll Deductions).

Employees who are issued a Company credit card (or any line of credit extended on behalf of the Company) are not authorized to make purchases of goods or services for personal use. Violation of this policy will result in the immediate suspension of the employee's credit card privileges and corrective action up to and including termination of employment, as well as possible civil liabilities or criminal prosecution.

## 5.19 Company-Owned Vehicles

Employees who operate Company-owned vehicles or personal vehicles for Company business (i.e., delivery trucks, vans, or cars) are expected to follow the guidelines of the *AdvaCare Systems Vehicle Safety Handbook*.

Company-owned vehicles should be operated by authorized employees only. Only authorized passengers (i.e., coworkers, on-the-job trainers, Joint Commission surveyors, etc.) are allowed in Company-owned vehicles or personal vehicles used for Company business.

Company-owned vehicles may be used for job-related travel. Only employees that have received prior authorization from a manager or supervisor may take a Company-owned vehicle home after their shift.

The use of seat belts is mandatory for operators and passengers of Company-owned vehicles or personal vehicles used for Company business, and operators are expected to follow the rules of the road. The employee is responsible for paying any fines associated with moving and/or parking violations received while operating a Company-owned vehicle.

## **Section 6: Employee Wages & Salary**

### **6.1 Reporting Hours Worked**

Non-exempt employees (see Section 2, Definitions of Employee Status) must record their time worked on the Company's HCM Software. Time worked is the time actually spent on a job performing assigned duties. The Company does not pay for extended breaks or time spent conducting personal business.

A timesheet may also be required to verify time clock punches or other types of worked performed (i.e., on-call). Employees required to complete timesheets should submit them to their supervisor on Monday mornings. Authorized personnel will review timesheets weekly. Any changes to a timesheet must be approved by the employee's supervisor.

Altering, falsifying, tampering with time sheets, the time & attendance functionality of the Company's HCM software, or recording time on another employee's timesheet and/or punching in/out on their behalf will result in corrective action, up to and including termination of employment.

### **6.2 Overtime**

The Company may require an employee to work overtime hours in order to meet the needs of its customers. Although the Company will do its best to give an employee advance notice when feasible, it is not always possible.

Overtime is paid to non-exempt (see Section 2, Definitions of Employee Status) employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over forty (40) per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Only actual hours worked count towards computing weekly overtime.

All overtime work performed by an hourly employee must receive the supervisor's prior authorization. Overtime worked without prior authorization from the supervisor may result in corrective action up to and including termination of employment. A supervisor's signature on a timesheet, or approval of punches on the Company's HCM software, authorizes pay for overtime hours worked.

### **6.3 Paydays**

Company paychecks are issued bi-weekly on Fridays. When a payday falls on a holiday, employees will receive their check on the business day that precedes the holiday.

If a regular payday occurs during an employee's vacation, their paycheck will be available upon the employee's return to work. If an employee is unable to pick up their check on payday, please contact a supervisor or Human Resources.

Employees are responsible for reviewing their paycheck for errors. If there is a payroll error, the employee must report it to their supervisor or Human Resources immediately. Generally, payroll errors will be corrected by the next pay period.

Paychecks will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks may also be mailed to the employee's home address or deposited directly into an employee's bank account upon request.

## **6.4 Payroll Deductions**

The Company is required by law to make certain deductions from an employee's paycheck each pay period. Such deductions typically include federal and state taxes and Social Security (FICA) taxes. Depending on the state in which the employee is employed and the benefits the employee chooses, there may be additional deductions. All deductions and the amount of the deductions are listed on the employee's pay stub. These deductions are totaled each year on the employee's W-2.

It is the policy of the Company that the pay of exempt (salaried) employees (see Section 2, Definitions of Employee Status) will not be docked or subject to deductions, in violation of salary pay rules issued by the United States Department of Labor and any corresponding rules issued by the state government, as applicable. However, the Company may make deductions from exempt employees' salaries in a way that is permitted under federal and state wage and hour rules. Employees will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

Exempt employees may be subject to the following salary deductions, except where prohibited by state law, but only for the following reasons:

- Absences of one or more full days for personal reasons, other than sickness or disability;
- Absences of one or more full days due to sickness or disability, if there is a plan, policy, or practice providing replacement compensation for such absences;
- Absences of one or more full days before eligibility under such a plan, policy, or practice or after replacement compensation for such absences has been exhausted;
- Suspensions of one or more full days for violations of safety rules of major significance;
- Suspensions of one or more full days for violations of written workplace conduct rules, such as rules against sexual harassment and workplace violence;

- Payment of actual time worked in the first and last weeks of employment, resulting in a proportional rate of an employee's full salary;
- Any unpaid leave taken under the Family and Medical Leave Act; or
- To offset amount received as payment for jury and witness fees or military pay.

In any workweek in which exempt salaried employees perform any work, their salary is not subject to reduction for any of the following reasons:

- Partial day absences for personal reasons, sickness, or disability;
- Absence due to the Company's decision to close a facility on a scheduled workday;
- Absences for jury duty, attendance as a witness, or military leave in any week in which any work is performed; or
- Any other deductions prohibited by state or federal law.

However, subject to state law, it is not an improper deduction to reduce exempt salaried employees' accrued vacation, personal, or other forms of paid time off banks for full or partial day absences for personal reasons, sickness, or disability.

Employees who believe they have been subject to an improper deduction should report the matter to their supervisor immediately. If the supervisor is unavailable or is an inappropriate person to contact, or if a prompt and fully acceptable reply has not been received within five (5) business days, Human Resources should be contacted.

Every report of improper deductions will be fully investigated and corrective action, up to and including discharge, will be taken, as appropriate, for any employee(s) who violates this policy. In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy may result in disciplinary action, up to and including discharge.

## **6.5 Expense Reimbursement**

The Company will reimburse authorized expenses incurred by employees performing Company duties. The expenditures are reimbursed only when an expense report is completed with the detailed explanation of the expenses, along with receipts supporting the expenses. Expense reports must be approved by appropriate authorized personnel prior to being reimbursed to the employee.

## **6.6 Wage & Salary Increases**

An employee's hourly wage or annual salary will be reviewed during the annual performance appraisal (see Section 3.16, Performance Appraisals). Increases will be determined on non-discriminatory factors including, but not limited to, performance, adherence to Company policies and procedures, and ability to meet or exceed duties per job description and achieve performance goals.

In addition to performance, an employee's wages may increase as a result of promotion, transfer, change in status, or cost of living increase.

## **Section 7: Employee Benefits & Services**

### **7.1 Medical Insurance**

Employees who have successfully completed the ninety (90) day introduction period, and who work at least thirty (30) hours per week, may enroll in the Company medical and dental insurance plans. Eligible employees can enroll in the health plan through the Company's HCM software.

To assist employees with the cost of this insurance, the Company pays a portion of the employee premium. The employee is responsible for paying the balance of the premium through a payroll deduction (see Section 6.4, Payroll Deductions).

A Summary of Benefits can be obtained from the Human Resources department. Employees should refer to the Summary of Benefits if there are specific questions regarding the plan, as these documents are controlling.

### **7.2 Supplemental Insurance**

Employees who have successfully completed the ninety (90) day introductory period may enroll in the Company supplemental insurance plans. Eligible employees can enroll in the health plan through the Company's HCM software.

The Company offers supplemental life, AD&D (accidental death and dismemberment), accident, critical illness, vision, and short and long-term disability insurance.

The Company does not assist employees with the cost of premiums associated with the supplemental insurance plans. The employee is responsible for paying the entire premium through a payroll deduction (see Section 6.4, Payroll Deductions).

Information concerning plan and eligibility requirements may be obtained from the Human Resources Department.

### **7.3 Section 125 Plan**

The Company health plan and certain supplemental insurance plans offered by the Company are a pre-tax benefit contribution option for employees; also known as a Section 125 plan.

A Section 125 plan is a benefit plan that allows employees to make contributions toward premiums for health insurance on a "before tax," rather than an "after tax" basis. An employee's

premium contributions are deducted from their gross pay before income tax and Social Security is calculated.

An employee cannot make any changes to their pre-tax contributions until the next open enrollment date, unless the employee's family status changes or they become eligible for a special enrollment period due to a qualifying life event. Qualifying life events include marriage, divorce, death of a spouse or child, birth or adoption of a child, or termination of employment of the employee's spouse. A change in election due to qualifying life event is effective the next pay period.

## **7.4 COBRA**

An employee and their covered dependents (if applicable) will have the opportunity to continue medical benefits for a period of up to 36 months under the provisions of the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) when group medical coverage would otherwise end generally due to the employee's death or because:

- The employee's employment terminates, for a reason other than gross misconduct;
- The employee's employment status changes due to a reduction in hours;
- The employee's child ceases to be a "dependent child" under the terms of the medical plan;
- The employee becomes divorced or legally separated; or
- The employee becomes entitled to Medicare.

In the event of divorce, legal separation, or a child's loss of dependent status, the employee or a family member must notify Human Resources within sixty (60) days of the occurrence of the event.

Human Resources or an authorized third-party COBRA administrator will notify the individuals eligible for continuation coverage of their right to elect COBRA continuation coverage.

## **7.5 Workers Compensation**

On the job injuries/illnesses are covered by the Company's Workers Compensation insurance policy. If an employee is injured or contracts an illness on the job, regardless of the level of severity, they should report the incident immediately to their supervisor (see Section 4.1, Incident/Accident Reporting). Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize the claim.

Employees on Workers Compensation are responsible for following up with their physician (i.e., follow-up appointments, physical therapy appointments, etc.), and notifying their supervisor and Human Resources of their status during the absence (see Section 5.3, Absence With/Without

Notice). The employee's supervisor and Human Resources will determine if work can be provided in accordance with a physician's note.

Conditions which could lead to or contribute to an employee injury or illness should be reported to a supervisor immediately.

## 7.6 Social Security

The Company and the employee both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide employees with retirement benefit payments and medical coverage once they have reached retirement age.

## 7.7 401(k) Retirement Plan

Employees that have completed the ninety (90) day introduction period may enroll in the Company-sponsored 401(k) retirement plan, which offers employees an excellent means of long-term savings for their retirement.

The plan features quarterly open enrollment dates (January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup>, October 1<sup>st</sup>), a Company match, and profit-sharing contributions for eligible employees (after one year of service). Eligible employees can enroll in the 401k) plan through the Company's HCM software.

Employees can obtain a copy of the Summary Plan Description, which contains the details of the plan, including eligibility and benefit provisions, by contacting Human Resources.

In the event of any conflict in the description of any plan, the official plan documents, which are available for review, shall govern.

## 7.8 Vacation

Vacation is earned according to length of service, and is represented in the following chart:

<u>Years of Service</u>	<u>Vacation Earned</u>
1	40 Hours
2	80 Hours
3	80 Hours
4	80 Hours
5 or more	120 Hours

Full-time employees (see Section 2, Definitions of Employee Status) that work thirty (30) hours or more earn vacation on their anniversary date and can use up to the maximum number of hours earned over the next year.

Part-time employees that work less than thirty (30) hours are not eligible for vacation pay.

Vacation time may not be carried over to the following year. For purposes of this policy, the year is the consecutive 12-month period beginning January 1<sup>st</sup> and ending on December 31<sup>st</sup>. Vacation pay will not be granted in lieu of time off unless written authorization is obtained from the employee's supervisor and the Chief Financial Officer. Written authorization and approval of pay in lieu of time off will be based on need and is at the sole discretion of management.

If employment is terminated for reasons other than gross misconduct, eligible employees will be paid for any accrued and unused vacation.

## **7.9 Sick & Personal Days**

Full-time employees (see Section 2, Definitions of Employee Status) that work thirty (30) hours or more and have completed the ninety (90) day introduction period, earn three (3) sick days and one (1) personal day to be used over the next year.

Part-time employees that work less than thirty (30) hours do not earn sick and personal days.

Exempt employees will receive sick pay in compliance with state and federal wage and hour laws.

To the full extent and in accordance to applicable law, sick days may not be carried over to the following year. Sick and/or personal days will not be paid in lieu of time off. For purposes of this policy, the year is the consecutive 12-month period beginning January 1<sup>st</sup> and ending on December 31<sup>st</sup>.

The Company may require supporting documentation if the employee is absent for more than three (3) consecutive workdays due to an illness or other health condition of the employee's or employee's family member, to the maximum extent permitted by applicable law. Supporting documents are required to be signed by a licensed health care provider indicating the need for the amount of days taken and that taken days were used for an illness or other health condition and/or applicable law will be considered reasonable documentation, and such documentation need not specify the nature of the employee's or the employee's family member's injury, illness or condition, except as required by law.

If employment is terminated, employees are not paid for unused sick and personal days.

To the extent any applicable paid sick/safe time/leave law or ordinance provides any greater rights than set forth in this policy, such provisions are incorporated by reference and/or addressed in a supplemental policy for covered employees.

## 7.10 Requesting Time Off

All requests for time off are made through the Company's HCM software and are subject to approval by the employee's manager/supervisor.

Vacation days are available for eligible employees to use at their discretion, under the following guidelines:

**Split Vacation (8 to 32 hours):** Requests for split vacation days must be made no less than five (5) business days prior to the date(s) requested.

**Block Vacation (40 or more hours):** Requests for block vacation days must be made no less than ten (10) business days prior to the dates requested.

The decision as to whether to approve vacation requests is at the Company's sole discretion and is based on non-discriminatory factors including, but not limited to, management's judgement as to whether the needs of the Company can accommodate the request. In some cases, an alternate date or dates may be required for approval.

If two employees request vacation for the same date(s), the decision to approve a request will be based on non-discriminatory factors including, but not limited to employee seniority and first-come-first-served.

Eligible employees covered under Section 7.9 (Sick & Personal Days) of the Employee Handbook, may use sick and personal days under the following guidelines:

Sick and Personal days can be used same-day, provided that the employee reports the absence at least thirty (30) minutes in advance of their scheduled shift (see Section 5.3, Absence With/Without Notice). Sick and Personal days *are not* Vacation days and cannot be used in advance to request time off or in place of Vacation days, unless otherwise required by applicable laws.

## 7.11 Holidays

The Company observes the following holidays each year:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas

If an observed holiday falls on a Saturday, it generally will be observed on the preceding Friday. If an observed holiday falls on a Sunday, it generally will be observed on the following Monday.

All exempt employees (see Section 2, Definitions of Employee Status) are eligible for paid holidays immediately upon hire. Non-exempt employees must complete the ninety (90) day introduction period to be eligible for paid holidays.

Non-exempt employees (see Section 2, Definitions of Employee Status) must work their scheduled workday before and after the holiday in order to be paid for the holiday, unless they are absent with prior permission from their supervisor.

## **7.12 Jury Duty**

Non-exempt employees (see Section 2, Definitions of Employee Status) summoned for jury duty will be granted an unpaid leave to serve. Employees that wish to be paid for their time off while serving on a jury may use available vacation, sick, or personal days.

Exempt employees (see Section 2, Definitions of Employee Status) may be provided time off with pay for any week in which they perform authorized work for the Company. In order to receive compensation, the employee will provide Human Resources with all pertinent documentation, including the original summons and copies of jury service check stubs.

Any employee summoned to jury duty should make arrangements with their supervisor and Human Resources as soon as they receive their summons. If the required absence presents a serious conflict for management, employees may be asked to try to postpone jury duty. Employees also must provide verification of service.

The Company expects an employee to return to work if they are excused from jury duty during their regular work shift unless such a requirement is restricted by applicable law. Any pay provided for time spent on jury duty leave is not counted as hours worked for purposes of calculating overtime.

## **7.13 Witness Leave**

Non-exempt employees (see Section 2, Definitions of Employee Status) will be unpaid leave to attend or participate in a court proceeding in accordance with state law. Employees that wish to be paid for their while participating in a court proceeding may use available vacation, sick, or personal days.

Exempt employees (see Section 2, Definitions of Employee Status) may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Any employee summoned to participate in a court proceeding should make arrangements with their supervisor and Human Resources as far in advance as is possible.

## **7.14 Bereavement Leave**

Full-time and part-time employees (see Section 2, Definitions of Employee Status) who have completed the ninety (90) day introduction period are eligible for three (3) paid days off for the death of an immediate family member. Immediate family members include spouses, parents, siblings, children, grandchildren, grandparents and in-laws.

Part-time employees are eligible for bereavement pay in proportion to the number of hours they normally are scheduled to work.

Bereavement leave is paid at the employee's base rate of pay at the time of absence for the number of hours the employee otherwise would have worked that day. Bereavement leave is not counted as hours worked for purposes of calculating overtime.

Exempt employees (see Section 2, Definitions of Employee Status) may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Requests for bereavement leave should be made to the employee's immediate supervisor as soon as possible. The Company reserves the right to request written verification of an employee's familial relationship to the deceased and their attendance at the funeral service as a condition of the bereavement pay.

## **7.15 Military Leave**

Employees who are required to fulfill military obligations in any branch of the Armed Forces of the United States or in state military service will be given the necessary time off and reinstated in accordance with federal and state law.

The time off will be unpaid, except where state law dictates otherwise. Employees who do not qualify for paid time off that wish to be paid while serving in the Armed Forces may use available earned or accrued vacation, sick, or personal days.

Exempt employees (see Section 2, Definitions of Employee Status) may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Employees are required to present Human Resources with their military orders, and make arrangement for leave as early as possible before departure. Employees are required to give advance notice of their service obligations to the Company unless military necessity makes this impossible. Employees must notify Human Resources of their intent to return to employment

based on requirements of the law. Benefits may continue to accrue during the period of leave in accordance with state and federal law.

## **7.16 Voting Leave**

The Company believes that every employee should have the opportunity to vote in any state or federal election, general primary or special primary. Any employee, whose work schedule does not provide them with four hours to vote while the polls are open, will be generally granted up to two unpaid hours off in order to vote. The Company reserves the right to select the hours the employee is excused to vote. To the extent any applicable state provides any greater rights than set forth in this policy, such provisions are incorporated by reference.

Exempt employees (see Section 2, Definitions of Employee Status) may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Employees that wish to use voting leave should notify their supervisor as soon as possible. When the employee returns from voting leave, they must present a voter's receipt to their supervisor as soon as possible.

## **7.17 Employee Assistance Program**

The Company is committed to the long-term health of its employees. This includes mental and emotional health, as well. The Company's Employee Assistance Program (hereby EAP) is designed to provide voluntary and confidential assistance to employees and their families during times of crisis or challenge, including financial problems, legal issues, drug and alcohol abuse, marital problems, illness of a family member, emotional worries, child care problems, etc.

For the welfare of its employees as well as for effective business operations, the Company encourages its employees to take advantage of this valuable benefit.

Employees and their family members can refer themselves to the EAP by contacting (877) 660-3806 or [www.liveandworkwell.com](http://www.liveandworkwell.com). A counselor is available twenty-four hours a day, seven days a week.

EAP counselors are available to meet with employees or family members to assess a problem and develop a plan for resolution. The counselors may suggest a referral to an outside resource, such as a therapist, agency, physician, treatment facility or other professional that would be appropriate to assist in resolving the problem or situation.

There is no charge for employees or their families to use the services of the EAP. The EAP counselors will make every effort to coordinate referrals for ongoing treatment with the employee's health insurance coverage as well as with his or her ability to pay.

When an employee's performance, attendance, or behavior is unsatisfactory or appears to be impacted by other problems, the employee's manager/supervisor should work with Human Resources to counsel the employee with the goal of resolving the problem. If the circumstances warrant, the employee may be referred to the EAP to assist in the resolution of the problem. Depending on the situation, the employee may accept or refuse participation in the EAP. However, there may be situations where continued employment at the Company may be contingent on the employee's calling the EAP for assistance.

Voluntary participation in the EAP does not jeopardize job security or promotional opportunities. However, it does not excuse the employee from following company policies and procedures, or from meeting required standards for satisfactory job performance except where specific accommodations are required by law.

All contact between an employee and the EAP is held strictly confidential. In cases where an employee's continued employment is contingent on engaging the EAP, the EAP counselor will only verify whether the employee has contacted the EAP and, if ongoing treatment is necessary, that the employee is following through on the treatment. Information given to the EAP counselor may be released to the Company only if requested by the employee in writing. All counselors are guided by a professional code of ethics.

## **7.18 Leave of Absence**

Under special circumstances, full-time employees (see Section 2, Definitions of Employee Status) who have completed one (1) year of employment may be granted a leave of absence without pay. The granting of this type of leave is normally for compelling and non-discriminatory reasons and is at the sole discretion of Company management.

Leaves may not exceed 30 days, during which time no benefits will accrue. Leaves of absence are granted only after earned vacation is exhausted. To the extent allowed by the insurance contract, the Company will continue to provide medical insurance for employees on an authorized leave of absence. During this time, the employee will be responsible for paying their portion of the monthly premium.

The Company will make reasonable efforts to return the employee to the same or similar job they held prior to the leave of absence, subject to the Company's staffing and business requirements.

## 7.19 Federal Family & Medical Leave Act (FMLA)

The Family and Medical Leave Act (FMLA) provide eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either 12 or 26 weeks within a 12-month period depending on the reasons for the leave.

To be eligible for FMLA leave, an employee must:

- have worked at least 12 months for the Company in the preceding seven years (limited exceptions apply to the seven-year requirement);
- have worked at least 1,250 hours for the Company over the preceding 12 months; and
- currently work at a location where there are at least 50 employees within 75 miles.

\*Special hours of service requirements apply to airline flight crew employees.

FMLA leave may be taken for the following reasons:

- birth of a child, or to care for a newly-born child (up to 12 weeks);
- placement of a child with the employee for adoption or foster care (up to 12 weeks);
- to care for an immediate family member (employee's spouse, child, or parent) with a serious health condition (up to 12 weeks);
- because of the employee's serious health condition that makes the employee unable to perform the employee's job (up to 12 weeks);
- to care for a covered servicemember with a serious injury or illness related to certain types of military service (up to 26 weeks one-time basis only) (see Military-Related FMLA Leave for more details); or
- to handle certain qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on duty under a call or order to active duty in the Armed Forces (e.g., National Guard or Reserves) in support of a contingency operation (up to 12 weeks) (see Military-Related FMLA Leave for more details).

The maximum amount of leave that may be taken in a 12-month period for all reasons combined is 12 weeks, with one exception. For leave to care for a covered servicemember, the maximum combined leave entitlement is 26 weeks, with leaves for all other reasons constituting no more than 12 of those 26 weeks.

## *Definitions*

*Serious health condition* is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement includes an incapacity of more than three full calendar days and two visits to a health care provider or one visit to a health care provider and a continuing regimen of care; an incapacity caused by pregnancy or prenatal visits, a chronic condition, or permanent or long-term conditions; or absences due to multiple treatments. Other situations may meet the definition of continuing treatment.

A *covered servicemember* is a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.

The term *serious injury or illness* means an injury or illness incurred by the member in the line of duty while on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating.

*Qualifying exigencies* include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, and post-deployment debriefings.

## *Identifying the 12-Month Period*

The 12-month period in which 12 weeks of leave may be taken is the employee's anniversary year. For leave to care for a covered servicemember, the Company calculates the 12-month period beginning on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

## *Using Leave*

Eligible employees may take FMLA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule when medically necessary for the serious health condition of the employee or immediate family member, or in the case of a covered servicemember, their injury or illness. Eligible employees may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is not permitted for the birth of a child, to care for a newly-born child, or for placement of a child for adoption or

foster care. Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt the Company's operations

### *Use of Accrued Paid Leave*

Depending on the purpose of the employee's leave request, they may choose (or the Company may require) to use paid leave (such as vacation, sick days, or personal days), concurrently with some or all of the employee's FMLA leave. In order to substitute paid leave for FMLA leave, an eligible employee must comply with the Company's normal procedures for the applicable paid-leave policy (e.g., Absence With/Without Notice, Requesting Time Off, etc.).

### *Maintenance of Health and Other Benefits*

If an employee and their family (if applicable) participate in the group health plan, the Company will maintain coverage during their FMLA leave on the same terms as if the employee had continued to work. If applicable, the employee must make arrangements to pay their share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for the employee and their family (if applicable). The Company's obligation to maintain health care coverage ceases if an employee's premium payment is more than 30 days late. If an employee's payment is more than 15 days late, the Company will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control), they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave. For purposes of this paragraph, an employee will be considered to have returned to work if the employee returns to work for at least 30 calendar days, or the employee retires at the end of the FMLA leave period or within 30 days thereafter.

Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave, but certain benefits (vacation and PTO, in particular) will not accrue while the employee is on leave.

### *Notice and Medical Certification*

When seeking FMLA leave, the employee is required to provide:

- sufficient information for the Company to determine if the requested leave may qualify for FMLA protection and the anticipated timing and duration of the leave; sufficient information may include that the employee is unable to perform job functions, a family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave; the employee

must also inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified;

- if the need for leave is foreseeable, this information must be provided 30 days in advance of the anticipated beginning date of the leave; if the need for leave is not foreseeable, this information must be provided as soon as is practicable and in compliance with the Company's normal call-in procedures (see Section 5.3, Absence With/Without Notice and Section 7.11, Requesting Time Off);
- medical certification supporting the need for leave due to a serious health condition affecting the employee or an immediate family member within fifteen (15) calendar days of the Company's request to provide the certification (additional time may be permitted in some circumstances). Second or third medical opinions and periodic re-certifications may also be required;
- periodic reports as deemed appropriate during the leave regarding the employee's status and intent to return to work; and
- medical certification of fitness for duty before returning to work, if the leave was due to the employee's serious health condition; the Company will require this certification to address whether the employee can perform the essential functions of their position.

Failure to meet these requirements may result in delay or denial of leave, or corrective action, up to and including termination of employment.

### *Employer Responsibilities*

To the extent required by law, the Company will inform employees whether they are eligible under the FMLA. Should an employee be eligible for FMLA leave, the Company will provide them with a notice that specifies any additional information required, as well as the employee's rights and responsibilities. If employees are not eligible, the Company will provide a reason for ineligibility. The Company will also inform employees if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against the employee's leave entitlement. If the Company determines that the leave is not FMLA-protected, the Company will notify the employee.

### *Job Restoration*

Upon returning from FMLA leave, eligible employees will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

### *Failure to Return After FMLA Leave*

Any employee who fails to return to work as scheduled after FMLA leave or exceeds the 12-week FMLA entitlement (or in the case of military caregiver leave, the 26-week FMLA entitlement), will

be subject to the Company's standard leave of absence and attendance policies (see Section 7.19, Leave of Absence and Section 5.2, Attendance). Failure to report continued absence or return to work within three (3) days will result in abandonment of the position (see Section 5.3, Absence With/Without Notice). Likewise, following the conclusion of the employee's FMLA leave, the Company's obligation to maintain their group health plan benefits ends (subject to any applicable COBRA rights).

### *Other Employment*

While the Company normally allows an employee to hold outside employment (see Section 3.18, Outside Employment), it is prohibited during all leaves of absence, including FMLA leave. Failure to comply with this requirement will result in corrective action up to and including termination of employment.

### *Fraud*

Providing false or misleading information or omitting material information in connection with an FMLA leave will result in corrective action, up to and including termination of employment.

### *Employer's Compliance with FMLA and Employee's Enforcement Rights*

The Family & Medical Leave Act makes it unlawful for any employer to interfere with, restrain, or deny the exercise of any right provided under FMLA, or discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

While the Company encourages employees to bring any concerns or complaints about compliance with FMLA to the attention of Human Resources, FMLA regulations require employers to advise employees that they may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer.

Further, FMLA does not affect any Federal or state law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

### *Limited Nature of This Policy*

This Policy should not be construed to confer any express or implied contractual relationship or rights to any employee not expressly provided for by FMLA. The Company reserves the right to modify this or any other policy as necessary, in its sole discretion to the extent permitted by law. State or local leave laws may also apply.

## *Military-Related Federal FMLA Leave*

FMLA leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave. Each of these leaves is detailed below.

### *Military Caregiver Leave*

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. The family member must be a covered servicemember which means: (a) a current member of the Armed Forces, National Guard, or Reserves, (b) who is undergoing medical treatment, recuperation, or therapy; is otherwise in outpatient status; or is otherwise on the temporary disability retired list, (c) for a serious injury or illness that may render them medically unfit to perform the duties of the member's office, grade, rank, or rating. Military Caregiver Leave is not available to care for former members of the Armed Forces or the National Guard, or Reserves, or for servicemembers on the permanent disability retired list.

To be eligible for Military Caregiver Leave, the employee must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. *Next of kin* means the nearest blood relative of the servicemember, other than the servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of Military Caregiver Leave. The employee must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible employee may take up to 26 workweeks of Military Caregiver Leave to care for a covered servicemember in a single 12-month period. The single 12-month period; begins on the first day leave is taken to care for a covered servicemember and ends 12 months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If an employee does not exhaust his or her 26 workweeks of Military Caregiver Leave during this single 12-month period the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than 26 workweeks of Military Caregiver Leave, however, may be taken within any single 12-month period.

Within the single 12-month period described above, an eligible employee may take a combined total of 26 weeks of FMLA leave including up to 12 weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the single 12-month period an eligible employee may take up to 16 weeks of FMLA leave to care for a covered servicemember when combined with up to 10 weeks of FMLA leave to care for a newborn child.

An employee seeking Military Caregiver Leave may be required to provide appropriate certification from the employee and/or covered servicemember and completed by an authorized health care provider within 15 days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### *Qualifying Exigency Leave*

Eligible employees may take unpaid Qualifying Exigency Leave to tend to certain exigencies arising out of the duty under a call or order to active duty of a covered military member (i.e., the employee's spouse, son, daughter, or parent). Up to 12 weeks of Qualifying Exigency Leave is available in any 12-month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of 26 weeks of leave in a single 12-month period). Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed 12 weeks in any 12-month period (with the exception of Military Caregiver Leave as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

Although Qualifying Exigency Leave is available to an eligible employee whose close family member is called up from status as a retired member of the Regular Armed Forces, it is not available for a close family member on active duty or on call to active duty as a member of the Regular Armed Forces. Also, a call to active duty refers to a federal call to active duty, and state calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

- Short-notice deployment. To address any issue that arises out of short notice (within seven days or less) of an impending call or order to active duty.
- Military events and related activities. To attend any official military ceremony, program; or event related to active duty; or a call to active duty status; or to attend certain family support; or assistance programs and informational briefings.  
Childcare and school activities. To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.
- Financial and legal arrangements. To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.
- Counseling. To attend counseling (by someone other than a health care provider) for the employee, the covered military member, or for a child or dependent when necessary as a result of duty under a call or order to active duty.
- Temporary rest and recuperation. To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to five of days of leave for each instance of rest and recuperation.
- Post-deployment activities. To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to ninety (90) days following termination of the covered military member's active duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active duty status.
- Mutually agreed leave. Other events that arise from the close family member's duty under a call or order to active duty, provided that the Company and the employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the covered military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member, within fifteen (15) days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### *Unlawful Acts by Employers*

FMLA makes it unlawful for the Company to:

- Interfere with, restrain, or deny the exercise of any right provided under the FMLA;

- Discharge or discriminate against any person for opposing any practice made unlawful by the FMLA or for involvement in any proceeding under or relating to the FMLA.

Concerns regarding a possible violation with respect to either of these obligations should be reported to the Company's Human Resources Department.

### *Enforcement*

Employees may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

## **Section 8: Employee Communications**

### **8.1 Open-Door Policy**

The Company is committed to an Open Door Policy for all employees. This means, literally, that every supervisor or manager's door is open to every employee. The Company encourages open communication, feedback, and discussion about any matter of importance to an employee. Employees are free to talk with any manager at any time.

Employees who have concerns about their work are responsible for addressing their concerns with management. Whether an employee has a complaint, suggestion, or observation, management is available to listen. By listening to its employees, the Company can improve performance, operations, communication, and comprehension, as well as address employee complaints in a timely fashion.

No employee will be subjected to retaliation, intimidation, or disciplinary action as a result of acting in good faith under this policy.

### **8.2 Meetings**

The Company reserves the right to conduct employee meetings with or without advance notice. Typical employee meetings include, but are not limited to, meetings that communicate changes in policy, procedures, benefits, or other Company-specific information that needs to be disseminated to employees. Employee meetings will be held as needed. An employee may be required to sign an attendance sheet to verify their participation in the meeting.

### **8.3 Suggestions**

The Company views employee suggestions as not only important, but invaluable to its continuing efforts to improve Company performance.

All employees are encouraged to make suggestions and comments on any work-related subject. Suggestions can be forwarded to a supervisor, manager, or Human Resources either in verbal, written, or electronic format. The Company will review all suggestions in the order in which they were received.

The Company prohibits any form of retaliation against an employee who, in good faith, submits a suggestion or comment to management.

## 8.4 Employee Complaint

An employee complaint is an allegation by an employee that there has been a specific violation, misinterpretation or unfair application of any of the Company's rules, policies or procedures. Vague or general charges of *unfairness* that are not substantiated by facts will not be processed through the complaint process.

The complaint process consists of the following steps:

- **Step 1:** Employees are encouraged to discuss the complaint with their immediate supervisor within three (3) business days of the event that precipitated the complaint.
- **Step 2:** If a satisfactory resolution is not received from the supervisor within three (3) business days after discussing the complaint with the supervisor, the complaint should be put in written form within five (5) business days after such discussion. One copy each of the written complaint should be given to the supervisor, the supervisor's manager, and the employee (for personal records).
- **Step 3:** The manager will provide the employee with a written reply within ten (10) business days from the date of receipt of the complaint. The employee will be notified of the final decision by their supervisor and shall be given a written copy of the written reply signed by the manager.
- **Step 4:** Complaints resulting from an employee's termination for cause shall be submitted to the Company President within three (3) days of termination. The President will review the termination and furnish a written reply to the employee within ten (10) working days.

## 8.5 Reporting Concerns on Patient Safety or Patient Care to TJC (The Joint Commission)

If any employee has concerns over the personal safety or care of a patient, they should report their concern to the Joint Commission on Accredited Healthcare Organizations at (800) 994-6610 or [complaint@jointcommission.org](mailto:complaint@jointcommission.org).

The Company prohibits any form of retaliation against employees for bringing bona fide complaints or providing information about patient safety or patient care to TJC.