



DEER OAKS
THE BEHAVIORAL HEALTH SOLUTION

Employee Handbook

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INTRODUCTION

WELCOME

Congratulations and welcome to Deer Oaks – A Behavioral Health Organization (herein after referred to in this handbook as "Deer Oaks" or "the Company"). One of the keys to our success is hiring great employees. We have hired you because we believe you have the skills and the potential to help the Company succeed in our commitment to provide the highest quality behavioral health services and effective clinical treatment to our clients with a strong customer service orientation. We expect employees to perform the tasks assigned to them to the best of their abilities to ensure the excellent treatment of our clients. We believe that hard work and commitment will not only benefit the Company but will help give you and all employees a sense of pride and accomplishment.

We are glad to have you as a member of the Dear Oaks team. We hope that your employment proves mutually satisfying and that you will make an important contribution to our future. Every employee has an important role in our operations, and we value the abilities, experience, and background that you bring with you. It is our employees who provide the services that our clients rely upon and enable us to grow and create new opportunities in the years to come.

The keys to your success are our company values, integrity, collaboration, respect, innovation, and passion. The President and her management team also intend to provide you with a safe and positive work environment along with all of the support and the resources you will need to perform your job effectively. The President or designee has management authority over the policies and procedures of the Company. If, at any time, you need assistance or guidance, please direct your immediate concerns to your immediate supervisor or the President's designee.

Again, welcome to Deer Oaks; we are glad to have you with us.

PURPOSE AND HISTORY OF THE COMPANY

The purpose and commitment of Deer Oaks is to provide the highest quality of behavioral health service as possible. Because we want to provide the best behavioral health care possible, we want to do this in the proper environment.

The Company is organized to provide the best possible behavioral health care to the patient.

The Company is focused on providing evidence-based treatment for mental health issues as well as excellent customer service to the family, treatment team and other stakeholders involved in the lives of our patients. Deer Oaks has extensive experience and expertise with Medicare and Medicaid regulations, as well as the flexibility necessary to work with multiple state and managed Medicaid systems.

Today, Deer Oaks operates through two distinct business lines, one focused on providing services in post-acute facilities, typically, nursing homes and the other offering Employee Assistance Programs (EAP) to large employer groups. Deer Oaks operates across the Unites States and offers EAP services internationally.

MISSION STATEMENT

To provide clinically effective psychological and psychiatric services to residents of long term care and assisted living facilities, serving as an integral part of the multidisciplinary care team in order to improve the patients' overall health, well-being and clinical outcomes.

Deer Oaks' goal is to:

1. Provide the highest quality behavioral health service possible.
2. Provide exceptional Employee Assistance Program services to employers and employees through employer-contracted benefit programs.
3. Provide short-term, clinically-effective, and efficient psychological interventions within a cognitive-behavioral model.
4. Provide comprehensive diagnostic, assessment, and treatment services to the elderly, with particular emphasis on issues pertinent to geriatric psychology.
5. Demonstrate leadership in the assessment and treatment of the elderly, primarily those who reside in long-term care facilities and assisted living communities.
6. Guarantee a high-level of patient and referring provider satisfaction.
7. Coordinate closely with primary care physicians, teachers, neurologists, psychiatrists, managed care companies, and other professionals impacting the course of treatment.
8. Maintain a post-doctoral psychology residency training program which serves as a model for other practices.

PURPOSE OF THE EMPLOYEE HANDBOOK

This handbook has been prepared to provide employees with some general information about policies, benefits, and responsibilities that are expected as a Deer Oaks employee. Employees will be given the opportunity to review this handbook and ask questions concerning employment expectations during the new employee orientation process.

The policies set forth in this handbook cannot possibly apply to every situation, and as a result, please consult with The President or designee for any questions, observations, or suggestions. The Company will demonstrate flexibility in the administration of policies and procedures and reserves the right to change or revise policies and procedures without notice when such action is deemed necessary by the President or designee. All such changes or revisions will be in writing and communicated to the employees. No oral statements or representations can change the provisions of this handbook.

This handbook is not intended to and does not create any contractual relationship or expectation of employment for any length of time, either expressed or implied. This also includes any of the Company's personnel documents and benefit plans. This handbook is also not a promise of employment or a warranty of benefits during employment. The employee or the Company can choose, at its will, to end the employment relationship for any reason or no reason at any time. Only the President or designee has the authority to enter into an employment agreement and any such agreement must be in writing and signed by the President or designee.

This handbook supersedes all previously issued handbooks or written policy statements related to personnel matters.

EMPLOYMENT AT-WILL

Employment at Deer Oaks exists on an “at-will” basis and is not guaranteed for any length of time. The employee voluntarily enters into employment and is free to resign at any time, with or without cause. Similarly, may terminate the employment relationship at any time, with or without notice or cause, so long as there is no violation of applicable federal or state laws.

In addition, no commitment for employment for any specified duration will be valid or binding on the Company, including the notice given by an employee announcing his/her resignation, unless it is expressly set forth in a written document and signed by the employee and by the President or designee.

These policies have been developed at the discretion of management and, except for its policy of employment-at-will, may be altered, modified, amended, or terminated at any time, at Company's sole discretion.

OPEN AND COLLABORATIVE COMMUNICATIONS

The Company is open to suggestions from any employee concerning any topic related to the improvement or refinement of the organization.

The Company encourages open and frank communications that allow for the free discussion of matters of mutual concern and effectively addresses complaints on specific issues. The Company is committed to open communications and expects employees to participate in seeking improvements that result in better patient care and more efficient ways of doing things. The most satisfactory solution to a job-related problem or concern is usually reached through a prompt discussion with your immediate supervisor or the President or designee.

While the Company provides employees with this opportunity to communicate their views and takes employee concerns and problems seriously, there may be situations where not every complaint can be resolved to the employee's satisfaction. Even so, the Company believes that open communication is essential to a successful work environment and all employees should feel free to raise issues of concern without fear of reprisal.

REMOTE EMPLOYEES

Deer Oaks has employees who may work at other remote locations. Therefore, when words such as "workplace", "worksites", "work environment" or "work location" are referenced in any policy or procedure, it is intended to include any area or space where an employee performs work for the company. Should any law or ordinance in any employees work location conflict with the provisions of this handbook, the requirements of the law or ordinance will supersede that policy.

GENERAL EMPLOYMENT POLICIES

INTRODUCTORY PERIOD

A 90-day introductory period exists for newly hired and promoted employees. Management may, at its sole discretion, extend the introductory period. During the introductory period, employees have an opportunity to demonstrate the ability to meet the job requirements and to determine compatibility; get acquainted with their supervisor(s) and fellow employees; and familiarize themselves with Deer Oaks in general. The normal disciplinary and performance evaluation programs may also be followed during the introductory period.

Employees will be evaluated at 30, 60, and 90 days of employment regarding their knowledge and skill, work habits, performance and other factors related to successful employee job performance.

Employees may be terminated at any time during an introductory period. The existence of the introductory period is a training period and in no way limits the Company's ability to discipline employees during or after an introductory period.

After satisfactory completion of the introductory period, the employee remains an "employee-at-will". Employment can be terminated either by Deer Oaks or the employee for any or no reason during or at the conclusion of that period or any time after the introductory period.

Continuance of employment after satisfactory completion of the introductory period should in no way be interpreted to mean the Company has contracted to offer the employee a lifetime or otherwise specified term of employment or to imply any potential salary increase. It is intended to suggest only that an employee who performs satisfactorily during this introductory period has met the minimum performance expectation set by his or her supervisor and department.

EQUAL EMPLOYMENT OPPORTUNITY

Deer Oaks is an equal opportunity employer. In accordance with federal and applicable state laws and regulations, it is the Company's policy to grant equal employment opportunity (EEO) to all qualified persons without regard to race, color, religion, sex, national origin, age, veteran's status, marital status, disability, genetic information, or any other non-job-related characteristic.

Additionally, the Company is firmly committed to comply with all provisions of the Fair Labor Standards Act, as amended, which establishes minimum rates of pay and overtime pay requirements.

Hiring, promotion, compensation, or any other decisions affecting an individual's employment, at all job levels, will be made on the basis of the individual's qualifications and ability to perform the job. This policy extends to every phase of the employment process and relationship, including recruitment, transfer, training, benefits, and Company-sponsored educational, social, and recreational activities.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of the President or her designee. Complaint procedures can be found under the Workplace Anti-Harassment Policy found herein. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

DISABILITY ACCOMMODATION

In accordance with the Americans with Disabilities Act (ADA), as amended by the American with Disabilities Act Amendments Act (ADAAA) and other laws and regulations, Deer Oaks will not discriminate against any qualified individuals with disabilities. The Company is committed to ensure that qualified disabled individuals receive equal employment opportunity and, when needed, will provide reasonable accommodations to individuals who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to any benefits and training.

In accordance with these laws, it is the qualified individual's responsibility to notify the Company of his/her need for an accommodation. Therefore, employees who want to request an accommodation will need to notify their immediate supervisor or the Employee Relations Department.

Deer Oaks will then identify possible reasonable accommodations, if any, that will help to eliminate the limitation or barrier. If the accommodation is reasonable, will not impose an undue hardship, and will not pose a direct threat to the health and/or safety of the individual or others, the Company will make the accommodation. The individual is encouraged to fully cooperate with the Company in seeking and evaluating alternatives and accommodations. Deer Oaks may require medical verification of both the disability and the need for accommodation. To whatever extent possible under the circumstances, the information obtained during this interactive process will be kept confidential.

RELIGIOUS ACCOMMODATION

Deer Oaks will attempt to make reasonable accommodations for employee observance of sincerely held religious beliefs unless doing so would cause an undue hardship on operations. Employees who want to request an accommodation will need to notify their immediate supervisor or the Employee Relations Department, in writing, as far in advance as possible.

IMMIGRATION COMPLIANCE

Deer Oaks is committed to employing only United States citizens and aliens who are authorized to work in the United States and who comply with applicable immigration and employment laws. As a condition of employment, every individual must provide satisfactory evidence of his or her identity and legal authority to work in the United States.

Those employees with temporary work authorizations will be expected to provide the appropriate renewal documentation prior to expiration. Deer Oaks will also maintain and monitor all temporary work authorizations to ensure compliance.

EMPLOYMENT CATEGORIES

Regular Full-Time Employees

Regular full-time employees are those who are normally scheduled to work and who do work a schedule no less than thirty (30) hours per week, but customarily work 40 hours per week and who maintain continuous regular employment status. Full-time employees are eligible for the Company's benefit package, subject to the terms, conditions, and limitations of each benefit program.

Regular Part-Time Employees

Regular part-time employees are those who are scheduled to do work less than thirty (30) hours per week. Part-time employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-time employees are not eligible for employee benefits except as required by applicable law, such as coverage under workers' compensation and unpaid jury duty leave.

Temporary Employees

Temporary employees are those who are employed for short-term assignments or on an as-needed (per-diem) basis. The per-diem status affords flexibility in the individual's work schedule and allows the Company to fulfill specific needs on a daily basis.

Temporary employees are not eligible for employee benefits, except as required by applicable law, and may be classified as exempt or non-exempt on the basis of job duties and compensation.

Exempt Employees

Exempt employees are those whose job assignments meet the federal and state requirements for overtime exemption. In accordance with the Fair Labor Standards Act (FLSA), exempt employees are compensated on a salary basis and are not eligible for overtime pay. Generally, executive, administrative, professional, IT, and certain sales employees are exempt from receiving overtime pay.

In addition, to qualify for exemption, employees generally must be paid at least a minimum salary amount set by the FLSA. However, the salary and salary basis requirements do not apply to those employees engaged in the practice of medicine; and who holds a valid license or certificate permitting the practice of medicine or holds the requisite academic degree for the general practice of medicine if he/she is engaged in an internship or resident program for the profession. An example of an exempt employee were the salary and salary basis requirement would not apply would be the clinical contract employees. These individuals are compensated based on billable units for hours worked.

The Employee Relations Department will notify employees of their job classification.

Non-exempt Employees

Non-exempt employees are those who occupy positions that do not qualify as exempt under the FLSA. These employees must, therefore, be paid at least the federal minimum wage for hours worked and qualify for overtime pay. Overtime requirements can be found in Overtime policy contained herein. The President or her designee will notify employees of their job classification.

BACKGROUND AND LICENSING REPORTS

Deer Oaks conducts a credit/criminal investigation, as well as inquiries into Licensing Boards, the Office of the Inspector General for the Department of Health and Human Services Healthcare (OIG), and conducts driving record checks as deemed necessary. These reports will be used as one of many factors in establishing eligibility for employment or for continued employment.

Employees who experience an accident, injury, or are involved either directly or indirectly with any internal investigation or any investigation conducted by an authorized regulatory organization, may be subjected to a credit/criminal investigation, Licensing Board search, OIG check, and/or a driving record report depending on the circumstances. If any of these reports do not meet the guidelines as deemed appropriate by the Company, the employee may be subject to immediate termination.

Report Notifications

Subject to the Fair Credit Reporting Act that states that a background/credit history check may be conducted for employment purposes, if any accident, injury, or investigative procedure occurs, either at the behest of any internal or regulatory requirement, then the employee:

- will be notified of the basis and purpose for the report

- will be notified of all contact information regarding the identity of the reporting agency
- will be notified of his/her right to dispute, in whole or in part, the report
- will have actionable and protective rights to dispute any negative employment decision made

JOB DUTIES AND RESPONSIBILITIES

A general outline of the duties and responsibilities of each position can be found in the job description. Because flexibility is necessary, job responsibilities may change at any time during an employee's employment. Management will explain the job responsibilities and performance expectations during the introductory period. The job descriptions will also be used to measure the employee's performance and will, therefore, be reviewed and revised to reflect any changes during the performance evaluation process.

One of the most important job duties of all employees is the expectation of maintaining a high degree of loyalty to the Company and of performing job duties with integrity and respect toward customers and the community. This includes the expectation of performing all duties and assignments satisfactorily and with the Company's legitimate business interests in mind.

In addition to regularly assigned job responsibilities and duties, from time to time, employees may be asked to work on special projects or to assist with other work important to the operation of the Company. Full cooperation and assistance in performing additional work is expected from all employees.

Licensing/Certifications

Employees hired in licensed or certified positions are required to keep their licenses or certifications current, meet all licensure requirements per state licensing boards, and supply the Company with proof of a valid license or certification. Employees should notify the Employee Relations Department of any licenses or certifications held upon hire.

PERFORMANCE EVALUATIONS

Dear Oaks recognizes the importance of performance review systems to measure work performance effectively and objectively and to help determine and support salary, promotion, and employment decisions. Employees will have their work evaluated by fair and objective standards in order to receive appropriate feedback and to work on any areas needing improvement.

Evaluation of employees is intended to be participatory in nature, involving the employee's input as much as that of the rating supervisor, thereby helping employees to contribute to the betterment of the Company.

Performance evaluations are generally scheduled after 90 days of employment, after 12 months of employment, and annually thereafter. Interim performance evaluations may be performed with employees by their supervisors at any time during the annual evaluation cycle to assess current performance and/or discuss desired improvement in performance.

Employees will be evaluated after the completion of the 90-day introductory period. This introductory period allows the Company and the employee to discuss the job responsibilities, standards, and performance requirements of the new position.

An employee who is promoted or transferred to a new position within the Company begins a new evaluation period based on the promotion/transfer effective date and will receive an initial

90-day evaluation of performance similar to that of a new employee. This review offers employees the opportunity to receive feedback on the integration process into their new position and establish new goals for the ensuing evaluation period.

After the 90-day introductory period, evaluations will be conducted after 12 months of employment and on an annual basis thereafter. These evaluations are conducted to provide both the Company and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

All performance evaluations, whether introductory or annual, do not necessarily result in a wage increase or promotion. In addition, the Company reserves the right to make any personnel changes (*including termination*) before or after performance evaluations.

CAREER OPPORTUNITIES

Career opportunities are provided to all employees through promotion, transfer, and other job changes. Promotions are defined as an upward movement of an employee to a position of higher pay grade, rank, and/or responsibility, usually with a change in salary. Career paths have been developed to show the progression, if any, from a certain position to any other position. These career paths encourage employees to acquire the skills needed for advancement to the next step in the career path. Transfers are defined as a lateral move from one job to another within the same pay grade.

Deer Oaks encourages its employees to apply for openings within the Company. In general, notices of all regular position openings are posted on the Deer Oaks website. The Employee Relations Department is responsible for posting job openings.

Job Postings

Job postings communicate the availability of jobs for which employees may apply based on their qualifications, including education, skills, work experience, past performance, attendance, work ethic, initiative, and length of service. Outside applications for employment may be solicited and received at the same time jobs are posted internally.

Under certain circumstances, specific openings may not be listed on the job posting. Among those circumstances are the following:

- Executive, managerial and supervisor position vacancies;
- In-line promotions within the same job family;
- Position vacancies that can be filled by a qualified candidate within the hiring department;
- Temporary positions or contract/consultant assignments; and
- Other circumstances as determined by operational/business needs.

Employees interested in applying for open positions should complete and submit a Job Posting Application to the Employee Relations Department prior to the posting deadline. Job Posting Applications will not be accepted after the deadline has expired. Therefore, should an employee be on vacation or leave, it is their responsibility to stay informed of all job postings.

Minimum Requirements:

Employees who apply must meet the following eligibility requirements, in addition to the posted job requirements:

- Must be in their current position for six months or more. (Management discretion will be used in enforcing this requirement based on the organization's needs.)
- Must have received a satisfactory performance rating or better on the last review.
- Must apply for only those job postings which are within the natural career progression of their current position and/or do not exceed two (2) pay grade levels from their current position.
- Must not presently be on or received any written or probationary disciplinary actions within the last six months prior to submitting the job posting application.
- Must not presently be under consideration for another job posting. (Once an employee applies for a job posting, he/she must wait until an employment decision has been made prior to applying for another job posting.)

The most qualified candidate as determined by management will be chosen. Internal candidates will be given preference when equally qualified. Therefore, all employees should notify the Employee Relations Department when there are changes to their educational background, such as completing a degree; receiving a certification; or completing an individual course of study. When transfers are requested, the primary consideration will be whether the transfer is in the best interest of the Company.

TRAINING AND DEVELOPMENT

Deer Oaks attempts to provide on-the-job instruction and training to all employees and encourages the growth of internal knowledge and expertise. Employees should notify their immediate supervisor regarding training or course needs that will help in improving job performance or meet career goals. Every effort will be made to adjust the employees' work schedules to meet their training goals, however, the business needs of the Company will come first.

It is the employees' responsibility to notify their immediate supervisor upon completion of training or educational courses so that proper considerations can be made when better job opportunities become available. The immediate supervisor will then submit all course information to the Employee Relations Department, where it will be maintained in the employees' personnel file.

PERSONNEL FILES

Deer Oaks maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

It is the employee's responsibility to keep the Company informed of changes to personal information such as legal name, address, phone numbers, and emergency contacts by using

the HRIS system. The Company uses such information to provide health insurance information, benefit statements, income tax information, or other business-related obligations.

Personnel files are the property of Deer Oaks and access to the information they contain is restricted. Generally, only management personnel that have a legitimate reason to review information in a file are allowed to do so. However, the Company will cooperate with law enforcement officials or local, state, or federal agencies in accordance with applicable law.

Employees who wish to review their own file should contact the Employee Relations Department. With reasonable advance notice, employees may review their own personnel files in the Company's office and in the presence of a Company representative. Access to confidential data pertaining to investigations or other sensitive matters will be determined on a case-by-case basis. Documents may not be removed from the personnel files.

RELATIVES AND INTIMATE RELATIONSHIPS AT WORK

In some circumstances, hiring relatives of current employees may appear to involve favoritism or may create an actual or perceived conflict of interest in the employment setting, which can be harmful to morale and to organizational goals. The potential of favoritism or a conflict of interest are especially concerning when a relative or other personal relationship exists between a supervisor and an employee.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

Although the hiring of relatives or other relationships is not prohibited, each circumstance will be considered by the President or designee on a case-by-case basis to ensure that any perception of favoritism or conflict of interest is eliminated and yet still maintain the family-type culture for which the Company is known. Should the hiring of such a person create favoritism or a perception of favoritism or create a conflict of interest or a perception of a conflict of interest, steps will be taken to rescind the job offer.

Should a co-worker relationship be created during employment by common-law, legal marriage, or any other involvement considered an intimate relationship, both employees are expected to notify their immediate supervisors. Management will again use discretionary authority to determine the continued employment of either party. Management will take into consideration the reporting relationship, exposure to confidential information, or other terms or conditions of employment that may create favoritism or a conflict of interest.

In the event a co-worker relationship is found to cause favoritism or a conflict of interest, management will attempt to identify other available positions. The employees involved will be given the opportunity to choose which of them will be reassigned to an alternative position or, if no alternative positions are available, choose which of them will remain with the Company. The employees' decision must be made no later than 30 days. The President or designee will consider the employees chose and reserve the right to make the final decision.

Personal relationships of any kind between employees and patients are absolutely prohibited and may result in disciplinary action, possible reporting to the appropriate professional board, and/or termination.

OUTSIDE EMPLOYMENT

Deer Oaks does not wish to control the personal affairs of employees nor regulate the use of their time outside of their employment. However, the Company does request and strongly encourages employees to avoid working elsewhere if such outside employment in any way

adversely affects the individual's work, fellow employees, or the Company. For the purposes of this policy, self-employment is considered outside employment.

The Company expects employees to devote their primary work efforts to tasks assigned as part of their daily job. An outside position should not reflect adversely on the Company as their primary employer. Therefore, the following types of outside employment are prohibited:

- Employment which conflicts with work schedules, duties and responsibilities, or creates an actual conflict of interest.
- Employment which impairs or has a detrimental effect on an employee's work performance with the Company.
- Employment which requires work or related activities to be performed on the Company's property, during working hours, or the use of Company facilities and/or equipment.
- Employment which directly or indirectly competes with the business or the interests of the Company.

Employees must submit a written request to the Employee Relations Department explaining the details of the outside employment and to obtain approval before beginning any outside employment. The approval for an employee to work another job outside the Company does not obligate or hold the Company responsible for any aspect of the outside employment. Specifically, the Company will not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of such outside employment. In addition, the Company reserves the right to revoke its authorization to engage in such outside employment at any time.

Employees who violate any of the provisions of this policy may be subject to disciplinary action, up to and including termination. In addition, outside employment that is ethically questionable, may be reported to the Licensing Board of Psychology or other appropriate licensing boards for further investigation.

SERVICE ON BOARDS OR PROFESSIONAL ASSOCIATIONS

Employees may serve on boards of administrative and/or clinical associates related to their professional role on the Deer Oaks Team. Time spent volunteering to a board position should be done outside of work hours and not interfere with the position, impact work hours, nor commitment to the mission of Deer Oaks. Employees may not serve on boards of other companies in competition with Deer Oaks.

PUBLIC RELATIONS & REGULATORY INSPECTIONS

There may be situations where an employee of Deer Oaks is approached by the media concerning organization matters. Media includes television, newspapers, magazines, or any other outside party requesting business-related information.

Deer Oaks is committed to maintaining its well-established representation within all communities for which services are provided. In this effort, employees are expected to refer all media representatives to the Employee Relations Department or designated public relations spokesperson. Falsely representing Deer Oaks to the media may result in disciplinary action, up to and including termination.

In addition, Deer Oaks may encounter regulatory inspections from state or federal government agents. It is Company policy to meet or exceed legal standards and requirements in all services delivered, and require all employees to comply with the law and cooperate with the officials

responsible for its enforcement. Therefore, employees are expected to follow the guidelines outlined in the Regulatory Inspections Procedures provided upon hire.

PAY PRACTICES

WORK SCHEDULES

The regularly scheduled workweek for full-time employees is 40 hours. However, because of the need to meet patient requirements, the work schedule may vary from time to time, as such; the work hours may be decreased when work is slow or increased during peak periods. Hours also may vary in case of an emergency. Therefore, employees are asked to remain as flexible as possible if changes in the normal schedule are required. The Company will provide schedule changes as far in advance as possible.

The immediate supervisor sets regular work schedules. The Company wants working schedules and meal periods to be on a regular basis to effectively manage, administer, and control the costs of support and patient service.

Normal Work Hours

The normal work hours:

8:30 a.m. to 5:30 p.m., Monday - Friday

Hours of work can be rescheduled on an individual or group basis in any given week at the discretion of the President or designee to meet the physician(s) or patient(s) needs.

Time Records

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require Deer Oaks to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Non-exempt employees should accurately record the time they begin and end their work schedule or any departures from work for meal breaks or personal reasons. Time should be recorded for each week. Unless directed to do so, non-exempt employees should not start work early, finish work late, work during a meal break, or perform any other extra or overtime work. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

If corrections or modifications are made to the time record, both the employee and the immediate supervisor must verify the accuracy of the changes by initialing the time record.

Failure to clock in and out properly may result in improper pay. It is the employee's responsibility to notify the Employee Relations Department should a failure to clock in or out occur.

Non-exempt employees must certify the accuracy of all time worked, either electronically or by signature, and submit to the immediate supervisor for review and processing.

Exempt employees, depending on position or at management's discretion, may be asked to record their time for reporting billable service units, project status, or for operational

purposes only.

If you have any questions or feel that there is a discrepancy in your pay, notify the Employee Relations Department immediately. Every effort will be made to ensure a prompt investigation and accurate resolution to any reported payroll discrepancy.

Meal Periods

Meal periods are a chance for employees to take a break from work, which is essential for re-energizing for the rest of the workday.

Full-time employees will have a break for a meal period of at least 30 minutes. The immediate supervisor will set work and lunch schedules. Since the usual lunch period is also a peak time for patient activity, it will be necessary to stagger employee lunch periods so that proper care for the patients is provided. The lunch period does not count as hours worked for earning overtime pay.

Employees must follow the standard procedures of notifying the immediate supervisor and recording their hours whenever they must leave the workplace during a regularly scheduled meal period.

In addition, eating in the Administrative offices is discouraged and is not permitted while maintaining client or patient contacts. All meals should be eaten in the office or facility break or lunch room.

Break Time for Nursing Mothers

In accordance with a provision under the Patient Protection and Affordable Care Act, Deer Oaks supports breastfeeding mothers and will provide reasonable break times to express breast milk for her nursing child for up to one year after the child's birth, recognizing that the frequency and duration of the break times will vary.

An employee wishing to request a reasonable accommodation should contact their immediate supervisor or the President or designee as soon as possible.

COMPENSATION & PAYROLL PROCEDURES

Wages and salaries are confidential and, as a result, Deer Oaks feels strongly that it is not in the best interest of employees to discuss their compensation with anyone except the President or designee. Employees who gain unauthorized access to the Company confidential data, to include other employees' salaries or private financial data, will be subject to disciplinary action, up to and including termination.

Salary Policy

Deer Oaks strives to pay wages and salaries that are fair and competitive with those paid for similar jobs in the surrounding area. The wage and salary structure are periodically reviewed and modified based on the Company's competitive strategy and the general economic conditions of the senior services industry.

Pay increases may be given if performance expectations are being met and if the economic position of The Company can support such increases. The amount of increase, if any, will vary depending on performance and current salary/wage amount.

Pay Period

All employees are paid semi-monthly on the 15th and the last day of the month.

Employees will be paid by direct deposit to a financial institution of their choice. Employees will need to provide the appropriate information to the Payroll Department via the Paycom HRIS. The Direct Deposit process ensures employees are paid automatically every payday regardless of holidays, employee absences, or other leaves. Employees will receive a summary pay stub each pay period for their personal records.

Deer Oaks does not provide physically generated paychecks, loans, or wage advances to any employee.

Payroll Deductions

The Company is required by law to make certain mandatory deductions from a paycheck. These deductions are:

1. Federal Income Tax

The amount of this deduction for Federal taxes is dependent upon the amount of the salary, the number of exemptions claimed, and any special instruction the employee may give through a completed updated W-4, authorizing amounts to be withheld.

2. Social Security

This is provided for all employees under the Federal Insurance Contribution Act. An equal amount is paid by the Company to help provide this protection. The law requires this deduction subject to change by action of Congress.

3. Medicare

This is provided for all employees to fund the Medicare Insurance Program. This mandatory deduction is subject to change and is governed by the U.S. Government.

4. Garnishment of Wages

This is an attachment of wages by a court order for child support, alimony, and the like. This is the only authorized garnishment activity.

5. Other deductions

The Company allows employees to have automatic deductions deposited to their retirement plan or other insurance programs offered by the Company. Other deduction options may be available and should be discussed with the President or designee.

Overtime

The Company compensates employees for overtime in accordance with state and local laws and the Fair Labor Standards Act (FLSA). The Company may require overtime and/or weekend work in order to meet business needs. Overtime must be approved by the employee's immediate supervisor or the President or designee prior to the work being performed. No overtime work is authorized except at the request of the immediate supervisor or the President or designee. Working overtime without prior authorization may result in disciplinary action.

Non-exempt employees who work any hours over 40-hours per week will be paid at the rate of one and one-half times the regular hourly rate and as otherwise required by

applicable state and federal law. The workweek is defined as Sunday 12:00 a.m. through Saturday 11:59 midnight. Paid time off, holiday hours, or any other paid leaves would not count toward overtime or as hours worked. Overtime will not be a regular and continuous practice in any area or department.

Exempt employees are expected to work as much of each workday as is necessary to complete their job responsibilities. Therefore, no overtime or additional compensation will be provided to exempt employees.

In addition, FLSA does not permit the use of compensatory time off in private-sector employment. Therefore, the Company does not offer compensatory time off to any of its employees.

Reimbursable Expenses

Employees are expected to use good judgment when incurring business expenses. Employees must obtain approval from the immediate supervisor or the Accounting Department prior to incurring any necessary and job-related expenses exceeding \$50.00. Deer Oaks will reimburse employees for pre-approved, out-of-pocket expenses incurred while conducting Company business.

Requests for reimbursement must be submitted within 30 days of purchase with the proper expense form and proper receipts. Expenses submitted beyond 30 days from the date incurred and without the proper documentation may be denied for reimbursement.

Employees who are issued a Company credit card must follow the guidelines listed in the Credit Card policy contained herein. Requests for reimbursement must be submitted with proper receipts.

All out-of-town travel expenses must be pre-authorized by the immediate supervisor. In some cases, Deer Oaks may prepay such expenses as registration fees, hotel costs, and/or airline or other public transportation costs directly to the entity involved.

In no case will the Company reimburse an employee for:

- Tickets caused by unlawful or unsafe driving; or
- Incidentals such as alcoholic beverages, in-room movies, spa, mini bar, or related costs.

If an employee is authorized to use his/her personal automobile in connection with Deer Oaks work, the employee may be eligible to receive payment of mileage at the prevailing rate established by the IRS.

Employees should refer to the Travel and Vehicle Use for Company Business policy contained herein for further details regarding travel and mileage reimbursement eligibility and requirements.

Applicable reimbursements will occur once monthly.

CEU Reimbursement

CEU reimbursements will be processed through the normal payroll period and are subject to normal payroll deductions.

For more information, employees can reference the Continuing Education Program contained herein.

License Renewal Reimbursement

License renewal reimbursements will be processed through the normal payroll period and are subject to normal payroll deductions.

For more information, employees can reference the License Renewal Program contained herein.

Employee Referral Reimbursement

When offered, the referral bonus is paid to the referring employee on the next scheduled pay period after the referred employee/associate has successfully completed the 90-day introductory period.

TIME OFF AND OTHER LEAVE BENEFITS

PAID TIME OFF

Deer Oaks has developed a Paid Time Off (PTO) policy that combines vacation and sick leave into one leave policy. The purpose of this policy is to allow employees to take responsibility for managing leave for their personal use. PTO can, therefore, be used for vacation, illness, conference attendance, and/or other personal time off to include non-observed Company holidays. All regular full-time employees will accrue PTO in accordance to the guidelines outlined below.

PTO may also be used for unplanned absences and leaves covered under the Leaves of Absence policy contained herein. This time off can also be used for employee sick leave, employee doctor's appointments, or caring for a sick immediate family member. For the purposes of this policy, an immediate family member includes spouses, parents, and children.

In addition, PTO is computed at the employee's regular, straight-time earnings and, as such, PTO hours reported will not be counted as time worked in computing overtime.

Eligibility

All regular full-time employees working 32 hours or more per week are eligible to accrue PTO according to the accrual schedule below. Employees working less than 32 hours/week as well as part-time and temporary employees are not eligible for PTO.

Accrual Rate

The PTO accrual rate will begin with the first full pay period worked from the eligible employees' date of hire. However, new employees cannot use PTO until the successful completion of the 90-day introductory period.

Eligible employees accrue paid time off on a semi-monthly basis. The following accrual schedules represents the non-prorated accrual rates based on a 40-hour workweek schedule. The total accrual rates will be prorated for workweek schedules less than 40 hours/week. For example, an eligible employee with six months of service and a 32-hour workweek schedule will accrue 2.66 PTO hours per pay period (80% (3.33) = 2.66).

Exempt Employees:

Length of Service	Non-Prorated Accrual Rate Per Pay Period	Maximum Yearly Accrual
0 - 1 years	3.33 hours	80
1+ - 3 years	5.00 hours	120
3+ - 5 years	6.67 hours	160
5+ years	8.33 hours	200

Non-exempt Employees:

Length of Service	Non-Prorated Accrual Rate Per Pay Period	Maximum Yearly Accrual
0 - 1 years	0.03833 hours	80
1+ - 3 years	0.05769 hours	120
3+ - 5 years	0.07692 hours	160
5+ years	0.09615 hours	200

In addition, the following guidelines apply to accruing PTO:

- In the event accrued PTO time is not used by the end of the employees' anniversary year, employees may carry unused time forward to the next benefit year. Employees with more than six weeks (30 days) are encouraged but not required to use PTO in excess of 30 days for their own health and wellness.
- An employee wishing to take more PTO than he/she has accrued must obtain written permission in advance from their immediate supervisor and Director. No employee shall be permitted to take more than two (2) days or sixteen (16) hours beyond what the employee has accrued at the manager's discretion.
- An employee's status must reflect that he/she is in attendance to accrue PTO. This means that an employee must be at work or on approved paid leave to be considered as in attendance. For example, employees on unpaid leave of absence are not entitled to accrue any PTO.
- Eligibility to accrue PTO benefits ceases when an employee has given notice of his/her intent to resign, whether verbally or in writing.

Scheduling and Requesting Leave

As previously indicated, PTO hours may be used for vacation, sick leave, doctor and dental appointments, a holiday not specifically designated by the Company, or any other personal reason. The PTO program provides eligible employees both the freedom and the responsibility for scheduling time off in a manner that meets the employee's personal needs while not undermining the Company's interest.

PTO hours must, therefore, be scheduled in advance and approved by the immediate supervisor, except in the case of illness or emergency. As indicated previously, PTO leave during the 90-day introductory period may not be approved for new employees.

In addition, the following guidelines apply to scheduling and requesting PTO:

- PTO will be scheduled and charged in four (4) and eight (8) hour increments.
- Planned or other foreseeable requests for PTO hours must be in writing and scheduled as far ahead as possible, preferably ten (10) business days prior to the start of a leave period. In the event of an unexpected situation that prevents a formal request for time off, the employee will need to follow the call-in procedures as referenced in the Attendance and Punctuality Policy herein to ensure that the Company is notified of such of an emergency.

Deer Oaks retains full discretion to schedule planned PTO leave requests to meet its business needs and to approve planned leave only to those eligible employees in good standing. For example, if at any time during the current calendar year the employee is placed under disciplinary action, either verbal or written, or receives a less than satisfactory performance on a performance evaluation, the employee will not be eligible for PTO leave for a planned vacation.

Management will consider all planned requests fairly and reserves the right to deny planned time off due to the organization's needs, client caseloads and consideration for other employees requesting PTO for the same time period. Deer Oaks does, however, reserve the right to evaluate each request for planned time off on a case-by-case basis.

- Employees who are sick or have an emergency and need to take an unscheduled day must follow the call-in procedures as referenced in the Attendance and Punctuality Policy herein. If an employee is out for five (5) or more consecutive days for an illness/injury, a medical release to return to work may be requested. Under management discretion, a medical release to return to work may be requested for absences of less than five (5) days.
- Employees who failed to timely enter their PTO leave in the payroll system must immediately contact their supervisor or the Payroll Department to make the necessary PTO balance adjustments. Failure to report PTO and receiving regular pay for the time spent not working is considered theft of time and may be grounds for termination.
- When a Company holiday is observed during an employee's planned and approved leave, the day is paid as a holiday and is not counted against the employee's PTO balance. However, if the employee takes an unscheduled day immediately before or after a Company observed holiday or the employee is on unpaid leave, holiday pay may be forfeited. Additional exceptions may also apply to other types of leaves. For more information concerning holiday pay, employees should reference the Holiday policy contained herein.
- Eligibility to schedule or request PTO leave ceases when an employee has given notice of his/her intent to resign, whether verbally or in writing.

Additionally, light duty is not available for any position and as a result, an employee cannot return to work unless the physician has cleared the return with no limitations. The only exception would be any possible duty restrictions related to a disability, which will be determined on a case-by-case basis.

Due to the critical requirement of having good attendance to meet Company needs, excessive absenteeism may result in disciplinary action up to and including termination, under management discretion, even if available PTO has not been exhausted. This includes employees who are denied their requested time, or fail to receive valid approvals, but do not report to work.

Tracking and Deducting PTO Balances

PTO is tracked in the Deer Oaks Payroll system. PTO accruals will be reflected in each pay cycle; however, PTO is deducted according to the following schedule:

Exempt Employees

For employees who are paid based on billable units, PTO will be deducted during the payroll period in which the leave was taken.

All other exempt employees will have their PTO leave deducted during the following payroll period in which the leave was taken. This will allow employees to make-up missed day within the same payroll period.

Non-exempt Employees

PTO will be deducted during the payroll period in which the leave was taken.

Accrued PTO Buy-Back Program

As an additional benefit, Deer Oaks has established a program allowing employees to buy-back their accrued and unused PTO in the event of a hardship.

Eligibility

Employees must have more than one (1) year of service, must be in good standing, and must have a minimum of 120 hours of accrued PTO to be eligible for this program.

Qualifying Hardships

In addition to the above eligibility requirements, the following define a qualifying hardship under this program:

- Expenses associated with the prevention of an eviction or foreclosure of an employee's primary residence.
- Unpaid bills associated with the prevention of disconnecting the water, electric or gas utility service of an employee's primary residence.
- Uninsured funeral expenses associated with the service, burial or cremation for an immediate family member (i.e., employee's parents, spouse, or children).
- Medical expenses not covered by insurance for employee, employee's partner, or dependents: treatment by licensed medical professional, hospital treatment, prescription drugs and dental procedures
- Uninsured emergency repairs to the employee's primary residence.
- Uninsured repairs to an employee's primary vehicle or down payment fees associated with purchasing a new/used vehicle for primary transportation.
- Other unforeseen financial burdens will be considered on a case-by-case basis.

Requests & Buy-Back Rate

An employee seeking to request PTO buy-back must submit a written request to the Employee Relations Department for approval. Support documentation may also be required based on hardship.

Employees who are approved will be allowed to purchase accrued, unused PTO in increments of 40 hours at 80% of the employee's current rate of pay. Employees must maintain a minimal balance of 80 hours, therefore, requests that would deplete the PTO balance below 80 hours will be denied.

Buy-back amounts will be paid on the next regularly scheduled payroll following the approval date.

Payment of Unused Accrued PTO

Any earned but unused PTO may be paid out upon termination of employment, depending on the provisions outlined under the Termination of Employment policy contained herein.

HOLIDAYS

As an additional benefit to all regular, full-time employees working 32 hours or more per week, Deer Oaks offers paid time off for observance of certain holidays. Part-time or temporary employees are not eligible for paid holidays.

Eligibility

To be paid for the holiday, an employee must be an active employee at the time the holiday is observed. Under no circumstances will an employee be paid for an observed holiday if at the time of the holiday the employee is off from work due to Workers' Compensation, unpaid leave, or based on management discretion for any other form of leave of absence.

In addition, eligible employees must work on regularly scheduled days before and after the holiday to be paid for the holiday, unless the absence was approved in advance.

Calculation of Holiday Pay

Holiday pay is computed for regular full-time employees by using the wage rate and work schedule in effect at the time of the holiday. Holiday hours are not considered hours worked in computing overtime.

If an exempt employee is required to work on a paid holiday, the employee will be eligible to take a subsequent paid day off in lieu of the actual holiday or receive the equivalent holiday pay. The subsequent paid day off must be scheduled within the same payroll week and must not conflict with Company operations.

If a non-exempt employee is required to work on a paid holiday, the employee will be paid their straight-time rate of pay for hours actually worked on the holiday, plus the regular holiday pay for the day.

Should a holiday fall on a weekend, the holiday will be observed on the work day closest to the holiday.

In addition, if a recognized holiday falls during an eligible employee's paid absence (e.g., PTO), the employee will receive holiday pay only for that day (i.e., a PTO day may be added to this or another scheduled PTO leave).

Holidays Observed

The following are the secular holidays on which the Company's offices will be closed:

- New Year's Day
- Martin Luther King Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

If employees need special consideration to observe a religious holiday, the Company will make every reasonable accommodation to let any employee have the day off without pay. Eligible employees, with management approval, may use available unused PTO.

TIME OFF TO VOTE

Normally, employees will be able to vote before or after work. If, however, the polls are not open for voting for a minimum of two consecutive hours outside of an employee's working hours, the employee will be allowed a sufficient amount of time off, with pay, to vote in local, state, and federal elections. Prior approval must be obtained from the immediate supervisor or the President's designee in advance of election days so that the necessary time off can be scheduled with the least disruption to normal work schedules. The amount of paid time off varies by State; therefore, employees should contact the Employee Relations Department for additional information.

JURY OR WITNESS DUTY

All employees will be granted time off when required to serve on a jury or perform witness duty in a legal proceeding. Advance notice of jury or witness call must be presented by the employee to the immediate supervisor or the Employee Relations Department in the form of a jury or witness summons and no later than one week before beginning jury duty.

All regular full-time employees will be given up to three (3) paid days off to serve on a jury or perform witness duty. Employees must provide the Employee Relations Department a statement from the Court Clerk detailing such service and pay received in order to receive paid leave.

Employees may use PTO leave for any additional days with the approval of the immediate supervisor or Employee Relations Department for up to no more than two (2) weeks. Any additional days will be without pay. Jury duty paid hours are not considered hours worked when computing overtime.

Employees are expected to be at work when court is not in session if there is a reasonable amount of time available in the day. This means if court recesses early in the day or does not begin until later in the day, the employee is expected to work.

Upon final release, the employee must return to work and present proof of service to the Employee Relations Department.

Eligibility for paid jury duty ceases when an employee has given notice of his/her intent to resign, whether verbally or in writing.

BEREAVEMENT LEAVE

When a death occurs in an employee's immediate family, all regular full-time employees may take up to three (3) days off with pay within a 12-month period to attend the funeral or make funeral arrangements.

Employees should notify their immediate supervisor or Employee Relations Department immediately. Approval of bereavement leave will occur in the absence of unusual operating requirements. Any employee may, with the supervisor's approval, use any available paid leave for additional time off as necessary.

Immediate family members are defined as an employee's spouse and any of the following relatives of the employee or the employee's spouse: parents or step-parents, parental in-laws, siblings, children or step-children, grandparents, or grandchild.

The amount an employee is paid for bereavement leave will be determined by using the wage rate in effect at the time of the leave for the number of hours the employee would have been normally scheduled to work during this period of time.

The Company may require verification of the need for the leave.

LEAVES OF ABSENCE

It is the policy of Deer Oaks to grant a leave of absence (personal, disability, military, or family care) to regular full-time or regular part-time employees in good standing for reasons acceptable the Company.

General Guidelines

- An employee anticipating an absence of five (5) days or more must request a leave of absence. The request must be in writing at least ten (10) days prior to the beginning date of the leave, absent an emergency situation, and is subject to management approval. Failure to submit and obtain approval prior to a leave of absence may be considered a voluntary resignation of employment.
- All leaves must have a specific start date, duration, and return-to-work date determined at the time the leave is granted. Failure to return to work on the determined return-to-work day will be considered as a voluntary resignation of employment.
- All leaves of absence require management approval.
- No more than two leaves of any type (additional leave may be determined as a reasonable accommodation, if required by law) or in combination thereof, may be granted in a twelve-month period, unless allowed by law.
- Employees must notify their manager of the date the employee returns to work in order to reinstate the employee's pay status.
- The acceptable reasons for a leave of absence include on or off the job injury or illness, including pregnancy.
- Leave taken on the basis of a serious health condition, the Company may require the employee to provide a medical certification of the condition and the fact that they are unable to perform their job functions or need to care for a family member.
- Upon returning from leave based on an employee's serious health condition, the employee must furnish the Company with a doctor's release affirming the employee is able to resume his or her job duties with no limitations.

Other Provisions

- If an employee accepts any employment or go into business while on any type of leave of absence, the Company will consider the employee to have voluntarily resigned from employment with the Company as of the beginning of their leave of absence.
- Normally, all leaves of absence are unpaid. Depending on specified plan provisions, employees may qualify for compensation through disability insurance.
- PTO benefits do not accrue during a leave of absence.
- The Company requires the employee to first use his or her paid time off for any part of any type of leave offered by the Company, unless otherwise specified by law.
- An employee on an unpaid leave of absence is required to pay the necessary insurance premiums in order to remain covered under the Company's group insurance plans. Failure to pay premiums will result in forfeiture of coverage benefits. Arrangements must be made with the President's designee prior to the leave. It is the responsibility of the employee to notify the designee to make these arrangements.
- Employees on a leave of absence are not eligible to receive holiday pay for holidays that fall during his or her absence.
- Generally, the Company does not guarantee that an employee's job will be held while they are on a leave of absence, unless required by law. Usually, if available, an employee returning to work on the date the leave/disability ends will be reinstated to his or her previous job status, or one of similar salary and responsibilities, with no break in service. This policy may be varied to accommodate applicable law.
- The Company has the right to initiate a leave of absence for any employee when in its sole judgment such a leave is appropriate. A company-initiated leave of absence will require prior approval by the President or designee.

PERSONAL LEAVE

A personal leave may be granted up to thirty (30) days and may, under special circumstances, be extended at the discretion of the Company for up to an additional thirty (30) days.

FAMILY AND MEDICAL LEAVE (FMLA)

Deer Oaks grants up to twelve (12) weeks of Family and Medical Leave during a 12-month period to eligible employees in accordance with the Family and Medical Leave Act of 1993 (FMLA), as amended. In addition, eligible employees may also be granted up to twenty-six (26) weeks of Military Caregiver Leave that extends FMLA job-protected leave beyond the normal 12 weeks of FMLA leave.

Depending on an employee's work location, certain State laws may also apply.

Employees can also obtain additional information about FMLA from their immediate supervisor or the Employee Relations Department.

Eligibility

To be eligible for leave under the FMLA, an employee must meet the following conditions:

- An employee must have been employed by Deer Oaks for at least 12 months (does not have to be consecutive), and

- have worked at least 1,250 hours during the 12 months immediately before the start of the requested leave.

Leave Entitlement

Eligible employees may take up to 12 work weeks (60 work days/480 work hours) of unpaid FMLA leave in a 12-month period, measured backward from the first date an employee begins a leave of absence (rolling period), for any of the following reasons:

- a serious health condition that makes the employee unable to perform the functions of the employee's job;
- the birth of a child of the employee and to care for the employee's newborn child; for the placement with the employee of a child for adoption or foster care, and to care for the employee's newly-placed child;
- to care for the employee's immediate family member (employee's spouse, child, or parent – but not a parent "in-law") who has a serious health condition; or
- to use for "any qualifying exigency" arising out of the fact that a covered military member is on active duty or called to active-duty status in support of a contingency operation.

Eligible employees may also take up to 26 work weeks (130 work days/1,040 work hours) of unpaid FMLA leave in a 12-month period, measured backward from the first date an employee begins a leave of absence (rolling period), to care for a recovering service member who is either a spouse, son, daughter, parent, or nearest blood relative. A recovering service member is defined as a member of the Armed Forces (including veterans and members of the National Guard or Reserves) who suffered an injury or illness when (i) on active-duty that may render the person unable to perform the duties of the member's office, grade, rank or rating, or (ii) at any time during the five-year period described in the definition for "covered service members".

Serious Health Condition

For the purposes of this policy, a "serious health condition" means an illness, injury, impairment or physical/mental condition that involves in-patient care (i.e., an overnight stay) in a hospital, hospice or residential medical care facility, or continuing treatment by a health care provider as defined in the FMLA.

Ordinarily, unless complications arise, the common cold, flu, ear aches, upset stomach, ulcers, headaches (other than migraines) and routine dental or orthodontia problems are examples of conditions that DO NOT constitute a serious health condition and DO NOT qualify for FMLA leave. However, FMLA considers any incapacity lasting more than three consecutive, full calendar days of incapacity and requiring two or more visits to a health care provider within a 30-day period from the beginning of the period of incapacity as a serious health condition.

Intermittent Leave

An employee may take FMLA leave in 12 consecutive weeks or may use the leave intermittently (a few hours a day or for a few days) when needed over the year. Under certain circumstances, an employee may use the leave to reduce the workweek or work day, resulting in a reduced-hour schedule (leave schedule permitting the employee to reduce his or her usual number of hours worked per workweek or work day).

In all intermittent leave cases, the leave may not exceed 12 workweeks over a 12-month period and approval for all intermittent leave must be documented and signed by a health care provider as defined in the FMLA.

Requesting Leave Procedures

An eligible employee ordinarily must provide 30-days advance written notice to the immediate supervisor when the need for leave is foreseeable. Failure to give 30-days advance notice when the need for leave is foreseeable may result in the delay or denial of FMLA leave.

If 30-days prior notice of a qualifying absence is not practicable because of unforeseen circumstances, then notice of the absence must be given to the Company as soon as practicable. This means that the employee must give the Company notice (i) on the same day the employee learns of the need for leave, and (ii) in accordance with the Company's standard call-in procedures for reporting absences (absent unusual circumstances). The notice should include the reasons for the requested leave, the anticipated start date of the leave and the anticipated duration of the leave.

In the instance that an employee may encounter multiple serious health conditions that qualify under FMLA during a 12-month period, a separate written request will be necessary for each health condition.

While on leave, employees are requested to report periodically to their immediate supervisor regarding the status of the medical condition, and their intent to return to work. Employees needing FMLA leave must follow the usual and customary call-in procedures for reporting an absence, excluding any unusual circumstances.

Certification of Leave

The Company requires that a request for FMLA, either consecutive or intermittent leave, be supported by a healthcare provider's certification of the medical condition of the person affected. A Medical Certification form can be obtained from the Employee Relations Department. The employee is required to have his/her healthcare provider complete the form in its entirety. The employee should try and return the completed certification within 15 days of the request, or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Under certain circumstances, Deer Oaks may require re-certification by a health care provider (at the employee's expense) be submitted to the Company every 30 days or the minimum period that the employee's doctor sets for their incapacity or treatment, whichever is greater. Deer Oaks may also require re-certifications when:

- the employee requests an extension of leave;
- the circumstances set out in the original medical certification change significantly; or,
- the information received casts doubt on the continuing validity of the medical certification.

In the instance that an employee may encounter multiple serious health conditions that qualify under FMLA during a 12-month period, the Company requires that each request for FMLA be supported by a healthcare provider's certification of the medical condition of the person affected.

Use of Paid and Unpaid Leave

If the employee has accrued or earned paid leave, he/she must use paid leave first and take the remainder of the 12 weeks as unpaid leave for absences covered under FMLA. For example, if an employee has earned two weeks of PTO, the employee may be able to take two weeks paid and 10 weeks unpaid leave under this policy. However, employees who

receive any type of wage benefits while on FMLA leave (i.e., workers' compensation lost wage benefits) may not use their accrued PTO benefits to supplement their income.

Employee Status & Benefits

Deer Oaks will continue the health benefits for eligible employees during the FMLA leave period, on the same conditions, as coverage would have been provided if the employee had been continuously employed during the entire leave period. Therefore, any share of group health plan premiums which had been paid by the employee prior to FMLA leave must continue to be paid by the employee during the FMLA leave period. If premiums are raised or lowered, the employee would be required to pay the new premium rates.

While employees are on paid leave, Deer Oaks will continue to make payroll deductions to collect the employee's share of the health insurance premium, if applicable. During the unpaid portion of leave, employees must contact the Employee Relations Department to discuss continuation of coverage and payment options, pursuant to the Company's health insurance plan.

- Should an employee not return to work after FMLA leave has been exhausted or expires, the employee will be responsible to Deer Oaks for repayment of group health insurance premiums paid for by the Company except as otherwise provided by statute or federal regulation.

PTO will continue to accrue during the leave, as long as the employee is on paid leave.

Job Restoration

An eligible employee who takes leave under this policy will be able to return to the same position or a position with equivalent status, pay, and benefits and other employment terms. The position will be the same or one that is substantially equivalent in terms of pay, benefits, and working conditions.

An employee who has been granted a leave of absence for medical reasons will be required to present a physician's release statement before returning to work. Additionally, light duty is not available for any position and as a result, an employee cannot return to work unless the physician has cleared the return with no limitations. The only exception would be any possible accommodations related to ADA, which will be determined on a case-by-case basis.

If an employee does not return to work within two (2) days of the release date, Deer Oaks will assume that the employee has resigned.

Other Considerations

- An employee's entitlement to leave for a birth or placement for adoption or foster care expires at the end of the 12-month period beginning on the date of the birth or placement. Any such FMLA leave must be concluded within this one-year period.
- Eligible part-time employees may take up to 12 weeks of FMLA in a 12-month period for reasons listed above. Actual hours taken will be counted on a pro-rated basis corresponding to the percentage of hours the employees normally are scheduled to work during a 12-month period. For example, a part-time employee works 25 hours per week year-round. During any 12-week period, she/he works a total of 300 hours. Therefore, if intermittent leave is taken, she/he may take up to 300 hours of FMLA in a 12-month period.

- Eligible employees may take leave under the FMLA for any combination of the reasons listed above under “Leave Entitlement,” however; the total of all combined leaves cannot exceed 12 weeks within the “rolling” 12-month period.

MILITARY LEAVE

Eligibility for Leave

- Deer Oaks provides unpaid military leaves of absence to employees who serve in the uniformed services as required by USERRA and applicable state laws. The uniformed services include the Army, Navy, Marine Corps, Air Force, Coast Guard, Army National Guard, Air National Guard, Commissioned Corps of the Public Health Service, and any other category of persons designated by the Executive Director of the United States in time of war or emergency. The uniformed services also include participants in the National Disaster Medical System ("NDMS") when activated to provide assistance in response to a public health emergency or to be present for a short period of time when there is a risk of public health emergency, or when they are participants in authorized training. This policy applies to employees who are called by the Governor of the State of Texas to active state duty as members of the Texas National Guard or state militia.
- Service consists of the performance of any of the following on a voluntary or involuntary basis: active duty, active duty for training, initial active duty, inactive duty training, full-time National Guard duty and absence from work for an examination to determine fitness for such duty. Total military leave time may not exceed five years during employment, except in special circumstances.

Notice of Leave

Advance notice of leave is required, if applicable, and employees must present their military orders to both the immediate supervisor and the President’s designee as soon as they are received (unless they are considered classified). Accrued paid time off will be paid during military leave at the employee’s request. Employees on military leave may elect to continue their health plan coverage at their own expense for up to 24 months or during service, whichever is shorter.

Reinstatement

- In order to be eligible for reinstatement, employees must provide advance notice of the military obligation and have completed their service honorably. Employees who are absent from work 30 days or less or who are absent to take a fitness exam must report to work at the beginning of the first regularly scheduled work day following completion of service, after allowing for the safe travel home and 8 hours of rest. If the employee serves 31 to 180 days, he or she must apply for reemployment within 14 days after completing service. If the employee served 181 days or more, he or she must apply for reemployment within 90 days after completing service.
- As with other leaves of absence, failure to return to work or to reapply within applicable time limits may result in loss of reemployment rights. Temporary employees may not be eligible for reinstatement following military leave and reinstatement may not be required for other employees in some circumstances. Full details regarding reinstatement are available from the President or designee.
- In general, an employee returning from military leave will be reemployed in the position and seniority level that the employee would have attained had there been no military

leave of absence. If necessary, the Company will provide training to assist the employee in the transition back to the workforce.

- Upon returning from military leave, the employee will receive any unused, accrued vacation benefits he or she had at the time the military leave began. Upon reinstatement, the employee will accrue vacation benefits at the rate he or she would have attained if no military leave had been taken.

STATE SPECIFIC PAID LEAVES

Depending on an employee's work location, certain state laws may also require paid leave benefits. Eligible employees will, therefore, be provided a handbook addendum outlining eligibility and benefits. Employees can also obtain additional information from their immediate supervisor or the Employee Relations Department.

INCLEMENT WEATHER/EMERGENCY CLOSURES

In the event of inclement weather, a storm, power failure or other occurrence, which might seriously affect the clinical and office operations, the following procedures will be in effect:

Employees are advised to check in with their immediate supervisor or call the Manager assigned to their area if they feel it is unsafe to travel due to snow, rain, ice or officially closed highways in the vicinity of their assigned work site. Employees living near their respective offices should make every attempt to report to work, without putting themselves in any danger, to assist with notification of other Employees and/or patient cancellations.

If an emergency evacuation order occurs during working hours, the Company will make every attempt to allow employees to leave in time to reach their homes and families safely.

An "emergency evacuation order" is an official statement issued by the governing body of the state or of a political subdivision of the state recommending the evacuation of all or part of the population of an area stricken or threatened with a disaster.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid. Pay exceptions do, however, apply to exempt employees according to the FLSA as follows:

- Exempt employees who work any part of a week in which the clinic is officially closed due to an emergency will be compensated for the entire week.
- Exempt employees who do not work for an entire week in which the clinic is officially closed due to an emergency will not be compensated.

All employees on unpaid leave during an emergency closing, with the immediate supervisors' approval, may use available unused PTO. In cases where an emergency closing is not authorized, employees who fail to report for work will use available leave benefits as outlined in the PTO policy herein. However, at the discretion of the responsible Director, employees working 80% or greater of full-time equivalency may be permitted up to three (3) paid inclement weather days in a 12-month period.

Employees in essential operations may be asked to work on a day when clinic operations are officially closed. In these circumstances, employees that work will receive regular pay.

BENEFITS

INSURANCE PLANS

All regular full-time employees are eligible for various insurance plans and options starting the first day of the month following the employee's start date. These insurance plans and options will be presented to the employees upon eligibility or during the annual open enrollment period by the providers or the Employee Relations Department.

Benefit plans offered by the Company are defined in legal documents such as insurance contracts and summary plan descriptions. Employee questions regarding the nature and extent of plan benefits should refer to the formal language of the plan documents. The content of the plan documents govern the nature and extent of all benefits offered; not the informal references within this Handbook. Plan documents, if applicable, are available for employees to inspect.

PROFESSIONAL LIABILITY INSURANCE

All clinical employees are required to maintain professional liability insurance in the amount of \$1,000,000 per incident and \$3,000,000 annual aggregate, or mandated policy limits set by the State in which the clinician practices. Full-time and part-time clinical employees must participate in the Deer Oaks group plan and there are no discounts for part-time employees. Clinical employees hired after the beginning of each plan year (Feb.1 through Jan. 31) are automatically covered by group plan for the remainder of the plan period. Deer Oaks may provide professional liability insurance as a paid benefit for clinical employees who meet the following criteria:

- Maintain at least 30 hours or more per week (per billable based on quarterly average)
- Must be at 95% productivity in the last quarter of employment for eligibility
- Commit to continuing to work for Deer Oaks for the next six (6) months

At the end of each year, clinical employees should be prepared to pay for the upcoming plan year at the group rate. A reminder will be sent to each clinical employee specifying amounts and payment due dates. The Company at its sole discretion may offer extended payment terms.

WORKERS' COMPENSATION

As a subscriber to Workers' Compensation, the Company provides employees with Workers' Compensation benefits for protection in the event of injury on the job.

All employees will be registered in this program and Workers' Compensation insurance is paid entirely by the Company. Hospital and physician charges related to the injury are also paid in full by the Company's insurance carrier.

It is the employee's responsibility to notify the immediate supervisor or Company designee of an on-the-job injury as soon as it occurs. A delay in notification of an injury could prevent any benefits from being paid. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately as this will enable an eligible employee to qualify for coverage as quickly as possible.

Additional safety procedures can be found in the Work-Related Injuries policy herein.

COBRA

Federal law requires most employers to offer employees and their families the opportunity for temporary extension of health coverage (called “continuation of coverage”) at group rates in certain instances where coverage under that plan would otherwise end. This notice, commonly referred to as COBRA (Consolidated Omnibus Budget Reconciliation Act) Notice, is intended to inform employees of any rights and obligations under the continuation coverage provision of the law. Any questions concerning health coverage extensions should be directed to the immediate supervisor or designee.

CONTINUING EDUCATION

Continuing education and achieving work-related professional licenses are encouraged for all employees. As such, the Company will cover the cost of the following listed work-related educational activities for all regular full-time employees as an employment benefit.

This is meant to further train staff in specialties associated with Deer Oaks. Continuing education may include but is not limited to, certification preparation classes, the cost of certifications and licenses, exam fees, seminars, and activities related to Continuing Education Units (CEU credits).

Should an employee leave employment, for any reason, within two (2) years of receiving any Professional Certification, all costs and fees will be deducted from the employee's last paycheck, as applicable by law, according to the following rates and schedule:

100% if employed for less than 6 months

75% if employed for 6 months but less than 12 months

50% if employed 12 months but less than 18 months

25% if employed 18 months but less than 24 months

Eligibility

Full-time employees who have satisfactorily completed the 90-day introductory period are eligible to receive reimbursement for preparatory course, testing and certification fees. Employees must also be in good standing with the Company and have a satisfactory performance review on file.

Clinical staff must maintain a quarterly 95% productivity rate; however, newly hired employees will receive reimbursement regardless of productivity during the first year of employment

Guidelines

- Reimbursements for CEU's will be paid up to a maximum of \$300 per year after course completion.
- Employees should contact their supervisor for more information about this program.

LICENSE RENEWAL PROGRAM

As an added benefit, Deer Oaks will provide reimbursement for license renewals for clinical employees based on the following eligibility criteria.

Should an employee leave employment, for any reason, within two (2) years of receiving any Professional Certification, all costs and fees will be deducted from the employee's last paycheck, as applicable by law, according to the following rates and schedule:

100% if employed for less than 6 months

75% if employed for 6 months but less than 12 months

50% if employed 12 months but less than 18 months

25% if employed 18 months but less than 24 months

Eligibility

Full-time employees who have satisfactorily completed the 90-day introductory period are eligible to receive reimbursement. Employees must also be in good standing with the Company and have a satisfactory performance review on file.

Clinical staff must also maintain a quarterly 95% productivity rate; however, newly hired employees will receive reimbursement regardless of productivity during the first year of employment

Guidelines

- Deer Oaks will assist with licensing renewal fees for the primary State(s) in which the clinician is currently providing services on behalf of Deer Oaks (no retroactive dates please).
- Employees should contact their supervisor for more information about this program.

EMPLOYEE ASSISTANCE PROGRAM SERVICES

Employee Assistance Program Services (EAP Services) are available to all full-time and part-time employees. Employees may access the benefit when needed by calling 855-492-3631 and without consulting the Employee Relations Department.

EMPLOYEE REFERRAL BONUS PROGRAM

From time to time, Deer Oaks may offer an employee referral bonus. The Employee Relations Department will publish the current bonus program on the employee online portal and the program may be changed at any time at the Company's sole discretion. The referral bonus is paid to the referring employee on the next scheduled pay period after the referred employee/associate has successfully completed the 90-day introductory period. There is no limit on the number of times in a fiscal year that employees can participate and refer others to Deer Oaks. Any identified referral bonus amount is prorated based on the hired employees' percentage of full-time equivalency.

EMPLOYEE RESPONSIBILITIES

BUSINESS ETHICS

In General

The successful business operation and reputation of the Company is built upon the principles of fair dealing and ethical conduct among all personnel. The Company's reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as scrupulous regard for the highest standards of conduct and personal integrity.

The Company will comply with all applicable laws and regulations and expect all doctors, managers, supervisors, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment and based on high ethical principles are basic guidelines employees should utilize in determining acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed only with the President or designee.

Compliance with this policy of business ethics and conduct is the responsibility of every employee. Disregarding or failing to comply with this standard of business ethics and conduct may lead to disciplinary action, up to and including termination of employment.

Retaliation against any employee who raises any questions, concerns or complaints concerning the honesty and integrity of the Company's operations is strictly prohibited. Similarly, retaliation is prohibited against any employee who provides accurate information to any law enforcement agency about the commission of any federal or state offense. Any employee who feels that he or she has been retaliated against or threatened with retaliation for these reasons should report the matter immediately to the President or designee.

Conflicts of Interest

The activities of the Company must always be in full compliance with all applicable laws and regulations. The Company expects its staff to comply fully with the letter, spirit, and intent of all laws and regulations.

In order to maintain full compliance, it is important that employees be free from any financial interests or other relationships that might conflict with the best interests of the Company. Accordingly, each employee must strive to avoid any investment or other interest in another business which would conflict with the proper performance of his or her duties or responsibilities for the Company, or which might interfere with his or her independence of judgment with respect to transactions between the Company and such other business.

If an employee finds that he or she has, or is considering the assumption of, a financial interest or outside relationship which might involve a conflict of interest, or if the employee is in doubt as to the proper application of this policy, he or she should promptly make all the facts known to the President or designee and refrain from any exercise of responsibility in any manner which might reasonably be considered to be affected by any adverse interest.

Gifts and Favors

No employee shall solicit or accept for personal use, or for the use of others, any gift, favor, loan, gratuity, reward, promise of future employment, or any other thing of monetary value that might influence, or appear to influence, the judgment or conduct of the employee in the performance of their job.

Employees can accept occasional unsolicited courtesy gifts or favors (such as business lunches, tickets to sporting events or cultural events, holiday baskets, flowers, etc.) so long as the gifts or favors have a market value customary in the industry, and do not influence or appear to influence the judgment or conduct of the employee. Employees should discuss any exceptions to this amount with their immediate supervisor.

Employees are not to give, offer, or promise directly or indirectly anything of value to any representative of a patient, a potential patient, a vendor or potential vendor, a contracted facility or potential contracted facility with whom the Company has or may have a business relationship.

Protection of Confidential or Proprietary Information

The Company's confidential and proprietary information is vital to the current operations and future success of the organization. Each employee shall use all reasonable care to protect or otherwise prevent the unauthorized disclosure of such information. In no event shall confidential information be disclosed or revealed within or outside the Company without proper authorization or purpose. If an employee is uncertain whether certain information should be treated as confidential, the employee should presume that such information is confidential and not disclose it without proper authorization.

By way of example, confidential or proprietary information will include information regarding the Company's business methods, business plans, databases, systems, technology, marketing strategies, services, research, development, inventions, training materials, financial statements, financial projections, financing methods, employee records, billing methods, system designs, terms and conditions of arrangements of any business or patient, patient lists, vendors, suppliers, or any other proprietary information.

Unauthorized inspection, copying, possession or divulging of confidential or business information concerning the Company will not be tolerated. To ensure employees adhere to the Company's confidentiality expectations, employees will be required to sign a non-disclosure agreement as a condition of employment. Violation of this policy is grounds for disciplinary action, up to and including termination.

Confidentiality of Employee and Patient Information

The nature of Deer Oaks business dictates a level of confidentiality from everyone employed by the Company. Individual employees and the Company can be held legally liable for information disclosed to anyone outside the company. Therefore, the affairs of Deer Oaks, its patients and its employees must be held in the strictest confidence and **all employees must follow HIPAA rules and regulations**. As HIPAA requires, the Company is bound to assure confidentiality of all information regarding patients and the Company. Discussions of patient matters are limited to the patient, the nursing

facility personnel, and Deer Oaks personnel on a “need to know” basis. This same confidentiality applies to matters pertaining to co-workers’ information being shared.

Specific confidentiality issues covered within the scope of this policy include, but are not limited to, the following list:

- Deer Oaks matters are not to be discussed outside the office with anyone at any time.
- Employees shall not reveal that a patient is being treated by Deer Oaks unless written authorization is obtained from the patient.
- The nature of the patient’s relationship or treatment shall not be revealed without the express written consent by the patient.
- A patient’s treatment, diagnosis or any information contained in the patient’s medical or financial record shall not be discussed with the employee’s family or friends. Any discussion about the patient with other employees is permitted only when such information is necessary in the course of doing business or clinical practice.
- Payment sources, referral sources or reimbursement rates may not be revealed to anyone not affiliated with Deer Oaks, unless such information is necessary in the course of doing business on behalf of Deer Oaks.
- Information contained in a patient’s medical record may not be released without written consent by the patient/guardian and then only with authorization according to the employee’s job description.
- Employee shall not discuss patients on social media.
- Employees shall safeguard information related to contracted clients or customers, including nursing homes, assisted living or other facilities, business development plans, candidates in recruiting process, and employee lists.
- Information regarding another employee’s employment history, salary, or any personal information contained in the employee’s personnel or payroll record shall not be discussed with other Employees or outside entities.
- Employees shall not discuss their salary or compensation information with any other employee, nor encourage other Employees to reveal their salary or compensation information.
- Employees are not authorized to give professional references regarding another employee. All requests for reference information must be forwarded to Payroll Manager.

Further, employees are required to maintain the confidentiality of all employee and patient personal information. For purposes of this policy, “personal information” means information capable of being associated with a particular individual through one or more identifiers including, but not limited to, Social Security numbers, driver’s license number, state identifier card numbers, credit or debit or other account numbers, or health insurance identification numbers. Employees who have access to such employee and patient personal information must safeguard it by keeping such information, whether in paper or electronic format, in a secure location and only access the data for authorized business purposes as part of their job requirements. An individual’s Social Security number should only be shared with individuals who need it as part of their job requirements.

In disposing of documents that contain an employee or patient's personal information must utilize the shred machines or shed receptacles provided by the Company. Employees who do not take care in protecting this data by keeping it secured or who improperly dispose of or disclose such data will be subject to disciplinary action, up to and including termination.

Illegal Remuneration/Solicitation

The Company will not pay or otherwise remunerate (i.e., pay or other compensation) any physician or other referral source for patient referrals to the Company. Such activities are illegal and unethical. Therefore, employees shall not offer to pay or agree to accept remuneration for the securing or soliciting of patients or patronage, or solicit referrals through coercion or harassment.

In addition, employees may not solicit employment for themselves or for someone else from current Company patients. The following non-solicitation requirements also apply:

- Employees who have previously worked for another Company that provides psychological and psychiatric services to residents of long-term care and assisted living facilities services within the same geographical area as the long-term care and assisted living facilities serviced by the Company may not solicit patients to change companies.
- Employees may inform patients of their new employment, but may not actively assist the patient in changing companies.
- Patients who choose to change to Deer Oaks will be asked to sign a statement indicating that they changed providers on their own, that no promises of additional care or better care were made, no remuneration was given or received, and that they were not coerced or harassed by the Company's employees.

Employees who receive or pay illegal remuneration will be terminated immediately and reported to their perspective state licensing agency, the OIG, and/or other law enforcement authorities.

Compliance Program

Deer Oaks has established a corporate Compliance Program for the purpose of prevention, detection, and remediation of any potential fraud, abuse or waste involved with the provision of care and related billing or claims processing.

The Company is regulated by the OIG, the Centers for Medicare & Medicaid Services (CMS), State Licensure laws, OSHA regulations, hazardous substances and waste rules, and many other applicable rules, regulations, and standards.

Employees are, therefore, required to report any activities that appear to be unethical or dishonest immediately to their supervisor or the Employee Relations Department. Reports can be made anonymously and without fear of retaliation.

Falsification of Documents

The Company relies on the accuracy of information provided on or in employment records, company and patient related documents, and documents required to be completed or submitted under applicable law. Accordingly, the falsification or omission of requested information on any document may result in disqualification from further consideration for employment or, if hired, termination from employment. Falsification of records is prohibited and will not be tolerated.

STANDARDS OF CONDUCT & WORK RULES

To assure orderly operations and provide the best possible work environment, the Company expects employees to follow rules of conduct that will protect the interests and safety of personnel. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension or termination of employment.

- Falsification of time records, employment records, employment information, or other records.
- Recording the work time of another employee, allowing any other employee to record another employee's work time, or allowing falsification of any time record, whether the employee's own or another employee's record.
- Failing to satisfactorily meet job expectations.
- Disclosing confidential or proprietary Company or patient information without permission.
- Notification of CMS exclusion and/or preclusion for clinical and administrative staff or behaviors/actions that violate CMS, governing license board rules, or any other local, state, or federal regulatory requirement.
- Theft or the deliberate or careless damage of any Company property or the property of any employee or patient.
- Unauthorized use of Company equipment, time, materials, credit cards, or facilities.
- Possessing, distributing, selling, transferring, or using--or being under the influence of--alcohol, controlled substances, or illegal drugs in the workplace.
- Provoking a fight or fighting during working hours or on premises owned or occupied by the Company.
- Carrying firearms or any other dangerous weapons, at any time, on premises owned or occupied by the Company or facilities contracted by Company, unless state law specifically gives the employee the right to bring a firearm on the employer's premises.
- Engaging in criminal conduct whether or not related to job performance.
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of any supervisor or member of management.
- Personal behavior of a discourteous or unprofessional nature, including using abusive or threatening language, at any time during working hours or while on premises owned or occupied by the Company or on facilities contracted by the Company.
- Violating any part of the Workplace Anti-Harassment Policy, Workplace Violence Prevention Policy, safety rules or any other Company policy that dictates the proper behavior expected at work.
- Failing to obtain permission to leave work for any reason during normal working hours.
- Failing to obtain permission for outside employment.
- Failing to observe working schedules, including meal periods, to include excessive or unexcused absenteeism or tardiness.
- Failing to obtain and/or maintain professional licensure in the state employed.
- Making or accepting excessive personal telephone calls during working hours.

- Working overtime without authorization or refusing to work assigned overtime.
- Violating any safety, health, confidentiality, or security policy, rule, or procedure of the Company.
- Committing a fraudulent act or a breach of trust in any circumstances.
- Fraternizing or participating in a personal relationship of any kind with a patient, firms, or individuals doing business with the Company to include receiving gifts, favors, or any other items of monetary value.
- Deliberate and serious violation of the rights of the patients.
- Being banned by a client, physician, or patient from working on their account, case, or facility; or losing a facility contract due to inappropriate conduct and/or services performed.

Although employment may be terminated at-will by either the employee or the Company at any time, without following any formal system of discipline or warning, the Company may exercise discretion to utilize forms of discipline that are less severe than termination. Examples of less severe forms of discipline include verbal warnings, written warnings, and suspensions. While one or more of these forms of discipline may be taken, no formal order or procedures are necessary.

This statement of prohibited conduct does not alter or limit the policy of employment-at-will. Either the employee or the Company may terminate the employment relationship at any time for any reason, with or without cause, and with or without notice.

DISCIPLINE POLICY

It is the responsibility of all employees to observe the guidelines necessary for the proper operation of the Company functions and to ensure continuous services. Deer Oaks has, therefore, adopted reasonable work rules and performance standards for all employees to follow to help maintain productivity and protect the rights and safety of all employees. When these work rules are not followed or performance standards are not met, disciplinary procedures have been established to administer the appropriate corrective action. These actions may include oral corrective notices, written counseling notices, suspension, and termination of employment.

The severity of the problem determines the type of disciplinary action taken. Minor conduct or performance issues may result in oral or written corrective action notices. Severe problems or policy violations may result in suspension or termination of employment. In deciding as to what discipline should be imposed for a violation of work rules and performance standards, the Company reserves the right to exercise discretion in determining the appropriate disciplinary action based upon all the circumstances involved.

Repetition of minor conduct or performance violations for which a corrective action notice was previously issued may also result in termination of employment.

Suspensions typically occur when a problem requires an in-depth management investigation. Suspensions are a temporary release from work duties, with or without pay, which may result in the employee's reinstatement or termination of employment.

WORKPLACE ANTI-HARASSMENT

The Company is committed to providing a work environment free of harassment. As a result, the Company maintains a strict policy prohibiting sexual harassment and harassment because

of race, color, religion, sex, national origin, age, veteran's status, marital status, disability, genetic information, or any other non-job-related characteristic.

All such harassment is strictly prohibited and is not tolerated by the Company. This anti-harassment policy applies to all persons involved in Company operations and prohibits harassment by any employee of the Company, including managers and co-workers, or any other individual in any way associated with the Company.

Harassment of employees in connection with their work by non-employees may also be a violation of this policy. Any employee who becomes aware of any harassment of an employee by a non-employee should report such harassment to the President or designee.

Definition of Sexual Harassment

Sexual harassment includes unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when:

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

Sexual harassment includes various forms of offensive behavior. The following is a partial list:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, comments about an employee's body or dress.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
- Physical conduct: touching, assault, impeding or blocking movements.
- Retaliation for making harassment reports or threatening to report harassment.

Definition of Harassment other than Sexual Harassment

In addition to the policy of prohibiting harassment that is sexual in nature, the Company also does not tolerate harassment of employees, supervisors, members, donors, vendors, customers, or anyone else associated with the Company that are related to an individual's race, color, religion, sex, national origin, age, veteran's status, marital status, disability, genetic information or any other non-job-related characteristic. For these purposes, the term harassment includes, but is not limited to:

- Verbal conduct including threats, epithets, derogatory comments or slurs.

- Visual conduct including derogatory posters, photography, cartoons, drawings or gestures.
- Physical conduct including assault, unwanted touching or blocking normal movement.
- Retaliation for making harassment reports or threatening to report harassment.

Complaint Procedure

Any employee who believes that he or she has been harassed or discriminated against by a co-worker, supervisor, vendor, patient, or anyone else they may encounter in connection with their work, or who is aware of the harassment or discrimination of others, should immediately provide a written or verbal report to the immediate supervisor or designee. If the allegation concerns the immediate supervisor or designee, the complaint should be directed to the Employee Relations Department or the President.

After a report is received, a thorough and objective investigation by management will be undertaken. The Company will endeavor to protect the privacy and confidentiality of all parties involved to the extent possible.

The investigation will be completed, and a determination made and communicated to the appropriate parties as soon as practical. The Company expects that all employees fully cooperate with any investigation conducted by the organization.

If it is determined that this policy has been violated, appropriate disciplinary action, up to and including discharge, will be taken, commensurate with the severity of the offense. Disciplinary action may also be taken when an investigation reveals conduct on the part of an employee that does not rise to the level of unlawful harassment but is nevertheless inappropriate. In addition, appropriate action will be taken to deter any future harassment or discrimination.

Protection Against Retaliation

Any employee making a complaint of harassment will not be retaliated against, even if a complaint made in good faith is not founded. Likewise, any employee who has been accused of harassment and an investigation has determined the allegation to be unfounded or inconclusive, will not be retaliated against. In addition, any employee who participates in any manner in a harassment investigation is also protected against retaliation.

Any employee who feels he/she has been subjected to such adverse actions should discuss the situation with the immediate supervisor or designee. Any employee who is found to have knowingly made a false accusation of harassment or that has knowingly retaliated against an employee will be subject to appropriate disciplinary action, up to and including termination.

Please report any retaliation to the immediate supervisor or designee. Any report of retaliatory conduct will be investigated in a thorough and objective manner. If a report of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

DRUG-FREE WORKPLACE

The Company strives to provide a safe work environment and encourages good personal health habits. The Company considers the abuse of drugs or alcohol on the job to be an unsafe and

counterproductive work Company. The Company respects employees' right to conduct their personal life. However, conduct while at work affects the people, co-workers, and patients. Use of alcohol or drugs by employees can influence patients' confidence. Therefore, the following policy is established about the use, possession, or sale of drugs and alcohol.

Applications

This policy applies to all employees.

The use, possession, transfer, purchase, or sale of illegal drugs, controlled substances or inhalants on the premises of the Company, while in the commission of representing the Company, or attending a Company sponsored event is strictly prohibited.

The use, possession, transfer, purchase, or sale of alcohol on the premises of the Company is strictly prohibited.

The Company premises include Company vehicles as well as private vehicles parked on Company grounds.

Definitions

Alcohol is any fermented liquor, such as wine, beer, liquor, or distilled spirit, that contains ethyl alcohol, or ethanol (CH₃CH₂OH), as an intoxicating agent.

Drugs are a medicine or other chemical substance that when inhaled, injected, smoked, consumed, absorbed via a patch on the skin, or dissolved under the tongue produces physical, mental, emotional or behavioral changes in the body.

Illegal drugs are drugs whose production or use is prohibited or strictly controlled via prescription.

Controlled substances are any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act. (21 U.S.C. § 812).

Responsibilities

Employees are expected to report to work unimpaired and free of alcohol, illegal drugs and/or controlled substances, and are expected to perform their jobs satisfactorily and behave appropriately at all times.

If an employee's performance or behavior at work creates a problem, and another employee has reason to believe that it is related to substance abuse, that individual suspected will be referred to the President or designee.

The Company, in its sole discretion, may conduct searches or inspections in accordance with the Security Inspections policy contained herein due to a reasonable suspicion of a violation of this policy.

Authorized Use of Medication

When employees are taking an over-the-counter or medically prescribed drug or other medication that can alter behavior, physical ability or mental functions, the employee must report the effects of this drug/medication to the immediate supervisor. The immediate supervisor will then determine whether the employee will be allowed to remain at work if the medication is known or advertised to be one that could affect or

impair the employee's judgment, coordination, or other senses, or could otherwise affect the employee's ability to perform his/her work in a safe and productive manner. The employee may also be asked to provide a note from their physician to determine any side effects of certain medications. Employees must keep all prescribed medications in the original container, which identifies the drug, dosage, and date of prescription and prescribing physician.

Conviction

Employees must notify, in writing, the President or designee within five (5) days of a conviction for any criminal drug and/or alcohol violation.

Policy Violation

the President or designee will discipline an employee, up to and including termination, for, but not limited to, any of the following:

1. Use, possession, manufacture, distribution, dispensation or sale of;
 - a) illegal drugs, inhalants or drug paraphernalia, or
 - b) unauthorized controlled substances
2. Storing any illegal drug or alcohol whose use is unauthorized.
3. Being under the influence of an unauthorized controlled substance, illegal drug or alcohol on the Company premises or Company business.
4. Use of alcohol or illegal drugs off the Company property that adversely affects the employee's work performance.
5. Refusing to consent to testing.
6. Conviction under any criminal drug statute.
7. Conviction for a DWI offense.
8. Failure to notify the President or designee of any conviction under any criminal drug statute within five (5) days of the conviction.
9. Failure to report to the President or designee the use of a prescribed medication that may adversely affect the judgment, coordination, or ability to perform work in a safe and efficient manner.

Testing

The Company, in its sole discretion, may conduct employee drug testing due to business needs, position changes, driving accident, random drug test selection, and/or reasonable suspicion.

Whenever an employee is involved in an accident while performing expected duties which cause a fatality, serious bodily injury, or property damage, the Company will require the employee to submit a breath, saliva, urine, hair, blood, or any other acceptable and lawful specimen for alcohol or drug testing.

When there is reasonable suspicion that an employee is under the influence of alcohol

or drugs, the employee will be relieved of duties, taken to a medical facility, and screened for alcohol and drugs.

In any of the above situations, employment may be:

- suspended with pay until test results are received;
- terminated for insubordination if an employee refusal to submit to a drug or alcohol screening; or
- terminated for violation of this policy if tests for drugs or alcohol are positive.

All records concerning test results will be kept in confidential files which are maintained separately from the personnel file of the employee.

This policy cannot anticipate every situation that could result in a drug or alcohol screening. Therefore, in order to retain the necessary flexibility in the administration of this policy, the Company reserves the right to enforce, change, revise, or eliminate any portion and/or requirement described in this policy.

Condition of Employment

Compliance with the Drug-Free Workplace policy is a condition of employment. The failure or refusal of an employee to cooperate fully, sign any required document, or submit to any inspection or test will be grounds for termination.

WEAPONS-FREE WORKPLACE

In the interest of maintaining a workplace that is safe and free of violence, the Company prohibits the presence or use of handguns, firearms and other dangerous weapons on Company premises.

For purposes of this policy, " Company premises" is defined in accordance with Texas law, as all Company-owned or leased buildings and surrounding areas such as courtyards, sidewalks, and walkways, including similar areas of a client's premises, as well as all Company-owned or leased vehicles.

Also, in accordance with Texas law, employers retain the legal right to prohibit weapons in the workplace. This prohibition includes those firearms that are carried in compliance with Texas law. "Dangerous weapons" include, but are not limited to, firearms, explosives, knives and other similar weapons that any reasonable and prudent person would consider dangerous and that are defined as a weapon or prohibited weapon under Texas Penal Code 46.

Employees should report any violations of this policy immediately to the President or designee. Any employee who violates this policy is subject to disciplinary action, up to and including termination of employment. A visitor who violates this policy may be removed from the property and reported to authorities. This policy does not apply to law enforcement personnel or security personnel who are engaging in official duties.

The Company, in its sole discretion, may conduct searches or inspections in accordance with the Security Inspections policy contained herein due to a reasonable suspicion of a violation of this policy.

Any questions regarding this policy should be directed to the President or designee.

WORKPLACE VIOLENCE PREVENTION

The Company is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted

the following guidelines to deal with intimidation, harassment, or other threats or acts of violence that may occur during business hours or on its premises.

All employees, including all persons involved in the operation of the Company, including, but not limited to, temporary and contract employees and non-employees on Company property, should be treated with courtesy and respect at all times. Employees and all persons involved in the operation of the Company are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others.

Workplace violence does not refer to occasional comments of a socially acceptable nature. Such comments may include references to legitimate sporting activities, popular entertainment or current events. Rather, it refers to behavior that is sufficiently offensive, severe, threatening or intimidating to cause an individual to reasonably fear for his or her personal safety, the safety of others, and/or property.

Conduct that threatens, bullies, intimidates, or coerces another employee, a patient, vendor, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by local, state or federal law.

Examples of workplace violence include, but are not limited to, the following:

- Threats or acts of violence occurring on Company premises, regardless of the relationship between the parties involved in the incident.
- Threats or acts of violence occurring off Company premises involving someone who is acting in the capacity of a representative of the Company.
- Threats or acts of violence occurring off Company premises involving an employee if the threats or acts affect the business interests of the Company.
- All threats or acts of violence occurring off Company premises of which an employee is a victim if we determine that the incident may lead to an incident of violence on Company premises.
- Threats or acts resulting in the conviction of an employee or agent of the Company, or of an individual performing services for the Company on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence which adversely affects the legitimate business interests of the Company.

Examples of conduct which may be considered threats or acts of violence under this policy include, but are not limited to the following:

- Threatening physical or aggressive contact directed toward another individual.
- Threatening an individual or his/her family, friends, associates, or property with harm.
- The intentional destruction or threat of destruction of Company or another's property.
- Harassing or threatening phone calls.
- Surveillance.
- Stalking.
- Veiled threats of physical harm or like intimidation.
- Communicating an endorsement of the inappropriate use of firearms or weapons.

All suspicious individuals or activities should also be reported as soon as possible to the President or designee. No employee should ever be placed in peril. If a commotion is seen or

heard or if a disturbance is near the workstation, do not try to intercede or see what is happening.

The Company will promptly and thoroughly investigate all reports or threats or acts of violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats or acts of violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment.

The Company encourages employees to bring their disputes or differences with other employees to the attention of the President or designee before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

SOCIAL MEDIA ACTIVITIES

Deer Oaks takes no position on an employee's decision to start or maintain a blog or participate in other social media activities (including, but not limited to personal websites, such as Facebook, Instagram, Snapchat, Vine, YouTube, Twitter, LinkedIn, weblogs, wiki postings, video postings, or any web-based or mobile technology that allows for open, interactive communications). Social media activities also include permitting or failing to remove posts made by others where the employee can control the content, such as on a personal page or blog.

However, the use of social media also presents certain risks and carries with it certain responsibilities. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may result in disciplinary action up to and including termination.

Therefore, to assist employees in making responsible decisions regarding the use of social media, the Company has established the following guidelines for appropriate use of social media:

- Employees are cautioned that they should have no expectation of privacy while using the Internet. Postings can be reviewed by anyone, including the Company. The Company reserves the right to monitor comments or discussions about the Company, its employees, patients, and the industry, including products, services, and competitors posted on the Internet by anyone, including employees and non-employees. Employees are cautioned that they should have no expectation of privacy while using Company equipment or facilities for any purpose and will be expected to abide by the Use of Electronic Resources policy.
- Employees are expected to refrain from using social media while on work time or on Company equipment unless it is work-related as authorized by the immediate supervisor or consistent with the Use of Electronic Resources policy.
- In addition, employees should not use the Company's email addresses to register on social networks, blogs or other online tools utilized for personal use.
- Employees are expected to maintain the confidentiality of the Company's trade secrets and private or confidential information as outlined in the Protection of Confidentiality

or Proprietary Information policy. Employees are also expected to adhere to financial disclosure laws, securities regulations, or other laws and to not post internal reports, policies, procedures, or other internal business-related confidential communications.

- Employees may not use the Company's logo, trademark or proprietary graphics, or photographs or video of the Company's premises, processes, operations, products, or services without the Company's prior written approval.
- Employees are expected to be fair and courteous to fellow employees, patients, vendors, or individuals who work on behalf of the Company. In addition, employees are encouraged and more likely to resolve complaints about work by speaking directly with their co-workers, the Employee Relations Department, or the President or design rather than posting complaints on the Internet. Nevertheless, if employees decide to post complaints or criticisms, they should avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage employees, patients, vendors or individuals who work on behalf of the Company, or that might constitute harassment, bullying, or in violation of HIPAA. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or Company policy.
- The President, designee, immediate supervisors, or anyone else in a position of management or authority should not send "friend" requests to subordinates unless there is a valid business-related purpose for doing so. Any employee may reject a "friend" request from any other employee without fear of retaliation.
- Clinical and administrative staff should not send "friend" requests to patients, family and friends of patients, or facility staff. If professional social media connections are needed, staff are encouraged to connect using their professional LinkedIn account.
- Clinical staff may not share client stories and/or seek clinical case consult on social media platforms where potential patient PI could be shared and/or identified.
- The Company sponsored sites may not be used to solicit or promote personal businesses or any organizations, including, but not limited to, outside business ventures, charities, political campaigns, religious groups, or other membership organizations.
- Employees who participate in social media activities on a personal basis do not need to identify themselves as a Company employee or with the Company brand as a whole. However, if an employee identifies themselves as a Company employee, or in any way relates to the Company, they must consider whether their comments are professional and beneficial, or damaging to the Company's reputation. This includes what the employee writes about themselves and the types of photos employees publish. Employees should consider using available privacy filters or settings to block any inappropriate, unprofessional, or overly personal information from co-workers, vendors, or competitors who may have access to their social media accounts.
- Employees may use their name or they may state their role or simply the fact that they are an employee of the Company. Employees must, however, make it clear that they are speaking on their own behalf and not on the Company's behalf. Employees must say "I" instead of "we" or specifically state "the views on this post are my own". Employees must also not misrepresent themselves when participating in on-line conversations to avoid being perceived as being a member, vendor, or competitor.

- Employees' social media activities are subject to all Company policies including, but not limited to, Use of Use of Electronic Resources, Workplace Anti-Harassment, Business Ethics, and Standards of Conduct & Work Rules. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

The Company requests and strongly urges employees to report any violations, perceived or otherwise, to the President or designee or the Employee Relations Department. The Company will investigate and respond to all reports of any inappropriate social media activities or any other related policies.

Employees will be held accountable for engaging in social media activities that adversely affects job performance, the performance of co-workers or otherwise adversely affects patients, vendors, or individuals who work on behalf of the Company or the Company's legitimate business interests may result in disciplinary action up to and including termination. The Company reserves the right to take legal action to the fullest extent permitted by applicable law where necessary against employees who engage in prohibited or unlawful conduct.

The Company prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

The Company will not interpret this policy in a manner that interferes with the employees' rights under the National Labor Relations Act or any other applicable employment law provisions.

ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, Deer Oaks expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on the Company.

Employees whose absences, early departures, and late arrivals are considered excessive will be considered as having unsatisfactory attendance and will be subject to disciplinary measures up to, and including termination, if attendance problems are not corrected. Unsatisfactory attendance trends may also affect an employee's performance rating and salary increase eligibility. Each situation of absenteeism or tardiness will be evaluated on a case-by-case basis. Even one unexcused absence or tardiness may be considered excessive, depending upon the circumstances.

Employees in their 90-day introductory period will be subjected to accelerated corrective action if they have an unsatisfactory attendance record. the President's or designee's discretion will determine the accelerated corrective action to be used based on the amount of time and the frequency of any attendance problems during the first 90 days.

Approved Absence, Tardy, or Early Departures

The following absences, if properly documented and approved by management, are considered excused and not subject to disciplinary action:

1. Approved PTO time and/or designated holidays.
2. Absence due to a worker's compensation accident or injury.

3. Absence covered by ADAAA.
4. Jury duty or court appearance by subpoena.
5. Death in the employee's immediate family.
6. Military service training duty.
7. Unpaid personal leave of absence that has been approved by the President or designee in advance.
8. Blanket approval at the President's or designee's discretion to cover unique weather, traffic, or other instances where the majority of the employees are impacted.

Employee Call-in Requirements

In the event of absence or tardy, it is the employee's responsibility to directly contact the immediate supervisor before work time begins on each day he/she is absent or late and no later than one (1) hour prior to the scheduled start time. Leaving a message with a fellow employee is unacceptable. Should the immediate supervisor be unavailable, employees may leave a voicemail. Other acceptable forms of communication may be used (i.e., text or email) when authorized by the immediate supervisor as the best means of communication. However, at least one other attempt of directly speaking with the immediate supervisor must be made.

An employee who arrives 15 minutes after their scheduled arrival time is considered tardy. If such an absence extends beyond one (1) day, the employee must inform the immediate supervisor, on a regular basis, of the status of the absence and expected day of return. In addition, the Company may require an employee to furnish a doctor's certificate in order to return to work.

In the event of extended absences, the immediate supervisor will communicate to the employee the basis upon which the employee is to keep the immediate supervisor informed. The Company may require an employee to furnish a doctor's certificate as evidence of inability to work or to be examined by a physician of the Company's choice where permitted by applicable laws.

Absent extenuating circumstances, an absence of two (2) or more consecutive days without employee contact to the immediate supervisor will result in a presumed resignation.

PERSONAL APPEARANCE

Employees are expected to wear professional attire during work hours, and to present a neat and clean appearance.

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the organization image the Company presents to patients and visitors.

Employees are expected to observe dress and grooming habits which would be considered professional during normal business hours. This involves conservative choices of dress, hair, make-up, and accessories suitable to the administrative office and contracted facilities. All clothing must be clean, neat, ironed, and not torn, frayed or worn out.

Personal appearance should also include good personal hygiene, clean-shaven or trimmed and well-groomed facial hair, and well-groomed, neat hair.

If the immediate supervisor feels an employee's personal appearance is inappropriate, the employee may be asked to leave the workplace until properly dressed or groomed. Under such circumstance, the employee will not be compensated for the time away from work. Consult the immediate supervisor for any questions as to what constitutes appropriate appearance. When necessary, reasonable accommodation may be made to a person with a disability.

Appearance Guidelines

Without unduly restricting individual tastes, the following personal appearance guidelines should be followed:

- Shoes must provide safe, secure footing, and offer protection against hazards. Those positions working directly with patients or with medical equipment are prohibited from wearing open toed shoes.
- Mustaches and beards must be clean, well-trimmed, and neat.
- Hairstyles are expected to be in good taste, well-groomed, and neat.
- Jewelry should not be functionally restrictive, dangerous to job performance, or excessive.
- Facial jewelry, such as eyebrow rings, nose rings, lip rings, and tongue studs, is not professionally appropriate and must not be worn during business hours.
- Torso body piercings with visible jewelry or jewelry that can be seen through or under clothing must not be worn during business hours.
- Visible tattoos should be covered up during business hours.

TRAVEL AND VEHICLE USE FOR COMPANY BUSINESS

Employees who drive vehicles for Company business are expected to operate the vehicle in a responsible and safe manner. If an employee is to be driving as a result of his/her job at Deer Oaks, the employee will be responsible for the maintaining a valid drivers' license. If the employee is authorized to use his/her personal automobile in connection with Company work, the employee is also responsible for maintaining the appropriate personal liability and property damage insurance policy as required by law.

Deer Oaks is not responsible for any driving violations, such as parking or speeding, while conducting Company business.

At no time is the employee to operate a vehicle for Company business if impaired in any way due to alcohol or drug use, including prescription and over-the-counter drugs. An employee should never have any alcohol or controlled substance in the vehicle, while being used for Company business. An employee convicted of an alcohol or drug-related offense while driving at any time, may have his/her use of a vehicle for Company business privileges terminated and possibly face other appropriate disciplinary action.

While operating a vehicle for Company business, regardless of how minor the accident, always contact the police and file a report. Also, employees are expected to immediately notify their supervisor even if it is after hours or on the weekend. Employees involved in an accident, while operating a vehicle for Company business are required to submit to a drug and alcohol test.

If an employee becomes uninsurable and driving is an essential job duty, the employee could be subject to disciplinary action, up to and including termination. All violations, whether they are on or off the job and regardless of fault, will be considered in an insurability review.

In addition, employees are expected to adhere to the Use of Electronic Resources guidelines, contained herein, while driving.

Out-of-Town Travel

Travel may require overnight trips to another city. Such trips may involve airfare, rental cars, and hotel stays, all of which will be reimbursed by Deer Oaks.

The following are reimbursable expense guidelines:

- Make airfare reservations well in advance for discount purposes.
- An overnight stay may include up to \$10 for breakfast, \$15 for lunch and \$25 for dinner per day, subject to verification of expenses by original receipts. Per meal reimbursement is made only if the employee is actually traveling or out of town during the time the meals would normally occur and the employee is expected to stay overnight. Employees traveling without staying overnight are typically not eligible for meal expense reimbursement.
- All original receipts for expenses including meals must be submitted within 30 days using the expense reimbursement procedures before payment will be made.
- Travel expenses more than one month old may not qualify for reimbursement.
- Deer Oaks will pay for all work-related parking (e.g., at the airport) and cab fares that are part of business-related travel.
- Deer Oaks will not reimburse for incidentals such as alcoholic beverages, in-room movies, spa, mini bar, toiletries, or other similar expenses.
- Lost receipts of more than \$25 will not be reimbursed unless supported by a credit card bill. The IRS requires original receipts for purchases greater than \$75.
- Decline insurance on rental cars.

Employees should contact their immediate supervisor for the types of travel and expenses that are eligible for reimbursement before traveling or incurring expenses.

Mileage Reimbursement

Travel is an expected part of many clinical positions at Deer Oaks. Employees are expected to be flexible and available for travel on an as needed basis. Deer Oaks provides services at off-site locations (nursing homes, assisted living facilities), which requires clinicians to travel within and between cities. Many clinicians travel daily as required by their position and job description as a routine part of their duties, therefore travel/mileage is not reimbursed.

All other employees who use their private vehicle for business will be eligible for mileage reimbursement for trips more than 30 miles one way. The reimbursement will be calculated at the current standard rate established by the company.

To obtain reimbursement, all mileage must be itemized per the expense reimbursement procedures, approved by the immediate supervisor, and submitted to Accounting within 30 days after the expenditure occurs. Expenses will be approved once a month and reimbursed on the first regular payroll cycle following the end of each month. Employees should contact their immediate supervisor for the types of business travel mileage that are eligible for reimbursement before traveling or incurring expenses.

Travel Pay Non-exempt Employees

The purpose of this policy is to outline pay rules that apply to non-exempt office administrative positions when traveling on Company business.

Employees in positions classified as non-exempt (overtime eligible) under the Fair Labor Standards Act may be eligible for compensation for the time spent traveling, to include overtime. The compensation an employee receives depends on the kind of travel and whether the travel time takes place within normal work hours, as defined herein.

- (1) **Commute Time:** Normal commuting time between home and work, home and nearby airport terminal or train station, or between hotel and worksite is not considered work time and, therefore, will not be paid.

Compensable

- Traveling to an alternate airport terminal or train stations that is further away due to availability would be considered, by Deer Oaks, as travel time. In this case, employees would be paid for the extra time spent traveling to the alternate destination (i.e., minus the commuting time to the nearby airport terminal or train station).
- Talking on a phone, running errands (e.g., picking up supplies) while traveling from home to work or vice versa is considered compensable if it is work related.

Non-compensable

- Traveling between home and work, home and nearby airport terminal or train station, or between hotel and worksite is not considered work time.

- (2) **Travel During Normal Work Day:** Time spent by an employee traveling as part of his or her regular job duties is work time and will be paid as such.

Compensable

- Travel during the work day as part of the employer's principal activity counts as hours worked. For example, travel from nursing home to assisted living facility or from the office to the post office during the workday will be paid.
- If travels between two or more time zones, the time zone associated with the point of departure will be used to determine whether the travel falls within normal work hours.

- (3) **Overnight Travel:** In general, whether travel time counts as hours worked when an employee travels overnight depends on whether the travel occurs within the employee's normal work schedule. Travel time that occurs within the employee's normal work schedule is compensable.

Compensable

- Any portion of authorized travel that occurs within an employee's normal work schedule counts as hours worked. Travel on non-work days (like weekends) also counts as hours worked if it occurs within the employee's normal work schedule.
- Driving a vehicle, regardless of whether the travel takes place within or outside normal work hours, counts as hours worked. In other words, the act of driving

is considered manual labor activity which must be counted as hours worked if it is for the benefit of the employer.

- If an employee is required to attend meals, social events, etc., that time is counted as hours worked.
- Time spent waiting at the airport counts as hours worked if it occurs within normal work hours.
- Any work while traveling, which an employee is required to perform, is counted as hours worked (e.g., answering e-mails, taking business related phone calls.)
- Travel as a passenger in an automobile is not automatically treated as work hours. If an employee is required to ride as an assistant or helper in an automobile, the travel time may count as hours worked.

Non-compensable

- Traveling between home and work, home and nearby airport terminal or train station, or between hotel and worksite is not considered work time.
- Regular meal periods do not count as hours worked.
- Riding as a passenger outside of normal work hours, via airplane, train, boat, bus or automobile does not count as hours worked. In other words, the act of riding as a passenger is not considered work.
- Time spent sleeping does not count as hours worked.
- Time spent waiting at the airport outside of normal work hours does not count as hours worked.
- Travel between home and work or between hotel and worksite is considered normal commuting time and does not count as hours worked.

Miscellaneous Issues

- When an employee travels between two or more time zones, the time zone associated with the point of departure should be used to determine whether the travel falls within normal work hours.
- If an employee drives a car as a matter of personal preference when an authorized flight or other travel mode is available and the travel by car would exceed that of the authorized mode, only the estimated travel time associated with the authorized mode will be counted as hours worked.
- If the employer provides hotel accommodations for overnight travel but the employee wishes to drive back home each evening, this time is not counted as hours worked.
- On days when an employee is out of town (but not traveling), the employee is compensated for hours worked such as attending a conference or a meeting. The employee is not compensated for time not working even if it occurs within the employee's regular work schedule (e.g., employee goes sightseeing instead of attending a session of the conference or the conference sessions are only from 9 - 4).

- (4) **Same Day Travel/Out-of-Town:** In general, time spent traveling out-of-town and returning in the same day, counts as hours worked without regard to whether the employee is driving or riding as a passenger and without regard to whether the travel occurs within the employee's normal work schedule. Travel counts as hours worked.

Compensable

- Time spent traveling to and from a one-day seminar, conference, meeting, etc. is counted as hours worked.

Non-Compensable

- Regular meal periods do not count as hours worked.

Calculating and Reporting Travel Time

- Employees are responsible for accurately tracking, calculating and reporting travel time on their timesheets in accordance with this policy.
- Meal periods should be deducted from all travel time.
- If an employee requests a specific travel itinerary or mode that is different from the one authorized, only the estimated travel time associated with the authorized schedule, route and mode of transportation should be reported on the timesheet.
- Travel time should be calculated by rounding up to the nearest quarter hour.

CREDIT CARD POLICY

Deer Oaks issues credit cards to eligible employees for job-related expenses only.

Eligible employees are ones who travel frequently as part of their duties, purchase large volumes of goods for use by the Company or incur frequent business expenses that are paid by credit card. Expenses shall be for approved budget items only.

Agreement

Eligible employees issued a Company credit card will be required to sign an agreement acknowledging that he/she has read and understands the policies and procedures governing the use of a Company credit card, fuel card, or charge account.

The agreement will also service as an authorization for the Company to recover any charges incurred for personal reasons through payroll deductions or other means determined by management.

The agreement will be administered by the Finance Department.

Employees are also responsible for all charges and receipt submittal, and must notify management immediately in the event of a lost or stolen card.

Scope of Use

The use of a company credit card is limited to the following guidelines:

- No personal or private expenditures, cash advances, bank checks, or electronic cash transfers shall be charged to any company account.
- No purchases of extraordinary supplies, equipment, tools or accessories are to be purchased without prior management approval.
- No meal charges are allowed on single day projects or when projects are completed by traveling in and out of home office location unless prior approval from management.
- Purchases of materials and services used for and in conjunction with specific assigned jobs exceeding \$250.00 per project/job must have prior management approval.

- Pre-approved travel expenses when out-of-town overnight for job specific related travel to include hotel accommodations and meals. Specific travel expense limitation will be provided with pre-approval.
- In the event of emergency or extraordinary situations where pre-approval is not possible, purchases may be made. However, the cardholder (purchaser) must notify the Finance Department as soon as possible.
- Under no circumstance are entertainment expenses, including but not limited to gentlemen's clubs, men's clubs, strip clubs, food delivery services and/or alcoholic beverages an authorized purchase.

Expense Reporting

- Documentation and receipts for credit card purchases must be submitted in accordance with Finance Department and Amegy Bank prescribed processes each month in accordance with published deadlines.
- The card holder is expected to complete all required fields in the Amegy/VISA Portal, including explanation regarding the nature of the business conducted, parties involved, and office location to which the charges are assigned.

Employees who do not adhere to is policy risk revocation of their credit card privileges and/or disciplinary action, including termination of employment or prosecution. The Company reserves the sole right to enforce revocation, disciplinary or withdrawal of proceeds from payroll, where applicable by law, for any misuse or inappropriate use of a credit card.

Upon notice of termination of employment, employees are expected to return the Company issued credit card with a final reconciliation of all expenditures prior to departure.

FACILITIES

SOLICITATION & DISTRIBUTION OF LITERATURE & POLITICAL ADVOCACY

The Company has established rules applicable to employees and non-employees which govern solicitation, distribution of written material, political advocacy and access to Company property. Strict compliance with these rules is required.

- No employee may solicit or promote support for any cause or organization during his or her working time or during the working time of the employee or employees at whom such activity is directed.
- No employee may distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed.
- No employee may engage in political advocacy over which the Company has no control in a manner that is disruptive to Company operations.
- Under no circumstances will non-employees be permitted on Company property, except when on official Company business.
- Off-duty employees are not permitted in areas not open to the public.

As used in this policy, "working time" includes all time for which an employee is paid and/or is scheduled to be performing services for the Company; it does not include break periods, meal periods, or periods in which an employee is not performing and is not scheduled to be performing services or work for the Company.

USE OF EQUIPMENT

Equipment essential in accomplishing job duties is expensive and may be difficult to replace. When using Company property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Employees should notify the immediate supervisor if any equipment, machines, or tools appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The immediate supervisor can answer any questions about the employees' responsibility for maintenance and care of equipment used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in disciplinary action, including discharge.

OFF-DUTY USE OF FACILITY

Employees are prohibited from being on Company premises or making use of Company facilities during non-working hours without prior approval from the immediate supervisor. In addition, employees are prohibited from using Company property or Company equipment for personal use unless explicitly authorized by the immediate supervisor.

USE OF ELECTRONIC RESOURCES

This policy describes generally the guidelines with regard to the use of Company's electronic resources including electronic mail, voicemail, Internet access and computer systems.

Employees should use Company's electronic resources with the understanding that these resources are provided for the benefit of Company's business. Accordingly, employees should use these electronic resources to further Company's ability to conduct its business and in a manner that is consistent with performance of their duties and responsibilities. Employees should never use Company's electronic resources for personal use in a manner that interferes with work or any responsibilities to members. Additionally, all employees are responsible for ensuring that they use Company's electronic resources in an effective, ethical and lawful manner.

Sending, saving, accessing, or viewing offensive material is prohibited. Messages stored and/or transmitted by Company's electronic resources, including the computer, voicemail, e-mail, or the telephone system, must not contain content that may reasonably be considered offensive to any employee. Offensive material includes, but is not limited to, sexual comments, jokes or images, racial slurs, gender-specific comments, or any comments, jokes or images that would offend someone on the basis of his or her race, color, sex, age, national origin, disability, or any other category protected by federal, state or local law. Likewise, any use of the Internet, e-mail, or any other electronic resource to harass or discriminate is unlawful and strictly prohibited by Company. Violations of this policy may be subject to discipline, up to and including termination.

Unless otherwise noted, all software on the Internet should be considered copyrighted work. Therefore, employees are prohibited from downloading software and/or modifying any such files without permission from the copyright holder.

No Solicitation

The Company's electronic resources shall not be used for personal gain or advancement of individual views. Utilization of e-mail for purposes of non-business solicitation, such as chain letters, or any use of the Internet for personal gain and/or the promotion of events or causes is likewise prohibited.

Software Code of Ethics

Employees may not duplicate any licenses, software or related documentation for use either on Company's premises or elsewhere unless the Company is expressly authorized to do so by agreement with the licensor. Unauthorized duplication of software may subject users and/or the Company to both civil and criminal penalties under the United States Copyright Act. Employees may not give software to any outsiders including contractors, customers, or others. Employees may use software on local area networks or on multiple machines only in accordance with applicable license agreements. Employees may not download software from the Internet and install it on their PCs.

The Company reserves the right to audit any PC or laptop to determine what software is installed on the local drive(s).

Installation of Software on the Network

The computer network is easily subject to failure if software is improperly installed or if viruses are introduced into the system. In order to protect the integrity of the network, users may not install any software on a PC or laptop, including games, screen savers, or shareware. This policy also applies to any software downloaded from the Internet, unless approved by management.

Installation of Company-Owned Software on Home PCs

The Company may provide certain applications to employees for business related use on home PCs. These applications are licensed by the Company and can be used by the employee according to specific dual use licensing terms provided by each software manufacturer. These limitations and restrictions will be provided to the employee prior to the delivery of the software and the employee must agree to comply with the terms of these agreements while using these applications. If the employee is terminated, all Company provided software must be removed from the employee's computer and all media returned to the Company.

Employee Responsibility

Each employee is responsible for the content of all text, audio or images that they place or send using Company's electronic resources. The same standards should be utilized for the creation of e-mail messages as would be utilized for other Company correspondence or memoranda. All messages communicated should identify the employee as the sender. Messages should not be transmitted under an assumed name. Employees or other users may not attempt to obscure the origin of any message. Employees who wish to express personal opinions on the Internet should use personal e-mail accounts and addresses from external (non-Company) systems.

Computer and Systems Security

All computers and the data stored on them are and remain at all times the property of the Company. As such, all messages created, sent or retrieved over the Internet or the Company's electronic mail systems are the property of the Company, and should be

considered Company information. The Company reserves the right to retrieve and read any message composed, sent or received using Company's electronic resources, including all computer equipment and the electronic mail system.

Employees should be aware that, even when a message is deleted or erased, it is still possible to recreate the message; therefore, ultimate privacy of a message cannot be ensured to anyone. Accordingly, Internet and electronic mail messages are not private. Furthermore, all communications including text and images can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.

E-mail Usage

The electronic mail system (including Internet and Intranet communication, collectively "E-mail") has been installed and maintained by the Company to facilitate business communications. All email messages created, sent, or received via the email system and all passwords thereto are the property of the Company exclusively. All electronic messages are company records. The contents of these electronic messages may be accessed, examined, monitored or disclosed by the Company without any notification to or permission from the employee. There is no expectation of privacy within the email system or other area of the electronic communications system of the Company even in the event such message is labeled "confidential" or is password protected.

The email system may not be used for any inappropriate or unlawful purpose. The email system may not be used to create or forward any offensive or disruptive messages. The email system shall not be used to send or receive any copyrighted materials, trade secrets, or similar materials without the appropriate prior authorization. In addition, such protected electronic files shall not be copied without the appropriate permission.

Email messages are a convenient and temporary method of communication. All email should be printed and replaced in its respective file. Like any business record, email messages are discoverable pieces of information. Pursuant to a court proceeding, the Company and its employees may be requested to produce email correspondence pertaining to a given business matter. If so, all printed emails should be placed in its respective file. Failure to produce such records would result in a violation on the part of the Company and on the part of the employee.

All Company e-mail must include an AutoSignature to visibly identify the account user.

Privacy and Monitoring

Activities on Company computer systems and devices, including personal use and electronic communication, are subject to monitoring and access by the Company with or without notice to ensure that the resources are functioning properly and to protect against unauthorized use.

All users are cautioned that, in general computers, networks, and information systems are not "private." With respect to the use of Company computers, email, internet access, and mobile devices users shall have no expectation of privacy.

E-mail Content Screening

The Company maintains the right to screen all inbound and outbound e-mail content. E-mail messages or attachments that contain offensive material may be quarantined and held from transmission or receipt until the sender or recipient can verify the message or attached document is work related.

Virus Protection

To prevent computer viruses from being transmitted through the system, employees are not authorized to download any software from the Internet onto their computer or any drive in that computer.

The Company maintains virus protection software on all network servers and filters all inbound and outbound email for virus attachments. Email containing a virus will be quarantined and both the sender and recipient will be informed. If the virus can be removed, the message will be forwarded to the recipient.

Theft of Electronic Resources

The loss or confirmed theft of laptops and other electronic resources, including personal telephones on which employees have been receiving Company emails, and any other device that could possibly contain sensitive client data (for example, any form of portable electronic media storage) must be reported to the President or designee immediately.

Use of Telephones

While at work, employees are expected to perform their job duties and responsibilities. Personal calls should be infrequent and of short duration and employees may return calls during a break away from their desk or during lunch hours. All calls must be made out of hearing range of patients, since employees are expected to give patients their full attention at all times.

The Company monitors all usage of its telephones. In the event it is necessary to make a personal long-distance call, employees may be asked to reimburse the Company for the cost. Abuse of the long-distance telephone call policy may result in discipline, up to and including termination.

Use of Cell Phones

Deer Oaks discourages the use of personal cell phones for texting, calls, or social media while working. The use of cell phones during breaks is to be restricted to the break room only. Administrative staff should leave their personal cell phones at their desks or in their bags during work hours or when they are attending Company meetings or seeing patients or vendors and allow their calls to go to voice mail. In the unusual occasion of an emergency that requires an employee's immediate attention, employees may carry their cell phones as long as they are set to vibrate mode.

In addition, any employee utilizing a cell phone to discuss a patient's treatment or other patient information, or to speak with a patient directly, must be sure to act in accordance with the Protection of Confidential or Proprietary Information policy here in at all times.

Distractions are to be avoided while driving. While the Company supports the use of cellular telephones for business purposes, the Company prohibits employees from using hand-held cellular phones to conduct business while driving. If employees need to make or take a business call while on the road, they should pull off the road and stop in a safe location, if practicable, prior to using the cell phone. In addition, The Company requires that all employees comply with all state and local laws regarding the use of cell phones while operating a motor vehicle.

Employees are asked to use discretion when discussing any business matter in public areas.

Cell phone cameras (or other cameras) may not be used to photograph documents, plans, or other confidential information belonging to the Company. Cameras may not be used to take pictures of fellow employees or other persons without their permission.

Theft of Cell Phones used for Company Hosted Email

The loss or confirmed theft of employees' personal cell phones that are used for accessing Company hosted email must be reported to the President or designee. In the event that a phone is lost or stolen, employees must make every attempt to wipe their phone's memory.

SAFETY AND SECURITY

SMOKE-FREE WORKPLACE

The Company provides a work environment that is smoke-free. Smoking is strictly prohibited in the administrative offices or any facility with which Deer Oaks is contracted.

Smoking is only permitted outside of the offices or contracted facilities, away from doors and in designated areas. Employees are asked to be considerate of fellow employees and clients and are encouraged to wash their hands, and freshen breath following a smoking break. Smoking breaks should not be excessive and should be included as part of the employee's personal break.

Patients and visitors are also expected to follow this policy, and any employee who is hosting a visitor will inform the individual as necessary.

WORKPLACE SAFETY

The Company is committed to providing a safe workplace for employees. Employees are the Company's eyes and ears to spot unsafe work conditions. Therefore, employees have a responsibility to help maintain a safe workplace. Please utilize safe work practices and follow the safety instructions on all equipment. In addition, employees are encouraged to read the safety rules posted on conspicuous bulletin boards in the workplace.

Report hazards to patients and employees immediately. Any and all accidents should be reported immediately to the immediate supervisor or the Employee Relations Department.

If an on-the-job accident or injury occurs, it must be reported at once to the Employee Relations Department. Report all accidents, no matter how slight, even if no immediate medical treatment is necessary. Upon notification of an injury, the Employee Relations Department will obtain and complete the required first report of injury forms. Federal law requires that accident records be made promptly.

OSHA

The Company will comply with all OSHA regulations and requirements. All employees will be trained in applicable OSHA regulations and procedures upon hire and annually thereafter.

Universal Precautions Policy

The Company considers all patient's blood and body fluids potentially infectious and barriers will be used to prevent exposure. The Universal Precautions listed below are to be used for all patients.

- Gloves must be worn whenever exposure to the following is planned or anticipated or when employees come in contact with an item contaminated with such: blood, urine, feces, saliva, mucous membranes, wound drainage, drainage tubes, non-intact skin, when performing vein-punctures or invasive procedures or when fluids such as amniotic, cerebrospinal, pericardial, peritoneal, and synovial are present.
- Masks must be worn during procedures that are likely to generate droplets of blood or body fluids to prevent exposure of mucous membranes to the employee's mouth and/or nose.
- Gowns, Lab Coats, Scrubs, & Jackets must be worn when there is potential for soiling clothing with blood/body fluids.
- Eyewear protection must be worn over the eyes during procedures that are likely to generate droplets of blood/body fluids. Regular eyeglasses may be effective.

General Safety Rules

The following rules will serve as examples of safety considerations; they are not all inclusive but should increase awareness of unsafe actions and conditions.

1. Report all accidents and near-miss accidents. All accidents resulting in injury or property damage or near miss accidents must be reported to the immediate supervisor.
2. No horseplay or running. Engaging in horseplay, such as scuffling, tussling, pushing, running, poking, throwing of objects or similar conduct is prohibited.
3. Operating equipment. Employees should not operate any equipment unless they have been authorized and trained to operate it.
4. Housekeeping. All employees are expected to keep their work areas clean and organized. Common areas such as work rooms, break room, and restrooms should be kept clean by those using them. Please clean up after meals and dispose of trash properly. Employee should report any areas that need improvement to the immediate supervisor or the Employee Relations Department.
5. Safety equipment must be worn. Employees are expected to wear the required safety equipment and clothing on designated jobs.
6. Safe conduct. Engaging in such other practices as may be inconsistent with the ordinary, reasonable, and common-sense rules of conduct which endanger personnel is prohibited. DO NOT CONDONE UNSAFE ACTS.
7. Fighting. Fighting may be grounds for automatic termination of both employees.
8. Lifting. While lifting materials or objects, employees should bend the knees, keep the back as nearly straight as possible, then grasp the object firmly, rise by straightening the legs, and keep the object as close as possible to the body. Employees should get help when lifting objects that are too heavy or bulky.

WORK-RELATED INJURIES

As indicated in the Workers' Compensation policy herein, the Company provides employees with Workers' Compensation benefits for protection in the event of injury on the job.

Employees should report all work-related injury or illness to the immediate supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage.

Incident Reporting

When an employee is injured on the job, the immediate supervisor or designee will need to complete the required first report of injury forms furnished for this purpose. The immediate supervisor or designee is also responsible for collecting or completing the following reports/records depending on the workplace injury or illness:

- Employee Incident Report
- Supervisor's Report
- Physician's Report
- Witness Report
- Release of Medical Records.

Employee should contact the immediate supervisor for any questions pertaining to the above forms and/or reporting procedures.

SECURITY INSPECTIONS

The Company may need to conduct a lawful search or inspections as part of its investigation of suspicious occurrences on the Company property or at the discretion of the Company from time to time without prior announcement. These searches may include Company-owned or leased vehicles, employees' private vehicles (if parked on Company premises), desks, packages, briefcases, bags, lockers, parking areas or other items located on the grounds. Searches will be conducted in the presence of the President or any other designee as deemed appropriate by the President.

Entry onto Company premises constitutes consent of a search or inspection and, as a result, employees should have no general or specific expectation of privacy in the workplace. Therefore, employees should assume that what they do while on the Company premises, whether on duty or not, is not private (except where Company's Break Time for Nursing Mothers policy is in effect).

When appropriate, items discovered as a result of Company's searches or inspections may be taken into custody and may be turned over to the proper law enforcement authorities.

Refusal to consent to a lawful search or inspection requested by the President, designee, or anyone in an authoritative capacity will be considered insubordination and may be grounds for immediate termination.

COMPANY PROPERTY

Office Keys and Access Badges

When given office keys and/or access badge, an employee is required to use them responsibly and keep them safe. Do not give them to another employee. Poor key/access badge control creates the risk of theft, vandalism, and unauthorized access. Employees are required to turn in all issued keys and/or access badge at the end of

employment or as requested. Only the President or designee can authorize who gets office keys and an access badge. Employees should notify the immediate supervisor immediately when they have lost an office key or access badge.

Property Replacement

The cost of replacing or repairing any the Company supplies, materials, equipment, keys, badges, or other property that may be damaged (other than from normal wear and tear), lost, or removed from the Company during employment, is the responsibility of the employee. Where permitted by applicable laws, the Company may withhold the replacement or repair costs from the employee's paycheck.

EMPLOYEE PARKING

The availability of premium parking spaces is limited at Company contracted facilities. As such, the spaces closest to the entrances of the facilities are reserved for patients. Employees are asked to park in the designated areas furthest from the entrances to the building.

VISITORS, FRIENDS, AND CHILDREN

Deer Oaks values family and work/life balance. The employment policies and benefits are indicative of this value. To ensure the safety and security of our employees and the Company property, the following visitor guidelines have been established, which applies to all employees and their families, friends, and visitors who access the Company property.

Guidelines

- Employees should use good judgment in determining when it is appropriate or inappropriate to have friends and family members visit the work site.
- When an employee determines that it is necessary to have a friend or family member visit the work site, he/she should request from the immediate supervisor approval prior to the visit.
- Guest/visitors, including vendors, must enter only through the front door and check in with the reception personnel and wait for the employee in the reception area.
- Guest/visitors are not allowed to remain on Company property without the authorization of management.
- Employees are responsible for escorting their visitors and for their conduct and safety.
- Although the Company promotes a family-friendly work environment, the presence and care for children on Company property creates significant liability and safety risks. Therefore, extra care and attention should be given to ensure access to the work areas is limited.

TERMINATION OF EMPLOYMENT

While it is the hope of the Company that employees' tenure is both long-term and rewarding, the Company also recognizes certain circumstances may result in employees leaving the Company.

RESIGNATION

Should an employee tender his/her resignation or retirement, the Company requests at least a two (2) week written notice for non-clinician staff, and forty-five (45) days for clinicians. If this notice is given, the employee will be considered to have resigned on good terms. This is requested in order to assist other employees during the transition period and to allow time to properly complete any required departure forms with the President or designee.

Note regarding clinician notice: Failure to provide advanced written notice of forty-five (45) days may be considered patient abandonment and an ethical violation of the Employment Agreement; and may result in a complaint being made to the appropriate licensure board.

Once an employee has given a two (2) week written notice or forty-five (45) day written notice as outlined above, whether verbally or in writing, the employee is no longer eligible to accrue or take PTO or any other type of paid leave. Additionally, the President or designee may schedule an exit interview.

Failure to provide sufficient advanced notice per the time periods outlined above will also result in the forfeiture of any remaining accrued/unused PTO balance to be paid out upon separation from the company.

The Company has the right to have the employee leave immediately after receiving the notice of resignation from the employee. If this is done, the employee will still be considered to have resigned on good terms and final wages will be distributed within the next payroll cycle.

DISCHARGE

Should an employee be terminated, whether for cause or not, the employee will not be considered to have left the Company on good terms. Final wages and any earned will be distributed no later than the sixth day after discharge.

REDUCTIONS IN FORCE

While the Company hopes to continue growing and providing employment opportunities, changes in business conditions, consumer demand and other factors can create a need to restructure or reduce the number of people employed.

If it becomes necessary to restructure operations or reduce the number of employees, the Company will attempt to provide advance notice, if possible, so as to minimize the impact on those affected. The Company will attempt to inform employees subject to layoff of the nature of the layoff and the foreseeable duration of the layoff, whether short-term or indefinite, if possible.

In determining which employees will be subject to layoff, the Company may take into account, among other things, operational requirements, the skill, productivity, ability and past performance of those involved. Ultimately, however, the Company has the sole discretion to determine which employees will be selected for layoff.

Nothing in this policy creates, or is intended to create a contract between the Company and the employees.

RETURN OF PROPERTY

Employees are required to return all Company property that is in their possession or control in the event of termination of employment, resignation, retirement, layoff, or immediately upon request. Where permitted by applicable laws, the Company may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. No information belonging to the Company can be copied for the employee's use. The Company may also take all action deemed appropriate to recover or protect Company property.

REFERENCES

All requests for references must be directed to the Employee Relations Department. No other employee is authorized to release references for current or former employees. The Company's policy as to references for former employees is to disclose only the dates of employment and the title of the last position held. If the former employee authorizes disclosure in writing, the Company will also provide a prospective employer with information on the amount of the salary or wage last earned.

ACKNOWLEDGMENT

Please read and retain the Employee Handbook. Employees are required to initial each paragraph, sign in the space provided and return this document to the President or designee within five (5) days of receipt of the Employee Handbook.

_____ I received a copy of the Company Employee Handbook. I understand that this Employee Handbook supersedes all previously dated handbooks and/or materials. I understand that it is my responsibility to review and understand all the rules and information contained therein, including the benefits and privileges to which I may be entitled based on continued employment. I acknowledge and agree that the terms and conditions of my employment with the Company are governed, in large part (but not exclusively), by the policies and procedures provided in the Handbook and I agree to abide by these policies and procedures.

_____ I understand that the Company may, from time to time, change, modify, alter, add, or substitute new procedures, policies, rules, or regulations concerning working conditions. In turn, reasonable notification will be provided by the Company of such changes and the incumbent rights, obligations, and privileges as a result of such alterations.

_____ I understand that if for any reason any provision of the Employee Handbook is determined to be invalid or unenforceable, the remaining provisions nevertheless shall be construed, performed, and, enforced as if the invalidated or unenforceable provision had not been included in the text of the Employee Handbook.

_____ It is expressly understood and agreed by me, my heirs, and assigns that nothing contained in this handbook or any subsequent changes or modifications thereto shall act as a contract or guarantee of employment.

_____ I understand that I am employed at-will and either the Company or I may terminate the employment relationship at any time. I also understand that there is no exception to this relationship unless there is a clearly written document agreeing otherwise that is signed by the President or designee of the Company and me.

_____ I SPECIFICALLY CONFIRM that I have been made aware of Company's Workplace Anti-Harassment Policy and Equal Employment Opportunity Policy. I understand that I am to immediately report all instances of harassment to the President or designee in the manner described in the policy.

_____ I SPECIFICALLY CONFIRM that I have been made aware of the Company's Drug-Free Workplace Policy. I understand that if I refuse to submit to a drug or alcohol test, I will be terminated.

_____ I SPECIFICALLY CONFIRM that I have received, read, understand, and agree to the Company's Protection of Confidential or Proprietary Information Policy. I understand that I will have access to confidential information and any violation of confidentiality could result in disciplinary action, up to and including termination and/or legal action.

_____ My signature below acknowledges that the Company may withhold any sums due me in the form of wages or commissions for any and/all amounts owed by me to the Company, or for my failure to return Company property.

Printed Name _____

Signature _____

Date _____