

Employee Handbook

Effective January 1, 2010



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Revised January 1, 2010

Welcome Letter from Our President:

Presbyterian Homes and Services (PHS) is a ministry, a mission, and a biblical call to make a difference in people's lives. This ministry offers you opportunities to express your love to older adults through acts of service and to receive that deepest satisfaction of having helped someone.

In that spirit, our residents, clients and co-workers extend a warm welcome to you as a member of the Presbyterian Homes' family. You will discover that special "spirit" which comes from the Christian foundation upon which PHS is built. As part of our team, you will share in this spirit of Christian character, faith, and service.

You are now part of a team that has accepted the challenge of serving and caring for older adults. As a team member, you will have a unique privilege and opportunity to meet their physical, social, mental, emotional, and spiritual needs. In meeting those needs, you will "Create Smiles in the Eyes of Residents" and significantly impact the lives of those we serve.

Daniel A. Lindh, President & CEO

PURPOSE OF THIS EMPLOYEE HANDBOOK

This handbook contains employment policies which reflect the concern and interest we have in you as an employee. It provides information concerning your employment with Presbyterian Homes & Services (PHS) and relationships with partnerships, co-workers and residents. It explains your benefits and obligations as an employee. You are expected to be familiar with its contents and all updates and revisions to it. Exceptions to these policies are made only with the approval of your Site Leader or a Corporate Staff Director. Notice of changes to the contents of this handbook may be communicated to employees in various ways, such as attachments to paychecks and/or other written notices. However, because the changes are effective as soon as they are posted, it is your responsibility to review the contents of this handbook on the intranet (www.presstaff.org) periodically and to contact your supervisor or Human Resources if you have questions about its contents or how it applies to your situation. A printed copy of this handbook will be provided for your reference upon request to Human Resources. However, the information on the PHS intranet will prevail in the event of a conflict between the printed copy and the intranet posting. Interpretation and application of these policies by PHS is binding.

PHS and you have an employment relationship known as "employment-at-will." This means that you have the right to terminate your employment with Presbyterian Homes whenever you choose, with or without notice. PHS has the same right.

This handbook does not modify or limit the at-will employment relationship. It is not meant to create and does not create a contract between PHS and you. No oral or written statements that have been made to you are an employment contract unless provided in writing and is signed by management of PHS. PHS reserves the right to amend, change, or discontinue any of the policies, practices and benefits described in this handbook without notice and for any reason it deems necessary. All previously distributed employee handbooks are revoked, and the provisions of this handbook supersede their provisions. Accepting or continuing employment with PHS after you have been shown how to access this handbook is considered to be your acceptance of its contents as the sole source of information regarding your employment, other than applicable employment and benefit documents and other documents and policies which are referred to in this handbook and are created after its issuance.

PHS intends to comply with all applicable federal, state, and local laws. To the extent that there is a conflict between the contents of this handbook and any applicable law, the handbook will be interpreted so that it complies with the law.

Section 1: Our Mission & Guiding Values

Statement of Presbyterian Homes & Services

Presbyterian Homes & Services (PHS) was started in close collaboration with the Synod of Lakes and Prairies of the Presbyterian Church (U.S.A.) (Synod), and reflects in its operational ministries the spirit of Jesus Christ, which is understood by both residents and their families through the actions of its employees. Today, a covenant relationship exists between PHS and the Synod. Consistent with that covenant agreement and our biblical heritage, PHS develops and maintains personnel relationships that are open, realistic, compassionate and stress high standards for both professional and moral conduct, which we emphasize as foundational to our mission and ministry.

Our Motto

"Creating Smiles In the Eyes of Residents"

Our Mission Statement

The mission of Presbyterian Homes & Services is to enrich the lives of older adults through services and communities that reflect the love of God.

Our Vision

To provide more choices and opportunities for more older adults to live well.

Our Values

Compassion

Demonstrating an awareness of each person's needs, and doing what it takes to meet those needs.

Service

Performing our duties and responsibilities with extraordinary diligence. Doing our best.

People

Treating others as we would like to be treated. Valuing each person in our interactions and relationships.

Stewardship

Optimizing, with careful responsibility, the resources and finances of the ministry entrusted to us.

Christian Ministry

Seeking inspirational wisdom. Acting as agents of God's purposes in all we do.

Growth & Innovation

Exploring and creating new approaches to improving the quality of life for older adults.

Our Commitment to Service

To greet each person with warmth and sincerity.

To anticipate needs and give prompt, personalized service.

To demonstrate the love of God in all we do.

Our Logo & Brand Promise

In 2005, Presbyterian Homes & Services celebrated 50 years of serving older adults through housing and services. Even as we were filled with gratitude, reflecting on how God has blessed us over the past years, we were challenged to consider what the future might hold.

To represent our commitment to those we now serve, as well as generations to come, in 2006 we unveiled a new logo and brand promise for Presbyterian Homes & Services.

The logo represents our:

- desire to have God at the center of all we do
- desire to have God unify our efforts to help each individual live well
- interest in providing choices that come in different "shapes and sizes" and are unique for each individual innovative spirit



At the same time the logo was designed, a brand promise was created to work along with it. This is another means to consistently communicate our mission and purpose to our customers.

Our brand promise - "Freedom to live well" - helps identify what people can expect from us, such as:

- personal choices in housing, service, and care
- opportunities to maintain vitality
- quality living spaces, dining, social and spiritual programming
- emphasis on wellness in physical, social, mental, emotional and spiritual health
- communities where individuality is respected and celebrated
- access to a wide variety of resources and personalized services

As an employee, you are encouraged to uphold the brand promise by:

- following our practices, promises, and commitments to service
- being familiar with its meaning, as stated above, so that you can tell those who ask you the meaning of "freedom to live well"
- helping identify new or better ways we can provide our residents the "freedom to live well"

PHS: Our Story

The original purpose of Presbyterian Homes—to meet the needs of retiring pastors and missionaries after a lifetime of service—was inspired by a call to serve others out of gratitude for God's goodness. That purpose was embodied in 1955 in the organization's first community in Arden Hills, Minnesota. More than fifty years later, Presbyterian Homes & Services has established over thirty communities for older adults of all backgrounds throughout Minnesota, Iowa, and Wisconsin and we plan to add at least one new community every year.

Innovation and leadership have been Presbyterian Homes' watchwords through its years of growth. PHS has created a continuum of care with numerous components, which allows residents to move from independent living to assisted living to short- or long-term care as necessary. At the foundation of this continuum is the compassionate, life-affirming hard work of employees, board, donors, and volunteer partners.

True to its founding vision and modern-day mission, PHS has cultivated unique partnerships, implemented innovative programs, and created significant projects. PHS established Senior Housing Partners and Senior Lifestyle Design to provide development, marketing and interior design expertise for PHS and for other organizations. International Nurse Recruitment was founded to assist nurses from the Philippines to come to the United States for employment as a means of addressing this significant need. PHS has partnered with churches, hospitals, colleges, and other senior housing providers to meet the need for senior living options and care.

Creative Independence was created with a repositioning of our home and community services. Today it includes the Medicare certified homecare services, Meals on Wheels, and congregate dining services.

Progress, compassion and faith have been the guiding principles for Presbyterian Homes. Inspired by God's love and word, it has stayed the course in answering its biblical call to serve older adults.

Section 2: Your First Days at PHS

As a new employee of PHS, you may expect your first two weeks to include completion of new hire forms, New Employee Orientation, and department specific orientation.

New Hire Documents

On or before your first day of work, you should expect to complete and sign an Employment Agreement, and supply information for a W4 , and an I-9.

The Employment Agreement will be used to document your personal information and to create a name badge for you. This form outlines the employment agreement that you have with PHS. The employment agreement includes your rate of pay and the number of hours that you agree to be scheduled and work.

W4 information is required by state and federal law and is used to indicate your tax status and number of tax exemptions.

I-9 information is required by federal law to provide proof of your identity and eligibility to work in the United States.

New Employee Orientation

On your first day of work you should expect to be welcomed, introduced to co-workers and given a tour of your work area. Throughout your first day and as necessary over the next several days, you will be shown daily routines, procedures and regulations regarding emergency preparedness as well as department specific information which will include hours of work, attendance and requesting time away from work. As part of orientation you will be given the opportunity to participate in completing education requirements through computerized learning modules, as appropriate.

Section 3: Our Employment Policies

EQUAL EMPLOYMENT OPPORTUNITY POLICY

Presbyterian Homes has a policy of providing Equal Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity/Affirmative Action laws, directives, and regulations of Federal, State and Local governing bodies or agencies.

Presbyterian Homes will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, gender, disability, age, sexual orientation, genetic information, marital status, membership in United States military forces, pregnancy, status with regard to public assistance, or any other characteristic protected under federal, state or local law.

Presbyterian Homes' employment practices are free of discrimination. These employment practices include, but are not limited to: hiring, promotion, demotion, transfer, recruitment or recruitment advertising, selection, layoff, corrective action, termination, rates of pay or other forms of compensation, and selection for training including internship.

Presbyterian Homes has appointed the Corporate Human Resources Manager to manage the Equal Employment Opportunity Program. The Corporate Human Resources Manager's responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of this Affirmative Action Program, as required by Federal, State and Local agencies. The Chief Executive Officer of Presbyterian Homes will receive and review reports on the progress of the program. If any employee or applicant for employment believes they have been discriminated against, please contact the Corporate Human Resources Manager.

IMMIGRATION LAW COMPLIANCE

Presbyterian Homes is committed to employing only United States citizens, permanent residents, and others who are authorized to work in the United States.

In compliance with the Immigration Reform Control Act of 1986, each new employee, as a condition of employment, must complete the Employee Eligibility Verification Form I-9 and present documentation establishing the ability to legally work in the United States as required by law.

CRIMINAL BACKGROUND CHECKS

To comply with applicable Federal and State laws, and to support our commitment to providing safe housing, medical care, and related services for residents and clients, criminal background checks are required for all employees before beginning employment with PHS. While Presbyterian Homes is an equal opportunity employer, and respects the needs of individuals convicted of crimes, it is Presbyterian Homes' policy not to employ anyone who poses an unacceptable risk to its residents, employees and other members of its community, or to its property.

Occasionally, additional background checks may be required in order to maintain compliance with state and federal regulations. Regulatory agencies may also monitor your background related to criminal activity while you are actively employed with PHS. Information on your criminal history will be kept separate from other employment information and maintained confidentially by Human Resources in accordance with its treatment of private information.

A complete copy of PHS' policy regarding Criminal Background Checks is available from Site Human Resources.

HEALTH ASSESSMENT

To help ensure you are able to perform your job duties safely and to protect the welfare of our residents and other employees, health assessments are required before beginning employment and may include mantoux tests/tuberculin assessments/chest x-rays, fitness-for-duty exams, drug screening, and other medical procedures directly related to the job for which you are being hired.

After a conditional offer of employment has been made to an applicant entering a designated job category, or to a current employee wishing to transfer to a new position in a designated job category, a Fitness-for-Duty assessment may be performed at PHS' expense by a health professional of PHS' choice. The health assessment measures only essential job-related abilities and is required of all applicants for the same job. The offer of employment and assignment of duties is contingent upon satisfactory completion of the assessment.

To help ensure you are able to perform your job duties safely, you may be required to provide a Fitness-for-Duty certification before returning to work following a work-related or non-work-related injury or illness. Failure to provide the required information when requested may delay your return to work and may result in corrective action.

Information on your medical condition or history will be kept separate from other employment information and maintained confidentially by your Employee Health Nurse in accordance with its treatment of private information.

EMPLOYMENT STATUS

Your employee classification is determined by the planned scheduled hours shown on your Employment Agreement which is signed by you and your immediate supervisor upon hire or change of status. Failure to work your scheduled hours may result in a change of status, eligibility for certain employee benefits or termination of employment.

- Full-Time employees are scheduled for and work an average of 30 hours or more per week (or an average of 60 hours per two-week pay period) in any combination of jobs for PHS.
- Part-Time employees are scheduled for and work an average of less than 30 hours per week (or an average of less than 60 hours per two-week pay period).
- On-Call employees work as supplemental employees with no scheduled hours, but are required to work a minimum 1 shift per month.
- Temporary employees work as supplemental employees with no scheduled hours, are not required to fulfill On-Call requirements, but required to work 1 shift within 12 months. For status purposes, interns are also considered Temporary employees.

HOURS OF WORK

Your immediate supervisor or designated person assigns your scheduled work hours. Hours of work and/or work schedule may vary by department to meet site operational needs. You are expected to be on the job ready to work at the time scheduled. Regular and punctual attendance to work is considered an essential job function. Except for breaks, you must remain on duty at your work site for your entire work period.

If you have received your supervisor's prior approval to be absent, you may be asked to secure an acceptable replacement. In some departments, employees of similar training may be allowed to exchange

scheduled work hours if the exchange does NOT result in overtime pay. You should check with your supervisor to see whether this procedure is followed in your department.

PHS reserves the right to modify and/or change employee scheduled hours due to, but not limited to the following: performance issues, employee & resident safety concerns or business needs, i.e. low census.

Shifts which are affected by switching between Standard and Daylight Savings Time are paid for actual hours worked.

EMPLOYEE VOLUNTEERS

Staff are also encouraged to volunteer their time with our residents. However, staff may not volunteer for the same or similar tasks for which they are hired. For example, a recreation therapy or activities staff member may not volunteer to go on an outing or to read to a resident, but a housekeeper may volunteer for these roles. Staff who wish to volunteer on a regular basis should

- become a registered volunteer,
- ensure there is a clear separation between their paid time and their volunteer time
- punch out of the timeclock system
- change their uniform if appropriate
- wear their volunteer name tag rather than their staff name tag
- make sure that the volunteer time is not occurring during their scheduled work time.

If you have any questions about issues regarding staff volunteers, contact your Human Resource Representative or Corporate Human Resource staff.

WORKING IN ANOTHER DEPARTMENT/LOCATION

You may work in more than one department or at more than one PHS location as long as your performance is not adversely affected. To be considered for employment in an additional department or location, you must have successfully completed your initial six month evaluation period in your current position and meet the position qualifications of the other department including any required health assessments. If you work in more than one department, or at more than one PHS location, it is your responsibility to inform your primary supervisor of the additional hours you are working and in which department or location. If hours worked in another department or at another location result in overtime when combined with hours worked in your primary department or location, then the hours must be approved in advance by your supervisors.

MEALS AND BREAKS

An employee dining room or employee break room is provided for your meals and breaks. You may bring your meal or utilize the facilities provided. Beverages and food are to be consumed in designated areas only. Your mealtime is scheduled by your supervisor to accommodate resident and site needs. Scheduled meal breaks will automatically be subtracted from your time record. If you are an hourly employee and work 6.5 or more hours on a given shift, you are required to take a non-paid half hour meal break. Non-paid half hour meal breaks for shifts less than 6.5 hours are at the discretion of the supervisor. When taking meal breaks off premises, you must obtain prior supervisory approval and badge out and in on the time clock (see [Leaving the Building/Premises](#)). If your meal break is interrupted because of a work-related emergency or issue, you should contact your supervisor to request that your meal break be paid.

You may have a paid 15-minute break for each four hours worked.

Example 1: If you are scheduled to work 8 hours with a non-paid half hour break (i.e. paid for 7.5 hours), you may have one paid 15-minute break during your shift.

Example 2: If you are scheduled to work 8.5 hours with a non-paid half hour break (i.e. paid for 8 hours),

you may have two paid 15-minute break during your shift.

Based on operational needs your supervisor may elect to combine your breaks on a given shift. Your breaks are to be taken in the employee dining room, employee break room or in designated areas approved by your supervisor. Taking breaks in non-designated areas requires prior supervisory approval and may require punching out and in at the discretion of supervisor. In some situations, your supervisor may suspend breaks to meet operational needs. If you are not able to take a 15-minute break during your shift, you will not receive any additional compensation for missed breaks. Breaks may not be added to your mealtime or subtracted from the end of your shift without supervisory approval.

INITIAL EVALUATION (PROBATIONARY) PERIOD

As a new employee, your performance may be periodically evaluated during the first six months of work to determine your ability to perform the job, to follow instructions, and to interact in a positive fashion with residents, employees, and others. The evaluation period may be extended at the discretion of PHS. The initial evaluation period also applies to an employee transferred or promoted to another job or PHS location.

The purpose of the initial evaluation period is to give you a reasonable opportunity to perform the job for which you have been employed and to give Presbyterian Homes an opportunity to determine whether your employment should be continued. After the initial evaluation period you may receive a written evaluation regarding your performance and whether your employment will be continued. Completion of the initial evaluation period is not a guarantee of continued employment, nor does it alter your at-will employment status at any time.

PERFORMANCE SUMMARIES/EVALUATIONS

It is PHS' policy to evaluate your performance periodically so that you are kept advised of your contributions and progress. You will be evaluated on the key result areas for your position, as well as: personal vision, personal leadership, personal management, interpersonal leadership, and communication. As a general rule, your review will take place annually on or about the anniversary of your hire date or the date of the most recent position change.

So that your performance on the job can be effectively reviewed, you should make sure you understand the work expected of you and the standards of performance that pertain to your job. If you have any questions or concerns about these matters, you should discuss them with your supervisor.

A completed performance appraisal is not a guarantee of continued employment, nor does it alter your at-will employment status at any time.

PROMOTIONS AND TRANSFERS

Presbyterian Homes & Services encourages the promotion of employees when appropriate. To the extent possible, job vacancies will be filled from within PHS through the internal job posting process. Full-Time and Part-Time openings for positions will be posted internally so qualified employees who have an interest in the position may apply. Some direct departmental promotions/transfers and selected positions may not be posted.

To be eligible for consideration for an open position, your performance must be in good standing and you must have worked at least six months in your current job. Corporate Human Resources may waive this requirement if deemed appropriate. Promotions will be based on a variety of factors, including but not limited to: qualifications, work performance record, attendance records, additional training requirements, demonstrated reliability and commitment to PHS' mission.

ATTENDANCE POLICY

Your presence on the job during your scheduled work time helps ensure the proper care for our residents and clients as well as maintaining a team oriented work environment. Regular attendance and punctuality is considered an essential function of your job.

You will be scheduled to work according to the needs of the site and residents. It is important that you plan ahead for any time that may result in missing scheduled work. However, it is understood that there may be times of unplanned absences or tardiness. This policy allows you to have a specified number of unplanned absences without any negative outcomes. Each department has an approved set of guidelines for how planned time away from scheduled work will be approved. It is your responsibility to be familiar with the departmental guidelines as well as this policy.

The following definitions will be used for recording your attendance:

Presence:

Your presence during your scheduled work time and location will be recorded through your time clock/time card entries.

Planned Absence:

Time away from scheduled work that has been pre-approved in writing by your supervisor is a planned absence. A planned absence includes pre-approved Paid Personal Leave (PPL), Personal Leaves of Absence, Family and Medical Leaves of Absence (FMLA), and other Leaves of Absence.

Unplanned Absence:

You will be considered absent any time you are away from your scheduled work time and/or work location that has not been pre-approved in writing by your supervisor (excluding work-related injuries).

Arriving Late or Leaving Early:

You are expected to be on the job ready to work at the time scheduled. Regular and punctual attendance at work is considered an essential job function.

- A half absence will be recorded if you report to work anywhere from 8 minutes late to half of your scheduled shift.
- A full absence will be recorded if you miss more than half of your scheduled shift.
- If you are sent home early for business reasons, no absence will be counted.

No Call No Show:

A No Call No Show will be recorded if you do not report to work and do not call to report your absence within 1 hour following your scheduled start time.

Spell of Illness or Injury:

When you have consecutive (more than one) days of absence for the same illness or injury for yourself or your dependent family member (child, spouse or parent as defined under [FMLA](#), see page 47) you will have one absence recorded. It will be considered the same illness/injury if you return to work for up to and including one full shift and become ill with the same illness/injury. It is expected that you will frequently update your supervisor during your absence so that appropriate provisions may be made for staffing coverage purposes. You may be required to consult with the Employee Health Nurse (EHN) and to provide a doctor's note for your safe return to work. A doctor's note may be required after you have missed three consecutive scheduled work shifts due to your own illness or injury. A doctor's note does not excuse an

unplanned absence. When a spell of illness or injury lasts for more than three scheduled work days, the necessity for a leave of absence may be assessed through coordination with your Employee Health Nurse, Human Resources, and your supervisor.

Extreme Circumstances:

From time to time, extreme circumstances may prevent you from arriving to work on time or cause you to leave work early. Absences due to extreme circumstances will not be recorded as an unplanned absence if approved by the Site Leader. Some examples of extreme circumstances may include: a major vehicle accident, major medical emergency, significant weather conditions, school emergency, major mechanical problems with your vehicle, significant damage to your living quarters or other unusual and significant circumstances. Your supervisor may request documentation of your extreme circumstance.

Attendance Recording:

Attendance will be tracked on a 12 month rolling period date to date, beginning with hire. Your supervisor maintains an individual attendance record for you. When you are scheduled to work in more than one department, each department will maintain your attendance record. If you transfer to a different PHS location or department, your attendance record will transfer with you.

1. An absence will be recorded for each instance of an unplanned absence.
2. An absence will not be recorded if you replace yourself on the department schedule in accordance with department procedures. If the agreement to replace a co-worker or "trade shifts" would result in overtime for either employee, advance approval of your supervisor is required. The approval may or may not be granted by your supervisor.
3. A request to leave early or come late is subject to your supervisor's approval. Communicate with your supervisor as early as possible to ensure quality care for residents/clients.
4. An absence will not be recorded for the date of a work-related injury, or any subsequent absences related to the same work-related injury, provided that doctor's restrictions cannot be met or the doctor has stated that you are incapable of working.
5. Attendance problems identified during your initial six month evaluation period for any position may be addressed outside of this policy.
6. First No Call No Show will result in a written warning. A Second No Call No Show within a 12-month rolling period will result in your termination.
7. Termination will also occur if you have reached the point of a third written warning related to absenteeism within 12 rolling months or have reached the point of a second suspension for absenteeism within 12 rolling months.
8. If your employment status changes, your absence record will be adjusted accordingly. You will remain at the same level of discipline.

Consequences:

The following guidelines will be used in addressing attendance:

Part-Time/ On-Call/Temporary Status	Full -Time Status	Then you will have the following corrective action.
3 recorded absences in a rolling 12-month period	5 recorded absences in a rolling 12-month period	A documented verbal warning will be given by your supervisor.
4 recorded absences in a rolling 12-month period	7 recorded absences in a rolling 12-month period	A documented written warning will be given by your supervisor.
5 recorded absences in a rolling 12-month period	8 recorded absences in a rolling 12-month period	A documented unpaid suspension will be given by your supervisor. The Site Leader or Human Resources will review all documentation prior to your suspension.
6 recorded absences in a rolling 12-month period	9 recorded absences in a rolling 12-month period	A documented termination will be given by your supervisor. The Site Leader or Human Resources will review all documentation prior to your termination.

* A suspension is defined as the next scheduled shift for attendance purposes.

NAME BADGE

A name badge is provided to you upon your employment and is a part of your work uniform. You are expected to wear your name badge while on duty to help residents, other employees, and visitors identify you. There may be a charge for replacing your name badge. Your name badge is also used to badge in and out, and failure to wear or use your name badge properly may result in corrective action.

EMPLOYMENT RECORDS

As an employee of PHS, you are required to complete and update certain employment records and related forms. All records must be completed fully and truthfully. Presbyterian Homes maintains a employment file for each employee. Your employment file may include such information as your job application, resume, records of training, documentation of performance, and other employment records.

If you wish to review your own file you should provide Site Human Resources with a written request. You may review your employment record every six months while you are employed by PHS and annually after separation from employment, for as long as PHS maintains the record. PHS will comply with your written request no later than seven working days after it is received, or fourteen working days if the site is located outside of Minnesota and you are employed at a PHS site located in Minnesota. PHS will make either the original records or an accurate copy available for your review during normal operating hours either at your job site or a nearby location. PHS may require that this review take place in the presence of a PHS representative. After you have had an opportunity to review your personnel record, you may make a written request for a copy, which PHS will provide to you at no charge. If you make a written request to review your employment file after your employment with PHS has ended, PHS will provide a copy at no charge. If you dispute information contained in the record, you and PHS may agree to remove or revise the information, or you may submit a written statement explaining your position concerning the disputed information. You will not be the subject of retaliation for taking the actions described in this section.

EMPLOYMENT VERIFICATIONS

No information regarding your employment other than verification of job titles and dates will be released in response to a request for a reference. In some circumstances, when written requests are submitted and you have signed an authorization, information related to your earnings and job performance may be released. All requests for information on current and former employees should be forwarded to Site Human Resources. PHS accepts no responsibility for personal references given by its employees.

OUTSIDE EMPLOYMENT

Any outside employment, consulting, and working as an independent contractor, Full-Time or Part-Time, in an activity that interferes with or adversely affects the performance of your duties and responsibilities for or in the interests of Presbyterian Homes & Services is prohibited. Working or providing services that might provide service or personal profit to yourself, or to any other person or firm is also prohibited if the work or services:

- provides or uses systems, programs, computer software or technology developed or owned by PHS;
- involves the use of PHS information, property or services; or,
- results from your position with PHS.

Any exceptions to this policy must be approved in writing, in advance of services being rendered, by the Site Leader or Corporate Director of Human Resources. Violations of this policy may result in corrective action, up to and including termination.

NEPOTISM

Presbyterian Homes & Services understands the potential value of current employee referrals of high-quality, high-integrity individuals for available employment. We believe that often our best source of great, new employees is our current employees.

PHS is also committed not to discriminate in employment actions, with respect to employees, or applicants, on the basis of marital or family status. Standards for hiring, promotion, performance evaluations, salary actions, working conditions or terminations will be handled with objectivity and without regard to factors such as close family relationships.

Therefore, if those referrals are family members, or related through marriage, as defined below—***we require that those relationships be disclosed via completion of a Nepotism Disclosure document*** and submitting said document, ***before hire***, to PHS Executive Director, Human Resources for specific approval.

If you are a relative of another employee working for PHS, you will not automatically be denied employment. However, you may not be hired by, or through the direct involvement of, a relative and will not be assigned to positions where a relative may influence your pay, promotion, or other aspects of employment practice. For purposes of this policy, ***relatives who must be disclosed, and may not be hired by, or report directly to an existing employee include: spouse, father, mother, child, brother, sister, grandparents, grandchildren, aunt, uncle, niece, nephew, the corresponding "step" and in-law relatives, and domestic partners.***

There may be other working relationships that would be considered a conflict of interest for PHS. Each situation will be reviewed by Corporate Human Resources on an individual basis.

COMMON AREAS

Lounges, courtyards, wellness centers, and all common areas belong to the residents and their invited guests. Your use of these areas should be with discretion. Sites may designate areas that are for resident

use only. If you are occupying a lounge, courtyard area, or wellness center during a break, or before or after work hours, and a resident or invited guest desires to use the area, you are expected to extend the courtesy of deferring to the resident. Abuse or misuse of furniture, grounds, and equipment will not be tolerated and may result in corrective action, up to and including termination.

SECURITY

It is important that the living and working environment at Presbyterian Homes be safe and secure for everyone. You should understand, therefore, that you have no right or expectation of privacy while working on behalf of PHS. PHS reserves the right to inspect any person, locker, vehicle, package, purse, handbag, briefcase, lunch box or other possessions carried to, on, and from its property, and to question all persons on its premises. PHS also reserves the right to inspect the contents of any equipment, file, mail, or other information contained on its data and voice network systems. There may be surveillance of the premises by electronic equipment. Inspections and surveillance may be done with or without prior notice. If you refuse, or do not cooperate with an inspection or questioning you may be subject to corrective action, up to and including termination.

TOBACCO USE

Using tobacco in any form while on-duty, while off-duty on PHS premises, or while conducting company business anywhere is prohibited (except where permitted by PHS policy) and is subject to corrective action, up to and including termination.

PHS remains committed to a healthy workplace and living environment, which includes smoke-free buildings and grounds. In addition to considering our employees and residents living with us in PHS communities, we also consider those living in the surrounding neighborhoods as important customers. Therefore, we have a no-smoking policy on PHS property and grounds, directing most employees to their cars to smoke to make certain we are considerate of our PHS neighbors. There may be appropriate site-specific guidelines regarding smoking that meet the intent of the policy, while also meeting the site-specific needs for our employees, residents and neighbors. Sites may direct employees who wish to smoke their cars, or a designated area authorized by the Site Leader that is outside the view of the public, and is not invasive to other employees or residents.

DRUG-FREE WORKPLACE

Possessing and/or using alcohol or illegal drugs in any form while on-duty, while off-duty on PHS premises, or while conducting company business anywhere, is prohibited and will result in immediate termination. Having an odor of alcohol about you while on duty may also result in corrective action, up to and including termination. There may be some circumstances in which authorized employees may purchase and serve alcohol for a PHS-sponsored resident event. Site Leader approval is required in these situations.

"Illegal drugs" means inhalants and controlled substances, and includes medications which contain a controlled substance, and are used for a purpose, in an amount, or by a person for which they were not prescribed or intended. The use or possession of properly prescribed drugs or medication is permitted provided that it does not interfere with your job performance or pose a direct threat to the health or safety of you and/or others.

If you are on an On-Call rotational schedule, you should not report to work under the influence of alcohol and/or drugs at the time you are called in. An absence will be recorded if you are called in during your On-Call rotational schedule and are unable to report to work due to being under the influence of alcohol and/or drugs.

DRUG AND ALCOHOL TESTING FOR DRIVERS

To protect the safety and well-being of residents, volunteers, employees, other individuals and property, PHS will perform drug and alcohol testing of employees and applicants for employment who are required to possess a commercial drivers license in order to operate a PHS vehicle in compliance with the U.S. Department of Transportation regulations regarding mandatory drug and alcohol testing.

The use of illegal drugs and/or alcohol in any manner which impairs the driver's ability to safely and efficiently perform his or her job is unacceptable and may result in corrective action, up to and including termination.

Categories of Testing include:

1. Pre-Employment Testing
2. Reasonable Suspicion Testing
3. Post Accident Testing
4. Random Testing
5. Return to Duty Testing

For more information and/or a copy of this policy, please contact your supervisor, Employee Health Nurse, or Site Human Resources.

SOLICITATION

To avoid work disruptions and possible discord between employees, the following restrictions apply to the solicitation of employees and the distribution of literature in connection with non-work-related causes, groups, or interests.

1. Solicitation is prohibited during the working time of either the employee doing the soliciting or the employee being solicited. "Working time" does not include the time before or after an employee's shift, meal periods, or other break times (whether paid or unpaid).
2. Solicitation is prohibited in immediate resident care areas at all times. Resident care areas are residents' rooms, places where residents receive treatment, such as x-ray and therapy rooms, and the halls and corridors adjacent to these areas.
3. Distribution of literature is prohibited in working areas and in immediate resident care areas at all times.
4. Non-employees cannot solicit or distribute literature on PHS property at any time.
5. This policy does not restrict solicitation related to PHS' business functions or limited employer-sponsored charitable solicitation. There will be no solicitation of gifts for any purpose unless specifically authorized by the Site Leader.
6. All supervisory personnel have the authority and responsibility to enforce this policy in their work area and throughout the facility.
7. If you violate this policy, you are subject to immediate discipline, up to and including termination.

USE OF EQUIPMENT/KEYS

When using PHS property, you are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards and guidelines.

The electronic communication systems in use by PHS are the sole property of PHS. This includes, but is not limited to, our computer network, computer equipment, E-mail, Internet, intranet and web site(s). The systems are intended to be used primarily for PHS related business in support of our mission and ministry.

All communication made through this system, and all material placed on it, must conform to the policies defined in the Information Technology Section of the Employee Handbook. Only authorized users are allowed to access the systems and any data on them; however, all employees who are given or have gained access to the systems are subject to the policies as defined in the Information Technology Section of the Employee Handbook.

You are to notify your supervisor if any equipment, machines or tools appear to be damaged, defective, lost or in need of repair. Prompt reporting of damages, effects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Your supervisor can answer any questions about your responsibility for maintenance and care of equipment used on the job.

Misuse of PHS property such as keys, garage door openers, access fobs, etc. is prohibited.

Violations of this policy are subject to corrective action, up to and including termination.

APPEARANCE AND UNIFORMS

Personal appearance is important in representing PHS to our residents, family members, visitors, other customers and co-workers. In our working environment, modesty is the norm. Clothing should be appropriate for your job. Your choice of dress and appearance needs to be respectful of the values and expectations of those we serve and with whom we work. See your supervisor regarding your department's policy.

Clothing

Tattered, torn or frayed jeans/slacks, shirts displaying drug/alcohol/tobacco advertising or offensive words or images are unacceptable.

Overalls, sweatshirts/pants, jogging suits, tank tops, or leggings are unacceptable.

Shorts may be worn with Site Leader approval, but no more than 4" above the knee.

Any clothing with spaghetti straps, any clothing that reveals bare backs, midriffs, or any revealing or provocative clothing is unacceptable.

Footwear

Footwear must be appropriate for your position. Foot thongs, flip flops or any footwear that could pose a safety hazard for your position is unacceptable.

Some positions may require that your feet be covered at all times by socks, stockings or hose.

Hats

Baseball hats, cowboy hats, scarves, bandanas or knit caps are unacceptable while working indoors. Nutrition and Culinary employees may be required to wear designated hats or hair coverings.

Hair/Nails

Hair coloring and style and cosmetics are to be conservative and not offensive to others.

Nails are to be kept at a length as to not affect job performance or the safety of you or others.

Tattoos/Jewelry/Body Piercing

You should wear jewelry that is conservative and limited to traditional body placement. Earrings, ear posts, or hoops are to be worn on the ear only. Jewelry is to be reasonable in quantity and size and is to be clean and protected for the safety of you and others.

Tattoos are to be covered by clothing if possible. Tattoos that are visible and of an offensive nature are not permitted.

Personal Hygiene

You are expected to keep your body and clothing clean and free from offensive odors, this includes odor of tobacco.

Perfume, cologne, or strong fragrances should be used in moderation to not offend others.

Clothing including, but not limited to, headwear and jewelry which is required by an employee's sincerely held religious belief or practice is permitted unless it would be an undue hardship to do so or would compromise the safety of the employee or others.

With the approval of the Site Leader, there may be situations or special occasions or events where dress and appearance may deviate from this policy. Any designated "casual days" must be consistent with the intent of this policy. Certain departments may be directed or choose to wear uniforms that are functionally identifiable according to industry practices.

If you do not follow this policy, you will be sent home from work without pay and may be subject to corrective action, up to and including termination.

CHANGE OF PERSONAL INFORMATION

If you change your name, address or telephone number, it is your responsibility to notify your supervisor and Site Human Resources in writing on the designated form. Any change in your family or marital status is to be communicated to Site Human Resources for paycheck deduction and benefit coverage purposes.

CHAPEL

The chapel is an integral part of the ministry of Presbyterian Homes and can be used during your breaks or when you are not on duty. You are expected to respect the privacy and solitude of others using the chapel.

CODE OF ETHICS

You are required to adhere to the Resident/Client Bill of Rights, the Vulnerable Adults Act of 1981, and other laws and regulations governing Presbyterian Homes' services and its facilities. Honesty and kindness of speech and manner in association with each other and the residents are qualities expected of all employees.

You should not give advice to any resident on personal or financial matters, even if the resident asks for it. Furthermore, you are prohibited from acting as a witness, notary public, or power of attorney to legal matters or transactions that would benefit PHS or yourself unless the Site Leader has given prior written approval. Relationships that exist prior to the employee-resident relationship may be excluded from the policy. Exceptions to this policy may be made by the Corporate Compliance Officer.

ENGLISH LANGUAGE POLICY

PHS encourages diversity and inclusiveness. However, there are some occasions when PHS requires that you converse or take direction and guidance in English.

1. English will be used when dealing with residents and visitors, unless the resident or visitor requests otherwise.
2. All task directions and work directives will be provided in English and, while you are engaged in such work-related efforts or on project teams, you will be expected to communicate in English.
3. All operational, safety, site, and security related materials will be provided in English, and team or departmental meetings that relate to business operations, safety, facility and/or personal security will be conducted in English.

If you have concerns or questions regarding these policies, you should address them with your supervisor or Site Human Resources for resolution. PHS remains committed to the expression of its diversity efforts, which include the use of languages other than English, but realizes that specific business operational requirements necessitate that communication with residents, employees, and customers are clear, concise and distinct. Thus, in meeting these operational requirements, the use of English will be required. When you find difficulty in communicating with others in English, you should seek out a supervisor for assistance. If you violate this policy you may be subject to corrective action, up to and including termination.

GIFT POLICY

As an employee of PHS, you are compensated for the work you complete. Gifts from residents and family members are not an expected part of compensation. Receiving gifts from residents or family members could make the residents or family members feel that they need to give gifts to receive better care, that employees are taking advantage of vulnerable adults, and/or that there are inequities between employees. For all of these reasons, it is the policy of PHS that you are prohibited from accepting gifts from residents or their families. Gifts are defined as: cash and/or checks in the form of a tip or a gift, financial assistance in any form, and gifts-in-kind. Relationships that exist prior to the employee-resident relationship may be excluded from the policy. Exceptions to this policy may be made by the Corporate Compliance Officer.

However, we recognize that residents and clients have a right to exercise their own choices. If, after refusal of any gift, the resident or client is insistent upon giving the gift, it must not be used for your individual benefit. Follow the steps below in these situations. For purposes of this policy and procedure, residents are defined as: current or former residents of any PHS community, Community Services client, or family/friend of current or former resident/client.

1. At the time the gift is offered, you must explain that, while you appreciate the offer and its intent, you may not accept the gift offered.
2. If the individual remains insistent on giving the gift, the giver should be offered some acceptable avenues for giving, as defined by the Site Leader. These may include options such as: PHS Foundation, PHS Mission Benevolence Fund, site special projects, resident or employee council, or other charitable organization.
3. If a gift-in-kind (i.e., flowers, food or plants) is accepted out of respect for the resident's wishes, the gift should be used for the greater benefit of the PHS site or organization. The benefit must be shared with as many employees as possible.
4. If you are named in a will, you may not accept the gift. If the gift is cash, it must be applied to an acceptable avenue of giving. If the gift is in-kind, fair market value will be determined and you may pay for the gift by giving the money to an acceptable avenue of giving.
5. Christmas and other holiday gifts are subject to these guidelines.
6. These steps have intentionally not addressed all possible situations. Any other situations not covered in these steps will be decided by the Site Leader.
7. If you violate this policy, you will be subject to corrective action, up to and including, termination.

CONFIDENTIALITY

The term "confidential or proprietary information" includes, but is not limited to, PHS' trade secrets, existing or potential customers, customer lists, market studies, market plans and strategies, pricing formulas, financial information, new product plans, payroll data, personnel and employee medical records, formulas, or other information relating to PHS business, books and records and private processes, as they may exist from time to time, which an individual has acquired by virtue of working for PHS. Nothing in this

policy prohibits employees from discussing with one another, or with third parties who are not competitors of the Company, wages, hours, and other terms and conditions of employment.

The nature of our operations means that you may have knowledge about residents' illnesses and other personal matters. You are required to keep information about residents' medical and personal matters private. Keeping information private means it is disclosed only to those who have a legitimate business need to know or as required by law. This is true whether you have learned the information directly or indirectly.

Information regarding residents or employees cannot be released to anyone, including family members, without written authorization from the resident, the employee, or responsible party. This includes disclosing any information, comments, pictures, etc. on any public blog or social networking sites, including, but not limited to Facebook, My Space and Twitter.

All employees share the responsibility of preserving the confidentiality of information. In addition, all employees agree, as a condition of employment to keep confidential, both during and after employment, all non-public information, concerning PHS, its employees, its volunteers, its residents and potential residents, which might come to your attention during the course of or because of your employment. This includes information relating to business systems and future plans for PHS.

A Workplace Accident and Injury Reduction Program - AWAIR

In compliance with Federal and state law, PHS has prepared and implemented a written Workplace Accident and Injury Reduction Program. The purpose of this program is to make PHS responsible for ensuring that safe practices are followed, thereby making our workplace safer and reducing Worker's Compensation costs for injuries. This program includes but is not exclusive to: regular building inspections for safety, emergency procedure drills, regular review of safety procedures, loss control surveys, infection control programs, education and training programs under the Right to Know laws, pre-employment health screens to assess employee safety in job duties and on site security and surveillance. PHS' program is reviewed annually. A copy of PHS' AWAIR program is available for review by contacting your supervisor.

You are encouraged to report all potential hazards immediately to your supervisor for your safety and the safety of others. An employee safety committee meets regularly to discuss safety issues. Your input and suggestions are vitally important. Please notify your supervisor if you have any suggestions regarding safety issues at PHS.

EMERGENCY PROCEDURES

Disaster and emergency situations are not always predictable. PHS sites are not immune from the effects of these various hazards and we need to be prepared should disaster occur. It is imperative that employees, residents, and visitors be protected in case of an emergency, and that our operations continue with the least amount of disruption. Emergency procedures are designed to give guidelines to those having responsibility for the safety of residents, employees, and visitors.

You are expected to respond effectively in the event of an emergency. It is your responsibility to know, understand and follow site and department emergency procedures found in the Emergency Manuals located in each department.

LEAVING THE BUILDING/PREMISES

There are occasions when you would like to leave the building or premises during your work shift for your unpaid meal break, paid breaks, or for personal reasons.

You are required to obtain prior permission from your supervisor if you desire to leave the building or premises. Because of our special responsibility of caring for vulnerable adults, you are required to badge out when leaving and badge in when returning. We must assure that a satisfactory number of employees of each job position are available to safely operate the department/site, and the quality of care we provide to our residents is not compromised. Therefore, some employees with certain specialties or job responsibilities may not be eligible to leave the premises at particular times if their absence would jeopardize care levels for our residents.

If you are not required to badge in or out on the time clock for your position, you are subject to the requirements of your supervisor. You are expected to be familiar with and abide by these requirements.

HARASSMENT POLICY

PHS maintains a work environment that is free from harassing behavior and offensive remarks related to an employee's race, color, creed, religion, national origin, gender, pregnancy, marital status, disability, age, status with regard to public assistance, sexual orientation, or any other characteristic protected under federal, state or local law.

Conduct prohibited by this policy includes, but is not limited to, sexual harassment, verbal and nonverbal harassment, and physical harassment. This also includes retaliation for reporting alleged harassment or offensive behavior. If you engage in conduct or communication which violates this policy, you will be subject to appropriate corrective action, up to and including termination. If a non-employee violates this policy, management will intervene as appropriate to the circumstance.

Sexual Harassment is defined as unwanted sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is a condition of keeping or getting a job, whether expressed in explicit or implicit terms; or
- Personnel decisions are based on employee's submission to, or rejection of, such conduct; or
- Such conduct has the purpose or effect of substantially interfering with a person's work performance or creates an intimidating, hostile, or offensive work environment.

Sexual harassment can occur intentionally or unintentionally and can be perpetrated by either men or women. It may be directed at members of the same or opposite sex. Examples of sexual harassment include, but are not limited to:

- unwelcome sexual flirtations, propositions, invitations to social events;
- offensive physical contact or physical closeness;
- use of offensive words of a sexual nature describing body parts or a sexual act;
- telling "suggestive" jokes or stories, and conversations about sexual exploits, sexual preferences, and desires;
- displaying in the work place sexually suggestive objects, pictures, cartoons, pornographic materials, or representations of any action or subject which is sexual in nature;
- sabotaging an employee's character, reputation, work activity, or property because of gender;
- direct or indirect suggestions that an employee's job security, job assignment, evaluation, wages, shift, opportunities for advancement, or other employment conditions depend in any way on the granting of sexual favors or relations;
- any action relating to an employee's job status which is, in fact, affected by consideration of the granting or refusing of social or sexual favors.

Presbyterian Homes recognizes that consensual relationships sometimes exist between employees, which are, or have the potential of becoming, sexual in nature. These relationships are often problematic because conduct which is consensual during the course of the relationship can become unwelcome when one party no longer wishes it to continue, and because differences in age, background, position in the organization, and other characteristics of the individuals involved can compromise the ability of either one to freely choose whether to participate in the relationship. Presbyterian Homes retains the right to take whatever action it deems necessary in these circumstances, up to and including termination of either or both employees.

Verbal and Non-verbal Harassment includes derogatory or vulgar comments; threats of physical harm; or distribution of written, graphic, or electronically transmitted material having such effects and is based on an employee's protected class status.

Physical Harassment includes hitting, punching, harmful physical contact and direct or implied threats of physical contact based on an employee's protected class status.

If you believe you have been subject to sexual, verbal, nonverbal, or physical harassment, you should make your concerns known by:

- Telling the person engaging in the harassing conduct or communication that the conduct or communication is offensive, against this policy, and must stop; and/or
- Advising a supervisor or Human Resources. This option should be used if you do not wish to communicate directly with the person whose conduct or communication is offensive, or if direct communication has been unsuccessful. If the individual engaging in the offensive conduct or communication is your supervisor, you should immediately contact Human Resources. All complaints received by a supervisor or Site Human Resources will be reported to Corporate Human Resources.
- Putting the facts surrounding the harassing conduct or communication in writing. Complaints of harassment will be investigated promptly and objectively under the direction of Human Resources. The investigation may include interviews with the individual making the charges, the accused individual, and appropriate witnesses.

If you are found to have engaged in offensive behavior, you will be subject to appropriate corrective action, up to and including termination.

Any retaliation because another employee has in good faith reported an incident of suspected offensive behavior is prohibited. Employees who engage in retaliation will be subject to appropriate corrective action, up to and including termination.

Any questions regarding your obligations and those of others under this policy should be directed to Site Human Resources or Corporate Human Resources.

WORKPLACE VIOLENCE POLICY

PHS recognizes that violence in the workplace can affect any employee. Therefore, PHS is committed to maintaining a work environment free from intimidation, threats, and violent acts.

This policy applies to all employees while on PHS premises or acting as a PHS representative off PHS premises. It also applies to all persons while on PHS property.

Persons on PHS premises engaging in threats or acts of violence, aggressive behavior, offensive acts, threatening or offensive comments which may endanger themselves, other individuals or PHS will not be tolerated. Prohibited behaviors include but are not limited to:

- Willful destruction of or damage to employee, resident or PHS property, such as vandalism or bombing
- Criminal conduct
- Verbal, non-verbal, or physical behavior that may cause bodily harm to self or other individuals
- Violation of a restraining order
- Stalking
- Phone harassment
- Possession of firearms, knives, clubs, explosives or other objects that may be used as a weapon or may in any way cause damage to PHS property or harm to self or other individuals

Threats of violence may be transmitted through verbal, written, or electronic means against any individual and/or a group of individuals. These acts or threats of violence may occur either on or off PHS premises.

Presbyterian Homes & Services acknowledges the need for discreet treatment of any reports of violent or potentially violent behavior and has incorporated procedures, which respect the privacy of the reporter, to the extent possible. PHS will not condone any form of retaliation against any employee for making a report in good faith under this policy. Employees who engage in retaliation are subject to appropriate corrective action, up to and including termination.

The priority is to take immediate action to ensure the safety and security of any person on PHS premises or protection of PHS property.

Any individual who threatens another's health or safety, exhibits threatening behavior or engages in violent acts on PHS property will be removed from the premises. Any person who engages in any activity which may endanger or expose themselves, other individuals or PHS to any harm or loss may be subject to termination of employment, termination of a business relationship, criminal arrest or prosecution of the person(s) involved.

Any questions regarding your obligations and those of others under this policy should be directed to Site Human Resources or Corporate Human Resources.

RULES OF CONDUCT

As an employee of PHS, you are expected to conduct yourself in accordance with the mission of the organization and its policies and procedures. It may become necessary to use disciplinary measures when your conduct is contrary to accepted practices. Depending upon the circumstances, you may receive a verbal warning, a written warning, a suspension without pay, or be terminated. Not all of these steps or the progressive order may be followed in every case. Supervisory and Management employees may be held to a higher standard of conduct. Employees terminated for an egregious cause from one PHS location or department, will be terminated from all locations and departments. The following are some examples of conduct which may be subject to corrective action.

1. Soliciting or accepting tips or gifts from a resident, resident family, or vendor.
2. Unsatisfactory work performance.
3. Failure to follow employee appearance/attire/uniform standard.
4. Failure to be at workstation ready to work at starting time.
5. Poor personal hygiene.
6. Starting or stopping work before scheduled time, overstaying breaks, or combining breaks on any one shift without prior supervisor approval.
7. Using non-designated Presbyterian Homes' and/or resident telephones or computers for personal use without permission of your supervisor.
8. Using abusive or improper language.
9. Failure to report an accident and/or injury.
10. Not attending mandatory in-service programs.
11. Badging in before scheduled start time or after scheduled end time without approval, badging for another employee, allowing another employee to badge for you, or failure to badge.
12. Violation of safety rules and/or practices.
13. Refusal to report for physical examination, laboratory tests, or x-ray or failure to present appropriate return-to-work documentation when requested by the Employee Health Nurse.
14. Failure to follow PHS site parking restrictions.
15. Unauthorized posting or removal of bulletin board items or defacing of such items.
16. Soliciting while on working time or in immediate resident care areas.
17. Excessive unplanned tardiness or absenteeism.
18. Offensive behavior including sexual, verbal and physical harassment.
19. Engaging in excessive personal conversations that interfere with resident care or other business operations.
20. Other circumstances where PHS feels corrective action is warranted.

When your conduct is considered cause for corrective action, your supervisor will inform you in written format. You will be asked to sign the corrective action notice acknowledging the discussion occurred. The supervisor will retain one copy of the notice, you may retain a copy, and another will be placed in your employment file.

Concerns that arise during your initial evaluation period (6 months) may be addressed outside of the corrective action guidelines as described above, where PHS feels that it is warranted.

IMMEDIATE TERMINATION

Corporate Human Resources must be consulted if these actions do not result in termination.

The following actions may result in your immediate termination:

1. Endangering the welfare of a resident, client, visitor, vendor, volunteer, another employee, yourself or any other person. This may include resident abuse or neglect as outlined in the Resident Rights and Vulnerable Adult Act.
2. Engaging in acts of dishonesty, fraud, theft or sabotage.
3. Falsifying resident, client, business, or vendor records.
4. Disclosing confidential information.
5. Disorderly, indecent or immoral conduct on Presbyterian Homes' premises or while on company business off premises.
6. Possession of a dangerous weapon on Presbyterian Homes' premises, or while on duty off premises.
7. Intoxication, being under the influence of alcohol or illegal drugs while on-duty.
8. Having an odor of alcohol about you while on duty.
9. Possessing and/or using alcohol or illegal drugs in any form while on-duty or off-duty on PHS premises, or while conducting company business and representing PHS off premises.
10. Willful damage to or misuse of Presbyterian Homes', other employees', or resident/client's property.
11. Two No Call No Shows within any 12-month rolling period.
12. Insubordination. (Direct refusal to follow a supervisor's directions)
13. Gambling on Presbyterian Homes' property or while on duty.
14. Conviction for violation of a criminal law if the conviction reflects unsuitability for the position you hold.
15. Sleeping or having the appearance of sleeping on duty.
16. Falsifying employment application, health assessments, time card records or other employment documents.
17. Failure to present proper documentation establishing the ability to legally work in the United States as required by law.
18. Failure to maintain licensure, registration or certification as required for your position.
19. Job abandonment. (Walking off the job before the end of your shift without supervisory approval)
20. Other circumstances where PHS feels termination of employment is warranted.

Section 4: Our Standards of Conduct

Presbyterian Homes & Services (PHS) is committed to being a good corporate citizen of our community, state, and nation. In a resolution dated April 6, 2000, the PHS Board of Directors reiterated the organization's mission statement and commitment to comply with all laws that affect its various operations. In order to assure that its operations are being conducted in compliance with the law, the Board appointed a Compliance Officer to oversee PHS' compliance program.

The Compliance Officer, in cooperation with other managers within the organization, has developed the Code of Conduct and a set of Compliance Guidelines. A voluntary and mandatory reporting system has also been established. The PHS Helpline is a voluntary reporting system that can be accessed by anyone, including employees, partners, residents, and referring health care practitioners. Additionally, PHS has established a mandatory reporting policy that requires you, as a PHS employee, to report any suspected violations of the Code of Conduct, Compliance Guidelines, operational policies or any law or regulation. Information related to reports of suspected violations will be reviewed and investigated. The disclosure of any information will be limited to those with a need to know or as required by law.

From time-to-time, the Compliance Officer will publish additional Compliance Guidelines to ensure compliance with the many laws, regulations and other expectations that govern PHS' business. Additionally, PHS will provide education to you and its partners; audit its operations in an effort to see that its Code of Conduct and Compliance Guidelines are adhered to; and investigate reports of suspected non-compliance. PHS may take disciplinary action up to and including termination if it finds that you have failed to fulfill the objectives of this program.

PHS' Compliance Officer will work closely with all PHS' employees to establish systems which enhance your ability to understand and adhere to the complex laws, regulations, and other expectations that govern our business. In doing so, the Compliance Officer will report his or her activities directly to PHS' Board of Directors.

CODE OF CONDUCT

CODE OF CONDUCT #1

Employees and partners will strive to deliver quality health care services.

"Partners" are defined as: mutual owners, vendors, members of PHS' and affiliate boards, volunteers, and any other people who have a relationship with PHS.

- You will respect a resident's dignity and will treat him or her with consideration, courtesy and respect.
- Residents have the right to choose what is done to their body and by whom. This includes choosing the agency that provides their health care.
- Residents have the right to know what they need to know to make intelligent decisions. This includes receiving information about PHS and its policies, procedures and financial charges, and who will provide services on behalf of PHS.
- PHS will only employ or work with persons with proper credentials, experience and expertise, following appropriate reference and background check processes.
- You deserve clear instructions about what is expected of you.
- No deficiency or error should be ignored or covered up. A problem should be brought to the attention of those who can properly assess and resolve the problem.
- Our highest priority is the health and safety of our residents and ourselves. We will strive to do our

jobs so that no harm is caused to our residents, the public, or ourselves.

- If you know of or suspect a practice or incident that may violate this Code of Conduct, PHS' Compliance Guidelines, operational policies, or any law or regulation, you must report it to the appropriate level of management.

CODE OF CONDUCT #2

Employees and partners will comply with all applicable laws and regulations that affect our various businesses.

- PHS, by and through its employees and partners, will comply with all applicable laws, regulations, standards and other requirements imposed by any level of government. Specifically, as an employee, you will comply with all requirements of the Medicare and Medicaid programs.
- PHS will not engage in unethical or illegal activity in pursuit of a business opportunity.
- Neither PHS, its employees, nor partners shall pay employees, physicians, or other health care professionals, directly or indirectly, in cash or by any other means, for referrals of residents. Every payment to a referral source must be supported by proper documentation that the services contracted for were provided.
- You are not authorized to enter into any joint venture, partnership, or other risk sharing arrangement with any entity that is a potential or actual referral source unless the arrangement has been reviewed and approved by PHS' legal counsel in advance.
- PHS will fully comply with all federal and state tax laws and regulations to preserve the tax-exempt status of PHS' non-profit entities.
- You will conduct PHS' operations in such a manner to further its charitable purpose and to enable the resources to be used for the benefit of the community, rather than the private interests of any individual within PHS.
- If you perform billing and/or coding of claims, you must take every reasonable precaution to ensure that your work is accurate, timely, and in compliance with applicable Federal, State, and local laws and regulations and PHS policies.
- You may not submit any claim that is false, fraudulent, inaccurate or fictitious for payment or reimbursement. Falsification of medical, time or other records as the basis for submitting claims will not be tolerated.
- PHS will bill only for services actually rendered and which are fully documented in a resident's medical records. If the services must be coded, then only billing codes that accurately describe the services provided will be used.
- PHS will act promptly to investigate and correct the problem if errors in submitted claims are discovered.
- PHS shall maintain complete and thorough medical and billing records.
- You will respect and protect the privacy of resident medical records and other personal information about residents.
- All drugs and other controlled substances will be maintained, dispensed and transported in conformance with all applicable laws and regulations.
- If you know of or suspect a practice or incident that may violate this Code of Conduct, PHS' Compliance Guidelines, operational policies, or any law or regulation, you must report it to a supervisor or manager.

CODE OF CONDUCT #3

Employees and partners shall engage in ethical business relationships.

- You will be honest in doing your job and must perform your duties in a way that promotes the public's trust in PHS. It is everyone's job to maintain PHS' integrity and reputation.

- You should be honest and forthright in any representations made to residents, vendors, payers, other employees or partners, and the community.
- You should not subordinate your professional standards, judgment, or objectivity to any individual. If significant differences of opinions in professional judgment occur, they should be referred to management for resolution.
- You shall not use or reveal any confidential information regarding PHS or use confidential information obtained as an employee of PHS for personal gain.
- PHS seeks positive relationships with government programs and third party payers. Positive relationships require ongoing communication about resident progress and billing.
- PHS will comply fully with federal and state antitrust laws and regulations. You will not enter into agreements or understandings with a competitor that unlawfully limit or restrict competition or purchasing decisions.
- All reports or other information required to be provided to any Federal, State, or local government agency shall be accurate, complete, and filed on time.
- The source or amount of payment does not determine the quality of care that we deliver.
- If you know of or suspect a practice or incident that may violate this Code of Conduct, PHS' Compliance Guidelines, operational policies, or any law or regulation, you must report it to a supervisor or manager.

CODE OF CONDUCT #4

Employees and partners shall avoid conflicts of interest or the appearance of any impropriety.

- You may not have other jobs that interfere with your ability to perform your duties at PHS.
- You must avoid any activity that conflicts with the interests of PHS or its residents, avoiding even the appearance of impropriety. If you suspect that a conflict may exist or be created, then you are to consult with management before engaging in the conduct.
- Advance disclosure and approval are required in any situation of doing business with any firm in which there is a family relationship.
- You should not become involved, directly or indirectly, in outside commercial activities that could improperly influence your actions. For example, you should not be an officer, director, manager, or consultant of a potential competitor, customer, or supplier of PHS without first disclosing that relationship to PHS management and receiving management's agreement.
- If you have the authority to make financial commitments for PHS, you should not accept or provide benefits that could be seen as creating conflict between your personal interests and PHS' legitimate business interests. This includes accepting expensive meals, gifts, refreshments, transportation, or entertainment provided or received in connection with the job.
- You are not permitted to give expensive gifts and benefits to other health care providers or referral sources. Occasional non-cash gifts that are of nominal value are acceptable.
- If you know of or suspect a practice or incident that may violate this Code of Conduct, PHS' Compliance Guidelines, operational policies, or any law or regulation, you must report it to a supervisor or manager.

CODE OF CONDUCT #5

Employees and partners shall protect PHS' property and respect the property of residents and others with whom we do business.

- As a PHS employee, you are personally responsible and accountable for the proper expenditure of PHS funds and for the proper use of company property.
- You must obtain authorization prior to committing or spending PHS' funds.
- You have a duty to be productive during the time that is paid for by PHS.

- You may only use computer/technology systems, networks, and software consistent with PHS' licenses and/or rights. You shall take all reasonable steps to protect computer systems and software from unauthorized access or intrusion.
- PHS' confidential and proprietary information is valuable, and is protected from unauthorized use or exploitation. You are expected to respect the intellectual property rights of others with whom we do business.
- Any improper financial gain to you through misconduct involving misuse of PHS' or a resident's property is prohibited, including, but not limited to, the outright theft of property or embezzlement of money.
- You are expected to report any misuse of PHS' property of which you are aware to management.
- You may not use PHS' or a resident's resources for personal or improper purposes, or permit others to do so.
- Surplus, obsolete, or junked property shall be disposed of in accordance with PHS' procedures. Unauthorized disposal of property is a misuse of assets.
- Medical waste or other hazardous materials shall be disposed of properly.
- If you know of or suspect a practice or incident that may violate this Code of Conduct, PHS' Compliance Guidelines, operational policies, or any law or regulation, you must report it to a supervisor or manager.

CODE OF CONDUCT #6

Employees and partners shall respect each other as human beings and health care professionals.

- You shall show proper respect and consideration for all employees, regardless of position. Discriminatory treatment, harassment, abuse, or intimidation will not be tolerated as described in PHS' harassment policy.
- Applicants and employees shall be afforded equal employment and advancement opportunities, pursuant to PHS' policies.
- Quality resident care can only be delivered through the use of qualified, competent employees. PHS will contribute to your competence by making available continuing job-related education and training within the limits of its resources.
- PHS strives to maintain a working environment free from all forms of sexual harassment or intimidation as described in the Harassment policy. By way of example, unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature are serious violations of the standards of conduct and will not be condoned or permitted.
- PHS promotes a drug, alcohol, and tobacco-free workplace in accordance with its policies.
- Work and safety rules were created to protect us all. You are expected to comply with those rules.
- You are expected to conform to the standards of your profession and exercise sound judgment in the performance of your duties. Any differences of opinion in professional judgment should be referred to your supervisor or their manager.
- PHS will not permit any action of retaliation or reprisal to be taken against you if you report a violation of law, regulation, standard, procedure, or policy.
- If you know of or suspect a practice or incident that may violate this Code of Conduct, PHS' Compliance Guidelines, operational policies, or any law or regulation, you must report it to your supervisor or their manager.

Presbyterian Homes & Services' Compliance Reporting System

Presbyterian Homes & Services (PHS) has both a voluntary and mandatory reporting system. PHS' Helpline is a voluntary reporting system that can be accessed by anyone, including employees, partners, residents and referring health care practitioners. Additionally, PHS has established a mandatory reporting policy that requires PHS you to report any suspected violations of the Code of Conduct, Compliance Guidelines, operational policies, or any law or regulation.

PHS' Mandatory Reporting Policy

If you suspect that another employee (including a supervisory or managerial employee) has violated the Code of Conduct, Compliance Guidelines, PHS' policies or procedures, or any applicable State, Federal, or local law, you should immediately report your suspicion to your supervisor, the Site Leader, or the Corporate Compliance Officer. If you are for any reason uncomfortable reporting a suspected violation to any of the above-referenced individuals, you are encouraged to call PHS' Helpline at the number below. All reports of suspected violations will be treated with appropriate confidentiality, reviewed, and investigated; appropriate disciplinary action will be taken if warranted.

If your identity as the reporter is known, the Compliance Officer or designee will contact you, inform you of the status of the review, and provide an opportunity to discuss any additional information about the concern.

RETALIATION AGAINST EMPLOYEES FOR REPORTING IS PROHIBITED. Presbyterian Homes will not permit any employee to retaliate against another employee or partner for reporting compliance issues.

PHS' Helpline

This helpline is a voice mail box that is checked on a regular basis by the Corporate Compliance Officer. Any employee, resident, family member, or visitor may use the Helpline to report any issues of concern for PHS. Examples of calls include concern about any of the PHS' Codes of Conduct, Compliance Guidelines, safety concerns, quality concerns, or any ideas to improve the services to PHS' residents.

Presbyterian Homes & Services Helpline Number: 651-631-6168

PREVENTION AND DETECTION OF FRAUD, ABUSE, AND WASTE (FEDERAL FALSE CLAIMS AND THE DEFICIT REDUCTION ACT)

PHS has a longstanding practice of fair and truthful dealing with its residents, clients, families, health professionals, and other business associates. This has been reinforced through our Corporate Compliance program since 2000. As an employee, you shall not engage in any acts of fraud, abuse or waste, and shall not knowingly make false statements in the preparation and submission of any claim for reimbursement under the Medicaid program, or commit any other prohibited activity. Other guidelines for fair, honest, and ethical behavior can be found in the PHS' Corporate Compliance Codes of Conduct and Compliance Guidelines. Violation of this policy is grounds for immediate termination from employment.

Fraud is intentional misrepresentation; abusive tactics are broader than fraud, and may include submitting deceptive or misleading claims to a government program like Medicaid, or using a false statement to support a claim. **Waste** may include either deceptive tactics, such as over utilization of otherwise necessary services or requiring arrangements where contracts are awarded or goods purchased only if the vendor promises to "kick back" an incentive.

Types of fraud, abuse or waste which may lead to the submission of false claims to the Medicaid program include, but are not limited to the following:

1. Billing for services not actually provided;
2. Documenting clinical care not actually provided;
3. Making payments to a phantom vendor or phantom employee;
4. Paying a vendor or employee for services not actually provided;
5. Paying an invoice known to be false;
6. Accepting or soliciting kickbacks or illegal promises from vendors of services, or offering or paying

kickbacks or illegal promises to vendors of services;

7. Paying or offering gifts, money, remuneration or free services to entice a Medicaid recipient to use a particular vendor;
8. Using Medicaid reimbursement to pay a personal expense;
9. Embezzling;
10. Ordering and charging for over-utilized medical services that are not necessary for the resident or client.

False Claims

If you knowingly submit a false claim for payment to the United States Government, you are liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of your act. The terms "knowing" and "knowingly" mean that you, with respect to information:

1. have actual knowledge of the information;
2. act in deliberate ignorance of the truth or falsity of the information; or
3. act in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.

Civil Actions for False Claims

False claims can be prosecuted by the U.S. Attorney General or by a private citizen (a "Whistleblower"). After a "Whistleblower lawsuit" has been filed, but before the defendant is notified of the lawsuit, the Whistleblower must notify the U.S. Department of Justice, and provide it with all available information about the fraud. The Justice Department then has the option of intervening and taking over prosecution of the lawsuit. If the Justice Department decides not to intervene, the Whistleblower may pursue the lawsuit on behalf of the Government. If the Justice Department takes over, the Whistleblower is entitled to 15% to 25% of the recovery. If the Justice Department does not intervene, and the Whistleblower pursues the action individually, the Whistleblower is entitled to 25% to 30% of the recovery.

You may bring a Whistleblower action regardless of whether you have "direct" or first-hand knowledge of the fraud, if the fraud has not previously been publicly disclosed. Thus, where there has been no public disclosure, if you learn from a colleague of fraud by your employer at work, you may bring a Whistleblower action, even if the Whistleblower plaintiff personally has no first-hand knowledge.

If the fraud has already been publicly disclosed, you may still bring a Whistleblower action if you have direct knowledge of the fraud, independent of the publicly disclosed information.

This act provides protection from retaliation to employees who name their employer in a Whistleblower action. The protection is available to you if you are fired, demoted, threatened, harassed or otherwise discriminated against by your employer because you investigate, file or participate in a Whistleblower action. This Whistleblower protection includes reinstatement and damages of double the amount of lost wages if you are fired, and any other damages sustained if you are otherwise discriminated against.

Notification of Federal and State Laws

Federal law also requires Medicaid providers like PHS to provide you with detailed information about the federal False Claims Act and the administrative remedies for false claims and statements. These laws are important to you and PHS because they not only provide severe civil and criminal sanctions for submitting false claims to the federal Medicaid program, they also provide individuals who alert federal and state officials to offenses with whistleblower protections.

Detailed information about the federal False Claims Act and any applicable state laws may be found on www.presstaff.org or from your supervisor.

PHS has put several steps in place to detect and prevent fraud, waste and abuse. These include:

1. Description of expectations and prohibited behavior in the employee handbook,
2. References to prohibited behavior in Code of Conduct #2 and compliance guidelines of the Corporate Compliance program,
3. Annual education through PHS' Stand-Up program,
4. Description of expectations and prohibited behavior in contract templates,
5. Internal audits of accounts payable and company-sponsored credit card purchasing systems, and
6. Annual audit by third party auditing firm.

Mandatory Reporting Requirement

If you have a reason to believe that any employee, including managers, or any contractor or vendor hired by PHS has violated this mandatory reporting requirement by committing fraud, abuse or waste, you have a duty to report your observation and concern immediately to your supervisor or Site Leader. Reports may also be made to the Corporate Compliance Officer. No employee, contractor or agent of PHS will retaliate against another for submitting a timely report according to this policy.

All reports will be investigated under the supervision of the Corporate Compliance Officer. All employees have a duty to cooperate with any investigation conducted by PHS under this requirement, including but not limited to providing information upon request and meeting with PHS' legal or accounting representatives, if directed to do so.

If substantiated, PHS will take any action which may be necessary to respond appropriately to any offense and to prevent any further similar offenses, including but not limited to terminating employees or terminating a vendor's contract. Offenses will be evaluated for voluntary self-disclosure under applicable federal laws and when warranted, offenses will be referred for prosecuting. PHS will cooperate with government officials prosecuting any individual referred by PHS for prosecution.

Section 5: Our Communication Process

PHS encourages ongoing, open communication. Your thoughts, ideas, and suggestions are valued and relied upon and are an important part of our operations.

We want you to have a clear understanding of our practices and policies and to routinely ask questions and suggest solutions to improve resident care, working conditions, communication processes, use of resources, and to make PHS a better place to work. You are encouraged to maintain an open dialogue with your supervisor and discuss any comments, questions, or concerns with them or your Site Leader.

STAND UP

"Stand Up" is a short communication session held with all employees every shift, every day. Stand Up is a communication system that is used to give site news, department updates, organizational announcements, and to educate employees about work expectations, business goals and various aspects of PHS' culture. When you are at work you are expected to take part in a Stand Up session, so you are better equipped to care for and serve our residents.

In addition to Stand Up, PHS may use bulletin boards, email, and other forms of internal communication to share information with you. Personal use of the bulletin boards, email, and other forms of internal communication by employees is permitted only with advance approval of the Site Leader and in accordance with PHS' policies.

PROBLEM-SOLVING PROCESS

Working effectively together is essential for providing efficient services to residents and ensuring satisfaction with your job, your surroundings and your co-workers. You are expected to work in harmony with your fellow co-workers and your supervisor. Occasionally you may be dissatisfied with some aspect of your work. If this happens, you should follow the procedure below. A reasonable time frame for a response/resolution should be agreed upon between all parties involved, which may vary depending on the circumstances.

1. You should discuss your job-related problem, question or complaint with your supervisor. You may be asked to put your concern in writing.
2. If you have not received a response or update regarding your concern within the agreed upon timeframe (no more than working 10 days), you may take your concern to Site Human Resources.
3. If you have not received a response or update regarding your concern within the agreed upon timeframe (no more than working 10 days), you may take your concern to your Site Leader.
4. If you have not received a response or update regarding your concern within the agreed upon timeframe (no more than working 10 days), you may take it to the Corporate Director of Human Resources.
5. If you have not received a response or update regarding your concern within the agreed upon timeframe (no more than working 10 days), you may take it to the President and CEO, whose decision is final and binding.

If you are uncomfortable discussing the matter with any of the above individuals, you may take the matter to the next higher level or contact the Corporate Compliance Officer at 651-631-6168.

Section 6: Your Pay

PHS strives to provide pay levels that are competitive with those in our communities and industry, while recognizing individual effort and contribution to the success of the organization.

RATE OF PAY

Your rate of pay is based on a variety of criteria, which may include your job classification, your work performance, and in some cases, your length of service.

Generally pay rates for all positions are reviewed at least annually and any adjustments are subject to the pay administration guidelines. Your supervisor can provide you with information regarding your current rate of pay and the overall pay administration process.

PAY PERIOD/PAY CHECK

Each payroll period is two weeks in length beginning Sunday at 12:01 a.m. and ending Saturday at midnight. Pay checks are normally distributed on the Friday following the end of the pay period. You are responsible to review your paycheck for accuracy, and notify your supervisor within the following pay period of any discrepancies. All discrepancies will be processed within a reasonable time frame.

Your pay check will only be released to you, or your pre-approved designee. You may be required to sign your name indicating that you or your designee have picked up or received your pay check.

In the event that you need a pay check reissued, you may be subject to a waiting period and a replacement/stop payment fee.

TIME CLOCKS/TIME CARD RECORDS

In order to maintain accurate records of work hours, all hourly employees must use a designated time clock. Your supervisor will show you where your time clock is located and how to use it. You are responsible to badge in on your designated time clock when you are ready to begin work and badge out immediately upon completing your shift. You are required to badge out when leaving the premises for personal reasons and badge in upon your return (see "Leaving the Building/Off Premises"). You should not allow anyone else to use your badge and you should not badge for anyone else. If your position does not require using a time clock, you are required to verify your time card record for all hours worked and input hours not worked including paid personal leave (PPL). You are required to verify your time card record for all hours worked within the current pay period.

PAYROLL DEDUCTIONS

Federal and State income tax and Social Security and Medicare taxes are required to be withheld from your earnings. Your income tax deduction is based on your gross earnings and the number of exemptions you claim on your Employee Withholding Allowance Certificate (W-4 Form). You may change your withholding allowances up to four times per calendar year (each W-4 form submitted equals one change), unless PHS is notified by the IRS that no more changes in withholdings will be allowed. No other deductions will be made without your written permission unless required to do so by court action. You are responsible for notifying your supervisor of any errors in your paycheck within the following pay period.

OVERTIME

Overtime is administered in compliance with applicable federal and state laws and regulations for hourly paid employees.

Overtime is paid at a rate of time and a half and will be paid for hours worked in excess of 40 hours in a single week (Sunday through Saturday).

You may be asked to work overtime to meet operational needs on some occasions. No overtime may be worked unless your supervisor approves it in advance. If you work overtime without receiving prior authorization from your supervisor, you may be subject to corrective action, up to and including termination.

If you are an hourly paid employee, you will be paid twice your regular rate of pay for hours worked on a holiday and these hours will be included in overtime calculations.

Holidays that are not worked, bereavement leave hours, jury duty hours, paid personal leave (PPL) and short term disability hours which fall during the normal work week in which overtime hours are worked are excluded as time worked in computing overtime.

SALARY DEDUCTION POLICY

If you are a salaried exempt employee, you are paid a weekly guaranteed salary for scheduled hours. Salaried exempt employees are not eligible for overtime.

PHS complies with the salary basis requirements of the FLSA and applicable state laws. If you believe that an improper deduction has been made to your salary, you should immediately report this information to your direct supervisor or Human Resources. Reports of improper deductions will be promptly investigated and reimbursed as appropriate.

PAY FOR OTHER ABSENCES

The first three (3) scheduled workdays of any lost time because of illness, accident, non-work injury or work injury must be paid from your Paid Personal Leave (PPL) account balance, if available.

After the third day of lost time for non-work illness and accidents, you may be paid out of your Short Term Disability (STD) Account balance, if available.

Before returning to work following a work-related or non-work-related illness or injury, you may be required to meet with your Employee Health Nurse to discuss your safe return. You may also be required to provide a Fitness-for-Duty assessment before returning to work.

SOCIAL SECURITY

As an employee, you are covered by the Federal Social Security Act. A required percentage of your pay is deducted from your paycheck to pay your portion of this insurance, and PHS will match your deduction dollar for dollar. The plan is designed for your future security and that of your dependents and provides for retirement, disability, death, survivor and Medicare benefits. Your legal name on file for payroll purposes must match your name as indicated on your Social Security Card. If you change your name it is your responsibility to update the Social Security Administration with this change, and to notify Site Human Resources in writing on the designated form with proper documentation attached. Until proper documentation accompanies the name change form, payroll records will not be updated.

MILEAGE

Your mileage expenses may be reimbursed if you use your own vehicle to conduct business for Presbyterian Homes or attend approved business related meetings. Eligible mileage includes those miles driven above and beyond your normal commute to and from your workplace. For reimbursement, a mileage reimbursement form must be signed by your immediate supervisor and will be processed with your regular paycheck.

Section 7: Your Benefits

PAID PERSONAL LEAVE (PPL)

Paid Personal Leave is paid time away from work that includes vacation days, personal time off, and illness. For extended illnesses or injuries for you, your spouse or dependent child, you may be eligible to use available Short Term Disability (see [STD policy](#)). You accrue PPL benefits based on all hours paid by PHS except overtime. When you use your PPL, you are paid at your current base pay rate including applicable shift or lead/premium differentials. As a Full-Time employee, you start accruing PPL at your date of Full-Time employment. You may begin using your accrued PPL benefits in the pay period after you complete 3 months of full-time employment. As a Full-Time employee, your PPL accrual rate will change in the pay period after you have completed 4 years of service and again in the pay period after you have completed 11 years of service.

PPL Accrual Table

Years of Service	Accrual Rate per hour	Accrued Hours Per Pay Period (based on 80 hours per pay period)	Cash-In-Lieu Accrual Rate per hour	Cash-In-Lieu Accrued Hours Per Pay Period (based on 80 hours per pay period)
Through 4	.0615	4.92	.0192	1.54
Through 11	.0808	6.46	.0289	2.31
After 11	.1000	8.00	.0385	3.08

If you are scheduled to work less than 80 hours per pay period, your Accrued Hours Per Pay Period equals your actual hours worked multiplied by your Accrual Rate per hour.

If you are a Part-Time employee, you start accruing PPL benefits in the pay period after you have completed 4 years of Part-Time employment. Your accrual rate is .0577 per hour worked.

If you are an On-Call or Temporary employee you are not eligible to accrue PPL benefits.

Employees who are participating in the Cash-In-Lieu Benefit accrue PPL at a reduced level (see chart above) and are not eligible to cash in PPL.

Your available PPL hours will appear on your payroll record. When taking time off from scheduled work you must use available PPL. Use of PPL hours must be approved in advance. Each PHS site and/or department establishes its own approval process. Your PPL balance cannot go below zero, and you cannot borrow against unearned PPL.

You accumulate PPL hours on an ongoing basis, your balance will be reflected on your paycheck after completion of your benefit eligibility period. The maximum amount of PPL hours that you may accrue is determined by your years of service. You may accrue above the maximum, however, any hours over the maximum will be forfeited in the pay period which includes October 1st of each year. It is your responsibility to monitor your PPL balance and the risk of forfeiting any unused hours over your maximum.

The following chart summarizes the accrual maximums for all employees:

Years of Service	Maximum PPL Accrual Limits
Through 4	200
Through 11	260
After 11	320

You may cash in up to a total of 33% of your PPL balance each fiscal year by submitting a Special Check Request Form to Site Human Resources. Your PPL will be cashed in at a value based on your completed years of service. Your cash-in rate is your current base rate of pay in your primary job including applicable shift and lead/premium differentials. Your cash-in rate is multiplied by your cash-in value to determine your gross dollar amount. The following chart summarizes the cash-in values:

Years of Service	Cash-in Value
Through 4	75%
Through 11	90%
After 11	100%

PPL hours which have been cashed in, like PPL hours which are used, are not considered hours worked for purposes of calculating overtime and are considered taxable compensation.

At the end of your employment, your PPL balance will be paid at 100% of its value (base rate of pay in primary position including any applicable shift or lead differential). A vacation or use of accrued PPL may not be used to extend your employment resignation/termination date.

You may transfer/donate up to 50% of your accrued PPL hours to another current employee under special circumstances. PPL may be transferred/donated to employees who have exhausted all of their available paid time off and are on an extended medical leave which lasts more than four weeks or have been affected by a natural disaster (fire, flood, tornado, etc). Each individual circumstance will be evaluated by your Site Leader for advanced approval. Contact your Site Human Resources for more information.

SHORT TERM DISABILITY

Short Term Disability (STD) benefits are available for your illness or injury and for the illness or injury of your spouse or dependent child. STD is accrued while working as a Full-Time employee and is available to be taken while working as a Full-Time or Part-Time employee.

Short Term Disability benefits are available for use in the pay period after you have completed 3 months of full-time employment. As a Full-Time employee, you accrue short-term disability benefits at the rate of .0192 hours per hour worked (equivalent to 40 hours a year if you work 80 hours a pay period).

Short Term Disability will be paid at your current base pay rate including applicable shift or lead/premium differentials for the fourth day and following consecutive scheduled days, regardless of scheduled hours per day missed. While on an approved Family and/or Medical Leave Absence, STD benefits are available for consecutive and non-consecutive scheduled days missed for absences relative to your certification. Short Term Disability should not duplicate benefits paid through Paid Personal Leave (PPL) or Worker's

Compensation.

Accrued Short Term Disability hours will be forfeited upon the end of employment and/or your status change to On-Call. If you return to Full-Time or Part-Time employment within 12 months, your STD balance will be fully reinstated.

HOLIDAYS

Presbyterian Homes recognizes 7 paid holidays per year as follows: New Year's Day, Easter, Memorial Day, Independence Day (July 4th), Labor Day, Thanksgiving Day, and Christmas Day.

Presbyterian Homes provides a benefit to Full-Time employees who do not work the holiday at an equal payment value as if they worked the holiday. The value of Holiday Pay is determined by your rate of pay, including applicable shift and lead/premium differentials, multiplied by your regularly scheduled hours of work, as defined on your Employment Agreement.

If you are a Full-Time employee and do not work on the holiday, you will be paid for your regularly scheduled hours of work for that holiday (i.e. if normally scheduled to work 9 hours for that day/shift, you receive 9 hours of Holiday Pay [also known as "Holiday Not Worked Pay"]). Holiday benefits for holidays not worked are available after completion of your benefit eligibility period. If you are a Full-Time exempt employee, you are eligible for Holiday Not Worked Pay upon hire. If you have been a Part-Time, On-Call or Temporary employee and have been continuously employed with PHS, have completed your benefit eligibility period and transfer to Full-Time status, you are immediately eligible for Holiday Pay.

If you are an hourly paid employee who works on the holiday as a requirement of your department duties, you will be paid at a rate equal to two times your regular pay (Holiday Pay plus regular pay for working that day [also known as "Holiday Worked Pay"]). Holiday Worked Pay is available to all hourly employees upon hire. Exempt employees are not eligible for Holiday Worked Pay. Any hours worked during the holiday, or paid as "Holiday Worked Pay," reduce your "Holiday Not Worked Pay" benefit. If you receive your holiday benefit as Holiday Worked Pay you are not eligible to take another day off as Holiday Not Worked. You may, with prior supervisor approval, take a day off within the same pay period as unpaid or use available PPL to be paid.

If you are a Full-Time employee, you are eligible for holiday pay regardless of whether or not you are scheduled to work on the specific observed holiday. If you are not scheduled to work on the specified holiday you are, with the approval of your supervisor, allowed to take another regularly scheduled day off as your holiday. Any flexible scheduling to accommodate this must not result in overtime pay, and must be taken within the same pay period as the observed holiday, or the pay period immediately preceding or following the pay period of the observed holiday.

If you are an hourly employee, you are required to work your entire scheduled day immediately before and after the holiday, or have pre-approval to be gone, in order to be eligible for holiday worked or holiday not worked pay.

Example of holiday not worked: The holiday is Thursday. Your schedule that holiday week is Monday, Tuesday and Saturday. You are not scheduled to work the holiday (Thursday), therefore you would be eligible to receive holiday not worked pay for Thursday. However, if you do not work or have pre-approval as defined by your department guidelines to be gone on either Tuesday or Saturday you will not be eligible for holiday not worked pay.

Example of holiday worked: Your normal schedule is Monday through Friday. The holiday is Thursday. You work every day until Friday when unexpectedly you become ill. You will not be eligible to receive holiday pay (double time) for working on the holiday (Thursday); you will receive regular pay for Thursday.

If you are scheduled to work on the holiday and do not work, your holiday pay and holiday not worked will be forfeited and you will be required to use available PPL for hours not worked.

The following definitions will apply to the holidays:

- Any shift that the majority or half of the hours worked or scheduled falls within the defined holiday will be paid Holiday Pay for the entire shift. Any shift that the majority or half of the hours worked or scheduled falls outside the defined holiday will be paid Holiday Pay only for those hours that are within the defined holiday.
- New Year's Day, for the purpose of this policy, will be defined as a 24-hour period from 2:00pm on the eve of this holiday until 2:00pm of New Year's Day.
- Christmas Day, for the purpose of this policy, will be defined as a 32-hour period from 2:00pm on the eve of this holiday until 10:00pm of Christmas Day. This is one holiday. If you normally would have worked on both Christmas Eve and Christmas Day, but are only scheduled to work Christmas Day - then you will not receive holiday not worked pay for Christmas Eve; you would be eligible to receive holiday worked pay for Christmas Day as your holiday benefit.
- All other observed holidays will be defined as a 24-hour period from 10:00pm on the eve of the defined holiday until 10:00pm on the defined holiday.
- If your normal workweek is Monday through Friday and the holiday falls on Saturday, the holiday will normally be observed on Friday. If the holiday falls on Sunday, the holiday will normally be observed on Monday. Exception: The Easter Sunday holiday may be observed on Good Friday, but will not be considered holiday worked.

WORKER'S COMPENSATION

If you are injured while working, you may be covered under the provisions of State Worker's Compensation Law. You are **REQUIRED** to report any accident, no matter how small, immediately to a supervisor, who may refer you to the designated nurse for necessary first aid and/or advice regarding appropriate medical care. An Employee Incident Report Form must be completed immediately following the incident. You may be required to provide a fitness-for-duty certification before returning to work following a work injury.

MEDICAL AND DENTAL INSURANCE

You and your dependents, as defined by the plan, are eligible for medical and dental insurance coverage beginning on the first of the month coincident with or following the waiting period of three full calendar months of continuous active full-time employment. You can apply for coverage anytime from your date of Full-Time employment through the end of the month following your coverage effective date. If you apply for coverage after your eligibility date your coverage may be delayed until the next annual enrollment period.

Presbyterian Homes pays a major portion of the medical and dental insurance premium costs. Your portion of the premium, should you apply and receive coverage, is deducted from your paycheck on a pre-tax basis every pay period. **Due to tax law restrictions, you will be required to pay your premiums for the entire plan year, unless you incur a qualified status change.** If you have a family or job status change, you must notify Site Human Resources and complete necessary benefit forms within 31 days of the change.

If your coverage has been terminated due to a qualified employment status change, you may be reinstated under the following conditions:

1. You return to active Full-Time employment within twelve (12) months of the date such status change commenced; and
2. You re-enroll for coverage within 31 days of your return to Full-Time employment.

"Reinstatement" means you have completed your benefit eligibility period prior to such termination or leave, and waiting period will be waived under the reinstatement of coverage.

As an employee eligible for these plans, you will receive information explaining medical and dental coverage. Information plan documents supersede any information contained in this handbook.

You are responsible for the full cost (employee and employer contributions) of insurance premiums during an unpaid Personal Leave of Absence. At termination of employment or reduction in scheduled hours below 30 hours per week, you have the option of continuing insurance coverage for up to 18 months at your own expense. If you elect to participate in this continuation of coverage, you will pay the full cost (employee and employer contributions) of insurance premiums plus an administrative fee. Contact your Site Human Resources to discuss your option for continuing coverage.

LONG TERM DISABILITY

Long Term Disability Insurance is available to all Full-Time active employees in accordance with plan documents. The maximum monthly benefit is up to 60% of salary up to \$10,000 per month for a maximum duration of 5 years. There is a 180 day elimination period to receive benefits (the number of days you must be considered disabled under PHS' Long Term Disability program prior to collecting disability benefits.)

Coverage is effective beginning on the first of the month coincident with or following the waiting period of three full calendar months of continuous active Full-Time employment. Long-term Disability insurance premiums, paid entirely by you, will be deducted on after tax basis from your paycheck every pay period once you are approved for coverage. More information is available from Site Human Resources.

LIFE INSURANCE & ACCIDENTAL DEATH AND DISMEMBERMENT

If you are a Full-Time employee, you are eligible for Basic Life Insurance and Accidental Death and Dismemberment (1 times annual earnings as defined in the plan document) at no cost to you. Coverage is effective beginning on the first of the month coincident with or following the waiting period of three full calendar months of continuous active Full-Time employment. You need to complete the life insurance enrollment form to designate your beneficiaries prior to your effective date of coverage.

Voluntary Life Insurance and Accidental Death and Dismemberment, up to a specified maximum, is available to Full-Time employees. Voluntary Life Insurance for spousal and dependent coverage is also available at defined amounts if your employee voluntary life insurance is approved. Spousal voluntary life insurance includes accidental death and dismemberment insurance. Dependent voluntary life insurance does not include accidental death and dismemberment insurance. Guaranteed Issue Coverage is available for you and your spouse if you apply anytime from your date of Full-Time employment through the end of the month following your coverage effective date. Applications for voluntary coverage or changes in coverage may be subject to a health assessment. Voluntary life insurance premiums, paid entirely by you, will be deducted on an after-tax basis from your paycheck every pay period once you are approved for coverage.

RETIREMENT SAVINGS AND INVESTMENT PLAN

Presbyterian Homes offers a Retirement Savings and Investment Plan to all employees. You are eligible to make voluntary contributions up to 100% of your gross pay immediately upon hire. Your contributions are subject to annual limits and are deferred from federal and most state income taxes.

As a participant in the plan, an employer match is available to you if you are at least 21 years old, have been employed at Presbyterian Homes a minimum of one year and work at least 1,000 hours per calendar year. Once enrolled, your participation in the employer match portion of the plan will begin on designated entry dates. In order to receive an employer match in the Retirement Savings and Investment Plan, you must contribute a minimum of one percent of your gross pay. As indicated in the following table, the employer match can increase with your length of service and your level of contribution.

Length of Service	Minimum Employee Contribution to receive employer match	Employer Match Contribution
In January or July following your 1st employment anniversary through 4 years	1%	3%
Beginning the first month of your 5th year of employment through 11 years	1%	3%
	2%	4%
Beginning the first month of your 12th year of employment and beyond	1%	3%
	2%	4%
	3%	5%

You will always have full ownership of your employee contributions and any rollover contributions to the plan. Your ownership of PHS matching contributions to your account is subject to a vesting schedule. Your contributions may be deposited into several different investment funds available within the plan. Because the purpose of this plan is to accumulate funds for your retirement, there are no provisions for loans or hardship withdrawals. More information is available from Site Human Resources.

HEALTH & DEPENDENT CARE REIMBURSEMENT PLANS

If you are scheduled and work an average of 20 or more hours per week, you are eligible to participate in the Health and Dependent Care Reimbursement Plans (also known as FSA's or Flexible Spending Accounts). Coverage will begin on the first of the month coincident with or following three full calendar months of continuous active employment. This plan allows you to deposit pre-tax dollars from your paycheck into a reimbursement account. Funds from this account can be used to pay for certain out-of-pocket medical expenses and dependent care (child care) costs. There are tax law restrictions for this plan and an annual enrollment is required. Because any unused balance in your account at the end of the plan year will be forfeited careful planning should be exercised. Since your medical and dental insurance premium costs are pre-tax deductions, they are not eligible for reimbursement within this plan. More information is available from Site Human Resources.

CASH-IN-LIEU BENEFIT

If you are a Full-Time employee, you are eligible for the Cash-In-Lieu Benefit beginning on the first of the month coincident with or following the waiting period of three full calendar months of continuous active Full-Time employment, or at the beginning of any month after your initial eligibility. If you elect to participate in this benefit, you will receive additional monetary compensation per hour worked for waiving

medical, dental, & life insurance coverage, paid holidays not-worked, eligibility for PPL cash-out, and a portion of PPL accrual (see PPL section for cash-in-lieu accrual rates). You will continue to be eligible for applicable retirement savings plan match, short-term disability, flexible spending accounts, voluntary retirement plan contributions, time and a half for overtime hours worked, EAP, bereavement pay, jury duty pay, holiday pay for holidays worked, and education reimbursement.

If your needs change after enrolling in this option, you can return to full benefit eligibility after 12 months of your initial enrollment in the Cash-In-Lieu Benefit. Insurance coverage is subject to plan provisions. There is no guarantee of re-entry into medical, dental and life plans. Defined waiting periods will apply. More information is available from Site Human Resources.

If your Cash-in-Lieu Benefit has been terminated due to a qualified employment status change, you may be reinstated under the following conditions:

1. You return to active Full-Time employment within twelve (12) months of the date such status change commenced; and
2. You re-enroll for Cash-in-Lieu within 31 days of the return to Full-Time employment.

The reinstated coverage will be effective on the first day of the month coincident with or next following the date you return to Full-Time employment. "Reinstatement" means that the three-month waiting period applied prior to such termination or leave, will be waived under the reinstatement coverage.

ADOPTION ASSISTANCE BENEFIT

If you are a Full-Time employee with more than one year of service you are eligible to receive financial assistance for the adoption of a dependent child. Per child and family lifetime maximum reimbursements are applicable. You must be continuously employed by Presbyterian Homes through the completion of the process of adopting a child to receive financial assistance. Adopted children must be under 18 years old and may or may not be biologically related to either adoptive parent.

Contact your Site Human Resources Representative for more information regarding this benefit and to enroll the adopted child in PHS' Health Benefit Plans.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

As a PHS employee, you and members of your household have the free benefit of 24-hour access to our confidential Employee Assistance Program (EAP) in many forms such as:

- In person visits
- Telephone calls with trained professionals
- Online information network
- Online coaching
- Free monthly telephone seminars

Information regarding these services is generally found in your break room or through Site Human Resources or Employee Health Nurse.

DIRECT DEPOSIT

Direct deposit of your paycheck is available. Please contact Site Human Resources for further information.

EDUCATION & DEVELOPMENT

Presbyterian Homes Education & Development is committed to equip you with the tools, skills, and ideas that will positively influence you to achieve organizational and personal goals. The approach encompasses many different education and development experiences, such as new employee orientation, safety and regulatory-mandated classes, clinical and resident-oriented training, management courses, and leadership courses and

experiences.

The classes offered are intended to create desired culture, enhance leadership skills, and to advance the four business strategies of PHS - to be the provider of choice, the employer of choice, to have efficient and effective services, and to have a Christian culture and high quality of life.

Classes are taught by PHS employees or through partnerships with external consultants and resources. Classes vary in length. You are eligible to take advantage of education and development, according to your personal development plan.

If you are required to attend job-related education, you will be paid at your regular base pay (including any shift and lead/premium differential). Your supervisor will inform you of required education you will need to attend.

If you would like to attend additional PHS educational opportunities that are not job-related, you may not be paid for your attendance. Please discuss all educational opportunities with your supervisor prior to attendance.

HIGHER EDUCATION ASSISTANCE

Presbyterian Homes & Services recognizes that education plays an important role in achieving your personal and professional goals. In addition to in-house education and development programs, Presbyterian Homes will provide funds for an Educational Reimbursement Program for work-related courses of education towards an Associate, Bachelor or graduate degree at an accredited educational institution. Continued support of this program is dependent on available funds.

You must have completed at least twelve months of employment, be in good standing, and be averaging at least 20 hours of work per week for the previous six months before applying for education reimbursement. Employees with an employment status of On-Call or Temporary are not eligible. See Site Human Resources for more information and application.

Presbyterian Homes may also periodically provide scholarships and other financial resources in support of continuing education for its employees.

RECRUITMENT INCENTIVE PROGRAM

A recruitment incentive program may periodically be implemented to encourage current employees to refer friends and acquaintances to Presbyterian Homes for employment. Your Site Leader is responsible for determining the need for the program at their site, identifying the targeted position(s) for recruitment, and the duration of the program. The length of the program may vary by position. Contact Site Human Resources for more information regarding this program.

PARKING

Parking space is usually provided for you at no cost. Parking is not allowed in fire lanes by order of the State Fire Marshal, nor on city streets as a courtesy to our neighbors. Fire lanes, handicapped parking spaces, emergency exits and city streets are under the jurisdiction of the local police department, not Presbyterian Homes. Vehicles parked in these areas may be subject to a fine if ticketed. If you park in an assigned place, unauthorized place, or leave your vehicle on the premises when not working, your vehicle may be towed at your own expense and you may be subject to disciplinary action. Overnight parking (more than 24 hours) is permitted only with Site Leader approval. See your supervisor for specific parking instructions.

LOCKERS, COAT ROOMS AND EMPLOYEE LOUNGES

Coatrooms and/or lockers may be provided for your convenience. Consult with your supervisor for location. PHS reserves the right to inspect any person, locker, vehicle, package, purse, handbag, briefcase, lunch box or other possessions carried to, on, and from its property, and to question all persons on its premises. It is expected that you will respect the property rights of others. Presbyterian Homes is not responsible for loss, theft or damage of any personal belongings placed in lockers, coatrooms or employee lounges.

Section 8: Your Time Away From Work

As an employee you are expected to fulfill your employment commitment per your employment terms for schedule and hours of work. As an Employer of Choice, PHS wants to achieve a balance between the needs of the organization and your needs as an employee. In addition to the leaves described below, you may be eligible for other leaves including:

- Bone Marrow Leave (Minnesota)
- Elective Office and Public Service Leave (Iowa)
- Maternity Leave (Iowa)
- Parental Leave (Minnesota)

FAMILY MEDICAL LEAVE ACT

Federal Family and Medical Leave of Absence (FMLA) is a leave of absence available to you, if you qualify, for up to 12 workweeks (or up to a total of 26 workweeks if for Servicemember Caregiver Leave) of unpaid leave in any twelve-month period. The twelve-month period is calculated by the twelve-month period measured forward from the date your first Federal FMLA leave begins. Leave may be taken for the following reasons:

Family Leave

- The birth and care of your newborn child
- The placement of a child with you for adoption or foster care;

Medical Leave

- When you are needed to care for your child, spouse, or parent who has a serious health condition;
- When you are unable to perform the essential functions of your position because you have a serious health condition;

Exigency Leave

- When you have a qualifying exigency involving your spouse, child, or parent who is on covered active duty or has been notified of an impending call to covered active duty status as a member of the U.S. Armed Forces. Examples of "qualifying exigency" include short notice deployment, military events and related activities; child care and school activities; financial and legal arrangements; counseling, rest and recuperation, and post-deployment activities.

Servicemember Caregiver Leave

- When you are needed to care for an eligible spouse, son, daughter, parent or next of kin who has a serious injury or illness incurred in the line of duty on active duty or family members who are veterans and are undergoing medical treatment, recuperation or therapy for serious injury or illness that occurred any time during the five (5) years preceding the date of treatment. The 26 week period is reduced by any FMLA leave taken in the same 12 month period for a different FMLA qualifying reason. Employees who seek Servicemember Caregiver Leave should contact Human Resources for additional information.

You are eligible for FMLA if you have been employed by PHS for at least 12 months and have worked at least 1000 hours during the 12-month period immediately preceding the leave. Hours worked includes paid hours, Paid Personal Leave (PPL), Short Term Disability (STD), Jury Duty Leave, Bereavement Leave, Holiday Not Worked, or other approved paid leave.

If you are eligible for a FMLA, you are entitled to a maximum of 12 workweeks of leave in any 12-month period when a leave is for one or more of the reasons described above, except that you may receive a total of 26 weeks of FMLA leave in conjunction with Servicemember Caregiver Leave. Federal FMLA leave will run concurrently with other state leaves, including workers compensation, to the extent allowed by applicable law.

Serious Health Condition An employee may take leave because of a serious health condition that makes the employee unable to perform the essential functions of the employee's position or to care for a child, spouse, or parent who has a serious health condition. In the absence of complications, most routine treatments and short-term conditions do not constitute a serious health condition.

Leave for Birth or Placement of a Child. FMLA leave taken due to the birth of a child or placement for adoption or foster care must generally be concluded within 12 months after the birth or placement. Intermittent or reduced schedule leave related to the birth or placement of a child for adoption or foster care may be taken with the prior approval of PHS Employee Health in consultation with your supervisor.

Notice and Procedures for Seeking FMLA Leave. If you know in advance that you will be seeking a Federal Family or Medical Leave because of the birth, adoption or placement of a child in your home, or because of a planned medical treatment, you must notify your supervisor at least 30 days in advance. If circumstances require that the leave begin in less than 30 days, you must notify your supervisor as soon as practical.

Employee Health will then notify you whether the leave is designated as FMLA leave. All requests for FMLA are considered unapproved until the Employee Health Nurse gives final approval or conditional approval. You must provide sufficient information to allow us to determine whether your request for leave qualifies for FMLA leave. Calling in sick is not sufficient. Failure to respond to reasonable inquiries or provide necessary information may result in the denial of a request for FMLA leave.

If you miss work because of a FMLA qualifying reason that PHS has previously approved, you are required to inform your supervisor of the qualifying reason for your absence and complete and submit the PHS form certifying that the absence was for a FMLA qualifying reason to Employee Health.

Medical Certification. PHS may request medical certification from by a health care provider, as defined by applicable law, to your Employee Health Nurse in a timely manner, for requests for leave for your own or covered family member's serious health condition. The medical certification form provided by PHS must be completed in its entirety and must be returned to Employee Health within fifteen (15) days of receiving the form. At PHS' discretion and expense, it may request a second and third opinion. Periodic recertification of the medical condition may also be required.

If you fail to provide requested Family and/or Medical Leave medical certification within 15 days of receiving the form, the leave will not be certified as FMLA. You will be off on an unapproved leave and your employment may be terminated. Exceptions must be approved by the Employee Health Nurse and Corporate Human Resources.

If medically necessary for your serious health condition or that of your spouse, child or parent (or next of kin in the case of Servicemember Caregiver leave), leave may be taken on an intermittent or reduced schedule leave. If leave is requested on this basis, however, you may be required to transfer temporarily to an alternative position with equivalent pay and benefits which better accommodates recurring periods of

absence or a Part-Time schedule.

Health Care Coverage. While you are on a FMLA Leave, PHS will pay its share of the premiums for health care coverage that it provides to you. It is your responsibility to pay your share of the premium(s). If you fail to return from a leave, PHS may recover its share of the premiums paid on your behalf.

Use of Paid Leave. You are required to use any accrued PPL and/or Short Term Disability (as applicable and defined by PHS policy) prior to beginning the unpaid portion of your Federal FMLA leave. While on an unpaid leave of absence, you will not accrue PPL, Short Term Disability (STD), or be paid for holidays not worked, bereavement leave, or jury duty leave. If you are eligible for full or partial leave as the result of a work related injury (workers' compensation leave), the leave will run simultaneously with your FMLA leave.

Return to Work. You may be asked to report periodically on your intent to return to work. In most cases, you will be returned to your former position or equivalent at the conclusion of your FMLA leave. The benefits that you accrued before the leave are maintained during your leave. In the case of leave for your own serious health condition, you may be required to provide a return-to-work certification from your health care provider to the Employee Health Nurse before returning to work. If the certification is not received by the specified date, your return to work may be delayed or denied.

If you are unable to return to work at the end of FMLA leave, you may request a Medical or Personal Leave of Absence or other assistance. All such requests are evaluated by PHS on a case-by-case basis and PHS' determination will be final. Should your need for leave extend beyond twelve (12) weeks, and you have not received an authorized Personal or Medical Leave of Absence, you will be considered to have voluntarily resigned.

Fraudulent Requests. A leave may be revoked and/or other disciplinary action may be taken against you if the request for, or continuance of, a leave is believed to be fraudulent.

State Laws and other PHS Policies. PHS complies with all applicable state, federal, and local laws and interprets this policy in accordance with all applicable laws.

Application of Policy. Interpretation and application of this policy is in the sole discretion of PHS. If you have a question about the meaning of this policy or how it applies to your circumstances, please contact your Employee Health Nurse or Site Human Resources Representative.

MEDICAL LEAVE

A medical leave may be available to you if you need time away from work for your own medical circumstances. Medical leave is an unpaid leave and is granted at the discretion of PHS. The decision to grant the leave and the length of any leave granted will be based on health care provider certification and business operational needs and will be determined on a case-by-case basis.

You will be required to supply certification from your health care provider supporting the need for a medical leave prior to the start of the leave or as soon as practicable for unforeseen medical circumstances. You will also need to complete the medical leave portion of the Leave of Absence form. The health care provider certification must address the reason for the leave, and anticipated duration. PHS reserves the right to request additional information to support the need for your leave. Your Employee Health Nurse will coordinate communication between you and PHS concerning your request for medical leave.

If you fail to provide requested Medical Leave medical certification the leave will not be certified as Medical Leave. You will be off on an unapproved leave and your employment may be terminated. Exceptions must be approved by the Employee Health Nurse and Corporate Human Resources.

When you are on an unpaid medical leave of absence, there is no guarantee that you will be returned to the same job with the same pay, benefits, and terms and conditions of employment at the end of your leave unless covered by law. Should your need for time off extend beyond the end of your approved medical leave, you may be placed into Temporary status. While in a Temporary status, if you have not worked for twelve months you will be considered to have resigned your employment in accordance with our inactivity policy.

Although medical leaves are unpaid, you are required to use available Paid Personal Leave hours (PPL). While on an unpaid leave, you will not accrue PPL, Short Term Disability (STD), or be paid for holidays not worked, bereavement leave, or jury duty leave.

While on a medical leave, you are required to report periodically to your Employee Health Nurse regarding the status of your medical condition and your intent to return to work. When you are able to return to work, you should contact your Site Human Resources Representative for assistance. You will be required to provide a return-to-work medical certification to your Employee Health Nurse before returning to work. If you do not return to work at the end of your approved Medical Leave and have failed to communicate in a timely manner you will be considered to have voluntarily resigned.

During an unpaid medical leave of absence or if your paid hours fall below Full-Time status, you may elect to continue benefit coverage at the full cost (employee and employer contributions) of insurance premiums. Failure to make timely payments for any benefits you elect to continue while on an unpaid leave of absence may result in the termination of your benefits.

PERSONAL LEAVE

An unpaid leave of absence for personal reasons may be available after six months of employment. The length of personal leaves will be determined on a case-by-case basis, but generally will be limited to up to two months. Only one personal leave will be granted within one 12-month period. A personal leave of absence form must be completed and approved by your supervisor and Site Human Resources prior to the start of your personal leave of absence.

Although personal leaves are unpaid, you are required to use available Paid Personal Leave hours (PPL). While on an unpaid leave, you will not accrue PPL, Short Term Disability (STD), or be paid for holidays not worked, bereavement leave, or jury duty leave.

When you are on an unpaid personal leave of absence, there is not a guarantee that you will be returned to the same job with the same pay, benefits, and terms and conditions of employment at the end of your leave. Should your time off extend beyond the end of your approved leave and you do not have written supervisory approval to extend your leave, your employment may be terminated.

During an unpaid personal leave of absence or if your paid hours fall below Full-Time status, you may elect to continue benefit coverage at the full cost (employee and employer contributions) of insurance premiums. Failure to make timely payments for any benefits you elect to continue while on an unpaid leave of absence may result in the termination of your benefits.

BEREAVEMENT LEAVE

PHS provides paid time off if you experience the death of a family member. You are eligible for this benefit immediately upon hire. Up to three scheduled calendar days paid bereavement leave will be available for the death of your spouse, child, brother, sister, mother, father, or corresponding step relations. You must be an active employee to receive bereavement benefits, and leave must be taken within 14 calendar days of the notification of death.

One day paid bereavement leave will be available for the death of your grandmother, grandfather, grandchild, direct "great" relations, aunt, uncle, niece, nephew, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, or grandparent in-law.

Bereavement leave is paid only if you are scheduled to work and for the number of hours scheduled. Employees on an unpaid leave of absence are not eligible for bereavement leave pay. If you are on an approved paid leave of absence, you are eligible to use bereavement leave in place of PPL and/or STD. All requests for bereavement leave are to be approved by your supervisor in writing prior to your being absent. You may be required to provide documentation to verify the leave before receiving bereavement pay.

JURY DUTY LEAVE

Serving on a jury is a fundamental responsibility of citizenship. If summoned to serve on a jury, you should immediately provide your supervisor a copy of the summons and make arrangements for the time away from work.

You will be paid the difference between your jury duty pay and your regular pay (including applicable shift, lead, and premium differentials) for scheduled hours not worked during the first four weeks of jury duty as the result of reporting to or serving on a jury. Documentation of attendance and payment may be required.

For Federal Jury Duty contact Corporate Human Resources.

MILITARY LEAVE

If you are a PHS employee who enlists, is drafted, or is recalled to active service in the armed forces of the United States, you will be granted a military leave without pay in accordance with state and federal law. You may be granted unpaid military leave to participate in activities of the National Guard or the Reserves in accordance with state and federal law. You are not required to use accrued PPL while gone from work on a military leave. You are required to notify your supervisor of your intent to return to work as soon as possible. See Site Human Resources to coordinate your leave and continuation of benefit coverage.

Other types of leaves for employees that have family members serving in the military may be provided by law. See Site Human Resources for more information.

SCHOOL CONFERENCES AND ACTIVITIES

If you have worked for Presbyterian Homes for at least 12 consecutive months you may take up to sixteen (16) hours of unpaid leave during any 12 month period to attend school conferences and school related activities related to your children, if the conferences or school related activities cannot be scheduled during non-work hours. You must provide reasonable prior notice of the leave to your supervisor and make a reasonable effort to schedule the leave so as to not unduly disrupt the operations of your department. You may use any accrued PPL while missing work for school conferences and/or activities.

VOTING

PHS encourages you to exercise your right to vote. You should plan to vote at a time when you are not scheduled to work. However, if you are registered to vote in a state general election or an election to fill a vacancy for U.S. Senator or a U.S. Representative, you may take time to vote during the morning of the Election Day without penalty or deduction in wages, if you are regularly scheduled to work at that time. You must notify your supervisor prior to leaving the building to vote, or if you intend to vote prior to reporting for work, and you must report to work as soon as you have finished voting.

CRIME VICTIMS LEAVE - MN Only

As a PHS employee, you are eligible for Crime Victims Leave upon hire. PHS will give reasonable time off to you if needed to obtain domestic restraining orders, harassment restraining orders, or attend criminal court proceedings which you, your spouse, or next of kin was a victim of a "violent crime" such as murder, rape, and similar crimes of physical violence. You are expected to give 48 hours advance written notice of the need for the leave except in unforeseeable extreme circumstances. All information related to the leave will be kept confidential, separate from your employment file. You are required to use available PPL while missing work for Crime Victims Leave. See Site Human Resources for more information.

Section 9: Your Leaving PHS

VOLUNTARY TERMINATION

Should circumstances require you to voluntarily terminate employment with Presbyterian Homes, it is expected that you will give notice to your supervisor at least two weeks before the last day you intend to work. Supervisory and Management level personnel are expected to give at least a one-month notice. At PHS' discretion, it may waive this notice period and pay you for the expected notice period. Keys and other property of PHS in your possession must be returned by your last day of employment.

INACTIVITY

Except in unusual circumstances, if you have not worked for twelve months, you will be considered to have resigned your position unless you were on an approved leave of absence for some or all of that time. A letter indicating your termination of employment will be mailed to your last known address.

INVOLUNTARY TERMINATION

PHS may initiate a termination of your employment as a result of policy violations, attendance issues, unacceptable behavior, or other types of unsatisfactory performance, a layoff, or other reasons deemed appropriate. PHS is not required to provide notice of performance problems or other information in advance. Keys and other property of PHS (keys, fobs, phones) in your possession must be returned by your last day of employment.

REHIRE

To be considered for re-employment, you must have left your employment with PHS in good standing. If you are rehired by PHS within 6 months of your termination, you will be credited with your original hire date and lifetime hours worked. You will immediately begin accruing PPL at the rate according to the scheduled hours of your new position. All other benefits are subject to plan provisions as specified in plan documents.

LONGEVITY RECOGNITION

When you have served ten (10) or more years of continuous service and are resigning or retiring in good standing, you will receive a recognition gift of \$10.00 for every year of service. This gift will be paid to you on a check separate from your last hours worked pay check.

UNEMPLOYMENT INSURANCE

This program may provide you weekly benefits if you become unemployed through no fault of your own or due to other circumstances described in State law.

EMPLOYMENT FILE

See PHS' policy on "Employment Records" regarding review of your employment file.

CONTINUING HEALTH INSURANCE COVERAGE

If you are a participant in medical insurance, dental insurance, life insurance, or flexible spending account benefit plans, you will be offered continuation of these benefit plans (also referred to as COBRA coverage). You will receive a COBRA offer letter at your home following the end of your employment.

RETIREMENT SAVINGS AND INVESTMENT PLAN

Upon the end of your employment with PHS, you may elect to receive a taxable distribution, to roll over your investments into another tax-deferred plan such as an individual retirement account ("IRA") or leave it in the plan. To obtain more information regarding your options, contact Site Human Resources.

W-2

To ensure that you will receive your W-2 earnings statement, you should make sure that your correct mailing address is on file in PHS records. If you should move after you are no longer working for PHS, you should contact Site Human Resources to inform them of your new address.

FINAL PAYCHECKS

You may receive a couple of final pay checks. One check will compensate you for the last hours that you worked at PHS and another for any accrued PPL and/or Longevity Recognition gift for which you are eligible. Our practice is to process these checks separately in the two pay periods that follow your last day. PHS complies with applicable laws regarding final paychecks.

PERSONAL SATISFACTION

As you leave your employment with Presbyterian Homes and Services, we trust your life has been enriched because you have either directly or indirectly "created smiles in the eyes of our residents." Thank you for your service.

Section 10: Information Technology

This section contains policies which reflect the interest and concern we have in you as a user of Presbyterian Homes & Services (PHS) information technology and telecommunications systems. It provides information concerning your use of Presbyterian Homes & Services' equipment and systems. It explains your benefits and obligations as a user. You are expected to be familiar with the contents. Exceptions to these policies are made only with the written approval of the Corporate Director of Information Technology. Notice of policy changes may be communicated to users through periodic communications. Interpretation or application of these policies by Administration is binding.

PHS reserves the right to amend, change or discontinue any of the policies, practices and systems without notice and for any reason it deems necessary. All previously distributed policies regarding these topics are revoked and the provisions of this section supersede their provisions. Accepting or continuing use of PHS equipment and systems after you receive this information is considered to be your acceptance of its contents as the sole source of information regarding your use, other than applicable documents and policies which are referred to in this section.

Log On Screen

Users will view the following log on screen when accessing any Presbyterian Homes & Services computer or network.

"This system is the property of Presbyterian Homes & Services (PHS). Only authorized users are allowed to access the system and any data on it. The system is intended to be used primarily for PHS related business in support of the mission and ministry of PHS.

All communication made through this system, and all material placed on it, must conform to the PHS Electronic Communications Policy. For a copy of this policy, please contact your supervisor.

Violations of this policy may result in disciplinary action up to and including termination or other action PHS deems appropriate.

By logging on, each user consents that PHS or its designees may download, print, inspect, copy or disclose any electronic mail, electronic communications or other information on this system at any time without further notice."

Electronic Communications Policy

The following policy covers all electronic communications including Presbyterian Homes & Services' (PHS) computer network, computer equipment, E-mail, Texting, Internet, intranet and web site(s). This policy applies to all PHS employees, contractors, consultants, volunteers, agents or any other persons who have gained or are given access to the PHS computer system. The purpose of PHS policies and procedures is to increase awareness of the risks associated with using electronic communications and to communicate PHS requirements regarding the use of electronic communications.

Electronic communication plays an increasingly significant role in our work. Along with the benefits of

electronic communication come risks and responsibilities. Users shall maintain the highest professional ethics and conduct while using PHS electronic communication systems. Users are responsible for adhering to PHS standards and policies when electronic communication is created, sent, forwarded or saved. Failure to adhere to these policies places PHS and the individual at risk for legal or financial liabilities, potential embarrassment, adverse employment actions and other consequences.

All other PHS policies apply to electronic communication even if not specifically mentioned in this policy. For example, users must bear in mind the provisions of the PHS Offensive Behavior Policy, Corporate Compliance Standards, HIPAA Policies and Rules of Conduct when utilizing PHS systems. Users should also reference the following PHS policies: Information and Network Security, Internet, Electronic Mail, and Telephone Use.

Procedures

The Information Technology (IT) Department will develop procedures and technical standards related to providing and maintaining information and transacting business on PHS communication systems. The purpose of these procedures is to facilitate the flow of information while maintaining the integrity and security of the system.

Purpose of Electronic Communication

The electronic communication system is a PHS owned tool to be used primarily for matters directly related to the business activities of PHS and as a means to further the mission of PHS by providing services that are efficient, accurate, timely and complete.

Technologies are to be used primarily for business purposes, although incidental and occasional personal use is permitted when it does not interfere with job responsibilities and is in compliance with all PHS policies.

Public Nature of Electronic Communication

Users must understand that any communication created, received or backed up on the PHS systems may be construed to be public documents and may be subject to legal requests for public disclosure. This includes communications that users might think of as personal and private. Electronic communications may be searched for evidence in any legal proceeding.

Inspection and Monitoring

PHS supervisors have the authority to inspect the contents of any equipment, files or mail in the normal course of supervisory responsibilities. Reasons for review include, but are not limited to: investigation of network slowdown, system hardware or software problems including software license compliance, general system failure, litigation or potential litigation, suspicion of a crime or violation of policy, or a need to perform work or provide a service when the user is not available. PHS does not systematically inspect all records and relies on users to report offensive or inappropriate material to their immediate supervisor, Human Resources or the Information Technology Department.

By using PHS' electronic communication system, all users consent that PHS may, at its discretion, inspect, use or disclose any electronic communications and/or data, including those messages that require passwords, without further notice for any legitimate business, legal or disciplinary purpose and may disclose or disseminate such messages to appropriate third parties.

Personal Use

Users must limit personal use to occasional use that does not interfere with the conduct of PHS business,

or with an individual performing his/her job responsibilities. Examples of unacceptable use of the systems include, but are not limited to:

- Activities unrelated to official assignments and/or job responsibilities, except for occasional personal use.
- Private advertising of products or services or any active means to foster personal gain including outside business or commercial activities.
- Downloading files, programs or systems components for something other than a business use.
- Creating and/or forwarding repetitive E-mail messages or unsolicited messages (sometimes referred to as "Spam" or "Mailbombs").
- Using designated resident computers.
- Interfering with the operation of systems or the cost of operating systems.

Privacy

Users

Users must respect the privacy of others. Users shall not intentionally seek information on, obtain copies of, or modify files, data or passwords belonging to other users, except in the normal, authorized conduct of their work.

Users are strictly prohibited from removing confidential business and/or resident information from a facility in any form - written, verbal, electronic or other (this includes receiving business/resident information via email accounts other than those established on PHS servers/systems) unless written permission has been given by the Corporate Privacy Officer. Furthermore, users are restricted from remotely accessing confidential business and/or resident information housed on PHS systems via electronic or other means unless written permission has been given by the Corporate Privacy Officer.

Residents/Clients

Action must be taken to secure computers that have access to confidential resident information, printers that print such information and fax machines that transmit such information. Computers, printers and faxes are to be located in an area where physical access is limited to authorized staff. Computer monitors are to be positioned to be visible only to the authorized user actively working on the computer. When confidential resident information is printed from the systems, users are required to promptly retrieve the document and secure it in an authorized area.

All facsimiles that are sent from PHS systems, or in the course of conducting PHS business in other locations, and may include confidential health information must include the following statement:

"This facsimile may contain confidential health information that is protected by law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this facsimile in error, please shred it, and notify the sender by reply facsimile or by calling the number indicated above, so that our records can be corrected."

Electronic mail transmissions (E-mails) that are sent from PHS systems, or in the course of conducting PHS business in other locations, and may include confidential health information must include the following statement:

"This electronic mail transmission (including any attachments) may contain confidential health information that is protected by law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete

it, and notify the sender by reply electronic mail transmission so that our records can be corrected."

Security

Users must respect the integrity and security of computing systems. Users shall not use or develop programs that harass others or infiltrate a computer or computing system or damage or alter the software components of a computer or computing system.

Activities that interfere with or disrupt network users, services or equipment, including mass distribution of advertising or messages, intentional distribution of viruses, or seeking unauthorized access to other machines on the network are prohibited.

See also: PHS Information and Network Security Policy.

PHS Identity

Users must be aware of their potential audiences when sending communications, just as they do when using any other PHS communication tools. This includes not presenting personal opinion in such a way as to confuse potential readers regarding PHS policies. The PHS E-mail accounts identify the user to others as a PHS employee/user and therefore, users must conduct themselves in a manner that is consistent with PHS' mission, goals and with the best image of PHS.

Illegal Purposes/Prohibited Use

The following uses are expressly prohibited. Engaging in any of these activities may result in immediate termination or other action that PHS deems appropriate. Prohibited uses include, but are not limited to:

- Transmitting or intentionally accessing threatening, obscene or harassing material that is annoying or disturbing to others.
- Promoting, fostering or perpetuating discrimination on the basis of race, creed, color, age, religion, sex, marital status, status with regard to public assistance, national origin, physical or mental disability, sexual orientation.
- Communicating messages of an offensive, harassing, threatening or disruptive nature. Among those which may be considered offensive are messages which contain sexual implications, racial slurs or any other comments that offensively address someone's age, gender, sexual orientation, religion or political beliefs, national origin or disability.
- Sending messages that contain any kind of sexually explicit remarks, material or attached documents which may be in violation of the PHS policy on offensive behavior. In addition, sexually explicit material and other materials that are disallowed under the PHS Offensive Behavior policy shall not be archived, sorted, distributed, edited or recorded using PHS resources, unless done so for the purpose of an investigation or litigation or for legitimate personnel reasons.
- Participating in any electronic gambling activities.
- Any illegal transactions or information transmission.

Copyrighted Information

Use of the electronic communication system to copy and/or transmit any documents, images, software, or other information protected by a copyright owned by someone other than PHS, without proper authorization from the copyright owner, is prohibited. Copyright protection applies to any documents, image, software or information unless it is specifically marked as public, not copyrighted or freeware. In the absence of any specific copyright markings, material or information should be considered copyright

protected. PHS assumes no responsibility for reviewing, ascertaining or policing copyright material that may be transmitted to or from the electronic communication system by employees.

Storage of Data

All data shall be stored on network servers. The Information Technology Department does not back up the workstation hard drive (sometimes known as the "C" drive). Also, the process of reconfiguring workstations as the environment changes may at any time, result in the loss of data stored on the workstation's hard drive.

Management of Files

Because the storage capacity of the system is limited, all users are responsible for deleting outdated files. You will be notified by the Information Technology Department if you should refrain from deleting certain files for a period of time.

Hardware Additions/Procurement

PHS has developed a standardized hardware platform that it supports. Any hardware that is not supported by this standard, is not appropriately procured, or is found to cause problems with our computer/network system(s) will be removed. All Technology related hardware purchases are to be completed/coordinated through the Information Technology Department.

Software Additions/Changes

PHS recognizes that new technologies and applications/systems can add great efficiency to its operations. In order to assist with the development of new programs, users are expected to consult with the Information Technology Department regarding requested software applications early in their review process. The Information Technology Department can assist with determining the appropriateness of the application for the PHS network, help plan a successful implementation and assure legal licensing protocols are followed.

Installations of Software

PHS has developed a standardized software suite that it supports. Any software that is not supported by this standard, is not appropriately licensed, or is found to cause problems with our computer/network systems(s) will be removed. The computer will then be restored to the PHS standard(s). All software installation is to be performed by the Information Technology Department.

Violations

Anyone who uses these systems in a manner that is not consistent with PHS policies may be subject to disconnection from the network, disciplinary action up to and including termination, or other action that PHS deems appropriate.

Information and Network Security Policy

Users are responsible for taking precautions to protect the Presbyterian Homes & Services (PHS) Information and Network Security systems. Users shall not seek to breach systems security, nor aid or assist others in doing so. In the event a user uncovers what he/she believes is a system security or system integrity problem or violation, the user must notify the Information Technology Department at 651-631-

6141 immediately.

Network Security

Activities that interfere with or disrupt network users, services or equipment, including mass distribution of advertising or messages, intentional distribution of viruses, or seeking unauthorized access to other machines on the network are prohibited.

Passwords

A secure password is PHS' first line of defense against hackers because they try to access PHS networks by guessing passwords. Passwords are required on all PHS Information Technology and Telecommunication devices and systems that may contain or access the PHS Network (including, but not limited to, personal computers, thin clients, Smartphones, PDA's, etc.). Users are responsible for protecting passwords against unauthorized use. Protecting passwords also protects individual user identifications. Users are responsible for anything that happens under their user identification, and therefore it is important to make sure it does not get misused. Users should not share passwords with anyone, or allow other individuals to work on the network under/using their log in. Users may be required to change passwords on a regular basis.

Unauthorized Access

Users must not read, use or tamper with someone else's personal computer or electronic data without their knowledge and consent.

Downloads

Users shall not download any executable files without the prior approval of the Information Technology Department. Nor shall they download any software or types of items known to contain or harbor viruses or other software items, which could damage PHS' Internet system or network, or alter PHS' standard desktop image.

Viruses and Virus Hoaxes

Computer viruses are a common problem. They can result in lost data, repair costs, loss of productivity and more. The majority of viruses are spread by E-mail attachments so it is important to know from whom a message came before it is opened. PHS does utilize a virus detection system on all messages coming into its network, however users should participate in this area of security by:

- Deleting suspicious E-mails immediately. Do not open them.
- Contacting the Information Technology Support Line (651-631-6141) immediately if your system has a virus.
- Forward any E-mails you receive about viruses on to the Information Technology Department. They will inform you if the E-mail is a hoax or a legitimate virus. Do not perform any instructions you receive in an E-mail notification (i.e.-delete files) without first notifying the Information Technology Department.

Modems

Unsecured or improperly configured modems can leave a "back door" open into PHS' computer network, which leaves PHS vulnerable to a security breach. The Information Technology Department must approve all installations of modems in order to assure the modem is securely configured.

Logging Off

Users must log off all individual applications when not actively at their work area. Users must log off the PHS network (Citrix and their local computer/thin client) when leaving their work area for extended periods of time. Users must shut down/turn off their computer at the end of each workday.

Portable Equipment

Only portable equipment (i.e. laptop computers) may be removed from PHS buildings by authorized users. Desktop computers, printers and other attached devices shall not be removed from PHS buildings without the approval of the Information Technology Department.

Termination of User

In order to protect the security of the network, supervisors are requested to notify the Information Technology Department as soon as possible when a user has terminated employment or discontinued a consultant or vendor relationship. Supervisors will be asked to whom E-mail and voicemail messages should be forwarded and all user passwords will be disabled.

Change of User

In order to protect the security of the network, supervisors are requested to notify the Information Technology Department as soon as possible when a user role has changed such that their network access and/or security access is affected.

Users should also notify the Information Technology Department when transferring positions that affect their voicemail account. A new voicemail box will be established to create a new user set-up.

Violations

Anyone who uses these systems in a manner that is not consistent with PHS policies may be subject to disconnection from the network, disciplinary action up to and including termination, or other action that PHS deems appropriate.

Internet Policy

Presbyterian Homes & Services (PHS) provides Internet access to its users to support their business needs.

With the high performance tools available through the Internet, users are more effectively able to acquire, disseminate, and utilize information.

Purpose

As a condition of providing Internet access to its users, PHS places certain restrictions on workplace use of the Internet. PHS encourages use of the Internet:

- to communicate with fellow users and clients regarding matters within an user's assigned duties;
- to acquire information related to, or designed to facilitate the performance of regular assigned duties; and
- to facilitate performance of any task or project in a manner approved by a user's supervisor.

When connecting to the Internet using a PHS address designation, it should be for PHS business related activity except for incidental and occasional personal use.

Privacy and Confidentiality

The Internet does not guarantee the privacy and confidentiality of information. Sensitive material transferred over the Internet may be at risk of detection by a third party. Users must exercise caution and care when transferring such material in any form (See Confidentiality Standard in PHS Employee Handbook and Corporate Compliance guidelines).

Internet usage by individuals may be monitored by the Information Technology Department, including external links and services being accessed by users through the PHS provided Internet service.

Installation

In order to maintain consistent and cost effective support, users may not install their own Internet client support products or alternate Internet service provider connections (i.e. AOL) on PHS provided computers or workstations without the prior approval of the Information Technology Department. Users may not use PHS' Internet connection without prior approval of the Information Technology Department. Such approval is indicated by the presence of an Internet icon on his/her Citrix desktop.

Costs

Users may not access sites or download information that may result in an unapproved expense to PHS. No PHS business shall be conducted on the Internet that requires the use of PHS credit cards without the permission of a user's supervisor. Users may be personally responsible for any liabilities or damages that are incurred, inadvertently or otherwise, when utilizing the Internet.

Bulletin Boards

PHS users may participate in external bulletin boards if participation in the board supports the user's normal business functions. Users may not participate in non-work-related boards where the E-mail address or other designator identifies them as PHS users.

Downloading

Downloading of files from the Internet is to be done sparingly, with specific attention to the document's size and origin. Applications may not be downloaded from the Internet onto PHS equipment without the prior approval of the Information Technology Department. Files that are downloaded from the Internet must be scanned with virus detection software before installation or execution. All appropriate precautions should be taken to detect viruses and to prevent the infection of other machines.

Inappropriate Information

Users are cautioned that obscene, offensive or other inappropriate information may be encountered while using the Internet. While PHS does utilize a filtering product for its business access to the Internet, PHS cannot completely prevent the possibility of this occurring. Users are expected to refrain from disseminating such information.

Compliance with Applicable Laws and Licenses

Users must comply with all software licenses, copyrights, and all other laws governing intellectual property and online activity.

Prohibited Use

The following uses are expressly prohibited. Engaging in any of these activities may result in disciplinary action up to and including termination, or other action that PHS deems appropriate. Prohibited uses include, but are not limited to:

- Activities that use up network bandwidth or have a negative impact on response time such as listening to "radio" web sites or excessive streaming video.
- Game playing.
- Distribution of destructive programs (i.e., viruses and/or self-replicating code).
- Hateful, harassing, or other anti-social behavior.
- Intentional damage or interference with others (for example, hacking and distributing viruses).
- Making publicly accessible obscene files.
- Solicitation.
- Dissemination or printing of copyrighted materials (including articles and software) in violation of copyright laws.
- Sending, receiving, printing or otherwise disseminating proprietary data, trade secrets or other confidential information of PHS in violation of company policy or proprietary agreements.
- Offensive or harassing statements or language including disparagement of others based on their race, national origin, sex, sexual orientation, age, disability, religious or political beliefs, or any other protected class status.
- Sending or soliciting sexually oriented messages or images.
- Operating a business, usurping business opportunities or soliciting money for personal gain, or searching for employment outside PHS.
- Sending chain letters, gambling or engaging in any other activity in violation of the law.

Violations

Any user who violates this policy or uses the Internet for improper purposes may be subject to disconnection from the network, disciplinary action up to and including termination, or other action that PHS deems appropriate.

Electronic Mail (E-mail) Policy

Presbyterian Homes & Services (PHS) maintains an electronic mail (E-mail) system. The E-mail system is a PHS-owned tool to be used primarily for matters directly related to the business activities of PHS and as a means to further the mission of PHS by providing services that are efficient, accurate, timely and complete.

Purpose

Use of the E-mail system is intended for the conducting of business for PHS. It is not provided for personal use. PHS permits incidental and occasional personal use of E-mail, but these messages will be subject to all PHS policies. Users must restrict personal use to occasional use that does not interfere with the conduct of PHS business.

Privacy and Confidentiality

The E-mail system hardware is PHS property. Additionally, all messages composed, sent, or received on the electronic mail system are and remain the property of PHS. They are not the private property of any user.

PHS reserves and intends to exercise the right to review, audit, intercept, access and disclose all messages created, received or sent over the electronic mail system for any purpose. The contents of E-mail properly obtained for legitimate business purposes may be disclosed within PHS without the permission of the user.

Personal messages can be accessed by PHS management without prior notice. Transmission of any messages sent to a third party are subject to review by PHS.

The confidentiality of any message should not be assumed. Even when a message is erased, it is still possible

to retrieve and read that message. Further, the use of passwords for security does not guarantee confidentiality.

Obligations of Recipients

Notwithstanding PHS' right to retrieve and read any electronic mail messages, such messages should be treated as confidential by other users and accessed only by the intended recipient. Users are not authorized to retrieve or read any e-mail messages that are not sent to them. Any exception to this policy must receive prior approval by PHS.

Principles of Use

The E-mail system may not be used to solicit for commercial ventures, political causes, outside organizations, or other non-job-related solicitations.

The E-mail system is not to be used to create any offensive or disruptive messages. Among those which are considered offensive are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, sexual orientation, religious or political beliefs, national origin, disability, or other protected class status.

The E-mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization.

Procedure for Misdelaivered Messages

If an E-mail message is delivered by mistake, the recipient should notify the sender immediately and notify the Information Technology Department if the problem appears to be system related rather than sender error. Purposefully reading E-mail intended for another person without the expressed permission of that user or PHS is impermissible and may result in disciplinary action.

Forwarding E-mail

A user, in forwarding a message which originated from someone else, shall not make changes to that message without clearly disclosing the exact nature of the changes and the identity of the person who made the changes. If a message has been designated by its originator as private or confidential, the recipient shall not forward the message without the prior consent of its originator.

Unsolicited E-mail

PHS may act to block incoming E-mail if necessary to protect the operation of the PHS E-mail system or to protect users from harassing or offensive messages. Users are encouraged to use caution before providing their E-mail addresses to discussion lists, online guest books, or to other mechanisms from which junk E-mail lists are often created.

All-User E-Mail

Messages going to all users may overload the E-mail server. All messages must conform to PHS's policy on appropriate use of E-mail. The use of graphics and attachments must be kept to a minimum to reduce processing time. Consider alternatives to sending messages to all users. Sending messages of a personal nature to all users (such as to sell a personal possession, look for a roommate, express personal opinions, conduct a personal survey, etc.) are prohibited.

Outlook Remote Access

PHS has established an Outlook Remote Access mechanism for access to its Outlook application and features. PHS' Outlook Remote Access mechanism may be utilized in three different ways:

- (1) Secure remote access to PHS' Outlook using Outlook Web Access (OWA) from any equipment that has an internet connection and an internet browsing tool. NOTE: Due to the confidential nature of PHS patient and business information, equipment that pulls and/or locally stores information (i.e. PDA's, Smartphone, Blackberry or similar devices except as provided for in #2 and #3 below) are prohibited.
- (2) Secure remote access to PHS' Outlook with synchronization via an approved, PHS owned PDA device.
- (3) Secure remote access to PHS' Outlook via cellular service using "Exchange push" technology using the Microsoft Mobile Outlook application via an approved, PHS owned Smartphone device.

For more information on Outlook Remote Access, please see PHS's Outlook Remote Access Policy and Procedure

Violations

Any user who discovers a violation of this policy shall notify the Information Technology Department at 651-631-6141 immediately.

Any user who violates this policy, or uses the E-mail system for improper purposes may be subject to disconnection from the network, disciplinary action up to and including termination, or other action that PHS deems appropriate.

Telephone (Cellular and LAN/Desk phones) Use Policy

All telephone communication systems, and all communication and information transmitted by, received from, or stored in these systems are the property of Presbyterian Homes & Services (PHS) and, as such, are to be used primarily for job-related communications.

Principles of Use

Prohibited uses of telephones and voice mail include, but are not limited to, soliciting outside business ventures, advertising for personal enterprises or soliciting for non-PHS-related purposes. This policy does not prohibit personal messages of a social nature, which do not contain otherwise prohibited content.

Only designated telephones may be used for personal calls. No personal long distance phone calls may be made from PHS phones.

Users are not to use PHS' telephone or voice mail systems in any way that may be disruptive or offensive to others, including, but not limited to, the transmission of sexually explicit messages, cartoons, ethnic or racial slurs, or anything that may be construed as harassment or disparagement of others.

Resident phones are not to be used by employees for personal calls at any time.

Personal Calls and Phone Use

PHS telephones are used to conduct the business of the site. You are not permitted to make or receive personal telephone calls while working unless the nature of the call is an emergency. Social or family calls may be made or received from designated phones while on a break. Resident phones are not to be used by employees for any personal calls at any time. No personal long distance calls may be made from PHS phones.

The use of personal cell phones and other communication devices while working is prohibited. All personal

communication devices should be turned off and stored with personal belongings while on duty. Disruptive or inappropriate use of any PHS phone, personal cell phone, other communication devices or voicemail system may result in corrective action, up to and including termination.

Cell Phones and Text Messaging While Driving

PHS strongly discourages employees from talking on cell phones while driving for business purposes, while driving to and from work, and while communicating for business purposes when driving for business or not. If an employee feels it is necessary to talk on a cell phone while driving or communicating for business purposes, the employee must use a voice activated or other hands-free mode or device.

In accordance with Minnesota Statute § 169.475 PHS prohibits employees from operating a motor vehicle while using a wireless communications device (e.g. cell phone, PDA, etc.) to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic. An electronic message includes, but is not limited to, e-mail, a text message, an instant message, and accessing the World Wide Web. This prohibition applies at all times, including while driving for business purposes, while driving to and from work, and while communicating for business purposes when driving for business or not. This prohibition also applies regardless of whether the motor vehicle is personal or company-provided, and whether the wireless communication device is personal or company provided.

This policy does not apply if it is necessary to use a wireless communications device while operating a motor vehicle to obtain emergency assistance to (i) report a traffic accident, medical emergency, or serious traffic hazard or (ii) prevent a crime about to be committed, or if you reasonably believe that a person's life or safety is in immediate danger.

If an employee wishes to engage in conduct prohibited by this policy, the employee must pull out of traffic to stop the car in a safe location.

Privacy and Confidentiality

PHS respects the desire of individuals for privacy. However, a user cannot expect privacy rights to extend to work-related conduct or the use of PHS-owned equipment, supplies or property, particularly with respect to responding to requests for information that can lead to liability for PHS.

Authorized representatives of PHS may monitor the use of such equipment. Such monitoring may include monitoring phone calls, recording phone calls, accessing recorded messages, and printing and reading data files.

All PHS voicemail boxes must have a password assigned for secure access. Although users have individual access passwords to voice mail systems, these systems are accessible at all times by PHS and may be subject to periodic unannounced inspections by PHS for business purposes. Backup copies of voice mail are maintained and can be referenced for business and legal reasons.

Violations

Personal or other inappropriate use of PHS' telephone systems or resident telephones may result in disciplinary action up to and including termination, or other action that PHS deems appropriate.

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YOUR EMPLOYEE HANDBOOK AND CODE OF CONDUCT ACKNOWLEDGMENT

I acknowledge that I have been informed that I can access the Presbyterian Homes & Services Employee Handbook including the Code of Conduct dated 01/01/10 in the following manner. I understand these instructions and how to follow them:

- In your web browser, type www.presstaff.org in the address bar.
- Click on the Employee Handbook link on the right side of the Presstaff.org homepage.

I am aware it is my responsibility to read and understand the contents of the Employee Handbook and Code of Conduct and to ask questions about anything in it which I do not understand. To the extent they are inconsistent, this new Employee Handbook and Code of Conduct supersedes and replaces all previous handbooks, manuals, policies, rules and practices of Presbyterian Homes & Services effective 01/01/10. I also understand that the 01/01/10 Employee Handbook may be revised or amended and that it is my responsibility to stay informed of all revisions and amendments by consulting the www.presstaff.org for Employee Handbook updates.

I understand that the Employee Handbook and Code of Conduct are part of the guidelines for employer/employee relations between myself and the operating entities of Presbyterian Homes & Services.

I also understand that the Employee Handbook and Code of Conduct do not constitute a contract between myself and Presbyterian Homes & Services, and that it is not a guarantee of permanent employment. I also understand that my employment with Presbyterian Homes & Services is employment at-will and that I can resign or be terminated at any time with or without cause or prior notice.

Employee's Name (Please Print)

Employee's Signature

Date _____ Location _____ Employee Number _____

