
WELCOME LETTER FROM THE CHIEF EXECUTIVE OFFICER

Welcome to EPIC Management. We are pleased that you have chosen to join our special team of dedicated professionals that makes EPIC Management an organization which enjoys an outstanding reputation in the communities we serve. This reputation is a result of the hard work, creativity and dedication of our employees.

EPIC Management is a Management Services Organization (MSO) originally formed in 1995 with the purpose of sharing with Medical Groups, proven management techniques to bring success to our clients. EPIC Management provides services to a variety of Medical Groups and Independent Physician Associations (IPAs) to include Beaver Medical Group, our largest client.

EPIC Management is committed to teamwork and communication. We appreciate each individual employee's expertise, ideas and suggestions, and we therefore seek out and look forward to receiving your input. Together we will strive to continually make EPIC Management a progressively better organization, service provider and employer.

We hope your association with us provides you with opportunities for both personal and professional growth. We want you to enjoy your employment here and hope that you will build solid working relationships. We wish you a most enjoyable work experience!

Sincerely,

John Goodman
President/CEO
EPIC Management, LP

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NOTICE TO EMPLOYEES WHO SPEAK A NATIVE LANGUAGE OTHER THAN ENGLISH

EPIC Management wants all employees to understand and comply with the policies in this Employee Handbook. Employees who have difficulty understanding this Handbook due to an inability to read or understand English should contact Human Resources. EPIC Management will provide assistance to help employees understand the policies and what is expected of employees. If employees do not request assistance, EPIC Management will assume employees fully understand this Employee Handbook.

In the event EPIC Management translates the policies of this Employee Handbook into another language for the convenience of employees who speak a native language other than English, it must be understood that any real, perceived, or actual conflict found to exist between the translation and the English version, the English version will always control and the correct standard.

EPIC MANAGEMENT, L.P. – SECTION A

INTRODUCTION

Welcome to EPIC Management, L.P. (herein referred to as “EPIC” or the “Company”). You have joined an organization that recognizes the contribution of employees to our success and outstanding reputation in the community and clients we serve. As a member of the EPIC team, we expect our employees to be dedicated and proficient in the performance of their job. In return, you can expect a professional and rewarding employment experience with EPIC, including competitive salaries and benefits, opportunities for career growth, and working with some of the most talented and caring professionals in the health care industry.

The purpose of this Employee Handbook is to help employees become acquainted with EPIC, our policies, employee benefits and operating procedures. It supersedes and replaces any and all previously issued policies, procedures and handbook(s). It summarizes the programs and key policies currently in effect at EPIC and also explains the responsibilities of our employees.

This Handbook does not cover every aspect of employment with EPIC, nor is it intended to provide in detail, all policies, practices and procedures. Consequently, the contents of this Handbook may be amended at any time by EPIC, at its sole discretion. EPIC retains the right to change, modify, add, suspend, interpret or discontinue any of its policies, procedures, practices, work rules or benefits that are stated in this Handbook, with the exception of the at-will policy. Any change to this Handbook will be communicated through a new policy distribution, a memo, an addendum, or a Handbook update.

Many of the guidelines and benefits contained in this Handbook have been summarized from policy statements, insurance contracts, and legal plan documents. Should there be a difference between the contents of this Handbook and the contents of any current plan document, summary plan description, policy or contract, then the current plan document, contract or agreement provisions will prevail. When questions arise that are not answered in this Handbook, please do not hesitate to contact your Supervisor, Manager or Director or the Human Resources Department for assistance.

CONTRACT DISCLAIMER

This Employee Handbook is not a contract.

It is expressly stated, and should be understood by all employees, that the contents of this Handbook do not constitute the terms of a contract of employment, and do not create any promise or assurance of continued employment in the future. Employment with EPIC is on an at-will basis. This means that the employment relationship may be terminated either by the employee or EPIC at any time, with or without notice, for any or no reason or for any reason not expressly prohibited by law, and with or without cause.

This at-will nature of the employment relationship, which includes the right for EPIC to discipline, demote or transfer an employee with or without cause or advance notice, cannot be changed, modified, waived, or rescinded except by an individual written agreement signed

by the employee and the CEO or authorized member of the Board of Directors of the company. Any verbal or written representations by anyone to the contrary are invalid and should not be relied upon by anyone.

EPIC BACKGROUND AND MISSION

Our Background

Established in 1995, EPIC provides management and consulting services to several medical groups and independent practice associations (collectively referred to as the “Clients”) primarily serving the counties of Riverside and San Bernardino. The Clients provide high quality health care through a combined network of physicians to a large population of patients enrolled in health maintenance organizations (“HMOs”) and to a large private pay population.

EPIC strives to provide an exemplary caliber of services to medical groups and IPAs by offering expertise and experience in the administration and management of high quality, cost effective delivery systems. By assuming the business responsibilities of a practice in whole or in part, EPIC creates an environment that enables physicians to focus solely on providing quality patient care, while maintaining medical autonomy. EPIC expects growth in these areas as part of its business strategy.

Our Mission and Values

OUR MISSION is to deliver exceptional quality healthcare management, professional and support services with a firm commitment to excellence, integrity and innovation, making a lasting difference in the lives of patients and our communities.

We collaborate with medical groups and health care providers, offering expertise and insight to meet their unique challenges.

Our patient services are built on a foundation of compassion, trust and respect.

We strive to build an outstanding team, offering opportunities for growth, recognition and reward in an environment of open communication, trust and mutual respect.

Our services will grow and improve as we create value for our investors and provide mutual benefit for our partners.

***This is our Mission, whatever our role, knowing that at EPIC,
Everyone Participates In Caring***

CUSTOMER/PATIENT RELATIONS

Maintaining an exceptional Customer/Patient service standard is a priority at EPIC. Our Customers/Patients are not only the Clients, but also our business partners, visitors, your co-workers, support staff, supervisors and members of the management team that are here to help guide and support the operations. All employees contribute to achieving high Customer/Patient satisfaction; therefore, it is the responsibility of every employee to be pleasant, have a positive attitude, and provide prompt and professional services to our Customers/Patients at all times.

It is paramount that excellent customer/patient service is provided by all EPIC employees. **Be it known that “Excellent Customer Service is a condition of employment at EPIC Management”.**

Satisfaction is a composite of many things -- a smile, a neat appearance, a friendly atmosphere, compassion during the Customer/Patient's time of greatest need, and a genuine concern – these cost nothing, but are so important to our Customers/Patients. Successful Customer/Patient relations also involves providing quality products and services that consistently meet, if not exceed, expectations by predicting and promptly responding to requests, offering to help others, and meeting deadlines. These items are always a matter of primary concern both to our Customers/Patients and EPIC. As part of our commitment to our Customers/Patients, EPIC has adopted service protocols in collaboration with affiliates of EPIC Management:

- **Make a great impression**
 - Acknowledge the Customer/Patient immediately; use eye contact, smile; keep them informed of their status; use last name and layperson's language whenever possible; answer all questions with patience and professional concern; be helpful.
- **Be a telephone superstar**
 - Answer the phone within three rings; speak in a friendly, helpful tone; when asking to place on hold, wait for a response; if unable to assist the caller, take information and let them know when you will call back.
- **Handle patient rooming with caring professionalism**
 - When calling patients from the reception area, wait for them to reach the doorway; smile and acknowledge the patient; quietly share vitals where appropriate; keep the Customer/Patient advised of wait time.
- **Say goodbye when patients and co-workers leave**
 - Ensure that the Customer/Patient had all questions answered; direct the Customer/Patient where to go next; make a friendly parting comment
- **Handle complaints in a responsive and professional manner**
 - Hear; empathize; stay calm; apologize; review; take responsibility and follow through.
- **Be a cooperative and helpful team member**
 - Realize everyone's role is important; respond to requests timely and pleasantly; follow through; attempt resolution yourself; respect others; don't criticize colleagues publicly.
- **Let every person see you as a polished professional**
 - Arrive and be ready to work at your start time; follow dress and identification rules; be courteous to others; maintain confidentiality; always respond calmly and

professionally; follow all policies and practices; limit personal calls and conversations; observe food and drink guidelines.

TELEPHONE PROTOCOL

In the interest of providing good patient service, EPIC requires that employees provide their first name to a patient as a matter of telephone etiquette. When pressed, an employee may either provide their last name to a patient who may be pressing, or the employee may provide their employee number in lieu of their last name. For most employees, the employee number is recorded on the top, right corner of their employee badge.

Patient satisfaction is an important part of our business. Employee safety is also of utmost importance. If a patient becomes abusive or threatening, employees should immediately notify their supervisor. Please be prepared to provide the patient's name, date of the incident, time, and as many details about the call, including statements that were viewed as abusive or threatening, as can be remembered. EPIC is committed to addressing inappropriate behavior involving employee safety.

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EMPLOYMENT PRACTICES – SECTION B

EQUAL EMPLOYMENT OPPORTUNITY

EPIC is an equal opportunity employer and makes employment decisions on the basis of merit. EPIC policy prohibits unlawful discrimination based on race, color, creed, age, gender, sex or sexual orientation, national origin or ancestry, religion, marital status, military service/veteran status, pregnancy, physical or mental disability, medical condition, including genetic characteristics, or any other consideration made unlawful by federal, state, or local laws. All discrimination based on these protections is unlawful and violates EPIC policy.

Any employee with questions or concerns about discrimination in the workplace should bring these issues to the attention of his/her manager, Human Resources, or any member of management, including the Vice President of Human Resources. Employees can raise concerns, report problems, or make complaints without fear of reprisal.

Anyone found to be engaging in any type of unlawful discrimination will be subject to corrective action, up to and including discharge. Any proven retaliation for activities conducted in concert with protected activity, such as filing a complaint or serving as a witness, may result in discipline, up to and including termination.

Similarly, EPIC shall not unlawfully discriminate against employees or applicants with life-threatening illnesses, such as cancer, heart disease and AIDS. EPIC strives to support the wish of an employee to continue to work to the extent permitted by the life-threatening condition, as long as the employee is able to perform the essential functions of the job, with or without accommodation.

Medical information on individual employees is treated confidentially. EPIC will take reasonable precautions to protect such information from inappropriate disclosure. Managers and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Inappropriately disclosing such information is strictly prohibited, and may result in disciplinary action, up to and including termination.

EPIC is dedicated to provide equal opportunity in employment by posting vacant positions for a period of time that allows job seekers to be notified of the opportunity. For external searches, EPIC requires that three or more candidates who meet the minimum qualifications for the vacant position be interviewed, unless three qualified candidates are not identified in a two week period. This commitment may only be altered by the Vice President of Human Resources because of a material business need, including placing an employee returning from a protected leave or for the return of an employee from protected leave into a vacant position, or any other warranted business necessity.

AMERICANS WITH DISABILITIES ACT

The employment related provisions of the Americans with Disabilities Act (ADA), as well as the California Fair Employment and Housing Act (FEHA), apply to all employees and job applicants seeking employment with EPIC. Under the ADA and FEHA, a qualified individual with a disability is an individual who meets the minimum qualifications, and with or without

reasonable accommodation can perform the essential functions of the employment position for which the individual holds or desires.

EPIC will attempt to provide reasonable accommodation for known physical or mental limitations if a job applicant or employee is otherwise qualified but for the disability, unless an undue hardship would result. An applicant or employee who requires accommodation in order to interview, or to perform the essential functions of the job should inform EPIC and request such an accommodation. When a request for reasonable accommodation is made, EPIC Human Resources, the Department Manager or Supervisor, and the employee making the request shall meet in an interactive process meeting to review the request. Contact Human Resources for further information.

UNLAWFUL DISCRIMINATION/UNLAWFUL BULLYING

EPIC is committed to maintaining a work environment that is free of unlawful harassment. In keeping with this commitment, EPIC will not tolerate harassment of employees by anyone, including any Officer of the company, any Physician, Director, Manager, co-worker, client, supplier, vendor, independent contractor, or visitor. Similarly, any employee's harassment of persons seeking employment with EPIC, or harassment of our clients, suppliers, vendors, visitors, independent contractors, or anyone else who conducts, attempts to conduct, or is solicited for business with EPIC will not be tolerated.

SEXUAL HARASSMENT

EPIC is committed to providing a workplace that is free from sexual harassment, as well as unlawful harassment based on ancestry, race, color, marital status, medical condition, mental disability, physical disability, pregnancy, childbirth or related medical conditions, national origin, religious creed, gender, sexual orientation, gender identity, or any other basis protected by federal, state, or local law, ordinance, or regulation. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such harassment is unlawful.

To the extent possible, the confidentiality of an employee, or any person who has reported a problem, including any witnesses, as well as the alleged harasser, will be protected against unnecessary disclosure.

Sexual harassment is one specifically prohibited type of harassment. Unwelcome or unwanted sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex constitute sexual harassment. It is harassment when:

- Submission to the conduct is an explicit or implicit term or condition of employment.
- Submission to, or rejection of, the conduct is used as the basis for an employment decision.
- The conduct had the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Examples of types of unlawful harassment include:

- Verbal Conduct such as epithets, derogatory comments, slurs, comments about an individual's body or dress, dirty jokes, persistent request for dates, or unwanted sexual advances, invitations, or comments.
- Visual Conduct such as derogatory cartoons, pictures, photographs, drawings, or gestures.
- Physical Conduct such as assault, blocking normal movement, or interference with work directed at an individual because of his or her sex or other protected basis.
- Threats and demands (Quid Pro Quo Sexual Harassment) to submit to sexual requests in order to keep a job or avoid some other loss, and offers of job benefits in return for sexual favors.
- Retaliation for having reported harassment.

Complaint Procedures

All employees are responsible for helping to assure a workplace free of unlawful harassment. If an employee feels he/she has been subjected to any form of unlawful harassment, the employee should clearly tell the person engaging in the harassing and/or discriminating conduct that it is unwelcome, offensive, and should stop at once. Also, an employee who has experienced or witnessed harassment should immediately report the situation to the Human Resources Department, Director, or any EPIC Officer.

Human Resources is exclusively qualified to investigate claims of sexual harassment, or any other claims of unlawful discrimination or unlawful harassment unless Human Resources is compromised by the complaint. In such a case, EPIC shall select another qualified party to conduct the inquiry.

Any supervisor or manager who becomes aware of alleged incidents of unlawful harassment should immediately report such incidents or refer any complaints to the Human Resources Department. Failure to immediately report claims of unlawful discrimination or harassment may result in discipline for the supervisor. Retaliation against any employee, whom, in good faith, reports a problem, files a complaint, brings inappropriate conduct to EPIC's attention, or participates in an investigation or proceeding is strictly prohibited.

It is EPIC's policy to investigate all reports or complaints of unlawful harassment thoroughly, promptly, and discreetly. The outcome of the investigation and a timely resolution of each complaint will be reached and communicated to the employee and the other parties involved. If an investigation has concluded that unlawful harassment occurred, EPIC will take appropriate remedial corrective action, up to and including discharge.

Co-workers can be held personally responsible for sexual harassment, meaning their personal assets are at risk. Any employee may be personally liable if he or she engages in sexual harassment. This is true regardless of whether the employer knows or should have known of the contact and fails to take immediate and appropriate remedial/corrective action.

Employees should contact the Human Resources Department directly with any questions.

IMMIGRATION LAW COMPLIANCE

EPIC is committed to employing only United States citizens and non-citizens who are authorized to work in the United States, and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form (I-9) and present documentation establishing identity and employment eligibility no later than three days following date of hire. If appropriate documentation is not received within this time, the employment relationship may be terminated.

JOB DUTIES

An employee's job responsibilities or duties may change at any time during employment. From time to time, an employee may be asked to work on special projects or to assist with other work if necessary or important to the operation of the department or EPIC. Such differing or unusual tasks and responsibilities are a part of each employee's job within the general context of their job description, qualifications, training and abilities. An employee's cooperation and assistance in performing such additional work is expected.

In order to meet ever-changing work and operational conditions, EPIC reserves the right to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities. Employees are encouraged to ask their manager or Human Resources any questions to become better informed about their job responsibilities and EPIC's variable operating demands and conditions.

Similarly, work hours and schedules may be subject to change at any time during employment with reasonable notice. Employees are expected to cooperate and perform additional work or work a different schedule as requested with reasonable notice. Finally, if mandatory overtime is required, EPIC may require employees to work if business needs are present, with as much notice as possible.

CATEGORIES OF EMPLOYMENT

EPIC has established various categories of employment to meet its operating needs and to permit options in hiring employees. A change in an employee's classification is effective only if made in writing by EPIC. Benefit programs and holiday pay eligibility are available based on established policies and/or guidelines within this handbook. All employees are classified into one of the following categories:

- Regular Full-Time: These employees are hired for continuous service and regularly work 40 or more hours per week, and have achieved successful completion of their introductory employment period. EPIC does not guarantee 40 hours or the actual number of hours to be worked for any given workweek. Benefits are available as dictated by policy.
- Regular Part-Time 30-40: These employees are hired for continuous service and regularly work 30 but less than 40 hours per week and have achieved successful completion of their introductory employment period. EPIC does not guarantee 30 hours or the actual number of hours to be worked for any given workweek. Benefits are available as dictated by policy.

- Regular Part-Time 25-29: These employees are hired for continuous service and regularly work 25 but not more than 29 hours per week, and have achieved successful completion of their introductory employment period. EPIC does not guarantee 25 hours or the actual number of hours to be worked for any given workweek. PTO accrual and holiday benefits per policy are available.
- Regular Part-Time <25: These employees are hired for continuous service and regularly work for 24 hours or less per week, and have achieved successful completion of their introductory employment period. EPIC does not guarantee 24 hours or the actual number of hours to be worked for any given workweek. Benefits ineligible.
- Per Diem: Per Diem employees do not work a regular schedule, but instead are called to work on an as needed basis. Per Diem employees are not eligible for benefits other than those prescribed by law. Per Diem personnel are required to report to work as specified by their Department Director or the contacting supervisor. No annual evaluations are required if the employee works less than 25 shifts per evaluation period.
- Temporary: Only permitted with approval by the Finance Committee, Temporary employees are hired on an “as needed” basis for a limited duration or for a specific project. Generally, these assignments do not last longer than seven months, but may be extended to a maximum of twelve months. Temporary employees are not eligible for benefits except as mandated by applicable law. A temporary employee does not automatically change from temporary status to any other employment status simply by working longer than the agreed upon period. This status changes only when notice is received in writing and approved by Human Resources. No annual evaluations are required. Whether the temporary employee is hired by EPIC, or from a Staffing Agency, all hires must go through the Human Resources Department.

OVERTIME EXEMPTION STATUS

Based upon an employee’s job duties and responsibilities, each employee is classified as either “exempt” or “non-exempt” for payroll purposes. Human Resources is solely authorized to designate whether a position is “exempt” or “non-exempt”. These two terms refer to whether or not an employee is exempt from the overtime provisions of applicable state and federal laws.

Exempt Status

Exempt employees are classified as such following an evaluation of their actual job duties according to strict state and federal standards. Only positions that meet the necessary legal requirements are classified as “exempt.”

Exempt employees are paid a predetermined salary that is intended to compensate them for all hours worked each week. It is EPICs expectation that exempt employees will contribute at least the number of hours that is reflective of their scheduled workweek of forty (40) hours, and recognize that there may be frequent occasions when hours worked will exceed the scheduled hours. Exempt employees are expected to be available Monday-Friday, 8AM-5PM unless the exempt employee is away for an authorized reason.

As a reasonable accommodation, EPIC may adjust an exempt employee's status from exempt to non-exempt if that employee is unable to contribute at least the number of hours that is reflective of their scheduled workweek due to medical, personal, or other approved reasons. When the employee is again released by medical practitioners, or is otherwise able to comply with the full work schedule for the position, EPIC shall again designate the employee as an exempt employee to comply with the position designation.

The salary amount for an exempt employee is not subject to reduction due to variations in the quality or quantity of the exempt employee's work, except for limited reasons determined by state and federal law. For instance, an exempt employee who infrequently takes less than two (2) hours away for a personal reason unrelated to work, the PTO bank will not be impacted. If more than 2 hours is taken away from the workplace for any personal reason, the salary will be maintained through use of the PTO Bank.

If an exempt employee takes a full day or more off of work, compensation will not be paid for those days if PTO has been exhausted. If an exempt employee fails to work the entire workweek, and PTO is not available, the exempt employee forfeits their compensation for that week only.

Additional compensation may be made in very limited circumstances over and above the agreed upon salary. In no way is additional compensation a guarantee in terms of implementation or duration.

Should an exempt employee believe improper deductions from a paycheck were made in violation of regulations under the Fair Labor Standards Act and/or California Wage and Hour laws, it should be reported to Human Resources as soon as possible. Human Resources will promptly investigate and correct the situation should an error have been made.

Non-Exempt Status

Employees whose positions do not meet certain legal requirements necessary for exemption from applicable overtime laws are classified as "non-exempt." Non-exempt employees are paid overtime rates in compliance with federal or state wage and hour laws. Non-exempt employees may be paid either on a salaried or an hourly basis.

Non-exempt positions are also subject to the California Labor Law relative to Alternative Workweeks. No Alternative Workweek may be unilaterally implemented without approval from the Vice President of Human Resources, or his/her designee, and without engaging in the legally mandated process required to implement such a work schedule.

Any questions regarding exempt or non-exempt status should be directed to Human Resources.

MEDICAL EXAMINATIONS

Medical examinations, including drug/alcohol tests and TB tests, may be required of all qualified job applicants before the employee starts work. Current employees also may be required to take medical examinations to determine fitness for duty upon reasonable cause. All medical examinations are performed by a qualified health professional of EPIC's choice. An offer of employment and/or subsequent assignment of duties are contingent upon

satisfactorily completing the medical examination to EPIC's standards. A transfer between EPIC facilities will not normally necessitate a medical examination.

All medical examinations conducted at the request of EPIC will be scheduled at reasonable times and performed at EPIC's expense. Information on an applicant or employee's medical condition or history is kept separate from other personnel information, is not included in the personnel file, and maintained confidentially. While medical examination results remain the property of EPIC, an employee or applicant may review their medical examination records during regular business hours by contacting Human Resources to schedule a review.

EMPLOYEE HEALTH EXAMINATIONS

Employees may be required to have a periodic blood study, urinalysis, chest x-ray, and other tests and examinations depending on job responsibilities. Such job required testing is provided at the Company's expense.

Applicants will be given a tuberculosis-screening (TB) test prior to New Employee Orientation. Proof of TB testing within the previous six months eliminates the necessity for current testing. If the employee fails to return for the reading, the employee will be required to pay to have the test redone. Further information regarding new employee TB screening will be given at Orientation. Tuberculosis testing will be done on an annual basis for all employees.

Employees will be offered periodic work-related immunizations provided by the Company.

VERIFICATION OF LICENSES AND INSURABILITY

It is essential that employees maintain any and all necessary licenses or certifications, and do not do anything to affect his/her insurability for the job duties performed in his/her position.

EPIC reserves the right at any time to request verification of all licenses or certifications necessary for the performance of any tasks associated with any position requiring a license or certificate.

Likewise, if an employee cannot be insured, the employee may be immediately removed from employment. Alternatively, at EPIC's sole discretion, it may find a different vacant position for the employee.

Employees bear the burden of notifying their respective manager **and** Human Resources should they become uninsurable, or if there is a lapse in licensing, certification, or of any incidents or allegations that could affect their insurability.

All licensed and certified personnel, including CMAs, employed by EPIC Management **shall** present a current license or certification to Human Resources prior to their date of hire. A start date for employment will not be established without a valid license to practice being submitted to Human Resources. This is applicable to a California Driver's License if the position requires driving on company time.

In subsequent years after the initial date of hire, all licensed or certified personnel shall submit evidence of their renewed, valid, and current license or certificate, to their Nurse Manager or immediate supervisor. The Nurse Manager or immediate supervisor shall make

a copy of the license or certificate for the site record, and forward a copy of the renewed license or certificate to the Human Resources Department and to the Clinical Support Services Department.

Individuals who are unable to provide proof of a renewed licensure or certification, including CMAs, by the expiration date shall be placed on unpaid leave for a maximum of thirty (30) calendar days. The employee must contact their Nurse Manager or immediate supervisor on a regular basis to provide a status report on the renewal of the license or certification.

The employee shall be allowed to return to paid status and begin working, performing his/her full duties, as soon as a valid and current license or certification is produced for the immediate supervisor. If a valid and current license or certification is not produced in the time period specified, the employee shall be terminated from employment on the thirty-first (31) day of the leave.

INTRODUCTORY PERIOD

The Introductory Period is intended to give new, reinstated, newly promoted or transferred employees, and rehired employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. EPIC uses this period to evaluate employee capabilities, work habits, and overall performance. Temporary employees do not serve an introductory period.

All new, reinstated and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire/transfer/promotion or resumption of employment in the same position previously occupied. EPIC may extend the duration of the Introductory Period up to an additional 90 calendar days if, in its sole and absolute discretion, it determines that such an extension is appropriate. Any absence of 14 or more consecutive calendar days will automatically extend the Introductory Period by the length of the absence.

Upon satisfactory completion of the Introductory Period, employees enter the "regular" employment classification. Completion of the Introductory Period does not entitle an employee to remain employed by EPIC for any length of time and does not alter the at-will character of the employment relationship with EPIC.

Introductory period employees are not eligible to be placed on Performance Improvement Plans, and they may not take PTO during the introductory period.

The Introductory Period is a time when the parties of the new employment relationship ensure that it is mutually satisfying and it is a time when increased training and testing of the skills of the new, reinstated, rehired, or promoted employee take place so an assessment of future success can be determined.

The Introductory Period does not alter, in any way, the at-will condition that exists in the EPIC employment environment. Introductory Period employees are at-will employees, and employment may be terminated either by the employee or EPIC at any time, with or without notice, for any or no reason or for any reason not expressly prohibited by law, and with or without cause.

Introductory period employees become regular employees by default after the 90th day if the evaluation form is not completed, or extended by the 90th day.

RECRUITMENT AND SELECTION

Only Human Resources is authorized to represent EPIC in compensation discussions relative to employment with any entity, candidate, employee, or otherwise.

EPIC is committed to providing equal opportunity to all candidates for employment. To offer equal opportunity in recruiting and selection, EPIC provides a competitive process that is wholly inclusive, with few exceptions as noted below.

For position replacement, the hiring authority will submit a "Job Requisition Form" to the Human Resources Department. With this submittal, Human Resources will post a vacant position.

For new or unbudgeted positions, a "Position Justification Form" and a "Job Requisition Form" must be submitted to the Finance Committee by the applicable Vice President. If approved, the Human Resources Department will post the position.

Human Resources will follow the directions offered on the Job Requisition relative to posting, unless the directives fail to adhere to policy. Should the directions offered need review, Human Resources will contact and discuss the options with the hiring authority.

Internal/External positions will be posted on internal bulletin boards, as well as EPICs internet website, and any additional media sources deemed prudent to invite as many qualified candidates as possible to apply.

Vacant positions are posted for seven calendar days, but this may be extended if less than three qualified candidates have applied. After two weeks of posting, EPIC will move forward in the hiring process without regard to the number of qualified candidates.

All candidates will be required to apply during the posting period. Once the position is closed, applications received will not be considered. "Open until Filled" positions do not close, and the position remains open until the position is filled. Human Resources will designate positions as open until filled or it will assign a close date in compliance with this policy.

Internal Hiring

For internal only positions, a job requisition with the "Do Not Post" option selected. Once submitted and approved by Human Resources, supervisors may make qualified department personnel aware of an opening, and provide equal opportunity for interested qualified employees to compete for a position internal to the department for personnel reporting to the supervisor.

"Internal Only" positions are for current employees only, and will be posted on EPIC bulletin boards at the sites. External candidates will not be eligible for Internal Only positions. Human Resources will provide Site Administrators and Site Managers with information about all internal positions. It is the duty of Site Administrators and Site Managers to ensure that all Internal Only positions are posted at his/her respective site.

Internal candidates do not require a background, and an offer can be made without the background phase.

Employees (Internal Candidates) who wish to be considered for posted positions should submit a "Position Interest Form" to Human Resources. Eligibility for internal candidates is pursuant to the "Transfer and Promotion Policy".

Once candidates are made known to the supervisor, a call to Human Resources to confirm eligibility should be made for all candidates.

Once approved, the supervisor may engage in the process to select an internal candidate.

Once selected, the supervisor should contact Human Resources to make the job offer. Eligibility and compensation for a position are all subject to EPIC transfer and promotion policy. The hiring authority and current supervisor should negotiate a start date. The start date should not exceed twenty (20) working days. Rare exceptions may be granted by the applicable Vice President(s) and the Vice President of Human Resources, but only for extraordinary business needs. The hiring authority, or receiving supervisor, should submit an "Employee Status Form" to Human Resources so the transfer/promotion can be processed. Records cannot be updated without an Employee Status Form.

If the search is to involve external candidates, the internal hiring process is not to be used.

External Hiring

This process is to be used when a search includes both internal or external candidates, or external candidates only.

EPIC Human Resources retains the right not to post a position if a compelling reason is present. Examples include, but are not limited to:

1. a pressing business necessity that must be recognized because of a significant fiscal challenge;
2. an employee returning from a lengthy ADA/FEHA/Workers Compensation protected leave and must be placed to satisfy the requirements of the ADA/FEHA/Workers Compensation;
3. when an employee relations challenge is present and Human Resources makes a unilateral decision to move an employee or employees.

All external candidates will be required to complete an EPIC application. EPIC Human Resources will review each Position Interest Form or EPIC Application for employment to evaluate minimum qualification eligibility as dictated by the applicable Job Description. Those designated as possessing the minimum qualifications will be invited for testing for those positions requiring a test. Those who pass the test, or if a test is not required, those who pass the minimum qualification screening, will be forwarded to the hiring authority for the interview phase.

Not all candidates forwarded to the hiring authority during the interview phase are entitled to an interview. The list of candidates constitutes a pool from which the hiring authority can choose for interviews. The hiring authority may select those to be interviewed based upon the information contained on the Position Interest Form or the EPIC Application.

A written record should be kept by the hiring authority relative to the questions asked in the interview. If a score sheet is used, the hiring authority should keep the questions asked and score sheet in his/her file. If the search is challenged, the questions and score sheet should be produced so Human Resources can answer any allegations against the search. If there is a question about the legality of a question planned for an interview, the hiring authority will contact Human Resources for guidance before the question is asked to any candidates for employment. The hiring authority will interview at least three qualified candidates to satisfy the equal opportunity requirement, unless the two week posting criteria is met.

In the selection process, EPIC will consider a number of factors, including the employee's applicable skills, knowledge and education, performance and conduct record, time in current position, length of service, and other factors deemed relevant by EPIC.

Once a candidate is selected, the hiring authority should provide the name of the selected candidate, as well as the names of all candidates interviewed to the Human Resources Department.

Human Resources will process selected external candidates to the background phase of the hiring process. The background phase includes drug testing. Once complete, an offer of employment is made contingent upon passing the TB testing.

Unsuccessful candidates in the background phase will be de-selected, and the hiring authority will be notified.

Once an offer is accepted, if the candidate is an external candidate, the Human Resources Department will issue an "Offer of Employment Letter" that meets all the criteria for offer letters as dictated by the State of California.

Job assignments, promotions, pay increases, and similar decisions are solely within the discretion of EPIC Management.

EMPLOYEE FILES

EPIC maintains files of current and former employees and restricts disclosure of employee files only to authorized individuals. Employment records are subject to subpoena service.

Employees wishing to review their employee files must request an appointment to do so with Human Resources. Such appointments should be made during normal working hours. Files will be reviewed under the supervision of Human Resources.

Employees may take notes related to documents in their employee file; however, no alterations of these records are permitted, nor can a document be added to or removed from the file at the time of an employee's review. Employees may request and receive a copy of any document containing their signature.

EMPLOYEE INFORMATION

Employees should **promptly** notify their supervisor and Human Resources of any changes to personal information including:

- Name
- Home and/or Mailing Address; P.O. Boxes are not acceptable
- Telephone Numbers
- Number, Names, and Status of Dependents
- Change of Emergency Contact Information
- Educational Accomplishments
- Marital Status
- Payroll Deductions
- Benefit Plan Beneficiary

Employee information should be accurate and current at all times. If the information is not current, and mail is sent or phone calls are attempted to communicate material matters related to employment, EPIC will not be responsible for information that is not delivered because required contact information is not current.

EMPLOYMENT VERIFICATIONS

All employment verification requests must be submitted in writing and forwarded directly to Human Resources. Human Resources reserves the right to take up to five (5) business days to respond to inquiries regarding current employees and up to ten (10) business days for former employees. Responses by EPIC to such requests will be restricted to dates of employment and the job titles held by an employee. Requests for salary and any other additional information must be made in writing and accompanied by the employee's signed authorization to release this information.

EMPLOYMENT OF RELATIVES

EPIC Management permits the employment of qualified relatives of employees, of the employee's household or immediate family as long as such employment does not create conflicts of interest. For purposes of this policy, "qualified relative" is defined as a spouse, child, parent, sibling, grandparent, grandchild, corresponding in-law, "step" relation, or any member of the employee's household.

In the case where relatives work for EPIC, and have no influence over wages, hours, benefits, career progress, or other terms and conditions of employment, but where undue influence, interference, or disruption is created by the relative on behalf of their family member, the relationship will be considered to be a conflict of interest and the applicable parties may be subject to appropriate review, and if deemed proper, may invoke corrective action, up to and including termination.

EPIC will use sound judgment in the placement of related employees to avoid conflicts of interest in accordance with the following guidelines:

Individuals who are related by blood, marriage, or reside in the same household are permitted to work in the same department, provided no direct supervisor to subordinate relationship exists.

Direct supervisor is defined as a subordinate employee who reports directly to a family member. This does not include indirect chain of command relationships. An indirect chain of

command relationship is established when a subordinate employee reports to a direct supervisor, and the direct supervisor reports to the family member of the subordinate employee. For instance, while a Medical Records Clerk would not be able to report to his/her relative who would serve as a Medical Records Supervisor in the same department and at the same location, this same Medical Records Clerk could report to a Medical Records Supervisor who reported to a relative, as defined by policy, of the Medical Records Clerk. Additionally, if the Medical Records Clerk reported to the Medical Records Supervisor at Cooley, for instance, and the relative of the Medical Records Clerk was a Medical Records Supervisor with supervisory responsibilities that did not include Cooley that would be permitted under the policy.

Employees who marry while employed, or become part of the same household, are treated in accordance with these guidelines. To avoid a direct supervisory relationship, one of the employees may be transferred at the earliest practicable time, but not to exceed ninety (90) days to a vacant position that allows employment to continue. If no vacant positions exist for which the applicable employees meet the minimum qualifications within a ninety (90) day period, the employee at the lower grade level will be released from employment. Every effort will be made to avoid the release of the employee in the ninety-day period following these guidelines.

In recognition of the precepts contained in this policy, in all cases, if a family member in a subordinate position becomes the subject of corrective action, the family member in the position of an indirect Supervisor, Manager, Director, or Vice President must remove themselves from any and all involvement in the corrective action process. In such an event, Human Resources will function in the role of advisor and authorizing party for the direct supervisor. If Human Resources is compromised by the relationship, then the CEO or his/her designee will serve in the advising and approval capacity.

Budget permitting, special dispensation is provided for short-term assignments such as summer jobs or summer interns. In these short-term situations, meaning ninety (90) days or less, the Vice President of the area may agree to allow an employee's family member to work in the area for the short term, thus creating a direct supervisory condition. Should verified special favors or other inappropriate supervisory behaviors occur towards the subordinate relative, the employment relationship with the subordinate employee would end immediately. In all cases, the subordinate relative will be terminated from employment on day ninety (90) of a short-term dispensation.

EPIC Board of Directors must approve any exceptions to this policy.

OUTSIDE EMPLOYMENT

When accepting outside employment, EPIC is not only concerned with the possibility of a conflict of interest, but also the possibility of negative effects on the employee's job performance and commitment to EPIC.

With approval from the immediate supervisor and Human Resources, employees may engage in work outside their regular work schedule at EPIC, provided this work does not detract from their job performance or is not harmful to EPIC's best interests, and does not present a conflict of interest with their employment at EPIC.

EPIC's Workers' Compensation Insurance will not pay for illness or injury arising from any outside employment or outside business activity.

Any outside employment or business activity must be considered secondary to employment with EPIC and outside employment or business activity that creates a conflict of interest is prohibited. Employees working outside of EPIC are to have an authorization on file acknowledging EPIC's awareness of such employment. This authorization is a signed document between the employee, the appropriate VP overseeing the department, and the Vice President of Human Resources.

EPIC also follows very strict and specific guidelines regarding employees who are concurrently employed by more than one of EPIC's facilities, or in the same Company in a different department. Where appropriate, EPIC will comply with all wage and hour laws pertaining to the calculation of overtime and other benefits. As stated above, EPIC requires that all employees notify and obtain the appropriate authorization for any employment or work relationship either within or outside the company and its affiliates. This policy applies to all employees in our organization.

Employees must maintain acceptable performance standards in carrying out their duties for EPIC Management while engaged in any acceptable outside employment or business activity.

ELIGIBILITY FOR REHIRE

Former employees who resigned their employment in good standing with EPIC may be eligible for rehire. Rehired employees will be treated as new employees.

In establishing "Good Standing", consideration will be given to factors concerning prior work experience, work record while employed at EPIC, and the circumstances involving the prior separation from EPIC. Human Resources will determine Good Standing for former employees.

Under normal circumstances, employees will not be eligible for rehire more than one time. The Vice President of Human Resources must give final approval on any re-hires that exceed the one time re-hire provision. At no time will EPIC re-hire a former employee more than twice.

Employees discharged due to unsatisfactory performance or workplace conduct violations, and/or violation of any rules, policies or directives are not eligible for rehire. If an employee who has been discharged or forced to resign submits an employment application, he/she will not be eligible for rehire. In addition, EPIC reserves the right to deem any former employee(s) as not eligible to be re-hired at its own discretion, using its own will, assessment, and authority. The Human Resources Department will maintain and issue a letter to job seekers who continually apply for positions at EPIC and who have been assigned the status of "not eligible for rehire" by EPIC.

TRANSFER, PROMOTION AND DEMOTION

EPIC supports employees' efforts to transfer and/or promote if they meet the qualifications for the position, and are the most qualified of all applicants. Transfer and promotion

decisions are based on long term business goals, employee performance, and the employee's potential for success in the new position. In addition, stipulations contained in this policy must be followed for promotion and transfer.

Employees are encouraged to apply for transfer and promotional opportunities at EPIC. Employees should complete a Position Interest Form for any position for which he/she has an interest. Forms are available by request from the Human Resources Department.

EPIC Administration retains the right to hire any qualified outside applicant to fill any vacant position.

Promotions and transfers shall be offered to employees at the sole discretion of EPIC. EPIC's Human Resources Department makes all offers of employment to both internal and external candidates to ensure that statutes are followed. In compliance with the ADA, offers are not made prior to the completion of the background phase of the hiring process, but are made prior to any physical exam, if applicable.

Human Resources is the only department at EPIC who negotiates salary with internal or external candidates on behalf of EPIC.

Transfers

All requests for transfer must be in writing and submitted to the Human Resources Department along with the supervisor's signature indicating knowledge of the employee's interest in the open position.

Lateral transfers (moves within the same pay grade) are not eligible for an increase because the skills are at the same market value, unless approved by the Vice President of Human Resources.

To be eligible for a transfer:

- 1) An employee may not have a written warning, PIP, or suspension in the last six (6) months.
- 2) Supervisors typically spend time and resources locating and selecting employees. In recognition of these commitments, newly hired employees must complete six (6) months of satisfactory employment in their current position before they will be eligible to transfer to any position. Interest forms will not be accepted by the Human Resources Department unless the new employee has completed six (6) months of satisfactory service. Subsequent transfers may require a one-year waiting period in recognition of training and other investment in the employee's development.

Applicable Vice Presidents may petition the Vice President of Human Resources for exceptions, but exceptions will only be made if a business necessity occurs, the early release is beneficial to EPIC as an organization, and a material business risk would be assumed by enforcing the transfer policy.

Administration retains the right to unilaterally transfer an employee based upon several factors, including but not limited to fluctuations in department workloads, more efficient utilization of staffing, increased career opportunities, personality conflicts, and health

reasons. When these involuntary transfers are necessary, the Human Resources Department may unilaterally move employees at their sole discretion to rectify an issue. Supervisors and managers will work corroboratively with the Human Resources Department if an employee or employees must be unilaterally transferred.

Employee Status Forms (ESFs) are required to be sent to Human Resources whenever an employee transfers. Failure to do so will cause the Position Control System to be inaccurate. FTE budgeting depends on the accuracy of the Position Control System, so all employee transfers must be documented with an ESF to Human Resources.

Promotions

Promotions are based on factors such as quality and quantity of work, judgment, professionalism, education, job knowledge and skills, initiative, past performance as reflected in performance evaluations, attendance, cooperation with others, and other relevant factors.

To be eligible for promotion, an employee must:

1. Meet the knowledge, skills, experience, education, abilities, and minimum qualifications for the proposed promotional position as identified on the job description, and be deemed capable of performing the essential duties and responsibilities of the new position by all decision makers.
2. The employee must have received points on the performance evaluation that EPIC designates are required for promotion. The points required for promotion are 260 points for non-exempt employees, and 272 points for exempt employees.
3. The employee cannot have received a Written Warning, Suspension, or Performance Improvement Plan over the rolling 12 month period of time. If employed less than 1 year, there can be no disciplinary forms in the file from the date of hire and the employee must not have had their introductory period extended. **Note:** An exception to this criteria is a nurse, with a new level of license (CMA to LVN, or LVN to RN), is permitted to apply for the higher level licensed position without regard to write ups in the file unless more than one write up is in the file over the prior 12 months. If so, this exception is waived. This is a retention matter. Supervisors are not required to promote employees simply based upon a new license.
4. If the previous annual review has points that are less than the required point total for promotion, the employee is ineligible for promotion. However, if the employee is within 3 months of his/her next review, or if their review is past due, the supervisor may do a simple (snap shot) evaluation by completing a new evaluation form to determine if their latest performance would qualify the employee for promotion. If the employee does not receive the required point totals, the supervisor must notify the employee that they are not eligible for promotion. A copy of the snap shot evaluation will be provided to Human Resources.
5. Internal promotions and relative compensation increases are all subject to EPICs promotion and compensation policy. Human Resources will use these policies to assign increases at the time of promotion.
6. If the promoted employee is assigned to their first supervisory position, the increase in salary should take the employee to at least the bottom of the second quartile on the

compensation grid, but shall be capped at a twenty percent (20%) increase even if the second quartile is not achieved.

7. An exception will be made when there is a license change, meaning the employee has earned a new LVN or RN license. In such a case, the discipline on file is a written warning level only (not including suspension or PIP) will be waived. Given this exception, Supervisors are strongly encouraged to review all finalists personal file prior to making an offer!

Demotions

Transferring to a position that is at a lower level in EPICs compensation pay scale will, in most cases, result in a decrease in salary to the employee. The percentage of decrease in salary shall be determined by the Human Resources Department following specified guidelines held in Human Resources, and consistently applied when such a circumstance is presented (Except in the case of placements in lieu of layoff involving a reduction in force).

INTERNSHIP/EXTERNSHIP

This “Intern/Extern Selection Policy” establishes a systemic process that EPIC requires of all departments who utilize the services of an intern or an extern, herein referred to as “students”. Adherence to this policy is required before any student begins performing any duties related to the advancement of their educational goals at EPIC Management.

Internships and externships are only available to students who are associated with a reputable college or university, the skills are taught in the internship are those routinely hired by EPIC in the course of employment, and perform their work for educational credit. To protect the integrity and propriety of EPIC systems and processes, EPIC has an expectation that intern positions will be limited to positions for which EPIC routinely and on a consistent basis engages in recruiting activities.

All requests for internships must be submitted to the Vice President of the Department for approval. Subsequent to the VP approval, the Finance Committee will review the request and either approve or deny prior to any intern interviews. Internships will be approved using stringent approval criteria to ensure that the programs comply with State of California requirements.

Unpaid internships and externships must comply with the following principles:

- 1) The training, though it may include actual operation at the employer’s facilities, is similar to training that would be given in a vocational school.
- 2) The training is for the benefit of the student.
- 3) The student does not displace regular employees, but works under close observation of a regular employee.
- 4) EPIC provides training and derives no immediate advantage from activities to the student. Each student must be accompanied by close supervision by a regular employee, that the work involves significant amounts of instruction to facilitate learning, and that the intern or extern, and the college, vocational school, or university, is provided

consistent feedback on learning advancement of the student. In addition, the student is never given a project to complete on their own.

- 5) The student is not necessarily entitled to a job at the conclusion of the training period.
- 6) The employer and the student understand that the student is not entitled to wages for the time spent training.

The following process must be strictly adhered to as EPIC utilizes students as interns. Each step must be completed to avoid unnecessary risks of wage and hour, workers compensation, or other claims that may come from such an arrangement.

1. EPIC maintains a master contract that all applicable colleges and universities must sign and abide by before EPIC will accept students for intern or extern programs. The Office of Legal Affairs maintains a master list of all approved colleges and universities.

If a college or university is not listed, the Legal Affairs Office should be contacted to establish an approved contract before moving to the second step. No student should be engaged without a signed EPIC master contract. If the college or university appears on the list, move to the second step;

2. A "Position Justification" must be submitted to the Finance Committee for consideration and approval. To protect the integrity and propriety of EPIC's business initiatives and process for conducting business, and to retain competitive advantage relative to the market, EPIC will only approve internships when a skill or talent is routinely the subject of searches and recruiting. For instance, EPIC routinely and on a consistent basis employs nurses and MAs. These would be internships that provide a strategic value for EPIC, and in most cases, may receive approval. Other areas where EPIC holds competitive advantage or where core business competitiveness must be protected, the considerations for these requests will be closely scrutinized.
3. If approved, the selecting manager should engage the student candidates in an interview process to select the best candidate for the opportunity. Once the best candidate is selected, Human Resources should be contacted.
4. The student must complete a background check reviewing criminal history, a TB test and a drug test. The student may provide written evidence of prior completion of these requirements if they were completed within 90 days of the expected start of the program. If the student does not have recent proof of these requirements, Human Resources will arrange for them to be completed.
5. Once completed, Human Resources will create a student file, and all selection paperwork will be kept in the Human Resources file.
6. Human Resources will contact the selecting manager to notify him/her that the required tests have been successfully completed, and a start date will be established.
7. The selecting manager will provide the agreed upon start date to the student. If the background, TB or drug testing result in failure, the student will be disqualified from eligibility for the program. Human Resources will contact any candidate who fails the required tests.

8. The approved student intern will be provided with a badge on the first day of assignment. Student intern positions are unpaid unless other arrangements have been made with Human Resources.
9. Agreements relative to the responsibilities of the student and the selecting manager relative to reporting performance for grading purposes are made at the discretion of the selecting manager, the student, and the applicable school.

Should questions arise relative to the legality or feasibility of a student arrangement, Human Resources and/or the Office of Legal Affairs should be contacted.

TRANSITIONAL RESOURCE POOL/NURSING

To be admitted into the Transitional Resource Pool, a Nurse Manager, Site Administrator, or Site Manager must complete and submit EPIC's "Application for Admittance into the Transitional Resource Pool" for any RN/LVN/MA under their charge. Upon request, the application is available from the Human Resources Department, or Clinical Support Services.

The Transitional Resource Pool is not synonymous with the Experienced Resource Pool.

Acceptable causes for admission to the pool include, but are not limited to, 1) a Physician's departure from the Medical Group causing the RN/LVN/MA to be displaced, 2) a Physician may require that an RN/LVN/MA be relocated to another practice for a variety of reasons, or 3) there may be times when an RN/LVN/MA may decide that his/her career requires a change in the type of practice he/she supports with agreement from the applicable supervisor.

The completed application will be forwarded to the Vice President of Operations and Administration or Vice President of Clinical Support Services, whichever is applicable. After discussing the application with the submitting Administrator/Manager, the Vice President will either 1) deny the request or 2) deem the request to be meritorious. If meritorious, the Vice President will present the application to the Finance Committee for final approval and funding.

Once the matter is approved and funded by the Finance Committee, the Administrator/Manager will be notified of the approval, and the RN/LVN/MA will transition into the approved position within a reasonable time period.

At the time that the RN/LVN/MA is transitioned into the Transitional Resource Pool, the supervisor will present the employee with:

- 1) a written, hardcopy of the Transitional Resource Pool Policy,
- 2) the approved "Letter of Acceptance" into the Transitional Resource Pool, and
- 3) a copy of the "Acknowledgment of Receipt of Policy" form.

The recommending supervisor shall present each of these to the transitioning nurse, and forward a signed copy of the Acknowledgement of Receipt of Policy form to Human Resources for filing. Only nurses who have received these three items will be considered

accepted into the Transitional Resource Pool. The date of the signed Acknowledgement of Receipt of Policy form will set the date of admission into the pool.

Transitional Resource Pool Nurses should apply for all nursing positions for which they are minimally qualified. In addition, the nurse is strongly encouraged to apply for non-nursing positions for which he/she may be minimally qualified.

Six Month Time Period

Once admitted into the Transitional Resource Pool, the RN/LVN/MA will have six (6) months to apply for and obtain a vacant position for which he/she is minimally qualified. After six (6) months have exhausted, the RN/LVN/MA will be dismissed from employment if he/she is unsuccessful in obtaining a position in a Physician Practice, in the Experienced Resource Pool, or in a department that satisfies the requirement to find a new position.

A stipulated exception will be granted by the Vice President of Human Resources if less than three qualified vacancies occurred in the six month period for which the RN/LVN/MA was searching for a position, but only if the nurse applied for all vacant positions for which he/she qualified.

If the stipulated exception is approved, two additional (2) months, or sixty (60) calendar days, will be granted for the Transitional Resource Pool Nurse to continue to compete for vacant positions at EPIC. If, after the extended two (2) additional months is exhausted, the Transitional Resource Pool Nurse is unsuccessful in finding employment in either a Physician Practice, the Experienced Resource Pool, or if he/she has not been accepted as a regular employee in any other employment vacancy at EPIC, the employment relationship will be terminated.

The Transitional Resource Pool will only accommodate six (6) total positions at any one time, with exceptions approved by the Finance Committee. At no time will the Transitional Resource Pool exceed ten (10) RN/LVN/MAs.

While RN/LVN/MAs reside in the Transitional Resource Pool, they will be expected to apply and compete for all vacant positions for which they are minimally qualified, especially those that are lateral relative to their pay scale. Nothing in this policy precludes the Transitional Resource Pool nurse for applying and competing for positions that are below or above their pay scale as long as they are minimally qualified; however, the Transitional Resource Pool Nurse must apply for all lateral positions as described herein. Failure to do so may result in termination, as noted under the "Transitional Resource Pool Functionality" section of this policy. The Finance Committee must approve exceptions to the resource pool-hiring requirement, including expanding the pool beyond ten (10).

Transitional Resource Pool Disqualifiers

RN/LVN/MA's will not be permitted to be moved into the Transitional Resource Pool without fully completing each step of the eligibility process. An RN/LVN/MA shall not be admitted to the Transitional Resource Pool if the RN/LVN/MA has exhibited basic and fundamental performance deficiencies. The Administrator/Manager should work with Human Resources to actively engage a non-performing employee.

Exceptions to this Policy

On rare occasions, and only in the event of an emergent condition, the Vice President of Administration and Operations or the Vice President of Clinical Support Services, in conjunction with the Vice President of Human Resources, is authorized to waive some or all parts of this policy to admit an employee into the Transitional Resource Pool, except that within 24 hours, he/she must notify the Finance Committee of the exception. The Finance Committee has authority to reverse the exception within a reasonable amount of time.

Supervisory Oversight

The referring Nurse Manager will complete an Employee Status Form placing the employee in Department 660. The employee's assigned location will not change. The Nurse Manager will retain responsibility for the employee's daily work assignment. The employee will override their location and department as appropriate in accordance with policy. The referring Nurse Manager will retain supervisory responsibility for the employee, unless the location or site changes, then the applicable Nurse Manager will assume supervisory duties for the employee.

CONFLICTS OF INTEREST

Employees must avoid entering into transactions where it may appear that they are improperly benefiting from their employment with EPIC. In general, a conflict of interest describes any situation in which the employee's own interest may influence the way he/she handles EPIC business. This includes the use of an employee's position or relationship with EPIC for personal profit or advantage, either directly or indirectly. Situations that may involve a conflict of interest between personal interests and the interests of EPIC must be discussed with Human Resources in order to protect the employee and EPIC. Additionally, this section of the handbook is linked directly with the previous *Outside Employment* section.

Employees must not engage in any conduct that would create an actual or potential conflict of interest or create the appearance of such a conflict. While it is impossible to list every circumstance that may create a possible conflict of interest, the following should serve as a guide to the types of activities that may cause such a conflict:

- Having a direct or indirect financial or ownership interest in an outside concern that does business with or is a competitor of EPIC (except where such financial or ownership interest consists of securities of a publicly owned corporation regularly traded on a public stock exchange).
- Providing managerial, consulting or other services to any outside concern that does business with, renders any services to, or is a competitor of EPIC, except with the knowledge and written consent of the Chief Executive Officer of EPIC.
- Soliciting business for any individual or another entity, redirecting business away from EPIC, soliciting existing clients away from EPIC, or interfering with any EPIC contractual relations or business dealings.
- Accepting gifts of more than nominal value, loans, excessive entertainment, kickbacks, or other substantial favors from any outside concern/party (inclusive but not limited to patients, vendors, etc.), which does or is seeking to do business with or is a competitor of EPIC.

- Representing EPIC in any transaction in which there may be or is a conflict of interest.
- Disclosing or using confidential information relating to EPIC for personal profit, advantage, or any other reason.
- Accepting outside employment or work, directly or through an intermediary, which can or will adversely affect an employee's productivity or availability for a position with EPIC.

This list is not intended as a substitute for good judgment. Should an employee become involved in a situation that may possibly give rise to a conflict of interest, immediate disclosure must be made to Human Resources in order to protect the interests of both EPIC and the employee.

CONFIDENTIALITY

All employees must treat any information relating to the business of EPIC and any of its activities, projects, or clients as confidential, and not divulge any of this information to outside parties, including family and friends, without the prior written consent of the Chief Executive Officer of EPIC. All such information must be kept completely confidential during, and subsequent to, employment with EPIC. The following examples are intended to serve as a guide to the types of such information and material:

- Matters of a business nature such as information about trade secrets or proprietary information including, but not limited to, business plans, projects or proposals, disbursements, costs, delivery volumes, contracts and forms, financial statements, pricing, profits, markets, Customer/Patient lists, all data regarding patients, mailing lists, rolodexes, designs, drawings, models, plans, plans for future expansion or business development, or any other writings or drawings that may contain proprietary information.
- Matters of a non-public, technical nature such as manner of operations, processes, EPIC reports, computer programs, software and supporting documentation, security codes, training programs, procedure manuals, and related methods or technologies.
- Confidential data about employees, including employee pay rates and performance evaluations.
- Information pertaining to any services or products and the results of all such services or products provided to EPIC's clients.
- Any information, which if disclosed, could adversely affect EPIC's business.
- Inappropriately accessing, disclosing or sharing either one's own or another's medical information from a client for personal reasons.

Upon separation of employment, or at any time upon EPIC's request, employees must deliver to EPIC any and all copies of confidential information and other EPIC property.

STAFF RIGHTS: CLINICAL POSITIONS

You may request not to participate in an aspect of patient care, including treatment, due to a conflict with your cultural values, ethics, or religious beliefs. EPIC will make every reasonable effort to accommodate such requests, so long as the accommodation does not negatively affect the patient's care, including treatment, and so long as there is an appropriate alternative method or methods of care. However, if adequate staffing cannot be found, or if the request cannot be granted without negatively affecting patient care, including treatment, the employee will be required to participate in such care and treatment.

You must submit a *Request Not to Participate* form to your supervisor at the time of hire, or as soon as possible after you are notified that you may be required to participate in such aspect of patient care or treatment. You may be floated to position for which you must immediately possess the skills and meet the qualifications, or you may be asked to leave work while the Company brings in other staff to provide patient care. See your Human Resources Department for the form and further information.

SEPARATION OF EMPLOYMENT

All employment is AT-WILL. This condition of employment cannot be changed, waived or modified except by an individual written employment agreement signed by the employee and the Chief Executive Officer or authorized member of the Board of Directors of the Company. Separation of employment can be either voluntary or involuntary and may be initiated either by the employee or EPIC.

Voluntary Separation

When an employee resigns, the separation is considered voluntary. Regular status employees are asked to give at least two weeks advance written notice, including reason(s) for the resignation, to their supervisor who shall provide a copy to the Department Director and the original copy to Human Resources. Resignation letters should be dated, provide the last day of employment, and should be submitted to the employee's supervisor. The supervisor should immediately notify the Human Resources Department when a resignation letter is received. Human Resources will issue an acceptance letter noting acceptance of the letter of intent to resign.

Job Abandonment

An employee who has been absent for two consecutive workdays/shifts without notification to his/her manager will be considered to have abandoned his/her job and voluntarily terminated his/her employment without notice. The last day worked will be the date of separation.

Failure to return from an approved leave of absence or PTO benefits within the time limits established also will be considered as a voluntary termination of employment without notice. The date of the expiration of the leave or PTO benefits will be the separation date.

Involuntary Separation/Discharge

An involuntary separation/discharge is one that is initiated by EPIC for any reason other than a reduction in force.

Layoff

A layoff is an involuntary termination that is initiated by EPIC. Reasons for a layoff include, but are not limited to, a reorganization, position elimination or lack of work, insufficiency of the department's budgeted funds, or other reasons that constitute business necessity.

No layoff activities should occur without the involvement of Human Resources. Items required for a layoff are 1) a check of the WARN Act for applicability, 2) if more than one employee is involved, an established criteria must be documented and followed, 3) a study of disparate impact will be conducted by Human Resources, and 4) all final preparations must be complete, including preparing the final check for the time of release.

Exit Interviews

Exit interviews normally will be conducted for all separating employees, unless circumstances prevent it. Exit interviews allow employees to communicate their views on working at EPIC as well as the job requirements, operations, and training needs of the position. At the time of the interview, employees will be requested to return all EPIC property issued during employment, and departing employees will receive important benefits information.

Final Pay

All accrued vested benefits that are due and payable will be paid on the final day of employment. There are no exceptions to this policy. It is the supervisor's duty to work with Human Resources and Payroll to ensure that the final check is ready on the last day of employment. The only exception to this rule is if the employee fails to give at least 72 hours of notice of his/her intent to leave. In such a case, EPIC has 72 hours from the date that the resignation letter is received to make the final check available to the departing employee.

Return of EPIC Property

It is the responsibility of any separating employee to return all property issued by EPIC to him/her at any time during employment that has not previously been returned to EPIC. All such property, including any keys, identification badge, parking cards, laptop computers, cell phones, pagers, manuals, documents, and other items that the employee may have in his/her possession, must be returned on or before the last day of work. It is the supervisor's duty to collect EPICs property, or if Human Resources is present at the time of the involuntary release from employment, Human Resources will ensure that the property is collected.

JOB DESCRIPTIONS

EPIC maintains a job description for all employment positions. The accuracy of the job description is the responsibility of Human Resources and the departmental Vice President. Job descriptions serve a vital role in recruiting, as well as in applying obligations required by the Fair Employment and Housing Act, the Americans with Disabilities Act, and the California Workers Compensation statutes.

Job Descriptions are also used, along with both internal and external market equity studies, to determine the value of a position. For instance, removing or changing a duty or requirement for the job may have an impact of the value of the job when one conducts an internal equity review, or an external market review.

A job description is a list that a person might use for general tasks, or functions, and responsibilities of a position. It includes the essential functions of the position, it may often include to whom the position reports, specifications such as the minimum educational or experience requirements of the position, qualifications or skills needed by the person in the job, and it may include a pay grade.

Job Descriptions may be changed 1) when there is a material reorganization of the department that impacts the assignment of the essential duties of a position, or 2) where essential duties may change as a result of the reorganization, or 3) when there is an industry change in the essential duties performed by the position, or 4) if there is a change in the essential duties of the job due to a change in the departmental needs for the position that are reflective of changes that may be in the market for the position. When this occurs, in every case, Human Resources will examine the internal equity of the position, conduct a factoring review, and compare the changes to the market.

If conditions 1-4 do not exist, managers may petition for changes to the job description once per year, in a rolling 12 month period.

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EMPLOYMENT BENEFITS – SECTION C

GENERAL INFORMATION

This section of the Handbook is intended to provide a general overview of the benefits currently available to eligible employees of EPIC. State and/or federal laws govern some of these benefits, while others are determined by EPIC or governed by a benefit provider. Should there be a discrepancy between the contents of this Handbook and a provision of an applicable law, benefit plan or contract, then the law, plan document, or contract will prevail.

All eligible employees should receive information regarding benefit plans during their Introductory Period. This information includes either summary plan descriptions (SPD) or explanation of benefits (EOB), which are detailed benefit documents. Employees having questions regarding benefit matters should contact Human Resources.

EPIC reserves the right to change, suspend or eliminate any benefit at its sole discretion. Employees will be notified of any changes in employee benefit programs at meetings or through memos.

Eligibility

Employees classified as 30+ hours, and who consistently work their prescribed number of hours, are eligible to enroll in the group benefit plans as of the first of the month following successful completion of their initial two (2) months of Introductory employment. Coverage is effective the first day of the month following the waiting period. Other part-time employees are eligible for limited and legally mandated benefits that will be explained at the time of hire. All other employees are not eligible for coverage under any of EPIC's group insurance plans.

Temporary and Per Diem employees are not eligible for EPIC employee benefits.

Insurance Enrollment

Eligible employees must take the initiative to enroll themselves and their qualified dependents in the group insurance program. The enrollment process includes an on-line enrollment process. The web access site will be provided to employees by the Human Resources Department. It is the employee's responsibility to sign-up for insurance coverage.

Failure to enroll within the first 30 days of becoming an eligible employee will result in the inability to enroll for insurance coverage until the next "open enrollment" period conducted once each calendar year.

EPIC currently offers the following group insurance benefits to its eligible employees:

- Medical
- Dental
- Vision
- Term Life and Accidental Death and Dismemberment (AD&D)

- Voluntary insurance plans such as supplemental life, short-term disability, cancer, and such other plans as may be adopted by the Company.
- EAP (employee is automatically enrolled on the first day of employment)

All insurance questions relating to health, dental, life and/or other voluntary programs will be answered by the Human Resources Department. All eligible employees have the option to add, change, or discontinue coverage **once** annually during the open enrollment period except in case of divorce, new birth, marriage or other qualifying event as defined. You must notify Human Resources **within 30 days** of such an event.

Those who have been employed in excess of 5 years are eligible for waiver of their co-payments for medical coverage within Beaver Medical Group. The waiver only applies to employees, and not dependents of the employee. Co-pays are the responsibility of the employee.

For details regarding these insurance plans, together with a schedule of specific benefits provided by each plan, employees should refer to the plan booklets, EOBs and the SPDs provided to each employee by Human Resources or during their orientation.

Premium Payments

Depending upon the type of coverage selected, the monthly insurance premiums for eligible employees may be partially paid by EPIC. Employees always pay the monthly insurance premiums twice monthly for any voluntary insurance coverage they elect for themselves, and/or their dependents, through regular payroll deductions.

Benefit Premiums during Leave

See Section 4; Leaves of Absence

For additional information on group insurance coverage, contact Human Resources.

SECTION 125 PLANS

Employees may also enroll in a Section 125 tax reduction plan. Eligible employees may enroll in a pre-tax premium plan that will allow monthly insurance premiums to be deducted from pre-tax income so as to reduce income tax liability.

For further details on the Section 125 tax reduction plan, contact Human Resources.

CONTINUATION OF GROUP HEALTH INSURANCE (COBRA)

COBRA (the Consolidated Omnibus Budget Reconciliation Act) is a federal law that requires most employers sponsoring group health plans to offer covered employees and qualified beneficiaries the opportunity for a temporary extension of health coverage (called "continuation coverage") in certain instances where coverage under the plan would otherwise end. This extension of coverage is offered at group rates plus an administrative fee, the cost of which is fully borne by the employee or beneficiary.

Employees and dependents covered by EPIC's health insurance plan may have the right to choose continuation coverage if they lose group health coverage for certain reasons. These may include termination of employment, reduction in hours or leave of absence, death, divorce or legal separation of an employee, employee's entitlement to Medicare, or a dependent child no longer meeting eligibility requirements. In order to ensure rights to benefit continuation, it is the employee's responsibility to notify EPIC in writing within 30 days of certain qualifying events.

Questions concerning COBRA qualifying events and eligibility requirements should be addressed to Human Resources.

401(k) RETIREMENT AND PROFIT SHARING PLANS

EPIC participates in a 401(k) Profit Sharing Retirement Plan that allows all employees to participate in the Plan. Employees are qualified to become a participant of the 401(k) and Profit Sharing Plan after one year of employment. The determination of your eligibility is made by the Plan Administrator and in all cases that determination is final.

Automatic Enrollment

EPIC maintains an auto-enrollment feature that automatically enrolls employees into the 401(k) plan, once the eligibility requirements are met, at a deduction equal to 3% of the employee's salary. If the employee wishes not to be automatically enrolled, it is the employee's responsibility to notify Fidelity Investments of his/her desire to opt out of the plan. Contact information can be obtained from Human Resources.

Funds assigned to the 401(k) plan are not refundable by EPIC.

Voluntary 401(k) Contributions

Employees have the option of electing a salary deferral amount to be invested into their 401(k) account. Monies invested into the 401(k) plan are invested on a tax-deferred basis or elect a Roth after tax plan. There are tax restrictions governing the premature withdrawal of the funds once contributed to the 401(k) Plan. You may enter the Plan or change your salary deferral at any time.

Matching 401(k) Contributions

EPIC provides a matching funds program on all "voluntary" contributions contributed to the 401(k) plan. To be eligible for the matching funds, you must be employed by EPIC on the last day of the plan year. These contributions are subject to a 6 year vesting schedule and are also subject to tax restrictions governing withdrawal prior to age 59 ½ due to the tax deferred nature of the investments. Withdrawals can only be accommodated in the event of either hardship, as defined in the Master Plan Document, or termination of employment.

Discretionary Profit-Sharing Contributions

Each year, the organization reviews the profitability to determine whether or not enough profit exists to share with all the eligible 401(k) Plan participants. If contributions are made, they are subject to a 6 year vesting schedule and are also subject to tax restrictions governing withdrawal prior to age 59 ½ due to the tax deferred nature of the investments.

All contributions made to the Profit Sharing Plan components except the voluntary 401(k) contributions are subject to a 6 year vesting schedule. If you leave EPIC's employment prior to becoming 100% vested, you will receive a reduced pro-rated benefit.

A Summary Plan Description (SPD) of the 401(k) and Profit Sharing Plan is available through the Human Resources Department.

Safe Harbor Contributions

Contributions made by the employer to the Safe Harbor accounts, as warranted, are 100% vested.

WORKERS' COMPENSATION INSURANCE

All EPIC employees are covered by Workers' Compensation Insurance, effective the first day of employment. Workers' Compensation Insurance provides employees and/or their beneficiaries with certain benefits in the event of job-related illness, injury or accidental death.

EPIC pays the full cost of this insurance. If employees sustain a job-related illness or injury, they must report the illness or injury to their supervisor, manager or Human Resources the day it occurs. Failure to do so could result in a delay of benefits by the insurance carrier.

All payments for lost wages or salary due to a job-related illness or injury, medical treatment, and any other benefits will be made by the Workers' Compensation Insurance carrier as required by law. Contact Human Resources for more information about Workers' Compensation Insurance benefits.

Medical Treatment

EPIC provides medical treatment for work-related injuries through pre-determined clinics that provide medical care to injured employees. These clinics are within a Medical Provider Network that has been approved due to their experience in treating work-related injuries.

Employees who are injured in a work-related accident will be referred to one of the clinics assigned for the location, unless EPIC has received a pre-designation of a "Personal Physician Form" which must be completed prior to the injury or illness that the employee wishes to be treated by his/her own health care provider; however, should an employee's own provider be a member of Beaver Medical Group (BMG), understand that BMG does not treat work related injuries. This notification must have been submitted to the Human Resources Department prior to any injury.

If an employee wants to change providers after the first treatment, he/she can select another provider that is included in the Medical Provider Network.

Workers' Compensation in Coordination with FMLA/CFRA

Employees who are ill or injured as a result of a work-related incident and who are eligible for medical leave under state and federal law (Family Medical Leave Act and/or the California Family Rights Act) will be placed on FMLA/CFRA during the time they are disabled and not released to return to work. The leave under these laws runs concurrently, and eligible employees will be on FMLA/CFRA for a maximum of 12 weeks in a rolling 12-month period.

Workers' Compensation Fraud

Employees and former employees may be encouraged by outside persons to file fraudulent Workers' Compensation claims. California law makes it a crime to knowingly file a false or fraudulent claim for Workers' Compensation benefits, or to knowingly submit false or fraudulent information in connection with any Workers' Compensation claim. Violation of this law is punishable by imprisonment of up to five years, a fine of up to \$150,000, or both. Filing a false or fraudulent Workers' Compensation claim is also a violation of EPIC policy, and will result in corrective action, up to and including discharge. EPIC is committed to aggressively pursue those who are suspected of filing fraudulent claims.

EPIC's policy is to investigate all questionable Workers' Compensation claims and to refer them to the Bureau of Fraudulent Claims.

SCHEDULED HOLIDAYS

Full-time and eligible part-time employees (those classified 25 hours and above) are eligible for paid Scheduled Holidays observed by the Company. All other employees must take unpaid time off during Scheduled Holiday periods unless otherwise scheduled or authorized to work.

The following are the Scheduled Holidays designated each year except as may otherwise be authorized by the Board of Directors of the Company:

- New Years Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving and the following Friday
- Christmas Day

When a Scheduled Holiday falls on a Saturday or a Sunday, it may be observed on the preceding Friday or on the following Monday. Scheduled Holidays must be confirmed annually by the Board of Directors of the company and employees may reference the approved holiday schedule on an annual basis. Therefore, EPIC may eliminate or change Scheduled Holidays, or designate additional holidays at its discretion. Specific departmental operations may continue in whole or in part under the direction of Administration.

Payment for Scheduled Holidays – (see “Categories of Employment” on Page 7)

Full-time and eligible part-time employees receive holiday pay based on the number of hours they would have worked had the day not been a Scheduled Holiday up to a maximum of 8 hours. Full time employees not regularly scheduled to work on a designated holiday will receive an alternate day off within the week the holiday falls whenever possible. If an alternative day cannot be scheduled, the employee will receive up to 8 hours of holiday pay in addition to their worked hours. PTO hours may be used to subsidize pay for holidays when an employee has an approved Alternative Workweek as defined by the State of California on record with the Human Resources Department.

Whenever possible, eligible full and part time employees who work on a Scheduled Holiday will receive an alternate day off within the week the holiday falls. Per Diem employees, if they are available, may be used to support time off for applicable employees. Supervisors should diligently plan in advance to assign and notify employees of the assigned alternative day off; however, if an alternate day cannot be scheduled the employee will receive holiday pay based on the number of hours they would have worked.

Loss of Holiday Pay

Employees who are on a leave of absence of any kind, or those who are not on a pre-approved or pre-scheduled paid day off from their scheduled workday before and after a Scheduled Holiday, will not be paid the holiday.

Further, if an employee is absent from work without a pre-approved/pre-scheduled paid absence status on his/her last scheduled day either before or after the holiday, the employee will be unpaid and no benefit time (PTO) can be used in lieu of holiday pay unless the employee is hospitalized, meaning the employee is admitted into the hospital for an overnight stay. Only then can the employee use PTO to compensate for holiday pay. A physician's or health care provider's authorization may be required under these circumstances.

If the holiday is a regularly scheduled workday for the employee, and the employee calls off from working the scheduled shift, the holiday pay is lost, and the employee must use PTO for the call off day.

If an employee departs early from work on the scheduled workday before or after the Scheduled Holiday due to an unscheduled absence, the employee will not be compensated for the Scheduled Holiday unless the employee has worked at least one half of the scheduled shift hours. A physician or health care provider's authorization may be required under these circumstances.

Half Day Holiday

Occasionally, but not always, and under no guarantee, the Board of Directors may declare that EPIC will be closed for business on December 24 and/or December 31 at noon. These declarations are referred to as “Half Day Holidays”, and are in addition to the Scheduled Holidays named in this policy.

When a Half Day Holiday is declared, one-half of a scheduled shift is paid as an approved Half Day Holiday up to a maximum of four (4) hours, if eligible.

Employees who work an “Alternative Workweek”, as defined by the State of California and approved by the Human Resources Department, may either

1) work all hours of the scheduled shift except 4 hours which would be paid as the Half Day Holiday, or

2) with supervisory approval, the employee may choose to work only 4 hours of the work schedule, be credited with 4 hours for the Half Day Holiday, and subsidize the balance of the pay for unworked hours with PTO. These decisions are subject to the departmental work demands. For example, with supervisory permission, an employee who has a 4 day 10 hour work schedule as approved by the Human Resources Department may work 4 hours while the physician practice is open, take 4 hours as paid holiday, and use 2 hours of PTO to subsidize the remainder of the pay for the scheduled 10 hour day. The 2 hour difference may also be taken as unpaid, or

3) work the entire shift, receive 4 hours of holiday pay, are compensated for 4 hours of time and one-half, and 6 hours of regular time, or

4) In a 9-80 workweek only, the employees may work 4 hours, take 4 hours as the Half Day Holiday, and 1 hour as PTO, or work a 5 hour shift and take 4 hours as the Half Day Holiday. This determination is made at the supervisor’s discretion.

If other conditions arise, these principles should be used, if applicable. If these principles are not applicable, Human Resources should be consulted.

Start Time Adjustments for Half Days

Only a Vice President may approve a shift start time change when Half Day Holidays are declared. Supervisors should petition their Vice President when a legitimate business reason is present and no negative impact on physicians or patients is present.

If an employee works the day before the Half Day Holiday, then works the working portion of the Half Day Holiday, which is then followed by time off taken for the 4 hour Half Day Holiday and the Scheduled Holiday, and then the employee proceeds to call off from work for any reason on the next scheduled shift, the employee would be paid for the hours worked on the Half Day Holiday, but the employee would forfeit holiday pay for both the time off portion of the Half Day Holiday and the Scheduled Holiday. This would be true because the scheduled shift was not worked before and after the Scheduled or Half Day Holiday.

When the Half Day Holiday is declared, both the Half Day Holiday and the Scheduled Holiday become subject to the compensation requirements that apply to holidays, **except in the case that an employee actually works a Scheduled Holiday**. In such a case, the “Day by Day Analysis” process below is applicable.

Day by Day Analysis: Scheduled Holidays Worked and Half Day Holidays

EPIC uses the “Day by Day Analysis” whenever an employee actually works a Scheduled Holiday or when two Scheduled Holidays occur back to back. The Day by Day Analysis applies the requirement that an employee must either work the scheduled shift before and after a Scheduled Holiday, or have a pre-approved or scheduled paid day off, measuring each Holiday individually.

For instance, when an employee works the scheduled shift before the first of two Scheduled Holidays, and then takes the first Scheduled Holiday off, but works the second Scheduled Holiday as part of a regularly scheduled shift, but fails to work the scheduled shift following the second Scheduled Holiday, the Day by Day analysis would be applicable.

When applying the Day by Day analysis to the situation described, the first Scheduled Holiday would be a paid holiday because the employee worked the scheduled shift before and after the first Scheduled Holiday. However, the employee would not be paid holiday pay for the second Scheduled Holiday because the employee called off for the scheduled shift following the second Scheduled Holiday. This call off was not pre-approved. Nevertheless, the employee would be paid time and one-half for the hours worked on the second Scheduled Holiday.

When an eligible non-exempt employee has been scheduled, authorized, or is required by his/her manager to work on a holiday observed by EPIC, the employee will receive holiday premium pay at the rate of one and one-half (1 ½) the regular rate of pay for the hours actually worked on the holiday. Exempt employees receive their regular salary.

Holiday benefit hours that are paid are not considered to be hours worked for purposes of overtime pay eligibility.

Holidays Occurring During Pre-Approved PTO or Other Paid Absence

When an observed holiday occurs during an eligible employee's pre-approved paid absence due to such events as PTO, Bereavement Leave or Jury Duty, the day shall be treated as a paid holiday and not charged to the other type of pre-approved paid absence.

Religious Holiday Accommodation

In order to reasonably accommodate the religious needs of employees, time off for religious observances that are not designated as Scheduled Holidays may be taken either without pay or with use of PTO, if available, under the following conditions:

- Employees must give reasonable advance notice to their manager in order for another employee to be assigned, if required, to the work being performed by the employee requesting the time off. Reasonable notice is considered to be a minimum of 14 consecutive calendar days.
- Each regularly scheduled workday that is requested as a religious observance holiday will require individual review and prior approval by the employee's manager.

PAID TIME OFF (PTO)

Employees accrue Paid Time Off (PTO) hours for use as sick, vacation, personal days, and other qualified purposes described in this Handbook.

For all scheduled time off, it is mandatory to complete, submit and obtain approval from the supervisor in advance, when practical.

PTO may not be used to make up compensation when an employee is tardy, as defined by the Excessive Absenteeism policy.

GENERAL POLICIES REGARDING PTO:

- A. Regular full-time and part-time employees classified 25+ hours are eligible to accrue Paid Time Off. Accrual begins the first full pay period from the date of hire; however, the employee is not eligible to use accrued PTO until the Introductory Period is completed for new hire employees only. The accrual rate of PTO is set forth below.
- B. Scheduled time off using PTO must be authorized by the supervisor at least two (2) weeks in advance except under verifiable emergency or unforeseen circumstances. Granting of PTO within 2 weeks is at the sole discretion of the supervisor.
- C. Every effort is made to grant and manage PTO; however, supervisors must provide for adequate levels of staffing. An employee may be asked to choose alternative dates for all or part of the scheduled time off if the supervisor will not be able to maintain adequate staffing. When 2 weeks of notice is given by the employee, every effort should be made to approve this employee benefit. PTO requests should be either approved or denied with at least 2 weeks' notice to the employee if 2 weeks' notice has been given for the PTO request.
- D. Accruals are based on actual regular hours worked up to a maximum of 80 hours per pay period.
- E. When PTO is approved, it is the duty of the supervisor to ensure that coverage for the employee is identified. Overtime to provide coverage should be avoided unless absolutely necessary.
- F. PTO is approved under the assumption that the employee will have the required PTO accrued at the time of use. A supervisor may approve a request for PTO involving a date or dates in the future, but that approval is contingent upon the employee accruing the necessary time. If the employee does not have adequate PTO accruals, then the time off is subject to the supervisor's ability to manage unpaid time off. Employees are only provided with PTO time in accordance with this policy, so unpaid time off requests are not guaranteed. If the time off is not manageable, the unpaid time may be denied by the supervisor.
- G. Employees must use PTO for medical appointments unless related to a Workers' Compensation injury or Pregnancy Disability Leave. Then the use of PTO is optional.
- H. If a Scheduled Holiday falls during scheduled PTO, the employee will receive holiday pay for that day and is not required to use PTO.
- I. EPIC Management authorizes the accumulation of PTO hours to a maximum level depending on completed years of employment on a pro-rata basis up to the date of employment separation or change in status. Hours will not continue to accrue once you reach these maximums but will resume once the balance drops below the maximum allowed level.

Accrual Rate Table for Full-Time and Regular Part-Time Employees

Length of Service	Rate of Accrual for each hour worked	Maximum Accrual
0 to end of 5 years	0.0677600	16.5 days/year
Begin of 6 th to end of 10 years	0.0766045	18.5 days/year
Begin of 11 th to end of 15 years	0.0901500	21.5 days/year
Beginning of 16 th + years	0.1134900	26.5 days/year

Scheduling PTO

PTO requests are to be submitted for approval, in writing, to the employee’s manager at least two (2) weeks in advance of the desired time off in order to determine staffing requirements and allow scheduling of coverage in the department. Employees may not take more than two weeks or ten days of PTO at a time without the approval by their Department Director. The Company will make every effort to accommodate PTO requests; however, failure to provide the required notice significantly reduces the probability for approval.

Requests for PTO will generally be approved in the order they are submitted. If two requests are received at the same time, and only one request can be honored, the priority will be generally based on length of service with EPIC Management.

PTO pay will be based on the employee’s base pay rate in effect at the time such PTO is taken. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses. Payment for PTO time will be made on an employee’s regularly scheduled payday.

Accrued and Unused PTO

Employees are encouraged to use their accrued PTO benefits each calendar year but may accrue up to the following maximum accrual amounts based on their length of service.

Maximum Accrual Table

Years of Service Completed (Employee’s Anniversary Date)	Maximum PTO Accrual
Date of hire through 5 th anniversary	200 hours
Begin of 6 th – end of 10 years	240 hours
Begin of 11 th – end of 15 years	280 hours
Beginning of 16 th + years	336 hours

In the event an employee’s earned but unused PTO benefit reaches the maximum accrual that is allowed, PTO benefits will cease to accrue until the employee takes enough PTO to

fall below the maximum. PTO benefit accruals will then resume until it again reaches the maximum.

PTO is given to employees so that they are better able to perform their jobs when they return. At the company's full discretion, it reserves the right to afford employees the option of "cashing out" a portion of their hours on an annual basis.

The Company reserves the right, if necessary, to designate PTO periods during which employees are expected to schedule PTO in order to accommodate overall work schedules.

Payment of Accrued/Unused PTO Upon Employment Separation

Upon separation of employment for any reason, employees with a balance of accrued and unused PTO will be paid for all hours accrued up to their last day of employment at the employee's prevailing base rate of pay.

"Paid Sick Leave" for Part Time Employees (-25 hours) (Effective July 1, 2015)

Paid Sick Leave is provided to employees who are not eligible for PTO. To qualify, a non-eligible PTO employee must work thirty (30) or more days in a year from the commencement of the employment relationship. Employees who do not work at least 30 days per year are not qualified for Paid Sick Leave.

If qualified, Paid Sick Leave is accrued at a rate of one hour for every thirty (30) hours worked. This law applies to all exempt, non-exempt, part time, and temporary employees. This time may not be donated for catastrophic PTO donation.

An employee begins to accrue the Paid Sick Leave on the date of hire, or on July 1, 2015, whichever is later; however, an employee is not entitled to use the accrued sick leave until the 90th day of employment.

An employee may only use three (3) days, or twenty four (24) hours, each year for Paid Sick Leave. Leave must be taken in minimum increments of two (2) hours. Alternative Work Week employees who work ten (10) hours in a day may be paid up to thirty hours (30) for three days of leave, but only if the Paid Sick Leave bank has at least 30 hours accrued. An employee must not be required to find a replacement to take the leave. An Employee accrual of Paid Sick Leave is capped at forty-eight (48) hours.

Paid Sick Leave is not paid out upon separation from employment for any reason.

If an employee separates from employment, and is re-hired within one year from the date of separation, any previously accrued and unused paid sick leave hours will be reinstated, and the employee will be entitled to use the sick leave days upon rehire.

Employees may take paid sick leave for themselves, or for any of the following family members:

A biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands *in loco parentis*;

A biological, adoptive, or foster parent, stepparent, legal guardian of an employee or the person who stood *in loco parentis* when the employee was a minor child:

A spouse:

A registered domestic partner:

A grandparent:

A grandchild: and

A sibling.

Paid Sick leave is also made available to victims of sexual assault, domestic violence, or stalking as defined by the California law.

Paid Sick Leave is not an occurrence under the Attendance and Punctuality policy.

TIME OFF WITHOUT PAY

Time off without pay will not be granted for scheduled time away from work if PTO is available. Time off without pay for less than one week may be granted at the discretion of the employee's supervisor. At the discretion of Management, any staff not needed for a period of time may be granted time off without pay. Time off without pay in excess of one week must be approved at the V.P. level only.

Absence without Authority

Employees must be engaged and performing job duties during the workday. Except for authorized breaks, meal periods, meetings, or other approved activities, employees should be present in the work place. Absence from the work place without supervisory recognition or approval is considered absence without authority. PTO is not used to provide compensation if an employee is absent without authority.

BEREAVEMENT LEAVE

EPIC provides regular full-time and 25+ (classified) part-time employees with paid Bereavement Leave of five days/shifts up to a maximum of 40 hours within the seven (7) day period following the death to prepare arrangements and attend a funeral when there is a death in the employee's immediate family. Immediate family is defined as the employee's present and legal spouse, child, stepchild, parent or step parent, registered domestic partner, and child of a registered domestic partner. Bereavement pay is paid at the employee's usual/base hourly rate.

Eligible employees will receive the pay they would have earned for the workdays missed. Temporary and Per-diem employees are not eligible for paid bereavement benefits, but may take unpaid leave to arrange or attend funeral services upon approval of their manager.

Additionally, eligible employees may be eligible for Bereavement Leave of three days/shifts up to a maximum of 24 hours based on the same standards prescribed above involving the death of an extended family member to include:

- Sibling
- Grandparent
- Grandchild
- Mother/Father-in-Law
- Daughter/Son-in-Law
- Sister/Brother-in-Law

No other relatives are considered family members for purposes of receiving paid Bereavement Leave under this policy. Employees who have a death of any family member and intend to take bereavement leave must immediately notify their manager of their intended absence from work and, at the earliest opportunity, complete and submit a Bereavement Leave request.

The employee's Director may grant additional time off beyond Bereavement Leave as PTO, following the guidelines contained in the PTO policy. If PTO is exhausted, the supervisor may approve time off without pay within the policy governing unpaid time off. Employees may also use available PTO time for bereavement purposes including the death of a close family member or friend upon advance approval by the employee's manager. In all cases of Bereavement leave use whether paid or unpaid, written verification of the individual's death such as a death certificate or obituary, may be required.

Alternative Workweek Additional Time Off: Bereavement Pay

When Alternative Workweek employees use bereavement leave, all hours used in excess of the maximum hour amounts provided in the policy, and that are used within the recognized shifts provided by the Bereavement Policy, shall be made optional to the employee to be used as PTO or unpaid.

This practice mirrors the treatment of holiday and jury duty pay for Alternative Workweek employees. EPIC pays these employees a maximum of eight (8) hours per day for jury duty and holidays, and then the employee is permitted to either make up the two hour difference with PTO, or they can exercise the option of taking the excess time as unpaid.

As an example, a 3-10 employee who takes 3 shifts for bereavement leave will exceed the maximum hours allowed by 6 hours. Since those 6 hours are taken within the 3 shifts allowed by the Bereavement Policy, then the options of PTO or unpaid time are allowed.

Also, if an immediate family member is the cause of the bereavement, a 4/10 employee would be permitted to take five (5) days of bereavement, paid at 8 hours per day. This provides equality in the number of days off paid for the employee.

When any employee, those with a standard work schedule or those with an Alternative Workweek schedule, require additional hours for bereavement purposes, and those additional hours extend beyond the maximum shifts permitted under the Bereavement Policy, these additional hours shall be subject to the PTO/Unpaid Leave policy.

At times, employees just need more time to recover from the loss of a family member or friend. Additional hours may be requested by the employee, and granted at the discretion of the supervisor. If approved, the PTO policy would govern these hours since they are taken outside of the shifts permitted by the Bereavement Policy. As such, the hours would be made available and compensated from the employee's PTO accrual bank, or if the PTO accrual bank is empty, the hours may be unpaid. Also, per policy, Vice Presidents would need to approve all unpaid hour requests that exceed one week.

EMPLOYEE ASSISTANCE PLAN/PROGRAM (EAP)

EPIC recognizes that employees and their families may experience personal problems that can adversely affect personal fulfillment and career satisfaction. As a result, EPIC provides a voluntary, confidential, no cost Employee Assistance Program (EAP) to you and your family members regardless of your participation in Company sponsored health plans. EAP services are provided by an outside professional services provider up to six (6) visits per issue per calendar year. Services provided include professional problem assessment, personal and/or family counseling, substance abuse, and referral to appropriate outside resources. Any expenses incurred outside the Employment Assistance Program are the employee's (or family member's) responsibility and subjects to terms and conditions of the medical plan or HMO providing coverage, if any.

The Employee Assistance Program is accessible 24 hours a day, 7 days per week through a toll-free number provided to you at the time of hire and posted on Company bulletin boards at all facilities. Appointments for no-cost office visits can be made during the day and early evening hours. All communication between you or your family members and the EAP counselors is strictly private and confidential, and all records pertaining to employee EAP participation are kept by the EAP provider and remain their property. Confidentiality will be maintained unless the problem or issue, by law, must be referred to a public agency. EAP participation will not adversely affect an employee's job security or advancement opportunities.

Most personal problems can be solved on a self-referral basis at no cost to you. The Company encourages you and your family members to utilize the EAP on a "when in doubt, call" basis. Problems that are appropriate for the EAP include, but are not limited to, problems or issues involving family relationships, such as marital problems, relationships with children, siblings, parents, elder care, relocation, financial or legal problems, depression, substance abuse, anxiety and work-related situations.

The employee and eligible family members may also access the assistance program portion of the EAP as a result of Supervisor Suggestions, Formal Management Referral or Family Member Assistance. If you bring a personal problem to the attention of a supervisor, but work performance and attendance have not fallen below acceptable standards, your supervisor may suggest that you contact the EAP for assistance. The decision to act on your supervisor's suggestion is left entirely up to you, and confidentiality is maintained just as it is in a self-referral.

If work performance, conduct or attendance patterns have fallen below acceptable standards or otherwise interfering or affecting the work environment and/or work relationships indicating the possible presence of a personal or behavioral problem, a Formal Management Referral may contribute to problem resolution, and can assist in the early identification and resolution of productivity problems associated with behavioral or personal problems. Participation in the EAP does not replace or delay corrective action under the Company's Performance Improvement Plan process or disciplinary action. In Formal Management Referrals, the employee gives the EAP provider written permission to notify the Vice President of Human Resources, or confidential designee, that (1) counseling appointments have been kept, (2) whether or not the treatment plan is being followed, and, (3) whether, in the therapist's opinion, the employee accepts responsibility and is willing to initiate a plan of correction. No other information would be provided.

Please direct any questions regarding the EAP to your supervisor or to the Human Resources Department.

JURY DUTY

EPIC recognizes that employees have a civic obligation to serve on Jury Duty. Full and 25+ classified part-time employees will be granted paid Jury Duty leave for up to three (3) consecutive scheduled workdays/shifts (maximum of 24 paid hours) provided that reasonable advance notice of your obligation to serve is provided. Dark Fridays are not considered in the consecutive scheduled workday/shifts if Jury services are not required. The employees will be expected to fulfill his/her assigned work schedule. Compensation for consecutive workdays exceeding the maximum of three may be paid from the employee's available PTO hours at the employee's discretion.

Within three days of receiving a Jury Duty Summons notice, employees must provide a copy of the notice that specifies the date(s) the employee is required to appear or report to court to his/her supervisor. An employee must also give a copy of the Jury Duty notice to Human Resources for retention in his/her personnel file before reporting for Jury Duty service. If an employee obtains a jury duty extension, in order to serve at a later date, the employee is expected to provide his or her supervisor, and Human Resources, at least three weeks advance notice of the new reporting date, whenever possible.

When on Jury Duty, employees must report for work whenever their presence is not required at court, including during "phone in" or "on call" status. Employees who cannot report to work due to Jury Duty may be required to show proof of jury service or appearance. EPIC may submit a request for a postponement in the event that compelling business reasons make postponement of Jury Duty necessary.

WITNESS DUTY AND SUBPOENAS

Employees will be paid their normal wage or salary if required to be a witness or required by a subpoena to appear in court on EPIC business. Except for EPIC court business, non-exempt employees will not be paid for their time off if summoned to appear in court as a witness or because of a subpoena for any other reason, however they may use accrued PTO time for such absences if advance approval of the absence is obtained from their supervisor.

SEMINAR ATTENDANCE AND CONTINUING EDUCATION

Employees may either be required to or elect to further their knowledge base or educational background by attending seminars or continuing their education. In cases where the employee will need time away from the work place, they will need to obtain approval prior to any arrangements made in this regard. Approval is required at the appropriate supervisory level. This ensures adequate staffing and prevents any potential conflicts with scheduling. In those cases where an employee may seek remuneration, such activities are to be authorized ahead of time, again by the appropriate supervisory level and Director of the department.

To obtain approval, employees wishing to attend an activity must submit a written request to their supervisor and Department Director detailing all relevant information, including date,

hours, location, cost, expenses, nature, purpose and justification for attendance. Upon final review of the request, the requesting employee will be notified if any requested expenses are approved or disapproved.

CEU Reimbursement

It is the policy of EPIC Management not to provide reimbursement for CEUs.

This policy does not prevent a manager from approving appropriate seminar or learning modules that may have associated CEU credits, but the appropriateness of attendance should be measured by the business needs of the department and not based upon CEU needs. Reimbursement for business appropriate seminars is to be evaluated and approved following the "Seminar Attendance and Continuing Education" policy located in the EPIC Handbook.

When CEU credits are involved in a business necessary seminar, the applicable Vice President will be required to approve the reimbursement request.

NOTARY PUBLIC

A Notary Public is available at one or more company facilities by appointment only. Please check with your Department Director for specific information. These services are available to the employee at no charge. However, the Notary Public has a right to charge a fee (not to exceed Ten Dollars (\$10.00) per signature) to spouses and immediate family members.

CHECK CASHING

EPIC does not provide check cashing services for employees. EPIC will accept checks for the purchase of movie tickets; however, if a check is returned for insufficient funds, EPIC will cease to accept checks from that employee.

MEDICAL CO-PAYMENT WAIVER

Employees electing medical benefits through EPIC and selecting Beaver Medical Group (BMG) as their provider may be eligible for a co-payment waiver after five (5) years of continuous service with the company. This waiver does not apply to services rendered outside of BMG inclusive of affiliated organizations or prescription medications. Specific information relating to this benefit can be reviewed in the *Employment and Retirement Benefits for Services Rendered by BMG Providers* document. Please refer to your appropriate supervisor for review.

EMPLOYEE REFERRAL PROGRAM

EPIC's Human Resources Department is charged with identifying positions that are "Hard to Fill". The letters "HF" will be placed on each posting where this designation is applicable. EPIC shall provide a Two Thousand Dollar (\$2,000.00) reward, payable as designated below, for any employee who refers a candidate who is eventually hired into a Hard to Fill position.

Payment is made in three portions. These portions are:

1/3 on the paycheck following the conclusion of the Introductory Period

1/3 on the paycheck following the six month anniversary

1/3 on the paycheck following the nine month anniversary

NOTE: Both the referring employee, and the referred employee, must be employed with EPIC for the designated amounts to be paid. Should the referring employee or the referred employee leave prior to any of the dates of payment, the referring employee will forfeit all remaining payments due under this policy.

Any position that is designated as a Temporary, Contract, Independent Contractor, or any position hired with the use of a Staffing Agency is not eligible for the Referral Rewards Program.

The Referral Rewards Program is only applicable for external candidates who join EPIC in a Hard to Fill position.

EPIC employees are invited to make their friends, family members, and acquaintances aware of any posted vacant openings for which the individual may have an interest and be minimally qualified, as dictated by the applicable job description.

In all cases, when hiring, EPICs Employment of Relatives policy will be followed.

To qualify for the \$2,000.00 reward, the following must be followed with exactness:

1. EPIC HR will designate certain positions as “Hard to Fill”. Each Hard to Fill posting will be identified with an “HF” designation placed on the job posting, following the position title. ONLY positions designated HF on the job posting are eligible for the Referral Reward.
2. Employees who refer their friends, family and acquaintances for Hard to Fill positions should be certain that the applicant is fully informed that, when completing the application, they must complete the “How Were You Referred to Our Organization” portion of the EPIC application by indicating that they were referred by a current employee by:
 - a. Checking the “Employee” box, and
 - b. Providing the name of the referring employee on the application.

This responsibility is the sole duty of the referring employee to effectively communicate this obligation to anyone who they refer for employment. Failure to comply with this requirement will render any claims of referral void.

- c. EPIC reserves the right to identify a position as HF after the initial posting if the efforts fail to produce sufficient applications. Only applications that identify the referring employee will be honored. As such, employees are strongly encouraged to have their friends, family and acquaintances place the employee’s name on all

applications, even those who are not marked HF just in case a posting is made HF subsequent to the original posting.

Once the application is submitted, EPIC **will not honor** any subsequent communication attempting to link an employee referral to the application.

In the rare event that a resume is submitted prior to an application, and/or the process of selection is engaged without the benefit of an application, the resume or cover letter must include the referring employee's name when first submitted.

3. If the referred candidate is successful in the selection process, EPIC will award the referring employee a \$2,000.00 referral reward. The referral reward is considered compensation, and is subject to all Federal, State, and Local payroll taxes. The referral reward shall be paid in three (3) parts as noted under "Policy", pursuant to the terms specified in this policy.

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LEAVES OF ABSENCE – SECTION D

GENERAL INFORMATION

EPIC will abide by all Federal, State and local laws surrounding required leaves of absence, and related topics. Both EPIC and the employee have obligations related to particular leaves of absence and it is the employee's responsibility to become familiar with their obligations prior to seeking a leave of absence. Employees may contact the Human Resources Department for specific information in this regard. When the need for a leave of absence occurs, employees are required to notify Human Resources **and** their immediate supervisor prior to the leave unless circumstances prevent it. Failure to contact both parties may result in disciplinary action.

Protected leaves of absence are a mechanism to allow staff time away from work without the worry of job loss. Time away from work for leaves is typically unpaid with the exception of PTO and other accrued benefits when the employee meets the eligibility requirements. In some circumstances, leaves of absence may run concurrent with other leaves depending on the specific circumstances of the time away.

EPIC employees may be eligible for leave in the event of any of the following:

- The serious health condition of the employee;
- In the event of the serious health condition of an immediate family member, which is a parent, spouse, child, domestic partner or child of a domestic partner;
- The birth of a child;
- The placement of a child for adoption or foster care;
- A work related injury or illness;
- A female employee who is unable to perform the essential functions of her job due to pregnancy related restrictions as determined by a medical practitioner;
- An employee whose spouse is called or is notified that they may be called to active duty in an area of military conflict;
- An employee whose spouse is called to active military service and thus the employee who remains is responsible for various "qualifying exigencies" such as counseling services, rest and recuperation, time to attend military functions or exercises, participate in school or daycare activities, change or make arrangements associated with a child's attendance at school or childcare, conduct financial planning, or other required activities to prepare for deployment;
- The employee is summoned to Jury Duty;
- The death of an immediate or extended family member;
- The illness or injury of an immediate family member under the Kin Care definition;
- To provide care for a next of kin (when employee is the closest blood relative) who is or has been engaged in active service in the military, and as a result, is undergoing medical treatment, therapy, outpatient medical or psychiatric services, or is on temporary disability retirement status due to an injury or illness incurred in the line of duty; or
- A situation requiring personal time away from work after the introductory period has concluded and all other applicable leaves have been exhausted.

- The employee is involved in Bone Marrow or organ donation.

This list may not be exhaustive. If a supervisor or manager is unsure if the reason for leave is authorized, please contact Human Resources.

A brief summary of EPIC leaves are as follows:

FMLA/CFRA Leave Eligibility

Employees who have more than twelve (12) months of service with EPIC and have worked at least 1,250 hours in the previous 12-month period before the date the leave is to begin are eligible for Family Medical Leave (FMLA) and California Family Rights (CFRA) leaves. If the employee is eligible, and the reason for the leave qualifies for FMLA/CFRA, the employee may take a maximum of twelve (12) workweeks of unpaid FMLA/CFRA leave. FMLA, Workers Compensation, and CFRA are exhausted concurrently in all cases except pregnancy.

Employees may take FMLA/CFRA leave intermittently if the leave is for the serious health condition of the employee or the serious health condition of an immediate family member. A medical certification from the healthcare provider is required. It must be submitted to the Human Resources Department within fifteen (15) days of the request for certification if either of these reasons is given for the leave. Failure to provide a medical certification may delay or cause denial of the protected leave from being granted.

Employees are also granted FMLA leave for qualifying exigencies. This provides 12 weeks of job and benefit protections to address time required to prepare for deployment. Qualifying exigencies is defined as the following: 1) Military events, 2) Short Term Deployment, where the service person has 7 or less days' notice of deployment, 3) Financial or legal arrangements, 4) Counseling, 5) Rest and Recuperation, 6) Post Deployment Activities, 7) Childcare and school activities, and 8) Other activities related to deployment agreed on by EPIC and the employee.

If the FMLA/CFRA request is made because of the employee's own serious health condition, EPIC may require, at its expense, a second opinion from a healthcare provider of EPIC's choice. The healthcare provider designated to provide the second opinion will not be one who is employed on a regular basis by EPIC/BEAVER. If the second opinion differs from the first, EPIC will require, at its expense, that the employee obtain the opinion of a third healthcare provider designated or approved jointly by EPIC and the employee. The opinion of the third healthcare provider shall be considered final and binding on both EPIC and the employee.

Employees may also take 12 weeks of FMLA/CFRA for baby bonding in minimum scheduled amounts of two (2) weeks, except on any 2 occasions baby bonding may be taken in less than 2 week increments. This leave must be taken within the first twelve (12) months following the birth, foster placement, or adoption of a child. A medical certification is not required for leaves associated with baby bonding.

When both parents are employed by EPIC, the amount of leave available cannot exceed twelve (12) weeks in total for FMLA/CFRA.

While invoking FMLA and CFRA leave, an employee is mandated to use their PTO. However, in the event that PDL is utilized concurrently with FMLA in the event of pregnancy, employees will have the option of taking the leave with or without PTO.

Employees are required to pay their share of employee benefit premiums while utilizing FMLA/CFRA/PDL leave. Additionally, EPIC will continue to pay its share of the premiums as well.

Failure of the employee to provide timely monthly premium payments to Human Resources will result in the termination of benefits after the standard thirty (30) day grace period and notice, and COBRA paperwork will be issued. Upon return to work after such leave, the benefits will be reinstated, and any premiums due for employee health benefits will be deducted from the employee's paycheck. In addition, if the employee fails to return to work, and premiums are owed for employee health benefits, EPIC will issue reminder notices for the amount owed to be submitted for payment. If these reminder notices are not complied with, EPIC will forward the outstanding balance to an outside Collections Agency.

An employee who fails to return to work on the first scheduled workday following a leave of absence for FMLA/CFRA Leave will be considered to have voluntarily resigned.

Serviceman Family Leave

Serviceman Family Leave entitles an eligible employee who is a spouse, child, parent, or next of kin (meaning the closest blood relative) of a covered service/military member to a total of twenty six (26) workweeks of unpaid leave during a single 12 month period to care for the military family member.

This leave is taken concurrently with the FMLA, and therefore, follows the same eligibility requirements and obligations as outlined under the FMLA/CFRA section of this policy.

Employees eligible for this leave are those whose family members are part of the Armed Forces, including the National Guard or Reserves, who are undergoing medical treatment, recuperation or therapy, are in outpatient status, or are on the temporary disability retired list due to an injury or illness incurred while serving in active duty.

The employee shall provide proper medical certification demonstrating that they are the next of kin as defined by policy. An employee may take this type of leave on an intermittent basis.

Benefits are the same offering as is made to those on FMLA/CFRA leave.

An employee who fails to return to work on the first scheduled workday following a leave of absence for Serviceman Family Leave will be considered to have voluntarily resigned.

Pregnancy Disability Leave

Pregnancy Disability Leave (PDL) is available to female employees on the first day of employment. The employee must provide a written note to the Human Resources Department, authored by a healthcare practitioner, placing the employee in an off work status due to pregnancy disability. Employees engaging in PDL are entitled to up to 17.3 weeks of protected leave attributed to a pregnancy disability related cause.

PDL leave runs concurrently with FMLA, but not with CFRA. Employees are required to pay their share of employee benefit premiums while utilizing PDL leave. Additionally, EPIC will continue to pay its share of the premiums as well. Failure of the employee to provide timely monthly premium payments to Human Resources will result in the termination of benefits after the standard thirty (30) day grace period and notice, and COBRA paperwork will be issued. Upon return to work after such leave, the benefits will be reinstated. EPIC will follow the process described in FMLA/CFRA leave to collect unpaid premiums.

Employees on PDL leave have the option of using or declining the use of their PTO to sustain compensation during the use of the PDL leave, even while concurrently exhausting FMLA.

An employee who fails to return to work on the first scheduled workday following a leave of absence for PDL will be considered to have voluntarily resigned.

Organ or Bone Marrow Donation Leave

This mandated leave provides paid leave time for employees who donate organs or bone marrow to others.

This is a protected leave; therefore, no consequence is applied when taking this leave. The employee is required to take up to five (5) days of earned but unused PTO for bone marrow donation, and up to two (2) weeks of earned but unused PTO for organ donation.

This leave provides compensation protection, as well as compensation protection. The employee shall be entitled to up to thirty (30) days of paid leave for organ donations, and up to five (5) days of paid leave for bone marrow donations.

Employee benefits are maintained during the leave period.

Calculating the 12 week Protection Period

EPIC uses the 12-month rolling period when calculating FMLA/CFRA/PDL protected leaves. As such, an employee who is granted FMLA/CFRA/PDL leave is eligible for such leave exactly twelve months after the leave is utilized. For instance, an employee who is granted FMLA/CFRA/PDL leave for the month of October and November would use 8 of the 12-weeks available. The 8 weeks of leave, which the employee exhausted during October and November, would not be available again until the following October and November.

Eligibility for Compensation Increases While on Leave

EPIC employees who are granted and take FMLA/CFRA/PDL/Workers Compensation/Personal Leave/Military Spouse Leave in an unpaid status, and are absent for work for 6 months or longer, cumulatively, during the evaluation year, will have their merit increase pro-rated if merit increases are awarded for the year. For instance, if an employee takes unpaid leave for six (6) months and the employee earned an evaluation rating that would warrant a three (3) percent increase during the evaluation period, the employee's merit increase would be 6/12, or ½ of the 3% increase towards their annual increase, or a 1.5% increase. While PTO is providing compensation for these leaves, it is not considered unpaid leave.

Notice Requirements

Employees are expected to provide a thirty (30) day notice to their supervisor AND a copy must be provided to the Human Resources Department when FMLA/CFRA/PDL/Personal leaves are requested. When circumstances prevent the employee from providing a 30 day advance notice, the employee must notify their supervisor and Human Resources on the next business day or before the start of their next shift, whichever occurs first, after the serious illness is discovered.

When providing notification of the need for an FMLA/CFRA leave, employees shall provide the following: Information on the employee's ability or inability to perform their job (or their family member's inability to perform regular daily activities), the expected length of the absence, and whether the employee has the intent to seek the services of a physician.

For conditions involving a serious health condition of either the employee or an immediate family member, Human Resources will issue a medical certification to the employee and the employee's healthcare provider must complete the medical certification. The employee must return the completed medical certification to the Human Resources Department within fifteen (15) days. EPIC may require re-certification from the healthcare provider if additional leave is requested that is beyond that which was originally approved or if a separate serious health condition is applicable. Failure to provide a medical certification within the specified time may place the FMLA/CFRA leave in jeopardy or delay protections offered by these leaves.

In the event that an employee is away from work due to illness for four (4) or more consecutive workdays, the immediate supervisor shall notify Human Resources so the employee's status can be evaluated to determine whether the time off should be considered as part of an FMLA/CFRA leave. A medical certification request shall be sent to the employee's residence of record on the fifth day after an absence of four consecutive days off work and should be returned to Human Resources within fifteen (15) days.

A healthcare provider's return to work notice will be required for periods of absence exceeding three (3) consecutive workdays. EPIC reserves the right to require a physician or healthcare provider's verification in other circumstances as deemed necessary and

appropriate. At the option of EPIC, based on circumstances surrounding an absence due to illness or injury, the Company reserves the right to have such an employee examined by another physician or healthcare provider of the Company's choice and expense.

Benefit Coverage while on FMLA/CFRA/PDL

An employee who is on leave under FMLA, CFRA, and/or PDL will continue to be responsible for the portion of the cost of his or her employee health insurance benefit in an amount equal to the portion of the health insurance benefit he or she was responsible for prior to the employee taking leave. The employee on leave must remit payment for his or her portion of the health care benefit by the first of each month that he or she is on leave to EPIC. EPIC Management will continue to pay its portion of the cost of the employee's health care benefit for the duration of the protected leave.

If an employee is delinquent in making payments during a protected leave, EPIC will make a reasonable effort to make the employee aware of the amount owed. After this notice, EPIC will send those who are delinquent to collections.

Once protected leave is exhausted, the employee becomes wholly responsible for payment of employee benefits.

Premium Shared Costs

An employee who is on leave pursuant to PFL/FTDI, Workers' Compensation, SDI, Personal Leave as provided by EPIC's policy, ADA, and/or any other leave that does not require employer participation in the cost of employee health care benefits, and who is also concurrently using FMLA, CFRA, and/or PDL leave, will continue to pay their portion of the cost of employee health care benefit as set forth above and EPIC Management will continue to pay its portion of the cost of the employee's health care benefit for the duration of the leave.

An employee who is on leave under PFL/FTDI, Workers' Compensation, SDI, EPIC's Personal Leave Policy, and/or ADA leave, and/or any other leave that does not require an employer to pay any amount of an employee's health insurance benefit during the period of the leave, and is not concurrently covered by a leave that requires employer participation in health insurance benefit coverage, will be offered COBRA coverage for the duration of the leave as governed by applicable COBRA regulations.

Eligible employees on Military leave

Eligible Employees who take a military leave under California's military leave laws and USERRA (as amended by the VBIA) who is off for less than 31 days, shall have their health insurance benefit continued as if they were not off on leave. If the leave is for a longer period of time, the employee is entitled to continue to participate in the group health plan for up to 24 months, but will be responsible for 100% of the full premium. Upon returning from leave, the employee is entitled to reenter the group health plan.

Return to Work from FMLA/CFRA/PDL

When the cause of the FMLA/CFRA/PDL is for a serious health condition of the employee, a physician's note releasing the employee to work is required before the employee will be allowed to return to duty. An employee who attempts to return to work without a physician's release will be sent home until the required note is submitted to Human Resources and the supervisor. Because this is a part of the medical record, the supervisor should not maintain a copy in files. Human Resources is authorized to maintain the employment medical file designed to house medical information.

Upon return from FMLA/CFRA/PDL, an employee will be reinstated to his or her original job, or if such position is no longer available due to business necessity, the employee will be placed in an equivalent job with equivalent pay, benefits, and other terms and conditions of employment. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on FMLA/CFRA/PDL leave.

An employee who fails to return to work on the first scheduled workday following a leave of absence for FMLA/CFRA/PDL leave will be considered to have voluntarily resigned.

Military Spouse Leave

Employees who work twenty (20) or more hours per week and are the spouse of a deployed member of the Armed Forces or the National Guard or Reserve, are entitled to ten (10) days of unpaid leave when the military member is home on leave from deployment during a period of military conflict. The deployment must be to an area designated as a combat theater or combat zone by the President of the United States. The employee must provide two (2) days notice that the spouse is on leave from deployment from a combat zone, and as a result, the leave is desired.

The employee shall be required to provide documentation certifying that the employee's spouse will be on leave from deployment from a designated combat theater or combat zone.

This leave does not run concurrent with FMLA/CFRA, and the utilization of PTO while invoking this leave is done at the employee's option.

An employee who fails to return to work on the first scheduled workday following a leave of absence for Military Spouse Leave will be considered to have voluntarily resigned.

Personal Leave

EPIC provides employees who have successfully completed their introductory period with one (1) week per calendar year of unpaid personal leave for personal reasons that require their time and attention. When an employee completes one year of service, the time allotment for Personal Leave is increased to six (6) weeks per calendar year. Employees who are granted Personal Leave must use their earned PTO while on Personal Leave until it is exhausted or the leave concludes.

Personal Leave is not to be used as a sabbatical. The intent of Personal Leave is not to extend PTO, provide additional time to travel, or to extend holidays. There must be a legitimate and serious need that accompanies the need for a Personal Leave.

Personal Leave requires supervisory permission. Qualified Personal Leave will only be denied when such leave would create a substantial hardship on the operations of EPIC. If Personal Leave is denied because of a substantial hardship, the employee will be offered an alternative 6 week period of time by the supervisor.

EPIC requires a thirty (30) day written advance notice when an employee requests a Personal Leave. EPIC has seven (7) calendar days to provide an answer to the request. In the event that a 30-day notice is not feasible because of the circumstances requiring the leave, the employee is required to make the request as soon as the need is known. Failure to do so may result in the denial of Personal Leave.

Personal Leave may only be taken when all other applicable leaves are exhausted. The Personal Leave does not exhaust concurrent with any other leave.

When an employee requests and is granted a Personal Leave of Absence, they are responsible for their normal share of the premium cost for the remainder of the month in which their leave starts. Beginning on the first of the month following their leave date, the employee is responsible for the full cost of their employee benefits (i.e. Employee and Employer portions). Checks are to be made payable to EPIC Management and sent to Benefits Manager, Human Resource Department.

An employee who fails to return on time from a Personal Leave will be considered to have voluntarily resigned.

Workers Compensation Leave

If an employee is injured or becomes ill arising out of employment and occurring during the course of employment, and the attending physician places them in an off-work status, the employee may be entitled to workers compensation job protection as dictated by California law. EPIC is compliant with the terms and conditions governing Workers Compensation.

In the event of a work related injury or illness, the employee must immediately report the event to a member of management. Workplace injuries and illness must be immediately communicated to either EPICs Safety Manager, or in his/her absence, a member of Human Resources. Both can render assistance in completing the DWC-1 form, and ensuring that the injured or ill employee is either seen by the Occupational Physician Group or signs a denial for services if that is the wish of the applicable employee.

Workers Compensation leave is exhausted concurrently with FMLA/CFRA leave as long as the leave falls within the definition of the FMLA/CFRA eligibility requirements.

Employees are required to pay their share of employee benefit premiums while utilizing Workers Compensation leave. Additionally, EPIC will continue to pay its share of the premiums as well.

Failure of the employee to provide timely monthly premium payments to Human Resources will result in the termination of benefits after the standard thirty (30) day grace period and notice unless the Workers Compensation leave is exhausting concurrently with FMLA/CFRA. If not, COBRA paperwork will be issued. Upon return to work after such leave, the benefits will be reinstated. Unpaid outstanding balances may be subject to a Collections Agency.

The use of PTO is at the option of the employee.

An employee who fails to return to work on the first scheduled workday following a leave of absence for Workers Compensation Leave will be considered to have voluntarily resigned.

EPIC does not discriminate against candidates for employment, or employees, in any employment matter for filing, or participating in a Workers Compensation investigative event.

Kin Care Leave

Kin Care is a California law that allows employees who accrue PTO to take ½ of their annual accrual to care for a covered family member.

Covered family members are spouses, registered domestic partners, parents, or child (includes biological, adopted, foster, step, legal ward or child of a registered domestic partner). An eligible employee may take Kin Care to care for a family member with an illness such as the common cold or flu as well as serious health conditions covered by FMLA/CFRA.

Note: If an employee uses Kin Care to care for a family member with a serious health condition, the absence may be counted as Kin Care and FMLA/CFRA

Outside Employment While on Leave

When an employee is off on a protected leave for a serious health condition, and they desire to work at another place of employment while they are in an off-work status due to a serious health condition from EPIC, the employee is required to provide notice of their employment to their immediate supervisor, indicate their intent to continue to work for the secondary employer while at the same time not working for EPIC, and the employee must provide a copy of the written job description for the work that will be done for the secondary employer.

SDI and PFL Compensation

Employees who are on leave for their own serious health condition may be eligible for State Disability Insurance (SDI) payments through the State of California. Employees are encouraged to consult with their physician when seeking SDI payments. EPIC does not make any decisions regarding the eligibility of the employee for SDI payments.

Paid Family Leave (PFL) is available to eligible employees through the State of California when he/she take FMLA/CFRA leave to care for an immediate family member or bond with a baby/child pursuant to the statutes governing these activities. Human Resources will provide information describing PFL on the first day of employment and at the time the PFL is requested. EPIC does not make any determination on the eligibility for PFL compensation.

Other Required Leaves

EPIC is committed to be fully compliant with all other Federal and State. Examples of these leaves include, but are not limited to, leaves defined by the law allowing for Domestic Violence and Sexual Assault Leave, Victims of Crime Leave, School Activities Time off leave (up to 40 hours per year, but not more than 8 hours per month), Voting Leave (Only available to employees who, because of their scheduled work schedule, do not have sufficient time outside of working hours to vote in a statewide election), and Volunteer Civil Service Leave. EPIC shall abide by these leave requirements as dictated by legislation, as well as any and all other mandated leaves.

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COMPENSATION AND TIMEKEEPING – SECTION E

PERFORMANCE EVALUATION

Performance reviews are conducted annually for all full-time and part-time employees. Other than introductory period performance evaluations, which are due on or before the 90th day after the date of hire/transfer/promotion, the time period of evaluation is from Aug 1 through July 31. All performance evaluations should be written and presented to the employee by the supervisor in a meeting specified for such purpose on or before July 10 of each year.

Per Diem employees are not part of the performance evaluation process unless the employee works 25 or more shifts in the year. Human Resources will conduct an annual review of the compensation for Per Diem employees not eligible for an evaluation to determine compensation to market. For Per Diem employees ineligible for an evaluation, Human Resources will determine if the employee warrants an increase based upon his/her position in the market.

Temporary employees are not part of the performance evaluation process unless they become a regular employee during the evaluation year. Time spent as a temporary employee is included in the percentage of increase equation provided the time is consecutive. Time measured will begin with the most recent return to service a break occurred.

During the performance evaluation process, employees and their managers should discuss the quality of the work being done, productivity levels, strengths and weaknesses displayed during the evaluation period, goals and objectives relative to the department or company, the employee's career aspirations, and any other relevant information.

Human Resources must receive performance evaluations on or before July 15. Evaluations not received by July 15 will be considered late, and Human Resources cannot guarantee that late evaluations will be entered in time for the increase to appear on the first paycheck in August. In the event that evaluations are late, and if the increase is not entered into the system in time to appear on the first check in August, any increase would be retroactive back to the date of increase for the employee.

Supervisors shall not receive their increase until all his/her subordinate employee evaluations are received. Should a supervisor submit their employees' evaluations after July 15, employee increases will be retroactive to August 1; however, any increase owed to the supervisor is not retroactive.

Employees with a date of hire from January 1 through August 1 will not be evaluated in the year of their hire, except for the introductory period evaluation which should be completed or extended within the first 90 days. Employees first hired in January will be employed for 19 months before their first annual review in August. At the time of the first annual evaluation, the employee shall receive an increase that incorporates the expanded time in their first evaluation period only. For instance, if the employee earns a 3% increase, the employee hired in January would receive 19/12 of the 3% as an increase, or 4.75%. An employee hired in February would receive 18/12 of 3%, or 4.50%. After the initial performance review,

the customary evaluation period of 12 months would then be applicable for all subsequent years of continuous employment.

Employees with a date of hire from September through December in the year of hire will be evaluated the following August. For instance, an employee hired in November, would be evaluated from November through July. If the performance evaluation score equated to a 3% increase, the employee would receive 8/12 of the 3%, or 2.25%. The customary evaluation period of 12 months would then be applicable for all subsequent years of continuous employment.

A performance evaluation does not guarantee that a wage or salary increase will be granted automatically. The Department Director must approve all evaluation scores, and any increase is made in accordance with EPIC merit increase standards established for the year in which the increase is considered by the EPIC Finance Committee.

In compliance with the "Introductory Period" policy, introductory performance evaluations are required, and should be provided in compliance with the applicable policy.

PERFORMANCE IMPROVEMENT PLANS (PIP)

Periodically, it may be necessary or appropriate for a supervisor to implement a Performance Improvement Plan (PIP) for an employee.

The contents of the PIP must be approved by Human Resources before it is presented to the employee, and the EPIC PIP form should always be used.

A PIP is never used for an employee on an introductory period.

A PIP requires that a written warning be on file prior to going to a PIP, unless specifically approved by the Vice President of Human Resources. The purpose of a PIP is to provide a mechanism for performance correction when an employee's job performance falls below established and acceptable levels of performance. In these cases, EPIC provides an opportunity for performance improvement through the accomplishment of specific performance related goals contained in the PIP.

In accordance with the discipline process, failure to achieve satisfactory performance as provided in a PIP may lead to corrective measures as deemed appropriate by the employee's Department Director and Human Resources Department, up to and including termination of employment. The following steps should be engaged when implementing performance improvement measures including a PIP.

1. After formally discussing performance deficiencies, managers/supervisors shall counsel unsatisfactory performers as frequently as is reasonable to assist in the improvement of performance. If performance remains less than satisfactory, assistance beyond verbal coaching may be required.
2. If, after verbal counseling, an employee continues to demonstrate unsatisfactory performance, the manager/supervisor shall complete the PIP prior to meeting with the employee. The PIP is used to identify areas of deficiency, explain performance expectations, provide assistance, and advise the employee of future consequences if significant improvement in performance does not occur. A PIP can be written for 30, 60 or 90 days, and may be extended one time for up to 30 days beyond that time period.

3. During the time period of the PIP, the manager and the employee should meet on a weekly basis to review progress, identify areas where improvement is still needed, and to discuss how the two can mutually contribute to improved performance by the employee.
4. If performance improves to a satisfactory level by the PIP expiration date, the supervisor shall bring the PIP to conclusion with a letter to file discussing the improvements made and final dispensation of the PIP. This letter shall be provided to the employee, and a copy shall be sent to the Human Resources Department.
5. If performance improves, but not to an acceptable level, the PIP may be extended for up to an additional 30 days if the supervisor/manager feels a satisfactory level of performance can be achieved and sustained by the extended date.
6. If an unsatisfactory performer who is on a PIP fails to rise to a level of satisfactory performance by the conclusion of the PIP period, including at the conclusion of an extended period, the employee may be released from employment.

WAGE / SALARY REVIEWS AND ADJUSTMENTS

Wage/salary rates are based upon an employee's job duties and responsibilities, work performance, pay practices in the area, and the economic condition of EPIC. Pay increases are not automatic and may be granted on the basis of progress in either meeting or surpassing performance standards since the last performance review and pay increase.

EPIC periodically evaluates salary and wage rates paid to its employees. Although such reviews are typically performed at the time of the performance evaluation, they may be done at any time, at the complete discretion of EPIC. Further, performance reviews and any salary or wage increases are not intended to imply, nor should be construed as any guarantee of continued employment with EPIC.

Each job is classified in one of a series of job classification pay grades, which have starting and maximum salaries. New employees normally begin at the starting wage within the appropriate job grade classification, but consideration is given to years of experience, current salary with current employer, market standards, and other legal factors in the consideration. An employee's performance will be formally evaluated with a written evaluation on an annual basis. There is no guarantee of an annual performance increase as these considerations are based upon merit and budgetary strength and authorizations.

In the event that a merit increase is deemed appropriate, the applicable amount of increase shall be applied to the employee's base hourly salary, except when the employee obtains the maximum rate of pay for their compensation grade level.

A supervisor may make no final or effective decision regarding salary and wage adjustments alone. Due to the difficult and frequent changes applicable in the area of wage and hour legislation, wage and/or salary adjustments can only be made with the written approval of the supervisor, the Department Director, Vice President over the department, and the Vice President of Human Resources, except for standard merit increases following EPIC's

established process of awarding merit increases. Wage increases will not become effective until all written approvals have been received. Employees should not assume that any wage increase will be implemented without all required approvals, and supervisors should have no communications with employees until all approvals have been finalized.

EPIC customarily will not compensate employees at levels above the maximum amount of the applicable compensation grade level (pay differential is not included in base pay, and therefore, may drive an employee's actual hourly amount above the maximum).

In the event that an employee earns a merit increase that would place them above the maximum hourly salary, as designated by the assigned compensation grade level, the percentage of increase above the maximum amount of hourly salary appropriate for the compensation grade shall be paid in two lump sum payments. The first lump sum payment shall be in the amount of one-half of the total annual sum of the increase that is not applied to the base salary, and is payable at the time of the merit earning and one-half shall be paid six months after the merit earning. For example, if an employee earns a three percent increase, and applying one percent of the increase would achieve the maximum hourly salary for the designated pay grade for the position, one percentage would be applied to the base salary. However, the employee would receive two lump sum payments for the remaining amount of the annual increase, which equates to two percent of the hourly salary. One percent of the amount of increase would be paid at the time of the evaluation, and one percent would be paid to the employee six months later. The amount payable at the sixth month mark is not earned until that time.

In the event that an employee is already at the maximum amount of pay for their compensation grade at the time of the increase, the entire amount of the increase would be paid in two lump sum payments. The employee shall receive one-half of the earned merit percentage increase at the time of the evaluation in a lump sum payment, and the remaining one-half shall be paid six months later. For example, if an employee earns a three percent merit increase, and their total hourly compensation is at the maximum amount for the position's compensation grade, the employee shall receive a lump sum payment in the amount of one and one-half of the percentage of increase at the time that the evaluation is due, and a lump sum payment shall be rendered in the amount of one and one-half of the percentage of increase at the sixth month mark after the evaluation period.

In all cases, to be eligible to receive the amount due at the six-month point, the employee must be employed by EPIC at the six-month mark. An employee who is terminated or resigns their position from the time of the evaluation period to the time that the six-month mark is accomplished shall forfeit the six-month amount. This policy is reflective of the compensation cycle for all employees. As an example, when an employee earns a merit increase, the entire percentage of increase is applied to the base hourly salary, but the employee does not recognize the full value of the increase until the subsequent year has been fully accomplished.

Differential pay is intended to compensate non-exempt personnel in particular circumstances as mentioned below. In rare cases, exempt personnel may be entitled to

compensation above their usual salary; however, the Vice President of Human Resources and the appropriate Vice President of the applicable department must approve such circumstances. Some additional salary increases, based either on a percentage of base pay or flat dollar amount, which may be added to the base rate of pay for specific employees are:

- 1) Linguistic Differential: If you are fluently bilingual in another foreign language or sign language which is used frequently by patients of your assigned medical group and utilize this capability in the scope of your work you may be eligible for differential pay. Before qualifying employees are required to complete the self-assessment available through Human Resources; or
- 2) Shift Differential: In addition to a non-exempt employees base hourly pay, a shift differential of ten percent (10%) is paid for any hours worked Monday-Thursday, 7:00 p.m. through 5:59 a.m., and for all hours worked Friday 7:00 p.m. through Monday 5:59 a.m.; or
- 3) On-Call Differential: On-call pay differential will be offered to employees where they are limited in using that time for his/her own benefit, during off-schedule hours.
- 4) Position Differential: Certain positions are provided with a pay differential because of circumstances that are particular and relevant for the position. The percentage of differential is only applicable while the employee is engaged and compliant with the demands or requirements for the differential pay.

Differential pay is in addition to normal hourly/salary rates. Percentage or flat amounts paid may be adjusted according to the operational/business needs of EPIC, or as designated by Administration.

ERP Differential

Experienced Float Pool (ERP) nurses are paid an 8% "Position Differential" because they 1) must float to a variety of practices, as directed, and 2) possess experience and competencies that include several medical disciplines as required by the job description.

EPIC will increase the Position Differential by 1% each year, and apply a 10% cap. As such, a first year ERP nurse will receive a 8% Position Differential, a second year ERP nurse will earn a 9% Position Differential, a third year ERP nurse will receive a 10% Position Differential. No further increase to the differential is applied.

If an employee leaves the ERP for any reason, but then returns to the ERP within sixty (60) days, the employee time in the ERP, and the vesting for that time period, will be bridged. A return to the ERP without a bridge would invoke an 8% differential.

EPIC may conclude this program at any time with reasonable notice.

Position Differential Vesting

An ERP nurse will vest certain compensation recognition in conjunction with years of service in the ERP Department. This "vesting" feature allows an ERP nurse to exit the ERP and maintain a portion of the Position Differential, rolled into the base salary. This is true only if the ERP nurse is moving into the same nursing position that he/she possessed in the ERP,

but it does not apply to promotional opportunities. The Promotion/Transfer policy will be followed in such an event.

Under the vesting feature, an ERP nurse will be entitled to retain ½ of their Position Differential after the first year of floating. Therefore, if after one and one half years, an employee leaves the ERP pool, they will forfeit their 9% Position Differential pay, but 4.5% will be added to the nurse's base pay.

If an ERP nurse exits the ERP, and subsequently returns, he/she will receive the 8% Position Differential, and he/she will be eligible for increased Position Differential amounts contained in this policy, but the vesting feature will not be applicable.

Temporary Operational Physician Support (TOPS)

Nurses are eligible to join the Temporary Operational Physician Support "TOPS" pool at each facility. A nurse must express interest in the TOPS program, accepting that they will be the first to float as needed, and receive approval from their practice physician and Nurse Manager to be eligible to participate as a TOPS nurse.

A TOPS nurse is floated first at their applicable facility, when the nurse is available and needed, as determined by the Nurse Manager. The TOPS nurse will work in new practices at their customary work site and will not be expected to float to other facilities on a routine basis. This is the role of the ERP nurse. Instead, the TOPS nurse is EPIC's first call when floats are required at the facility.

TOPS assignments are for five (5) or less days. If the TOPS float assignment exceeds five (5) days, the nurse will be considered as "temporarily assigned" and will not accrue TOPS PTO for that assignment.

As part of the TOPS arrangement, the following is required to qualify for and remain in the TOPS category:

- TOPS nurse must be up to date in their home practice.
- The TOPS nurse is responsible for clocking in under the appropriate Labor Levels if he/she floats for more than two (2) hours in the practice.
- TOPS nurses will be responsible for tracking their TOPS time on the applicable form, and they will be required to submit the form for approval to their Nurse Manager once eight (8) hours is accomplished so that PTO recognition can be awarded.
- At no time will a TOPS nurse be required to float if it leaves the practice unattended.
- At least one nurse must remain in each practice in order for the TOPS privilege to be invoked by the Nurse Manager or Site Administrator.
- The Nurse Manager will validate the TOPS time using the Kronos System and/or Decision Support Services report.
- Once validated, the Nurse Manager will submit the TOPS hours to Human Resources, Payroll, and Clinical Support Services for processing.

When a TOPS nurse is required to float, the nurse will earn 1.0 hour of PTO for each eight (8) hours of floating experience.

COMPENSATION FOR MEETINGS

Employees are compensated for all meetings if said meetings are designated as **MANDATORY** by Administration. Pay for such meetings or in-service training is at the employee's regular rate of pay and considered hours worked for the purposes of calculating overtime. Meetings designated as voluntary are not compensable with the strict provision that the employee may choose to attend, or not to attend, without any consequence relative to employment.

WORKDAY, WORKWEEK AND WORK SCHEDULES

Workday

For purposes of complying with state and federal payroll and overtime laws, and the scheduling of work hours, EPIC's workday is defined as the consecutive twenty-four (24) hour period beginning at 12:01 a.m. each day.

Workweek

EPIC's workweek is defined as the seven (7) day period that begins at 12:01 a.m. Sunday and ends at 12:00 a.m. midnight on the following Saturday, unless otherwise documented. For instance, employees with a 9/80 work schedule have a different workweek. It should be noted that overtime or other premium pay is paid and based on the number of qualified continuous hours of work rather than only those hours of work within a defined workday since some work shifts overlap a defined workday. For those working a 9-80 workweek, the workweek begins at 12:01 p.m. and ends at 12:00 noon on the following Friday.

Work Schedules and Assignments

EPIC's operational hours are 24 hours a day, seven days a week, all year and every year. However, usual business hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. Scheduled work hours are determined by EPIC who communicate staffing needs and scheduling expectations to all departmental supervisory staff. Supervisors are responsible for preparing and informing employees of their work schedules in advance.

The daily and weekly work schedules may vary with each department and may change from time to time to meet the varying conditions of business. Changes to work schedules will be announced as far in advance as practical. Employees are to check with their supervisor regarding their individual work schedules.

For the efficient and smooth operation of EPIC Management, Administration reserves the right to schedule work and hours, manage the business, and direct the work force. While rapport and camaraderie is important, employees should recognize that temporary or regular reassignment to other departments may be essential. Cooperation is expected when these occasions do arise.

All employees are expected to be at their desks or work stations at the start of their scheduled shifts, ready to perform their work, and remain actively engaged in their prescribed work until the conclusion of their workday/shift.

ATTENDANCE AND PUNCTUALITY

Employees of EPIC are expected to be punctual and maintain regular attendance. Tardiness and absenteeism place an additional burden on fellow employees and re-scheduling of work assignments. These poor work habits may also impact patient care. Good attendance is an essential element in determining satisfactory job performance. An unsatisfactory attendance record of tardiness and absenteeism, as defined below, can result in corrective action by the company.

An absence is the failure of an employee to be at a designated work area or perform assigned work as required because of a failure to report for work as scheduled, or the failure to begin or end a rest break or meal period on time (with a 3 minute grace period for meal periods), and/or leave prior to the end of a workday as scheduled.

When an employee is unable to report to work because of illness, accident, or other unscheduled reason, the employee must notify their supervisor on a daily basis, at least one hour before the scheduled arrival time before the beginning of the shift. It is not acceptable to leave a message with the switchboard operator or a co-worker.

The employee must notify the supervisor directly or, if the supervisor is unavailable, the Department Director. If it becomes necessary for the employee to be absent from work because of business or other personal reasons, the employee is responsible for making advance arrangements with the applicable supervisor and submit an appropriate "Time Off" slip prior to the absence to ensure the time has been approved and processed accordingly on the payroll report.

Job Abandonment

If an employee is absent from work without daily notification to the appropriate supervisor providing the reason for the absence, except in the case of an approved leave of absence, the employee may be considered as having abandoned their job. Job Abandonment is considered to have voluntarily terminated the employee's position after the second consecutive scheduled workday of absence where no contact has been made with the appropriate supervisor.

A healthcare provider's written verification of illness or injury may be required for periods of absence. EPIC reserves the right to require a physician or healthcare provider's verification as it deems necessary and appropriate. At the option of EPIC, based on circumstances surrounding an absence due to illness or injury, the Company reserves the right to have such an employee examined by another physician or healthcare provider of the Company's choice and expense.

Any falsification, misrepresentation, or other violation of an attendance obligation to EPIC may result in corrective action.

Recording Accurate Time

It is the responsibility of every non-exempt employee to accurately record time worked. Non-exempt employees must accurately record the time they begin and end their shift, and the time they begin and end their meal periods, on a daily basis, in real time. Failure on the part of a non-exempt employee to accurately record the beginning and end of shift times, as well as the beginning and end of meal periods on a daily basis, and in real time, constitutes time card fraud, and may result in corrective action, up to and including termination.

Federal and state laws require that EPIC keep an accurate record of time worked, and time taken as a meal period, in order to accurately calculate employee pay. Time worked is the time actually spent on the job performing assigned duties. In compliance with Federal and state law, only time worked is used in calculating overtime. EPIC retains the right to determine, institute, and manage employee work schedules and work rules.

Non-exempt employees may clock in no earlier than seven (7) minutes **before** the start of their shift and clock out no later than seven (7) minutes **after** completion of one's shift, unless overtime work has been authorized by supervision. Overtime work must always be approved by supervision before it is performed. While unauthorized overtime worked will be paid, corrective action may be applied, except for a bona fide emergency. In accordance with state and federal law, EPIC rounds this time to the nearest one-quarter hour/fifteen minutes. The "seven minute rule" is for compensation purposes only, and is never used to define absenteeism or tardiness. When determining tardiness, EPIC adheres to the definition for "tardiness" as provided in the "Work Schedules and Assignments" policy, as well as this policy.

When an employee is absent because of tardiness, as defined by the excessive absenteeism policy, he/she shall make an accurate recording of their time of arrival in the Kronos system. In compliance with the seven-minute rule, employees will not be paid for the time that they missed because of tardiness when they are late for a period of eight (8) minutes or more from their scheduled start time or return from meal period or break periods.

It is a violation of company policy to permit an employee to recuperate compensation forfeited because of tardiness through the use of PTO, and time forfeited due to tardiness shall not be made up at the end of the day, unless a legitimate and required business need is identified requiring that additional time be worked, as dictated by supervision.

It is the employee's responsibility to accurately record all time worked and all meal periods taken by using the Kronos system. A failure to utilize the Kronos system is considered a violation of policy, and subjects one to corrective action.

An employee who fails to utilize the Kronos system totaling three (3) occurrences in a thirty (30) calendar day period is subject to progressive corrective action beginning with a verbal counseling session, and concluding with termination.

For each event involving three (3) occurrences in a thirty-day period a progressive step of discipline will occur. A missed punch is defined as an opportunity to punch or swipe. As such, there are four possible missed punches for a non-exempt employee each day.

If an employee assigned to a Kronos clock system loses his/her company issued badge, resulting in the employee being unable to swipe their badge to record their time, the employee must have the badge replaced within three (3) workdays. The loss of one's badge would constitute an exception to the three (3) missed punch rule described above.

If corrections or modifications are made to the time record in Kronos, both the non-exempt employee and the applicable supervisor/manager must verify the accuracy of the changes by completing a Kronos slip authorizing corrections to the time record. The employee and the supervisor are responsible for ensuring that correct time records are made in Kronos on a daily basis. The supervisor should hold the Kronos change slip for a three (3) year period of time. All corrections must be made within 24 hours, or the next business day, whichever is earlier, of the discovery of the error in order to ensure the greatest possible accuracy in recording of time worked.

Supervisors/Managers should review time entries in the Kronos system to ensure that they are accurate. Unauthorized altering, falsifying, or tampering with time records, or recording time on another employee's time record, is a serious violation of EPIC rules and may result in corrective action, up to and including discharge.

At the conclusion of the pay period, non-exempt employees shall review all entries on their time record in Kronos to ensure the accuracy of the record and attest to the accuracy by marking the time record as accurate. The time record shall then be submitted to their respective supervisor for approval.

Upon submission of the time record by non-exempt employees, applicable managers and supervisors should review the time record for accuracy. Once the time record is deemed accurate, the manager/supervisor should approve the time record attesting to its accuracy, and submit the time record for payment.

Excessive Absenteeism

An occurrence is an unscheduled, unplanned incident where an employee must be absent from work.

Effective patient care and patient support services require that EPIC employees demonstrate commitment and dedication through dependable attendance practices. PTO is provided so employees will take opportunities to enhance their quality of life by providing time away from work as a work/life balance enhancement. PTO used for this purpose is to be scheduled in advance as dictated by EPICs PTO policy. Scheduled PTO for these purposes is not an occurrence.

Additionally, PTO may be used when an employee becomes ill or injured in a non-work related injury. PTO is available for the employee to recuperate when these conditions are

applicable. When employees take time off to care for their own injury or illness, the PTO self-sick is applied to the General Ledger.

When an employee takes a PTO self-sick incident, the PTO is considered an occurrence, except when the time away is taken in conjunction with:

1. An ADA/FEHA accommodation,
2. FMLA
3. CFRA
4. PDL
5. Workers Compensation
6. Kin Care
7. Paid Sick Leave provided by the State of California to -25 hour employees
8. Any other leave designated by Federal or state law as protected leave.

An occurrence is measured by the consecutive time taken from work to recover from an illness or non-work related injury. For instance, if an employee is off work because of illness or injury for three days, the three consecutive days taken for the illness or injury equate to one occurrence. If the employee were to return to work, and subsequently require additional time off, the time off taken would constitute a second occurrence.

EPIC understands that occurrences will occur, but expects that employees will use occurrences as designed by the policy. Occurrences are not de-merits. Rather they are a way to distinguish responsible use of absenteeism from irresponsible use. The number of occurrences permitted incorporates the “grace” required into the policy by the high number of occurrences allowed (3 times the national average before termination), but also requires that all unscheduled or unplanned events be counted as occurrences unless waived by EPIC supervision.

EPIC uses a 12-month rolling period measuring feature in evaluating occurrences of absenteeism to determine whether it is considered excessive.

The table below identifies EPICs definition of excessive absenteeism and its associated corrective action:

3 occurrences or 40 hours in a rolling 12 month period	Verbal Warning
5 occurrences or 80 hours in a rolling 12 month period	Written Warning
7 occurrences or 120 hours in a rolling 12 month period	3-5 day unpaid suspension
9 occurrences or 160 hours in a rolling 12 month period	Dismissal

The first suspension shall be for 3 days, the second suspension shall be for 4 days, and the third suspension shall be for 5 days. Supervisors should contact Human Resources whenever a 5 day suspension is issued for special language in the suspension that is unique to the other actions of suspension.

Incidents of Tardy

Incidents of tardy up to 2 hours, or leaving work early with less than 2 hours left in the shift are both considered 1/3 occurrences. This does not include instances when a supervisor asks for volunteers to leave early because the work load has dropped or when leaving early is pre-scheduled.

Three (3) incidents of tardiness at the beginning of the work shift or when returning from meal periods or breaks will constitute one occurrence. EPIC maintains a 3 minute grace period for tardy measurements at the conclusion of the meal period only. Supervisors and/or managers are responsible for recording incidents of tardiness as defined by the "Work Schedules and Assignments" policy, as well as this policy.

The 1/3 occurrence will apply to the tardy condition until the employee is 2 or more hours tardy; at that point, the occurrence level will increase to a full occurrence.

All 1/3 occurrences are unpaid, and PTO is not permitted to be used to provide for loss compensation when 1/3 occurrence is required. This is applicable to 1/3 occurrences at the beginning of the shift as well as those that may occur at the conclusion of the shift.

Supervisors and Managers are specifically responsible for enforcing this policy with the assistance of Human Resources. Supervisors who do not apply this policy as written, or are not timely in his/her discipline of this policy, are subject to discipline if they are consistent in not meeting the stipulated corrective action on a sustained basis.

Any falsification, misrepresentation, or other violation of an attendance obligation may result in corrective action, up to and including termination.

APPROVED TIME OFF

Employees who know in advance they will be absent or late are required to make the necessary arrangements with their supervisor. Notifying a co-worker in lieu of a supervisor is not an acceptable practice. If time off from work is needed, schedule and obtain prior approval for any intended absence by submitting a written request for time off in accordance with the applicable procedures in this Handbook.

Planned time off includes any situation that might prevent an employee from reporting to work on time for any scheduled workday or that needs to be scheduled (e.g., doctor's appointments, personal obligations, leaves of absence, etc.). If prior arrangements have not been made, employees must discuss an absence or inability to be at work on time directly with their manager.

EPIC recognizes that it is sometimes necessary for employees to take care of personal business during the workday. However, personal business should be kept to a minimum and should be conducted during meal periods and/or break times whenever possible. Employees may not conduct business for another employee during their scheduled working hours.

PERMISSION TO LEAVE DURING WORK HOURS

In the event an employee needs to leave EPIC premises during work hours, permission to leave must be obtained from the employee's immediate supervisor before leaving. If the supervisor is not available, contact your manager or Department Director. Employees who leave the premises for personal business must record this time and type of absence on their time record and may be asked to sign a statement indicating the absence was for personal business. Leaving the work area to attend to personal business of any kind without permission, or without timing out in the Kronos system, constitutes absence without authority and timecard fraud, respectively.

TIMEKEEPING AND TIME RECORDS

It is the responsibility of every non-exempt employee to accurately record time worked. Federal and state laws require EPIC to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is the time actually spent on the job performing assigned duties. The actual time employees should report to work and/or leave work is determined by the supervisor.

Non-exempt employees must accurately record the time they begin and end their shift, as well as the beginning and ending time of each meal period. The beginning and ending time of departure from work for personal reasons must also be recorded.

It is the employee's responsibility to accurately enter all time worked and meal periods. If corrections or modifications are made to the time record, both the supervisor and employee must verify the accuracy of the changes by completing a Kronos slip, authorizing corrections to the time record. Altering, falsifying, tampering with timecards, recording time on another employee's time record, or continued failure to submit accurate and complete time records or failure to follow timekeeping procedures is a serious violation of EPIC rules and may result in corrective action, up to and including discharge.

In accordance with separate policy, exempt personnel are required to document/"swipe" their attendance upon arrival at their normal work site.

It is expected that exempt personnel work within the defined business hours of the company unless previous authorization has been obtained and approved at a VP level.

REST AND MEAL PERIODS

Non-exempt staff members are allowed two fifteen (15) minute paid periods of rest, one each at approximately the first and second half of their workday/shift. Rest periods or "breaks" are provided to enable employees to take care of their personal needs and may not be extended, added on to lunch hours, or used to compensate for late arrivals or early departures. When employees are not on a break, they are expected to devote their full efforts to their duties.

Unpaid meal periods are provided to employees who work five or more hours in the workday. Meal periods must be no less than 30 minutes in length, but can extend to a maximum of 60 minutes, depending on the needs of the department as determined by the supervisor. EPIC will apply a three (3) minute grace period for times associated with the return from the meal period only. The grace period will apply to meal periods only, and is not to be used for the start of the workday. The 3-minute grace period is provided in recognition of our further

emphasis on adhering to California meal period legal requirements and the tight compliance window that this affords employees with thirty (30) minute meal periods. To remain consistent in our application of policy, the 3-minute grace period will be afforded to all meal periods at EPIC.

Employees who work a total of six hours, and then conclude the workday at the sixth hour, may waive his/her meal period, but only in writing. Human Resources can provide a waiver form to the employee or supervisor upon request.

It is the duty of the employee to take the opportunity to take paid breaks and the unpaid meal periods required. During the break and meal period, employees are relieved of all work responsibilities. Employees are not compensated during meal periods.

Employees should follow meal period and break schedules established by the supervisor. If a set schedule is not established, it is the employee's duty to take opportunities during the day for paid breaks and unpaid meal periods in compliance with this policy and the stipulations of the California Labor Code. In this regard, unpaid meal periods must always be taken on or before the fifth hour of work. Before taking a rest or meal period, the employee must notify the supervisor of their departure so coverage can be arranged.

If a supervisor must deny a break or meal period request, he/she must also identify the time that the employee may take his/her break in the denial. Supervisors will advise employees of the alternative break/meal period.

Non-exempt employees are responsible for taking breaks and meal period(s) and are responsible for documenting on their time record that they have taken meal periods. Employees have the responsibility of notifying their supervisor should they be unable to take the required rest and/or meal period(s) as soon as they are aware that they are not able to take their required break periods.

If the employee had an opportunity to take an unpaid meal period, or a paid rest period, but delayed or waived the periods, EPIC will not compensate the employee under the penalties provision. EPIC does not pay penalties to employees for missing meal or break periods when the supervisor directed that a break or meal period be taken, and employee had opportunity to take meal or break periods within the timeframes set forth by the applicable statute (on or before the fifth hour for meal periods), but did not do so.

Penalties are only paid to the employee when a supervisor prevents, impedes or denies an employee from taking their meal or rest period, and no other opportunities were made available to take the meal or break period. The duty to take the meal or rest period is incumbent upon the employee, in coordination with their department supervisor.

It is a violation of EPIC policy for non-exempt employees to work through their meal period, or take their meal at their work station without advance approval from their supervisor and/or appropriate documentation through Human Resources. There may be good reason (i.e. a patient care emergent condition) to do so. In such an event, the supervisor should be notified as soon as practical.

OVERTIME

All overtime work must be pre-approved by the immediate supervisor. Working unauthorized overtime is strictly prohibited.

From time to time, the workload may require EPIC to request employees to work overtime. Every effort will be made to evenly distribute overtime based on business necessity among the employees with the skills, knowledge and ability for the work that needs to be accomplished. When possible, advance notification of these mandatory assignments will be required. Employees who refuse to work such overtime shall be subject to corrective action, up to and including discharge, depending upon the circumstances.

EPIC may, when circumstances require, mandate overtime for employees. This will only be done with Director approval, and in consideration of the fiscal impact that such a decision may represent. A Vice President must be notified if a Director decides to make an overtime work shift mandatory.

Non-exempt employees receive overtime pay at the rate required by state and federal regulations as follows:

- All hours worked in excess of the employee's regularly scheduled workday/shift (over 8, 10 or 12 hours respectively) or in excess of 40 hours in one workweek are paid at a rate of one and one half (1 ½) the employee's regular rate of pay.
- The first eight hours worked on the seventh consecutive day of work in the workweek are also paid at the overtime rate of one and one half (1 ½) the regular rate of the non-exempt employee.
- For regularly scheduled 8-hour employees, hours worked in excess of 12 hours in any one workday, or hours worked in excess of eight hours on the seventh consecutive day of the workweek are to be compensated at a rate of two times the non-exempt employee's regular hourly rate of pay.

Hours worked on weekends do not automatically constitute overtime, but would qualify for shift differential. To qualify for overtime, such work must fall into one of the overtime categories described above.

Only actual hours worked in a given workday or workweek can apply in calculating overtime. Hours worked are paid once in determining overtime premium pay. For example, once an 8-hour employee has worked nine hours in one day, that one-hour of (daily) overtime is not counted again (combined) for the purposes of calculating the overtime of hours worked in excess of 40 hours (weekly overtime) in the workweek. PTO hours or other paid time off is not considered hours worked for purposes of overtime calculations.

PAY PERIODS / PAYDAYS

Pay periods consist of a 14-day period that begins on alternating Sundays at 12:01 a.m. midnight and end on alternating Saturdays at 12:00 a.m. midnight in almost all cases. Some exceptions exist. Wages are paid on a bi-weekly basis or 26 times each calendar year, the

schedule of which is distributed to all departments prior to the beginning of each year. Paydays are on alternating Fridays following the close of each pay period. If a regular payday falls on a holiday, employees will normally be paid on the preceding business day. Paychecks are delivered to employees by supervisor.

Checks are not issued before payday without Administrative approval, and EPIC does not allow salary advances or checks issued prior to a vacation or other pre-authorized absence unless otherwise approved at the V.P. level. Payroll checks cannot be released to another person, unless written authorization is obtained from you and approved by your supervisor.

EPIC does not permit unearned wage or salary advances to any employee.

PAYROLL DEDUCTIONS

EPIC is required by state and/or federal law to withhold a portion of an employee's pay for tax or government-mandated benefit programs and other mandatory deductions from time to time. These legally required deductions include, but are not limited to, the following items:

- Federal Income Tax
- State Income Tax
- Federal Social Security Insurance (FICA)
- Medicare Deduction
- State Disability Insurance (SDI) including Paid Family Leave (PFL)
- Other voluntary and authorized deductions
- Court Ordered Deductions (such as garnishments) and Tax Liens

Additionally, employees may authorize certain deductions to be made from their paychecks each month for reasons such as payment of group medical insurance premiums, charitable donations, and contributions to other EPIC sponsored or approved purposes. All deductions, whether legally required or voluntary, are itemized on each employee's paycheck stub.

PAYROLL RECORDS AND RIGHT TO INSPECT

Payroll time records are calculated and kept in an automated system with the utilization of a "swipe" time card/badge by the employee or by using a Kronos punch using the employee's computer. This badge is the property of EPIC Management and is used for both identification and time recording purposes. Employees compensated by hourly wages are required to swipe/record their attendance on the automated time clock system or by punching in using the Kronos system on the computer. Adjustments to pay are made to the nearest quarter (1/4) hour. This 1/4 hour calculation is not a "grace period" for arrival to or departure from work. Any missed punches are to be reported immediately to your supervisor and appropriate Kronos slip completed.

Exempt employees, although paid on a salary basis not associated with the actual time worked, are required for record keeping purposes to record attendance on a daily basis by clocking on the "swipe" system as well. Exempt employees are not paid on an hourly basis. Exempt employees however should endeavor to be to work on time as the Company's success requires regular, predictable attendance of its employees both exempt and non-exempt.

Time records are automatically forwarded to Payroll at the end of each payroll period via automated systems. Employees who have questions about their paychecks should speak with their supervisor. Payroll or Human Resources should not be called unless your supervisor cannot resolve your question or concern.

Because all payroll records are legally required documents, employees are strictly forbidden from alterations without supervisory approval and notations, or recording on any other persons' time worked records. Excessive missed or forgotten "swipes" is also a prohibited activity.

Clocking another employee in is an offense that warrants termination from employment.

Employees may request to inspect their personal payroll records by submitting the request in writing to Payroll, who has 21 days to honor such request. Copies of individual payroll records may be requested by the employee.

DIRECT DEPOSIT

EPIC offers direct deposit of wages to any bank, savings and loan, credit union, or any other financial institution that is a member of the Federal Reserve System. Employees have the ability to split the full deposit amount between more than one account. To begin direct deposit, employees must complete a designation form including account number(s), financial institution name(s), and amount(s) desired. The first direct deposit normally takes place after an initial "test" pay period to assure all information provided is accurate, this is required by the Federal Reserve.

Each payday, employees enrolled in direct deposit will receive a voided pay stub stating all payroll deductions, information, and the net deposit made. Employees should not call Human Resources with questions regarding the deposit until the actual payroll date has expired. If there is a question, call the institution directly.

SHOW-UP AND REPORTING PAY

Non-exempt, full-time employees who report for work on their regularly scheduled shift will be paid up to four (4) hours at their regular rate of pay if work is not available and they are sent home. Under such circumstances, employees may opt to take available PTO hours to make up any normally scheduled lost hours in the day.

Part-time employees who are required to report and are not assigned work or are furnished less than half the usual scheduled day's work will be paid for half the usual scheduled day's work, but no less than two (2) hours or more than four (4) hours at their regular rate of pay. At EPIC's option, employees in these circumstances may be assigned to other work not normally performed by the employee, instead of being sent home.

If an employee is called into work on a scheduled day off he/she is entitled to a minimum of 2 hours of pay, even if the shift worked does not last the full 2 hours.

Show-up pay provisions are not applicable under the following conditions:

- Business operations cannot commence or continue due to potentially unsafe conditions for employees or at a property.

- Public utilities fail to supply electricity, water, gas, telephone service, or there is a failure in the public sewer system.
- The interruption of work is caused by an act of God/nature or other causes not within EPIC's control.
- The employee is notified in advance not to report for work.

CALL-BACK PAY

Non-exempt employees who are called back to work outside their normally scheduled workweek and/or normally scheduled working hours will be paid at their regular pay rate (plus overtime, if applicable) for actual time worked or for a minimum of two (2) hours at their regular pay rate, dependent upon the nature and circumstances of the call-back.

ON-CALL PAY

If a non-exempt employee is closely confined, or is on controlled standby, either upon EPIC's premises or elsewhere, on-call time is paid. Such on-call pay is compensation given to an employee for hours in which he/she agrees to respond should there be a requirement to report for work. On-call hours paid will not be considered hours worked for purposes of calculating overtime eligibility. If a non-exempt employee who is being compensated at a pre-determined rate for on-call duty is required to return to work or otherwise perform work during the on-call period, such work time shall be considered hours worked for the purposes of calculating eligibility for overtime pay. Under these conditions, employees must make timely reports of their work activities during on-call periods to their supervisor in order to properly document and pay differing rates of pay. See previous section *Wage/Salary Reviews and Adjustments* for additional information.

WORK IN A HIGHER JOB CLASSIFICATION

Employees who possess the requisite skills and/or other qualifications, **and** are assigned to perform the duties of a higher level job classification for a period of at least ten (10) consecutive work days/shifts, and more than 50% of such work during each assigned workday/shift, shall receive a temporary additional rate of compensation equivalent to at least a five percent (5%) increase of their current pay rate starting on the 11th day/shift. In order to be eligible for Higher Job Class pay, the employee must also perform a majority of the most essential duties of the higher level job classification. Consequently, employees who request or are assigned minor duties of a higher level classification as a matter of training and development for potential promotional skills development are not eligible for Higher Job Class pay.

Requests for Higher Job Class pay requires the Director's request and recommendation, approval by the department's Vice President, and prompt processing to Human Resources who shall coordinate the pay rate changes with Payroll as expeditiously as possible.

WAGE GARNISHMENT

A garnishment is a legal levy by a creditor against an employee's pay. EPIC expects all employees to manage their personal finances so as not to involve EPIC. All garnishments and other attachment orders that are required by law will be honored. An employee who suspects this may happen to him/her should review the situation with Human Resources

immediately. Sometimes arrangements can be made to resolve the situation before it becomes costly and embarrassing.

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EMPLOYEE RELATIONS AND CONDUCT – SECTION F

EFFECTIVE COMMUNICATION

EPIC encourages all employees to discuss any work-related problems or concerns with their supervisor and to review them with a higher level of management, if necessary. Resolving problems early often prevents misunderstandings that occur when communications break down.

Our experience has shown that when employees deal openly and directly with their supervisor, the work environment can be exceptional, communications can be clear, and attitudes can be positive. We believe that EPIC has demonstrated, and will continue to demonstrate, our commitment to employees by responding effectively to employee questions and issues. At EPIC, we foster informal, direct employer/employee communications.

High level matters including but not limited to sexual harassment, financial improprieties, discrimination, and threats or actual violence in the workplace etc. are to be immediately reported to the Human Resources Department and/or the Corporate Compliance Officer as appropriate. The company maintains a *Code of Conduct* and related issues may be communicated confidentially by calling 909-335-4153. Matters determined to be of a high level are handled in a formal manner through the Corporate Compliance Office and/or the Human Resources Department as appropriate.

All EPIC employees are encouraged to openly communicate ideas, concerns or problems in a professional, business-like manner. Such environments include:

Staff Meetings

Staff meetings are either scheduled or held on an “as-needed” basis and all on-duty or designated employees are expected to attend. These meetings are held to provide information, promote employee participation, contribute constructive ideas in solving problems, improve our organization, and allow us to operate more efficiently. It is an opportunity to exchange ideas, set goals, discuss opportunities for growth, and solve any problems with particular projects or assignments. If unable to be present, employees should notify their supervisor, offer to submit ideas in writing, and take the initiative to learn what transpired at the meeting.

Bulletin and Electronic Message Boards

Bulletin boards are used to display required documents and to provide employees with information about open job positions, required and legally mandated employment information, or information of general interest about our industry or the nature of work or operations in each department. EPIC e-mails also are used to disseminate business information to employees.

Posting of any notice or document on bulletin boards or elsewhere on EPIC premises must be approved by management. Employees are generally not permitted to post personal

notices and solicitations on EPIC bulletin and electronic message boards without prior approval from management. The “Non-Solicitation/Distribution of Literature” policy must be conformed with when posting any item on company bulletin or electronic message boards.

Suggestion Boxes

Suggestion boxes are available to relay suggestions to the Site Administrator or Site Manager in most locations.

All employees are expected to be courteous and considerate of one another and to work with a “team player” attitude. All employees should accept the suggestions or instructions given to them in its proper spirit. Problems should be discussed with the supervisor and employee in private. If differences persist, employees should discuss them with their supervisor, manager, Department Director or Human Resources accordingly.

CONDUCT GUIDELINES

EPIC expects all employees to observe professional behavior while at work. As with all businesses, EPIC considers certain conduct unacceptable. It is not possible or practical to list every type of conduct that is unacceptable. In order to provide employees with some guidance concerning unacceptable behavior, the following are examples of conduct that should not take place in the work environment:

- Obtaining employment based on false or misleading information, falsifying information, or making material omissions in any EPIC documents or records.
- Malicious or willful destruction, misuse, or damage to EPIC property supplies or to the property belonging to another employee, a client, a supplier, or a visitor.
- Any breach of loyalty that threatens EPICs business relationships with its clients or in any other way threatens or brings actual harm to EPICs business interests.
- Dating of employee subordinates who are subject to one’s authority and decision making is fraught with danger. When such a relationship develops, it must be revealed to both the immediate supervisor and Human Resources so that arrangements may be made to remove the potential liability. Failure to report such a relationship is a serious violation of policy.
- Theft or unauthorized removal of property from EPIC premises or the premises of a client that belongs to or is in the possession of EPIC, another employee, a client, a supplier, or a visitor.
- Misappropriation or unauthorized use of money, credit, property, or equipment of EPIC or belonging to another employee, a client, a supplier, or a visitor.
- Acceptance of gifts, either monetary or otherwise, of other than nominal value (approximately \$20.00) from a patient, a client, a visitor, etc.
- Dishonesty of any kind, including asking another employee to lie, withholding the truth from management, or falsifying time sheets or any EPIC documents or files.

- Rude, abusive, or threatening language or outbursts of anger toward management, employees, clients, or others.
- Bringing or possessing firearms, weapons, or any other hazardous or dangerous devices, materials or chemicals on EPIC property.
- Willful violation of any law, rule, or regulation (other than traffic violations or similar offenses) or pleading guilty to or being convicted of a felony or a misdemeanor that affects an employee's suitability for continued employment.
- Family members or friends in patient care or unauthorized areas for non-business reasons. The same loitering near or obstructing entrances to facilities.
- Engaging in any action on or off EPIC premises that reflects unfavorably on the organization and its reputation, including criminal or illegal behavior of any kind.
- Violation of EPIC Policies of Conflicts of Interests and Confidentiality.
- Obtaining, possessing or utilizing confidential information without proper authorization or for personal reasons. Accessing medical or employee information related to oneself or another party for non-business purposes.
- Communicating confidential or proprietary information to unauthorized persons or entities.
- Unsatisfactory job performance, including but not limited to failure to perform assigned duties; excessive sloppiness, negligence or incompetence; doing personal work during work time or failure to treat a client in a courteous, friendly manner, etc.
- Malicious gossip and/or spreading rumors, engaging in behavior that creates discord or disharmony in the workplace, interfering with another employee on the job, or restricting work output or encouraging others to do the same.
- Unsatisfactory attendance, excessive absenteeism, repeated tardiness, not being ready to work at the start of a workday, stopping work before end of the workday, or leaving work early.
- Sleeping or malingering on the job.
- Fighting or provoking a fight while on the job or on EPIC property.
- Insubordination, including failure to follow job instructions, refusal to do assigned work, or refusal to perform work in the manner described by an employee's manager. Not abiding by established policies and procedures.
- Unlawful or unauthorized possession of alcohol or drugs while on duty or on EPIC premises, or reporting to work under the influence of alcohol or drugs.
- Engaging in the illegal sale, distribution or possession of narcotics, drugs, or controlled substances while on the job or on EPIC property, or any violation of the Drug and Alcohol Policy.
- Participating in an unsafe work practice, failing to observe safety rules or procedures, or disregarding any established safety rule, including not wearing required safety equipment or tampering with EPIC equipment.

- Negligence, horseplay, or any other action that endangers other people or EPIC property or that disrupts work.
- Gambling while on the job or on EPIC premises.
- Smoking in designated non-smoking areas.
- Violating any security rules or procedures.
- Harassing, threatening, intimidating, or coercing any employee or another person, including violation of EPIC's Harassment and/or Workplace Security policies.
- Inappropriate and/or excessive use of the Internet (e.g., offensive e-mail, non-work related web-sites, chat rooms, etc.)
- Failure to abide by set standards for lunch and break periods or working unauthorized overtime.
- Solicitation of any type, redirecting business or employees away from EPIC, or selling or passing out any products, information or documents on EPIC property or during work time. (Work time means those hours employees are on duty, excluding breaks, meal times, and other specifically designated periods during the day when employees are not engaged in performing work duties.)
- Unapproved distribution of literature by employees or solicitations and distribution of literature by visitors on EPIC premises.
- For employees in positions requiring the use of a vehicle for EPIC business, becoming uninsurable based on the standards of the organization's insurance carrier due to a Department of Motor Vehicles record, driver's license suspension or revocation, or cancellation of the employee's automobile liability insurance policy.
- Any other violations of rules and policies of EPIC Management as contained herein or as otherwise may be adopted in departments to establish specific operational standards.

Though not an exhaustive list, a breach of policy in these areas, or in areas that carry the same disregard for the work environment, warrant disciplinary action, up to and including termination.

PROHIBITION REGARDING RUMORS

While it is essential to exchange information relevant to business purposes, rumors more particularly those that have no relationship to EPIC's business are destructive to all concerned and are prohibited. The actions of spreading and/or starting rumors are prohibited and are grounds for immediate discipline including the termination of employment.

PROFESSIONAL RELATIONSHIP WITH PATIENTS

Customer/Patient service is our highest priority at EPIC. All employees are expected to maintain a professional relationship with patients at all times in order to ensure the highest quality of patient care. In connection with our Customer/Patient Relations standards, our patients are entitled to exceptional courtesies and kindness and should be treated accordingly. Established Customer/Patient service standards are to be followed in all encounters with patients, clients, visitors and co-workers. Below are a few of our basic rules to be followed at all times:

- Release of information without a patient's consent is not only improper but also illegal. Make it a rule not to discuss the patient's condition, on or off duty, with the exception of authorized professional exchange of information on a need-to-know basis.
- Patients must be protected at all times from invasion of privacy. Those employees who talk with patients in connection with their job duties should keep their conversation specific, warm and cheerful. Gossip and unwarranted involvement can be damaging and is always discouraged. Unauthorized visiting by other Company personnel should be avoided completely.
- When asking patients questions in a public area, including the Registration and Appointments areas, ensure that a low volume is taken to prevent others from hearing an exchange that may be personal to the patient.
- Mail/documentation is important to our patients. Give patient documentation all possible protection.
- The Company is a quiet environment. You must keep this in mind from the time you begin work until you leave. Modulate your voice and be considerate of patient care and comfort.
- Valuables of patients require extra care because the patient's room is usually not secure. Always encourage patients to secure their valuables, or bring valuables with them as they move from one area to the next. Always report patient complaints of missing valuables to a supervisor.

CORRECTIVE ACTION

To ensure proper employee conduct in the workplace, violations of EPIC policies or standards may result in corrective action appropriate to the employee's conduct. Corrective action is an Employee Relations action that is conducted under the purview of Human Resources.

Human Resources Role in Discipline

When issuing a written warning, suspension, or termination of any kind, a supervisor must work with Human Resources to develop the document, and Human Resources must approve the document prior to issuing it to an employee. This requirement is in place to ensure that the required and pertinent information is included in the record. Discipline must not be issued to an employee without prior approval from Human Resources.

No termination of employment may be applied to any employee of EPIC without Human Resources approval and oversight.

Corrective Action Steps

Nothing in this Employee Handbook or Management's discretionary use of corrective action creates any expressed or implied contract modification of continued employment. Furthermore, no one has the authority to change the at-will employment relationship by any actions, practices, course of conduct, length of service, awards, transfers, promotions, promises, or statements. The employment relationship can only be modified by an individual written employment agreement signed by the CEO or authorized member of the Board of Directors of the company and by the employee.

EPIC reserves the right to utilize any level corrective action that it deems appropriate without the necessity of using each step of the progressive discipline options, including the option to discharge on a "first offense" basis.

Corrective action procedures may include a verbal coaching, written warning, unpaid suspension, demotion, and/or discharge. EPIC may use any form of corrective action deemed appropriate to the situation. The use of any corrective action is completely within the sole discretion of Management as agreed upon by Human Resources. Giving corrective action warnings in one instance does not require EPIC to use such warnings in any other instances, nor does it modify the employment relationship in any way.

Binding Arbitration

As a condition of employment, EPIC Management promotes a system of alternative dispute resolution, which involves mutual, bi-lateral binding arbitration, to resolve all disputes that may arise out of the employment relationship. Private binding arbitration can provide mutual benefits to both the Company and the employee such as reduced expense and increased efficiency in resolutions. Employees agree that any claim, dispute, and/or controversy which would otherwise require or allow resorting to any court or other governmental dispute resolution forum between the employee and the Company shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act ("FAA") in conformity with the procedures of the California Arbitration Act, and the applicable Judicial Arbitration and Mediation Services ("JAMS") arbitration rules and procedures in effect at the time.

The arbitrator must be neutral and impartial and be selected by mutual agreement of the employee and EPIC Management. The parties should attempt to agree on a retired judge affiliated with JAMS to serve as the arbitrator. If the parties are unable to agree, JAMS will provide a list of three available judges. The employee shall strike one name, then the employer shall strike one name. If there is still one name remaining, that named person will serve as the arbitrator. If there are two remaining names, then the JAMS representative will determine who shall serve as the arbitrator.

The cost of arbitration proceedings, including the cost of the arbitrator, transcriber if any, witness time off work, and any other related costs will be divided equally between the employee and EPIC Management unless the arbitrator determines that to do such, would be

unfair to the employee in which, the arbitrator shall determine the division if any arbitration costs between the employee and EPIC Management.

PERSONAL POSSESSIONS

Employees are encouraged to avoid bringing expensive items or personal possessions that have sentimental value to work and to take all precautions to safeguard all such items especially wallets and purses, if brought to work.

Employees who bring any kind of personal items and possessions to work do so at their own risk because EPIC accepts no responsibility for any items or possessions that are stolen, lost or damaged in any way. EPIC does not reimburse or replace lost, damaged, or broken personal items of any value.

Additionally, EPIC strongly advises employees to not leave any valuables in plain sight when parking vehicles in parking lots at EPIC. Purses, gifts, electronics, computers, Tablets, IPADS, and other valuables should be removed from the vehicle to ensure security. Vehicles that are subject to theft remain the responsibility of the employee and the employee's vehicle insurance company.

PERSONAL MAIL AND TELEPHONE CALLS

In an environment where everyone participates in caring, the patient, physicians, and customers must be cared for and they should be made to feel their importance. Nothing countermands this more than an employee who appears to be more interested in their cell phone texts than the patient standing in front of them awaiting service.

EPIC recognizes that technology enhancements are changing the way that we serve our constituencies, particularly in the manner in which personal cell phones may be used, and it recognizes that cell phone technology can actually enhance patient care if used in a way that is sensitive to patient perception.

With the advances in technology, it has become customary for children and other family members to communicate with employees during working hours via these technology enhancements in the same way that a quick phone call in the past was used.

EPIC understands that **quick** communications can occur to satisfy family demands if it can be done:

1. Outside the presence of the patient,
2. At a time when the use of a personal cell phone does not compromise patient care, and
3. In a quick moment (less than 1 minute).

In addition, EPIC recognizes that it may be common for physicians to text their nursing staff when they are off premise and the physician expects an immediate response.

These circumstances require that EPICs cell phone usage policy allow for the use of personal cell phones within the following constraints:

1. Employees are not permitted to use their personal cell phones in patient care areas - either talking or texting. The patient should never see an employee on their personal cell phone for any reason. The cell phone must remain "invisible";

2. Employees are permitted to maintain and possess a personal cell phone while on company premises, but that cell phone must be on the employee's person, in their pocket, out of sight, or in their desk drawer as long as the door remains closed, and it must remain on vibrate or silent;
3. If a child, family member, or physician contacts an employee via text or phone call, only after every patient is assisted that may be waiting for service or only when patient care has been completely provided, the employee may then step away from the patient care area to respond quickly to a text or call from a family member. This should not be interpreted as permission to use the personal cell phone without constraint; the purpose of this provision is to allow the employee to “check in” with a family member to confirm that all is well at home, or to confirm the arrival of a child home for school. This must be coordinated with a supervisor or co-workers;
4. If a physician is the source of the call or text, another employee should be summoned to care for the patient's needs so the employee can respond to the physician's text, but if another employee is not available, the text should not be returned until the employee can leave the patient care area, with the exception of an emergency text from a physician;

Note: The standard cell phone (SMS) text messaging is not secure or encrypted and it is a violation of HIPAA policy to use this to convey any protected health information including any information that identifies the patient. This might include a note such as 'call **Mr. Smith** about his lab result'. Because text messages ordinarily accumulate on phones, a lost telephone would mean that we would need to notify patients and the Office of Civil Rights (who can level civil and criminal penalties) of a potential PHI breach if you have included PHI in your messages. As such, we strongly encourage all users to refrain from including PHI messages while texting. If PHI is included, by the employee or by the physician, and the phone is lost, the Site Administrator, Site Manager, or Nurse Manager should be notified immediately. Also, once sent and received, the message must be deleted.

5. At no time should cell phones be used in exam rooms or in the nurses station when patients are present;
6. Social Networking (Facebook, Twitter, etc.) should be reserved for meal periods or breaks, and the use of personal cell phones must be away from the area where patients receive services;
7. Using a personal cell phone for anything more than a quick text or call to family at times that meet the criteria set forth above, or to answer a physician text, or using a personal cell phone while making patients wait to be roomed or delaying patient care, constitutes unprofessional behavior, is a poor performance of their job duties, and is considered a violation of this policy requiring disciplinary action;
8. The Nurse Manager, Site Manager, or Site Administrator will monitor the judicious use of cell phones. If an employee is expecting an important call, they should notify the manager. Excessive or inappropriate use of the cell phone will be addressed following the progressive discipline steps contained in the EPIC Employee Handbook;
9. Non-personal cell phone communication from a physician is considered a business reason for use. Care should always be used when responding to a physician call or text via a personal cell phone to ensure that patients are not left with the impression that texting or calls are of greater importance than they. An employee should contact

a supervisor if a text from a physician may or will take longer than 3 minutes to answer. The use of a personal phone for such use is at the discretion of the employee, and the employee assumes any related cost since the use of a cell phone is not required by EPIC to perform required services;

10. The employee is encouraged to alert family members that cell phone or texting during working hours should be held to a minimum, and that responses will generally be made during meal periods or breaks;
11. In the event of an emergency at home, family members should be instructed to contact an employee via Land Line numbers since this is viewed as the most expeditious way of getting hold of an employee quickly;
12. If an employee is texting or on their cell phone, and if they are not on a break or at their meal period, the expectations of privacy are forfeited. If a supervisor believes that a text or cell phone use is excessive in frequency or in length of time, or if it appears that the cell phone text or call is not a quick item or not a physician, or if it appears that patients have been left unattended so a text or cell phone call can be answered, the supervisor has absolute discretion to request and view the content of the text or to view the phone numbers in the memory to verify that the phone was used to speak with a physician or family member. Employees who do not agree to this stipulation should store their personal cell phones in their car or leave it at their residence.

Personal cell phones are not to be seen or detected in the workplace. If an employee is found using a cell phone outside of the parameters set forth in the policy, or if a cell phone is used in the view/sight of patients, progressive discipline would be the appropriate action.

PERSONAL USE OF EPIC PROPERTY

EPIC resources are to be used only for legitimate business purposes and are not to be used for personal reasons by employees. EPIC property includes, but is not limited to, equipment and tools, telephones, faxes and other communication equipment, computers, copy machines, postage, office supplies, etc. Borrowing any EPIC property for personal use or removing EPIC property without approval is prohibited. Unauthorized use or removal of EPIC property by an employee is strictly prohibited. It is also prohibited for any employee to use an EPIC business address to have personal mail delivered unless authorized periodically on an exceptional circumstance basis at the V.P. level.

All EPIC property must be returned at the conclusion of the employment relationship. Unreturned items may become the subject of legal action if items are not returned at the conclusion of the employment relationship.

CUSTOMER/PATIENT PROPERTY

To the extent EPIC employees interact with, or have cause to use Customer/Patient property, employees are expected at all times to use all due reasonable care to ensure the property may be returned to the Customer/Patient in the same state as provided. At no point in time will misappropriation of any Customer/Patient property be tolerated. EPIC employees should endeavor to prevent even the misrepresentation of misappropriation.

NON-SOLICITATION / DISTRIBUTION OF LITERATURE

This policy covers the distribution of literature and solicitation that is not work related, unrelated to EPIC's business or clients, or unrelated to any EPIC-sponsored activities. Generally, solicitation is the act of seeking, urging, persuading or petitioning somebody to do something, while the distribution of literature is the act of delivering or handing out of written materials.

Persons Not Employed By EPIC Management

Persons who are not employed by EPIC may never distribute literature or solicit employees for any purpose on EPIC premises, including building interiors, parking lots, driveways, or any other EPIC property unless such access is otherwise required by state law or statute. However, this prohibition does not apply to approved charitable activities or EPIC-sponsored activities directly related to our employee benefit programs or vendors providing healthcare specific services or products.

Employees

Employees may never distribute literature or solicit any persons, including other employees, during their working time or during the other employee's working time. "Working Time" means the period of time scheduled for the performance of job duties, not including meal or break periods, or other periods when an employee is not working. The distribution of literature is never permitted in any work area or on Company premises.

Off-duty employees may never distribute literature or solicit in the interior of any work area or while on EPIC premises.

Violation of this policy carries strict disciplinary action.

VOICE MAIL, E-MAIL, AND COMPUTER FILES

Voice mail, electronic mail (e-mail) and other computer information systems are made available to various positions throughout EPIC in order to enhance productivity and provide more efficient services for our clients. E-mail, voice mail, Internet access, and any other electronic communications systems are EPIC property and are intended solely for carrying out EPIC business.

Since business communications that are essential to EPIC is primarily conducted over e-mail and voice mail, it is EPIC's expectation that supervisory personnel will remain updated on all responses involving these two modes of communication.

Failure to remain updated, or to open e-mail or voice mail communications is viewed as a dereliction of duty, and the supervisor is subject to disciplinary action. At the least, e-mail communications should be responded to and voicemail should be answered within 24 hours unless the employee is on PTO or otherwise not present at work.

EPIC reserves the right to gain access to any information that is received by, transmitted by, or stored by any electronic device that is owned by EPIC or operates on EPIC owned systems.

All files and messages sent, received, composed, and/or stored on any computer system are the property of EPIC. Use of EPIC's electronic communications and information systems constitutes consent to this policy.

All messages transmitted via these systems will be treated as business messages. Any employee who sends a personal message on these systems should be aware that such messages will be viewed as a business message and not a personal, confidential message of the employee. Any use by an employee of a private password does not entitle that employee to any confidentiality. The use of passwords to gain access to these systems is for the protection of EPIC, not the employee.

EPIC confidential or proprietary information should not be transmitted via these systems outside the organization or even to employees within the organization unless such recipients are authorized to receive such information. Employees must not copy and send by e-mail or the Internet any information or software that is protected by copyright or other intellectual property laws. No software licensed to EPIC may be duplicated or installed for use on another computer, unless EPIC purchases a special "multi-user license" software package. Employees are not to load any software programs or download from the Internet any software, screen savers, files, etc. without obtaining approval from EPIC's IS Department.

All employees should keep e-mail, Internet, and voice messages businesslike. Using the systems for gossip, personal messages, chat rooms, or chain letters is prohibited. E-mail and voice messages should not be profane, vulgar, defamatory, or harassing. No one may use the voice mail, e-mail, the Internet, or other computer systems to download, send, or forward to others any discriminatory or threatening messages, ethnic or racial slurs, indignities, obscenities, sexual or offensive comments, off-color jokes, lewd graphics or pictures, pornography, or anything that may be construed as harassment or showing disrespect for others. Nor may employees use voice mail, e-mail or the Internet to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters. Any employee misusing the voice mail, e-mail, the Internet or computer systems will be subject to discipline up to and including termination.

EPIC reserves the right to access, search and monitor the voice mail, e-mail, or computer files or messages of any employee, without advance notice, that are created, stored on, or deleted from the computer and voice mail systems. Accordingly, no employee should expect his/her voice mail, e-mail or computer files, communications, or usage to be confidential or private.

INSPECTION OF FACILITIES

EPIC provides offices, desks, cabinets, computers, equipment, and other property that employees use in the performance of their job duties. These facilities are the sole and exclusive property of EPIC. In order to prevent possession of illegal drugs, stolen property, weapons, or other improper materials at the workplace, EPIC may conduct inspections of its facilities.

Accordingly, EPIC reserves the right to inspect such facilities and property at any time, whether during work hours or not, with or without advance notice, and with or without the consent of the employee to whom the property is assigned. This policy applies to all EPIC property, regardless of whether it is for an employee's exclusive use and regardless of

whether an employee is allowed to maintain a lock or other means to limit access to the property. To facilitate enforcement of this policy, employees also may be questioned and their personal possessions inspected upon entering and/or leaving the premises. Any employee who wants to avoid inspection of any articles or materials should not bring such items onto EPIC premises.

Employees are expected to cooperate in such inspections and consent to inspection is required as a condition of employment. Refusal to consent may result in corrective action, up to and including discharge.

SMOKING

EPIC is committed to providing a safe, healthful and comfortable work environment for all employees, patients and visitors by prohibiting smoking in the workplace. The Company believes that a smoke-free policy is consistent with our leadership role in the healthcare industry and contributes to employee health, wellness and productivity.

This policy applies to all employees and is in effect 24 hours a day. Smoking is defined as carrying, holding or using a lighted or an e-cigarette, cigar or pipe of any kind, or emitting or exhaling smoke or vapor of any kind.

Smoking is prohibited on all EPIC premises except in designated areas outside of the building, and not closer than 25 feet from any entrance. Employees who elect to smoke may do so during rest and meal periods. Smoking is prohibited while in or driving any EPIC vehicle, or while driving a personal vehicle on EPIC business. Violation of this policy will be regarded as any other violation of Company policy and may result in corrective action.

BUSINESS ATTIRE

At EPIC, image is important and is maintained, in part, by the image employees present to patients, visitors, guests, and clients. No one has a second chance at a first impression.

EPIC maintains a dress code in accordance with conservative business attire. As such, this eliminates trendy, revealing, excessively form fitting and other inappropriate items. Employees are expected to consistently utilize good judgment in determining dress and appearance on a daily basis in keeping with this commitment. In choosing appropriate business attire, employees should consider tastefulness, public contact, the nature of the job, and working conditions. In keeping with our conservative environment, issues may be addressed with an employee should individual circumstances contradict our practice. Standards of dress are to be adhered to both internally and externally when representing EPIC outside the workplace.

This policy includes not only dress, but also conduct. As a service organization, our success is largely dependent upon both the quality of our services and the level of professionalism we exhibit as an organization. We consider each employee's dress and conduct to be an important factor in judging performance. Understand that our commitment to our patients and clients supersede personal taste and style. When an employee is inappropriately dressed, EPIC reserves the right to send the employee home, without pay, to change.

It is the responsibility of management to communicate and enforce professional standards of appearance, as well as lead by example. Therefore, managers who do not enforce the code

are themselves in violation of the business attire policy. Recurrence of inappropriate dress/conduct or enforcement of business attire policy will result in disciplinary action.

Departments may create a dress code policy that is particular to their own industry needs, but at no point can a policy be created that is less than the standards of conservative dress that is contained in this policy. All departmental dress code policies must be approved through the Human Resources Department.

The definition of conservative business attire does vary somewhat based on the nature of each job. While we are confident that employees will use their best judgment in following this policy, this is not an all-inclusive list, and thus, management reserves the right to determine appropriateness. As a rule of thumb, if you are unsure about a particular item/article being acceptable, most likely it is not.

Patient Care areas: Includes but is not limited to such departments as Nursing, Physical Medicine, the Laboratory, and Radiology. Uniforms/scrubs in keeping with conservative healthcare industry standard are acceptable, including footwear. The general guidelines provided need also be maintained. Service to our patients and clients is in part demonstrated by our appearance.

Clerical/Operational support: This category includes but is not limited to such areas as those with direct patient (non-medical)/client contact, business and operational support of the organization with public contact, etc. These departments may include: Appointments, Registration, IS, Patient Financial Service, etc. Conservative business attire conducive to a Customer/Patient service industry is expected/appropriate. Standards of dress do not vary between areas with or without face-to-face contact with the public, or shift of the employee.

Uniformed/Job specific areas: There may be mandated dress standards in such areas as Medical Records, Maintenance, etc. Based on the nature of the work, specific attire as defined by the corresponding manager is required. This is inclusive of footwear, jewelry, etc. All other aspects of the dress code will apply.

Professional/Managerial: It is expected that at each level of management, the organization be professionally represented given our industry and public contact. Management sets the tone and expectation for other staff members and employees are expected to maintain the highest standards in appearance and presentation.

The company may also establish other optional uniform wear that staff may choose from as an option to the standards of dress. Specifics would be detailed under separate policy. In addition, departments may create a dress code policy that meets the demands of the department needs, but departmental policies must be approved by the Vice President of Human Resources, they must be reduced to writing, and they must not compromise the company dress code policy relative to professional, conservative business attire.

General guidelines that apply across the organization are provided:

Tattoos must be covered. All jewelry worn by employees must be appropriate so it does not detract from a professional appearance. All facial piercing jewelry such as nose piercing, tongue piercing, eyebrow piercing, lip piercing, etc. is prohibited. Earrings are acceptable where limited and conservative.

Personal hygiene is essential. Therefore, it is necessary that all employees maintain a clean, presentable appearance. Be conscientious about personal hygiene, neatness of attire and cleanliness of apparel. Strong odors or excessive use of perfumes or cologne are inappropriate and can have adverse health reactions to others.

Wearing of hats, scarves (worn on the head), or head wraps are generally prohibited at work. Where an employee's religious beliefs require head covering, the Human Resources Department must be consulted regarding reasonable accommodation. Other accommodation may be made in extenuating circumstances through the Human Resources Department.

Chewing gum is inappropriate when meeting with clients, patients or the public.

Appropriate footwear must be worn for both safety and appearance sake. Flashy athletic shoes, tennis shoes, sandals, flip-flops, and slippers are not acceptable in the office. Undergarments and neckties are to be worn in keeping with conservative business attire. Days where the schedule of the individual lacks meetings or other professional representation, neckties may be excluded.

Hosiery will be optional for any dress where the dress naturally touches the top of the employee's knee while standing erect. Dresses must be professional and business conservative. Sundresses and Maxi-dresses are not acceptable. Dresses should not be worn if they are shorter than 2 inches above the knee while standing erect. Hosiery is required for any dress that does not touch the knee while the employee is standing erect, but is longer than 2 inches above the knee.

Leggings are not acceptable in the EPIC workplace.

The following items are prohibited unless approved by the appropriate department Vice President: Denim material or jeans of any kind/color; Capri pants; shorts; sweats of any kind; T-shirts or shirts with graphics; excessively loose, tight, or short clothing, etc.

The only exception to the no jean stipulation in this policy applies to Maintenance employees, and Couriers I and II employees. Due to the duties performed by these employees, jeans may be worn.

IDENTIFICATION BADGES

During new hire processing and orientation, each EPIC employee will receive an employee identification badge with his/her photograph, name and other pre-determined information. The identification badge is to be worn during work hours, photo facing outward, on apparel well above the waist of the employee. It is the policy of EPIC to include both first and last name, any licensure designation and department or title where appropriate. Staff are given appropriate clips for securing their identification badges as lanyards are highly discouraged. If lanyards are worn, keep in mind that the identification must be maintained well above the waist area. The ID badge will be developed within State guidelines where appropriate and established company parameters.

This badge identifies the employee when dealing with the public or when visiting other EPIC or affiliated organizations and facilities. If the identification badge is lost or stolen, or the employee has been reassigned to another department, or has had a name change, a request must be made to Human Resources for issuing a replacement identification badge.

Replacements of lost or stolen identification badges will be charged to the employee. All incidents of lost or stolen badges should be reported promptly to the employee's supervisor for security reasons and actions.

This badge is both your identification as well as your mechanism for reporting your time during work hours. See applicable section related to time keeping.

Upon employment separation from EPIC, employees must return his/her identification badge to Human Resources.

USE OF TOOLS AND EQUIPMENT

When using equipment or tools in performing tasks, employees are expected to exercise care and follow all operating and maintenance instructions, safety standards, and guidelines. No employee is to attempt to repair any equipment without the express authorization of the Department Director. Use equipment and tools only for the purpose for which they were designed. Do not attempt to operate any equipment or machine until properly trained on the correct use.

If any EPIC equipment, machine, or tool is broken, malfunctioning, damaged, defective, or in need of repair, the employee should notify the Department Director. Prompt reporting of damage, defects, and need for repairs could prevent deterioration of equipment and possible injury to employees or others.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in corrective action, up to and including discharge.

CELL PHONE USAGE

Cell Phone Use during Travel

EPIC is committed to promoting highway safety by encouraging the safe use of cellular telephones by its employees while they are traveling on EPIC business.

EPIC employees should NEVER text or check e-mail while driving on company business. Disciplinary action will be material for those who violate this provision of the policy.

Employees may speak on the phone if a hands free-device is being used.

If an employee needs to make a phone call while driving, the individual should find a proper parking space first. Stopping on the side of the road is not acceptable. The only exception is for genuine emergencies such as an accident or a car breakdown. Otherwise, employees must park their vehicles before using their phones if the conversation is involved or the call is going to be intense, or when road conditions are poor or traffic is heavy. While EPIC recognizes that there may be a need to use cellular phones for business purposes, safety must be the first priority.

The use of cellular phones is not a work requirement for most employees, unless authorized by EPIC.

Proper cellular phone use is one part of safe driving. Employees also should remember that while traveling on business, they are expected to follow posted speed limits, practice defensive driving, wear seat belts, take a sufficient number of breaks so they remain alert, and not take any notes while driving.

Cell Phones with Cameras

The photo taking and transmitting feature available on many cell phones may not be used for any reason in the workplace, on EPIC property, or of EPIC property, unless specifically authorized by the employee's Department Director or director and for business purposes only.

RADIOS AND ELECTRONIC DEVICES IN THE WORKPLACE

The personal use of radios and/or electronic devices are allowed by EPIC Management where the type and location of work being performed does not prove to be a distraction to others or interfere with an employee's work performance. Such equipment must be used for music only, and the content and volume should not disrupt or offend surrounding personnel. EPIC Management reserves the right to require removal of such equipment at any time at its sole discretion. Such equipment should not be used in patient care areas.

USE OF VEHICLES ON EPIC BUSINESS

It is EPIC policy that before an employee is allowed to operate any vehicle for EPIC business, a valid operator's license, proof of insurance, and a motor vehicle report acceptable to EPIC's insurance carrier be on file. See previous section, *Verification of Licenses and Insurability*.

In addition, employees are responsible for immediately reporting to their manager any changes in their automobile insurance policy or the status of their driver's license such as suspension or revocation. Employees who are uninsurable or who create the potential for an increase in EPIC's liability insurance premiums may be terminated. Any questions regarding this policy should be directed to the Vice President of Human Resources.

In addition to applying good common sense regarding the safe operation of vehicles, the following rules on operating all types of vehicles apply:

- Any employee who is under the influence of or impaired by any illegal drug or alcoholic beverage or any legal drug that may impair an employee's abilities must not operate any vehicle.
- EPIC vehicles are to be used by employees only for official business purposes and not personal use.
- Use of any vehicle for EPIC business must have the prior approval of the employee's manager.
- Only designated employees may drive EPIC vehicles. No employee is permitted to lend any EPIC vehicle to anyone without his/her manager's prior written approval. An employee's use of any EPIC vehicle for anything other than EPIC business is prohibited and will result in corrective action, up to and including discharge.

- Non-employees may not be transported at any time in any vehicle being used for EPIC business except those who have a legitimate business justification for being transported, such as Customer/Patients or official EPIC visitors. Clarify such instances prior to transport through your supervisor.
- Any mechanical defects of an EPIC vehicle should be reported by the employee to his/her manager for appropriate corrective action before operating the vehicle for business purposes.
- All employees driving a vehicle on EPIC business must immediately report to their manager any accident and any moving or non-moving violation for which they are cited while driving a vehicle. EPIC accepts no responsibility for citations issued to an employee by any law enforcement agency while driving a vehicle on EPIC business under any circumstance. All liabilities created by any citation will be the responsibility of employees who receive them.
- All employees operating vehicles on EPIC business are required to obey all traffic regulations.

In the Event of an Accident

Employees who are involved in an accident in the course of using any vehicle on EPIC business are expected to adhere to the following procedure:

- Do not argue (nothing is gained), do not admit liability, and do not make a statement to anyone except the police, their manager, or other appropriate EPIC Management personnel.
- Obtain the names and addresses of:
 1. Owner of other vehicle(s)
 2. Insurance Carrier of the other driver(s)
 3. Witnesses
 4. Injured person(s)
 5. Other driver(s), including the number of and state issuing the driver's license
 - Note these items:
 1. Speed of each vehicle with its direction of travel
 2. Signal given by each driver, if any
 3. Point and time of accident
 4. Any mechanical aspect of the other vehicle, which may have caused the accident (e.g., no brake lights, etc.)
 - Promptly report any damage done to a client, the public, EPIC, an employee, or their property to management.

Accident reports and notification to EPIC's insurance carrier will be promptly handled by the V.P. of Operations and Administration or his/her designee. Human Resources will address any work related injury as a result of an accident in the course of EPIC business.

Reimbursement for Personal Vehicle Use

Employees who engage in business travel using their personal vehicles are entitled to reimbursement for mileage in excess of what would be considered their normal and customary commute from their residence to work, and back. EPIC Management does not compensate employees or reimburse for mileage when employees travel from home to work, or to drive from work to home. Mileage that is customary for home to work, and then back, is the responsibility of the employee.

Employees do not receive compensation when driving to their home base; however, employees receive their normal compensation when driving their personal vehicle on company business for travel required after arrival at their home base.

The “home base” for employees is the facility where they customarily perform their work, or for float employees, it is the first location where they report on an applicable day.

On the last stop of the day, if business travel has taken the employee farther away from their residence beyond their normal commute, the difference in mileage will be paid at the announced EPIC reimbursement rate.

Example I: If a non-float employee's residence is 10 miles from the home base, for a round trip of 20 miles, and the employee is reporting to a place that is 15 miles from their home, for a total trip of 30 miles, the employee would receive a reimbursement of 10 miles, which would be 30 miles total miles travelled, minus 20 miles round trip from home to home base customarily, resulting in a difference of 10 miles.

Example II: If a float employee lives in Fontana, drives 25 miles to report to Redlands Main, is then asked to drive 18 miles to Banning, then the home base is Redlands Main. The employee's round trip from home to the home base, and back, is 50 miles. Traveling to Banning and back is a total of 36 miles. As such, reimbursement would be 36 miles to Banning and back to Redlands Main. Mileage for driving home from Redlands Main would not be part of the equation.

Example III: A non-float lives in Highland, works in Cooley, so travels 10 miles to work. While at Cooley, the non-float is asked to travel to Highland to help. The employee then returns home from Highland. There would be no reimbursement because the 20 miles customarily travelled from home to home base and back was not exceeded since Highland was on the way home for the employee.

In the case where two or more employees travel together in the same vehicle, only the employee who did the driving will be reimbursed for mileage.

Deadlines for Reimbursement Submittal

EPIC employees who incur business miles, or who otherwise require reimbursement for other business matters such as meals, etc. must submit their mileage and other business reimbursement requests to Finance within sixty (60) days of incurring the expense. All reimbursement forms should be approved by the appropriate supervisor prior to submittal.

Failure to submit the mileage reimbursement within the specified time frame will result in a forfeiture of the mileage reimbursement.

As noted, exceptions to the policy are employees that have a pre-arranged mileage reimbursement stipulation in an employment agreement.

SUSPENSION / REVOCATION OF EMPLOYEE'S DRIVER LICENSE

Any employee whose duties include driving has a significant responsibility to EPIC and the general public to operate a motor vehicle in a safe and appropriate manner. EPIC has responsibilities to its employees, the general public, and its insurance carrier with respect to employees who drive as part of their job duties.

EPIC employees with primary responsibilities for driving are required to maintain a current and valid California driver's license, and are subject to the "Verification of Licenses and Certificates Policy" as contained in this Handbook.

EPIC requires employees with driving responsibilities to inform Human Resources immediately, or at the beginning of the next working day, if an employee's drivers' license has been suspended, revoked, or if the employee's liability insurance has been canceled or modified in any manner. Employees who fail to comply with this policy will be subject to immediate corrective action, up to and including discharge.

Employees are expected to operate motor vehicles in a safe and reasonable manner that conforms to all applicable traffic and safety laws. Under no circumstance will EPIC be responsible to paying traffic violation fines for employees.

EMERGENCY CLOSING

At times, emergencies such as severe weather, fires, power failures, earthquakes, or planned/unplanned civil disturbances can disrupt EPIC operations. In extreme cases, these circumstances may require the temporary closing of EPIC.

When the decision to close is made, employees will receive official notification from management, and only time worked will be paid.

When the decision to close is made before the workday begins, time off from scheduled work will be unpaid.

However, in both cases, whether the facility is closed after work has been performed, or if the facility is closed prior to the start of the workday, employees may use available paid leave time, such as available PTO hours. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

Relative to compensation, The Board of Directors, or EPIC Officers, has the authority to alter this policy when deemed appropriate.

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EMPLOYEE HEALTH AND SAFETY – SECTION G

GENERAL INFORMATION

Employees are the most valuable resource at EPIC. For this reason, EPIC has a critical interest in assuring the health, safety, and well-being of its employees and the maintenance of a safe and efficient work environment. EPIC maintains specific policies and procedures relating to issues of employee health and safety, which are available for review through your supervisor. Such policies or guidelines are included in such materials as the Administrative Policy and Procedure Manual, the Code of Conduct, Injury Illness Prevention Program (IIPP), and Organized Plans of Operation. The following is a summarized version of our areas relating to health and safety.

DRUGS AND ALCOHOL

The possession, use, or sale of controlled substances (such as marijuana, cocaine, heroin and other drugs) in the workplace, or individuals who are under the influence of these substances, pose unacceptable risks for safe, health, and efficient operations.

Likewise, the possession, use, or being under the influence of alcohol in the workplace poses safety and production risks. All employees must report to work in a fit condition to perform their jobs safely and well.

This policy covers illegal drugs, including marijuana, and it governs prescribed or over-the-counter drugs that are not legally obtained or prescribed, or are not being used for prescribed purposes.

Coming to work with illegal drugs in the employee's system or being under the influence of alcohol or drugs while performing EPIC business or while on EPIC property is strictly prohibited. EPIC will require substance testing for any employee who demonstrates behaviors that constitute reasonable suspicion.

An employee with a Medical Marijuana Identification card may not be at work under the influence of the drug, and are subject to substance testing if reasonable suspicion is established.

The manufacture, use, sale, purchase, possession, or distribution of alcoholic beverages and/or illegal drugs or controlled substances by any employee while on EPIC property or in a vehicle while performing EPIC business is strictly prohibited.

Employees who are or will be using legally prescribed drugs that may affect their performance or impair their judgment should immediately inform their manager. Those performing clinical duties, who drive company vehicles, or who drive their personal car on company business must inform his/her supervisor of any prescribed narcotics, pain medications, anti-depressants, or any prescribed drug that may inhibit the employee's ability to perform the job duties. EPIC may consult with the prescribing physician to learn if the drug would be safe to use when working. A written statement may be required.

An employee may continue to work if EPIC determines that the employee does not pose a safety risk and/or that job performance is not affected by use of the drug. Otherwise, the employee may be required to take a leave of absence or comply with other appropriate measures.

Violation of this policy will result in corrective action, including discharge, even for a first offense.

Drug and Alcohol Testing

Drug and/or alcohol tests may be conducted in any of the following situations:

- Post Offer Pre-Employment Testing: As a pre-qualification to assuming any position, prospective employees may be required to provide a body substance sample for drug testing.
- Post-Accident Testing: Any current employee who is involved in an incident or accident while on duty, whether on or off the employer's premises.
- Fitness-For-Duty or Reasonable Suspicion Testing: This test may be required if significant and observable changes in employee performance, appearance, behavior, speech, etc. provide reasonable suspicion of his/her being under the influence of drugs and/or alcohol. A fitness-for-duty evaluation may include the testing of a body substance sample.
- Compliance with DOT (Department of Transportation) guidelines.

Additional information relating to EPIC's Drug and Alcohol policy is contained in the Administrative Policy and Procedure Manual. Please refer any questions regarding this policy to Human Resources.

OCCUPATIONAL HEALTH AND SAFETY

Safety is a condition of employment. All employees must follow safe working practices and instruct others to work safely. Employee safety is an integral part of EPICs operation.

The administration of the program is assigned to our managers and supervisors. Managers and supervisors have been given the full responsibility to enforce the safety procedures developed for each job function. However, prevention of injuries in our operation is only possible through a team effort doing everything possible to provide a safe working environment. We expect all employees to do everything possible to avoid creating conditions that can result in injury.

Employees are expected to follow all applicable safety procedures and when uncertain of the safe way to do the job, ask for help. We ask employees to inform their supervisors of any perceived hazards and we expect each employee to exhibit the same enthusiasm and pride in supporting our safety program that we do in providing the service that our clients expect from us. Let us work together to maintain a safe environment for all of us.

EPIC has a position dedicated to safety related items. He/she may be contacted at any time for questions or requests related to safety related items.

Accidents

All accidents must be immediately reported to the employee's immediate manager, to Human Resources. Any injury that, no matter how minor, occurred at the workplace or during the course of employment must be reported promptly. Failure to properly notify management may result in disciplinary action up to and including termination. All accidents, whether to an employee, Customer/Patient, or visitor, must be immediately reported to a supervisor and/or Human Resources.

Safety

It is our policy to provide and maintain a safe working environment for our employees. By using good judgment, following proper safety procedures when lifting and carrying heavy objects, and operating equipment properly, employees will help EPIC meet its objective of preventing personal injury and property damage. Employees who jeopardize or violate health and safety rules are subject to corrective action, up to and including discharge.

CODE OF SAFE PRACTICES

It is the policy of EPIC to comply fully with all State and Federal safety laws that apply to our operations. We will do everything possible to provide our employees with safe working conditions and we require, as a condition of employment, employees' compliance with the applicable safety procedures, including the use of Personal Protective Equipment (PPE) for their specific job assignment. Failure to follow these safety responsibilities will lead to corrective action up to and including discharge.

It is every employee's responsibility to be aware of the safety guidelines for EPIC. Established safe work procedures are general in nature and apply to all employees. No book of safety rules can cover all possible conditions, therefore, we expect employees to evaluate each situation and use the safest and most efficient methods before carrying out their job assignments. Please direct all safety related questions to a supervisor. The Administrative Manual of Policies and Procedures contains additional information related to this topic.

FIRST AID AND PERSONAL PROTECTIVE EQUIPMENT (PPE)

First aid kits and PPE are located in each department. All injuries on EPIC property must be immediately reported to a supervisor and Human Resources. PPE must be worn when circumstances require its use. EPIC provides PPE and training on its use through Clinical Support Services and the Safety Department.

GENERAL HOUSEKEEPING

EPIC wants to provide an attractive and pleasant atmosphere for its employees and clients. All employees are expected to keep their work areas clean, organized, and uncluttered, including such items as the refrigerator, microwave and coffee maker. Please help in this regard by cleaning up and disposing of food, drink and trash properly at the end of each rest or meal period.

ERGONOMICS

EPIC is subject to Cal/OSHA ergonomics standards. EPIC encourages safe and proper work procedures and requires all employees to follow safety instructions and guidelines. EPIC believes that reduction of ergonomic risk is instrumental in maintaining an environment of personal safety and well-being, and is essential to our business. We desire to create a risk-free environment. Questions regarding ergonomics should be directed to Human Resources.

BLOOD BORNE PATHOGENS

Where contact results in an eye, mouth, or non-intact skin contact with blood or other potentially infectious materials, EPIC will immediately offer the employee appropriate vaccinations through and/or other appropriate treatment through EPICs designated provider. Additional information regarding this topic is available in the Injury Illness Prevention Program (IIPP) booklet and in the Organized Plans of Operation.

EMERGENCY ACTION

As part of the Departmental Orientation provided to all employees on the first day of work within a department, employees will be shown the location of all safety equipment and routes to exit. Employees are required to know the location of all emergency exits in their work area and the routes to these exits. Ask your supervisor or other department management staff about their location.

Employees must know the location of all alarms and fire extinguishers and become familiar with the proper use of emergency equipment should the need ever arise. Employees are also to review and become familiar with EPIC's emergency evacuation plan and to clarify any unclear aspect of our emergency procedures with their supervisor or Human Resources. Your supervisor will explain how you can best help in case of fire or disaster.

Medical emergencies involving patients occasionally occur at medical group facilities. It is important during this critical moment that all personnel deal with the emergency calmly and professionally. The Code Blue procedure outlines the responsibility of the medical, nursing and clerical staff during a medical emergency. Applicable employees must become familiar with these procedures, and know the location of the Organized Plans of Operation Manual located in your department.

EPIC RED

EPIC maintains an Emergency Operations Center (EOC) that includes members of the Executive Team. In the event of an emergency, EPIC uses many forms of technology to communicate.

When an emergency event occurs, or when the EOC members declare a need for communication to employees, all involved employees should call 1-844-EPIC RED, or 1-844-374-2733. Messages of direction will be placed at this number that will provide instruction on where, when, and how to report to work. EPIC employees are strongly encouraged to put these numbers in their personal and/or work cell phones, if applicable.

For employees who have registered their personal cell phones in the EPIC system, EPIC will send text blasts to notify employees of the need to call 1-844-EPIC RED, or employees may call the number should an event occur.

WORKPLACE SECURITY AND ANTI-VIOLENCE POLICY

EPIC has a zero tolerance rule for any threat or act of violence in the workplace, and it is committed to providing a workplace that is free from acts or threats of violence. Although some kinds of violence result from societal problems that are beyond EPIC's control, EPIC believes that certain measures can increase protection for employees and help provide a secure workplace. Accordingly, EPIC prohibits any employee from threatening or committing any act of violence in the workplace or while on EPIC business. This policy also forbids employees or anyone else (except authorized armed security or police personnel, acting in their official capacity) from carrying or bringing a gun or any weapon on EPIC premises or while conducting EPIC business.

Employees are expected to help EPIC keep the workplace free from illegal, unauthorized or potentially violent or dangerous activities. Any employee who is subjected to or threatened with violence by a co-worker, resident or vendor, or is aware of another individual who has been subjected to or threatened with violence, is to report this information to Human Resources immediately. The matter will be handled appropriately and with as much confidentiality as possible. All reports of such activities including workplace violence will be taken seriously, investigated thoroughly, and corrected promptly.

Employees should request assistance from the nearest available manager to help resolve any difficult situation or security problem (Code First Available Supervisor). Do not confront any person who is hostile or overly agitated. Instead, immediately report to management any person(s) who acts in a suspicious, hostile, or violent manner.

If an employee is confronted by an individual threatening harm, and is ordered to call for a supervisor or manager, the employee should call and use the term "**Client Services to Assist**". This term will alert the receiver of the call that there is an immediate threat in the area and emergency services should be contacted.

In addition to these efforts, all employees are to notify management of any security hazards. Recommendations of appropriate action to prevent workplace violence and limit access to work areas by unauthorized persons should be made to management or Human Resources.

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MISCELLANEOUS POLICIES – SECTION H

EPIC SPONSORED SOCIAL EVENTS

Employees are not required to attend or participate in any on or off-duty party or recreational, social, charitable, or athletic activity. EPIC periodically may sponsor such voluntary activities for employees and their immediate families, but no employee is required or expected to attend.

Participation in any off-duty EPIC sponsored recreational, athletic, or social activity is strictly voluntary and is at the employee's own risk. EPIC assumes no liability for any injury or accident arising out of any off-duty party, social event or recreational activity. It is important to remember that injuries or illnesses that may result from participation in an EPIC sponsored recreational, athletic, or social activity are not covered by Workers' Compensation Insurance.

Employees are advised and expected to refrain from drinking alcoholic beverages or engaging in any other activity to the extent that it would cause him/her to be unfit for the safe operation of a motor vehicle, or to behave in an intoxicated or disorderly manner. Any employee who feels his or her driving skills or reaction times might be impaired, even a little, should not drive. Safe options include but are not limited to: taking a cab home, calling a friend or relative for a ride, asking another employee who has not been drinking alcohol for a ride home, or requesting any supervisor or manager to arrange transportation.

The behavior of all employees and their guests attending an EPIC sponsored social event is expected to conform to the provisions in the Conduct Guidelines section in this Handbook.

LEGAL SERVICE

If a Process Server is on-site to serve an employee, the Process Server should not be allowed to wander the halls searching for an employee. The Process Server should be directed to Human Resources. The Process Server may leave documents with HR, and the employee will be notified that to come to HR for paperwork that may require some attention.

LACTATION ACCOMMODATION

EPIC provides sufficient break time for employees who are breast-feeding to express milk at work. When possible, this need should coincide with the employee's paid rest time. Any additional time that is needed will be unpaid. When possible, supervisors will consider flexible schedules to accommodate an employee's needs. In addition, EPIC provides a private room or space, close to an employee's work area, other than a restroom, to express milk.

LITERACY EDUCATION

EPIC wishes to assist employees who require time off to attend an adult literacy program. Any employee who needs time off to attend such a program should inform Human

Resources. EPIC will attempt to make reasonable accommodations for the employee by providing unpaid time off unless it would cause an undue hardship. It will also attempt to safeguard the privacy of the employee's enrollment in such a program.

MEDIA CONTACT

Information is not to be given to the media by a staff member. In the event the media makes contact, the staff member should request the name, phone number and the organization represented. The staff member should give that information to the Chief Executive Officer, the Chief Financial Officer, Vice President of Network Development, Vice President of Operations and Administration, or the Vice President of Human Resources, as applicable, who will contact the media.

REIMBURSEMENT OF BUSINESS EXPENSES

Reimbursement receipts must be submitted for processing as soon as business expenses are incurred, but they must always be submitted within thirty (30) days of the expense.

EPIC will not reimburse for receipts that are received by Finance and that are more than ninety (90) days from the expenditure.

Failure to submit receipts in a timely manner increases the possibility of lost receipts, may create budgeting challenges when fiscal years are mixed, and demonstrates disregard for best practices.

All such expenditures must be documented on an expense report that is submitted to the Finance Department for review and approval. All original receipts for expenses are to be attached to the expense report with an explanation as to the nature of the expense. In the case of promotional or entertainment expenditure, the names of the persons and the business purpose for the meeting must be included.

EPIC must approve all business expenses, including any airline travel or hotel reservations, before they are incurred. Expenses will be paid by the employee and reimbursed upon submitting an expense report and receipts, unless a travel advance or other arrangements have been made. For questions regarding how particular expenses should be handled, contact the Finance Department, or check with your supervisor, manager or Department Director before incurring any such expenses. Please see the Administrative Policy and Procedure Manual for additional information related to this topic.

VISITORS

All visitors must enter EPIC facilities at the main entrance and must not enter work areas without specific management permission. Any unauthorized person or persons on EPIC property will be asked to leave immediately. Those employees who allow unauthorized visitors to enter the premises in any way will be subject to corrective action.

LOST AND FOUND

If you lose or find personal property, report the loss or deliver the articles to the Human Resources Office, the Site Administrator, or Site Manager. The owner, patient or an employee who has lost property may claim lost articles by properly identifying an item.

PARKING

Appropriate parking guidelines have been established to facilitate adequate patient access and availability. Parking standards vary dependent upon facility, however some general guidelines apply to all locations. Any questions regarding your specific location need to be addressed with the Site Administrator or Site Manager.

The following policy must be adhered to by all employees working at the main **Redlands** facility, or at the sites on **Cajon Street** given limited parking availability. The following guidelines are to be adhered to unless authorization has been obtained by Administration or Human Resources in advance.

- No employee parking within the patient parking lots or adjacent to the medical/business facilities. These areas are strictly for the use by our patients/clients. Evening hours staff may, with prior approval, relocate their vehicles closer to the facility beyond 4:00 p.m.
- Parking in any City restricted, business designated area, or in front of residences is subject to discipline, fines, and/or towing. Maps are available for specific guidelines.
- Parking in designated employee parking areas is by reservation only through the Site Administrator's office. Waiting lists are available on a first come first serve basis.
- We encourage utilization of the employee shuttle bus for transportation between the facilities and designated parking areas. These areas may change periodically, with the main area located across from the Redlands Mall on Fourth St. The time schedule is available in Human Resources. The shuttle runs from 6:50 a.m. to 6:30 p.m. regularly. Employees riding the shuttle are eligible for monthly drawings.

Disciplinary action up to and including discharge may occur in those instances where employees disregard these and facility standards, repeated violations, infringe upon business or residential parking availability or City ordinances.

RIDESHARE

In keeping with local and State efforts, EPIC encourages your participation in our Rideshare Program. Carpooling, biking, walking, or using the bus transportation system are all options of Rideshare. The program is cost effective for you to share your commute, and we are all rewarded by efforts made to improve the air quality. Below is a listing of incentives that are provided to employees:

1. Preferential Parking - Preferential parking will be provided for carpoolers in the Alliance Church parking lot on Cajon St.
2. Prize Drawings - There will be prizes for those who participate in the semi-annual Rideshare Week Promotions.
3. Bus Passes - Provided the employee utilizes the bus pass 80% of the time in getting to work, EPIC will be responsible for 50% of the cost and the employee will be responsible for the balance.

4. Commuter Choice Programs - Offered by the County of San Bernardino, reward programs are available to new and continuing participants.
5. Rideshare Matching Services - The Inland Empire Commuter Services provides an informational rideshare brochure to all new hires and once annually to all employees.
6. Guaranteed Ride Home - EPIC will provide transportation home for any employee who carools but, due to an emergency situation, needs a ride home.

APPENDIX

This appendix contains employees' copies of the documents listed below that employees are required to sign as a condition of employment by EPIC. After being signed and dated by the employee, the original copy is to be placed in the employee's personnel file and a copy provided to the employee.

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(Mutual/Bilateral Arbitration)

EMPLOYEE COMPLIANCE & CONFIDENTIALITY ATTESTATION AGREEMENT

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**EPIC Management, LP
GENERAL COMPREHENSIVE AGREEMENT**

Mutual/Bilateral Arbitration

1. It is hereby agreed by and between _____ (hereinafter "Employee") and EPIC Management, LP (hereinafter "EPIC") that the employment and compensation of Employee can be terminated by EPIC or the Employee, at-will, with or without cause and/or with or without advance notice, at the option of either EPIC or the Employee. It is further agreed and understood that the nature of employment, which includes EPIC's right to discipline, demote or transfer an employee with or without cause or advance notice may not be changed, waived, or modified, except in an individual written employment contract, signed by both the Employee and the Chief Executive Officer or authorized member of the Board of Directors of the company.

2. To the fullest extent allowed by law, any controversy, claim or dispute between Employee and EPIC (and/or any of its owners, directors, officers, employees, affiliates, or agents) relating to or arising out of Employee's employment or the cessation of that employment will be submitted to final and binding arbitration in the county in which Employee work(ed) for determination in accordance with the American Arbitration Association's ("AAA") National Rules for the Resolution of Employment Disputes, as the exclusive remedy for such controversy, claim or dispute. In any such arbitration, the parties may conduct discovery to the same extent as would be permitted in a court of law. The arbitrator shall issue a reasoned, written decision, and shall have full authority to award all remedies, which would be available in court. EPIC shall pay the arbitrator's fees and any AAA administrative expenses. Any judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Possible disputes covered by the above include, but are not limited to, unpaid wages, breach of contract, torts, violation of public policy, discrimination, harassment, or any other employment-related claims under laws including but not limited to, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, the National Labor Relations Act, and any other statutes or laws relating to an employee's relationship with his/her employer, regardless of whether such dispute is initiated by the employee or EPIC. Thus, this bilateral arbitration agreement fully applies to any and all claims that EPIC may have against an employee, including but not limited to, claims for misappropriation of EPIC property, disclosure of proprietary information or trade secrets, interference with contract, trade libel, gross negligence, or any other claim for alleged wrongful conduct or breach of the duty of loyalty by an employee. However, claims for workers' compensation benefits and unemployment insurance (or any other claims where mandatory arbitration is prohibited by law) are not covered by this arbitration agreement, and such claims may be presented by either Employee or EPIC to the appropriate court or government agency. BY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH EMPLOYEE AND EPIC GIVE UP ALL RIGHTS TO TRIAL BY JURY. This arbitration agreement is to be construed as broadly as is permissible under applicable law.

3. It is further agreed and understood that any agreement contrary to the foregoing must be entered into, in writing, by the Chief Executive Officer or authorized member of the Board of Directors of the company. No supervisor or representative of EPIC, other than its Chief

Executive Officer or authorized member of the Board of Directors of the company, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement.

4. This is the entire agreement between EPIC and the Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

Signed at _____, California, this _____ day of,
_____, 2_____.

(Employee Signature)

Employee Compliance & Confidentiality Attestation Form

Facility: _____ Department: _____

Name: _____ Email Address: _____

This form will be signed by all employees to signify their awareness of compliance efforts at EPIC Management, LP (referred to herein as "EPIC"). By signing below, I attest and certify that:

1. I understand that EPIC is committed to the ethical provision of health care and management of business activities.
2. I understand that EPIC is committed to billing only for services that were actually rendered and are medically necessary to the health and well being of our patients.
3. I understand that EPIC is committed to assessing and coding accurately the services provided.
4. I understand that EPIC is committed to adhere to all contracts and agreements it is a party to.
5. I understand that EPIC is committed to a policy of support for those who identify and report suspected fraud and abuse, including a policy prohibiting retribution or retaliation against staff members who report suspected fraud and abuse.
6. In keeping with EPIC values, I agree to conduct my duties in an ethical manner.
7. I understand that I have an obligation to report suspected instances of fraud or abuse.
8. I understand that, if I am listed on the OIG List of Excluded Individuals and Entities (LEIE), the General Services Administration (GSA) list of debarred contractors, or other federal exclusion lists, EPIC cannot employ me.
9. I certify that I am not listed on the LEIE or the GSA list of debarred contractors.
10. I know that Sherry Miller, Corporate Compliance Officer is EPIC's Compliance Officer.
11. I understand that adherence to organization policy, laws and regulations is a condition of my employment and that disciplinary action, up to and including discharge, will result from deliberate acts of noncompliance.
12. I understand that I am not authorized to release any patient information unless authorized by the patient or patient's appointed representative unless it is within the scope of treatment, payment, or business operations as regulated by the Healthcare Information Portability and Accountability Act (HIPAA).
13. I agree to read and to comply with the standards contained in the EPIC's Code of Conduct booklet.
14. I will only access business information for which I have legitimate business purposes.
15. I understand that medical, personal and personnel information, including that of physician records, is confidential and restricted to legitimate medical need to know for diagnoses, treatment and care of a particular patient, or for health care, general business or human resource operations and may be accessed only as outlined in my job description.
16. I will exercise the "minimum necessary rule" when accessing or releasing information as permitted through the course of my duties.
17. I understand that this rule requires me to determine what minimum information sets are required to carry out the purpose of the access or disclosure. Nothing beyond what is needed will be accessed or released.

18. I will hold confidential information in the strictest confidence and not disclose information to any person or in any manner, which is inconsistent with applicable policies and procedures.
19. I understand that access to computerized data is granted to employees for legitimate job related use.
20. I understand that I am not authorized to grant access to the EPIC computerized information system to another individual by divulging my password.
21. I understand that I must close the EPIC computerized information system containing patient identifiable information if I leave my computer for any period of time.
22. I understand that patient information may only be stored in authorized locations such as a hard copy medical record jacket. Exceptions may be incorporated into departmental procedures as an exception approved in writing by EPIC.
23. I understand that all patient identifiable information including labels, copies etc., must be shredded or disposed of in a designated confidential shred bin.
24. I understand that patient identifiable information will be backed up to a network location or other authorized backup. I will not copy patient identifiable information to a floppy disk, hard drive, CD or other portable storage device. Exceptions may be incorporated into the department procedure so long as approved by EPIC's CEO.
25. I understand that patient identifiable information such as medical records, x-rays, etc. will not be transported in personal vehicles unless there is specific authorization from a manager or physician to do so.
26. I understand that disciplinary action or termination of employment, privileges, or educational affiliation, will conform to current human resources procedures, medical staff bylaws, or other applicable rules and regulations of EPIC Management.
27. I understand that legal action could be taken against me on behalf of the person whose information I inappropriately disclosed.
28. I understand that fines and/or incarceration may also be imposed for the inappropriate release of patient identifiable information.
29. I understand that these listed obligations shall continue indefinitely, including after my employment separation with EPIC.
30. I understand that EPIC reserves the right to occasionally amend, modify and update its Code of Business Standards, Code of Conduct and the Conflict of Interest policies.

If you have any questions regarding the contents of this form, contact the Compliance Officer at 909-478-5137.

Name _____
(Please Print)

Signature _____

Date

**ACKNOWLEDGEMENT OF RECEIPT OF
EPIC Management, LP
EMPLOYEE HANDBOOK**

Employee Name
(Please Print)

This will acknowledge that I have been given a copy of EPIC Management, LP (herein after "EPIC") Employee Handbook. I understand that this Handbook supersedes all previous employee handbooks, written policies, oral and written agreements, procedures, manuals, and memoranda regarding the terms and conditions of my employment. I acknowledge that I am expected to read, understand, and adhere to EPIC policies documented in this Handbook. I understand it is my responsibility to comply with the policies contained in this Handbook and any revisions made hereafter.

In accordance with the at-will relationship, I understand and agree that I have the right to leave EPIC employment under the conditions provided in this Handbook, and that EPIC has the right to terminate my employment at any time, with or without cause or advance notice during my employment as determined at the sole discretion of EPIC. I understand that the nature of my employment, which includes the right of EPIC to demote, transfer or discipline me cannot be changed, waived, or modified, except in an individual written employment contract, signed by both me and the Chief Executive Officer or authorized member of the Board of Directors of the company.

I understand that the statements contained in the Handbook are not intended to create any contractual or other legal obligations of EPIC. I further understand that EPIC may revise, modify, supplement, or rescind any of the policies summarized in this Handbook without advance notice to me.

I understand that if I am an employee who is covered by this Handbook and I have subsequently entered into a written employment agreement signed by me and the Chief Executive Officer or authorized member of the Board of Directors of the company, the guidelines, procedures and benefits discussed in this Handbook are not applicable to the extent they are inconsistent with my written employment agreement. However, if the written agreement does not address conditions or terms set forth in the Handbook, the Handbook shall apply to me.

Employee Signature

Date