

Employee Handbook

University of Cincinnati Physicians, Inc.

Effective: January 1, 2009

Revised: April 1, 2009



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SECTION 1

Introduction

101. Mission of University of Cincinnati Physicians, Inc.

University of Cincinnati Physicians, Inc. (UCP) is established and organized as the sole, single corporate structure of the faculty of the University of Cincinnati College of Medicine (UCCOM) to provide clinical patient care services to the Greater Cincinnati community in the furtherance of the UCCOM's mission. UCP's role is to provide an integrated Faculty Practice Plan and corporate structure that will organize, manage and deliver the clinical activities and professional medical services of the UCCOM faculty through its Faculty Practice Plan.

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102. Purpose of this Handbook

This Employee Handbook has been formulated to assist employees of University of Cincinnati Physicians, Inc. ("UCP") in answering questions regarding UCP's operations. This Handbook supersedes any and all prior policies or practices, verbal or written. Please read this Handbook carefully, for it defines the employment relationship with UCP. All employees are responsible for knowing, understanding, and abiding by its contents.

This Handbook is presented only as a matter of general information. It is not intended to create, and does not create, a contract of employment, either expressed or implied, between UCP and any of its employees for employment, hours of work, or the provision of any particular benefits. UCP employees are employees-at-will, as defined in the "Employment Relationship" section (Section 201).

Formal Plan Documents set forth the eligibility, participation, coverage, benefits, limitations, exclusions, and other requirements and provisions which govern any applicable UCP benefits policy. Employees must refer to these formal Plan Documents to locate the actual provisions that govern each such policy. Employees may not rely on this Handbook or any other representations to the extent they differ from the terms and provisions set forth in the Plan Documents.

UCP may modify, revoke, suspend, terminate, or change any or all of its plans, procedures, and policies, including without limitation, those in this Employee Handbook and in any formal Plan Documents, in whole or in part, at any time, retroactively or prospectively, and with or without prior notice to employees. UCP may also implement new or different plans, procedures, and policies at any time, should it choose to do so. UCP's interpretation of any of its plans, procedures, and policies, both in this Handbook and in the formal Plan Documents, is final and binding.

This Handbook covers all UCP employees, including both hourly and salaried, full-time and part-time, and exempt and non-exempt.

Further information concerning UCP's policies, procedures, and benefit plans can be obtained from the Human Resources Department.

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SECTION 2

Employment

201. Employment Relationship

All employees are employed by UCP to perform the work assigned to them by UCP management. All employment with UCP is “employment at will,” which means that it is not for any specific period of time and, just as any individual employee is free to resign at any time and for any or no reason, UCP likewise retains the right to terminate any individual’s employment at any time, with or without cause and with or without prior notice or warning.

Nothing contained in this Employee Handbook promises, guarantees, or represents to any employee that he/she has any right to continued employment or any protection against termination of employment by UCP at any time. Employees should not, and UCP does not expect any employee to, take any action or refrain from taking any action based on the existence of this Employee Handbook or any of the provisions set forth herein.

No promise, statement, action, or event constitutes or provides a basis for an employment contract with any employee that is binding on UCP. “Promises, statements, actions, or events” include purported guarantees and representations, whether made verbally, in writing, or by any other method, customs, courses of dealing, UCP policies and practices, and the character of the employment. If any employee believes that any such promise, statement, action, or event has resulted in or provides a basis for an employment contract with him/her that is binding on UCP, the employee must immediately report this in writing to UCP’s Human Resources Department. Employees should not, and UCP does not expect any employee to, take any action or refrain from taking any action based on any such purported promise, statement, action, or event.

By accepting employment with or by continuing in the employment of UCP, including the receipt of compensation and benefits provided by UCP, after receiving a copy of this Handbook, each employee recognizes that he/she is an employee-at-will whose employment may be terminated by UCP at any time and in its sole discretion, and that the employee is employed by UCP as defined in this section.

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202. Non-Discrimination/Equal Employment Opportunity

It is UCP's policy to provide equal employment opportunities to all qualified employees and applicants for employment, consistent with applicable federal, state, and municipal equal employment opportunity laws prohibiting discrimination based on race, color, religion, sex (including pregnancy), national origin, ancestry, age, disability, military service, or any other legally-protected characteristic or status. This policy applies to all terms and conditions of employment and all aspects of the employment relationship including recruiting, hiring, placement, evaluation, promotion, transfer, leaves of absence, compensation, benefits, bonuses, training, discipline, reductions in force, and termination.

Additionally, if any applicant or employee believes that he/she may require a "reasonable accommodation" based on his/her "disability," as those terms are defined under applicable federal and/or state law, the employee should promptly contact his/her manager or the Human Resources Department to discuss the matter. UCP is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"), as amended, and analogous state laws.

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203. Employment Classifications

1. Full-Time

Full-time employees are those designated by UCP as full time and who are regularly scheduled to work at least 32 hours per week (if hourly). Full-time employees receive all applicable benefits as outlined in this Handbook and accrue Paid Time Off ("PTO") and paid Long Term Sick ("LTS") hours/days (see Sections 303 and 304) on a prorated basis depending upon actual hours worked.

2. Part-Time Regular

Part-time regular employees are those designated by UCP as part-time regular and who are regularly scheduled to work at least 24 but less than 32 hours per week. Part-time regular employees accrue PTO and LTS on a prorated basis depending upon actual hours worked, and will be eligible to receive holiday pay (see Section 302. Holidays). Part-time regular employees can purchase health, dental, and vision insurance at a higher premium rate and are eligible to contribute to a flexible spending account. Part-time regular employees are not eligible for life insurance, LTD, tuition reimbursement, or any of the other employment benefits set forth in this Handbook other than those noted above.

All employees regularly scheduled to work 24 hours or more per week will be eligible for health, dental, and vision insurance benefits on the first day of the following month after date of hire.

3. Part-Time Casual

Part-time casual employees are those designated by UCP as part-time casual and who are regularly scheduled to work less than 24 hours per week. Part-time casual employees accrue PTO and LTS on a prorated basis depending upon actual hours worked, and will be eligible to receive holiday pay (see Section 302. Holidays). Part-time casual employees are not eligible for any other employment benefits set forth in this Handbook.

4. PRN (per diem)/Temporary

PRN (per diem)/Temporary employees are those designated by UCP as PRN and/or Temporary and who are scheduled to work as needed with no set schedule. PRN/Temporary employees are not eligible for UCP's employment benefits.

5. Exempt Status

Employees in certain salaried positions who meet specific requirements under the federal Fair Labor Standards Act and/or applicable state laws are “exempt.” Exempt status employees are compensated on a salary basis and thus are not entitled to receive overtime pay for hours worked over 40 in a work week.

6. Non-Exempt Status

Employees in all other hourly or salaried positions which do not meet the legal requirements for the above-referenced “exempt” status are “non-exempt.” Non-exempt status employees will receive overtime pay for all actual hours worked over 40 in a work week. Note, however, that any and all overtime must be specifically authorized in advance by the employee’s manager.

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204. Orientation Period

The orientation period is a three-month period for new employees or employees internally transferred or promoted to a new position. It is a period of adjustment and adaptation, both personally and in terms of learning the job requirements and work rules. During this period, both the employee and his/her manager should pay particular attention to job performance and progress, and the employee’s manager may offer advice and counseling periodically or if a problem becomes apparent.

At all times during and after the orientation period, however, employment will be and shall remain “employment at will” as defined in Section 201. Successful completion of the orientation period does not imply continued employment on any terms other than “employment at will”. In addition, the ability to achieve a satisfactory level of job performance and meet the expectations for his/her position will continue to be monitored and evaluated for all employees.

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205. Outside Employment

A UCP employee may engage in secondary employment outside UCP only during times when the employee is not scheduled for work at UCP and provided that UCP management approves such outside employment in advance and agrees that it (1) neither interferes, nor is inconsistent or in competition, with performance of the employee’s UCP duties, and (2) does not raise questions of conflict of interest regarding interests or work in which the individual employee or UCP is involved. It is each employee’s obligation and responsibility to seek and obtain advance approval before engaging in any outside employment.

Notwithstanding the foregoing provisions, all full-time employees are expected to treat their UCP employment as their first priority. All employees, moreover, are subject to being called at any time to perform their normal duties and/or overtime work, and may be assigned to any shift on a temporary or permanent basis. If called, employees are expected to report to work at UCP as needed, regardless of whether they engage in any outside employment.

Exempt employees engaging in an outside activity as a representative of UCP (during scheduled or non-scheduled work hours) must return any payment or honorarium for the activity to UCP. Exempt employees must have prior approval from their manager before engaging in any secondary employment which directly or indirectly relates to their areas of responsibility at UCP.

If a non-exempt employee engages in any outside activity as a representative of UCP and receives his/her regular rate of pay from UCP for the activity, any payment or honorarium for the activity must be returned to UCP.

• *Effective: January 1, 2009*

206. Employment of Relatives; Dating

The employment of relatives or of individuals involved in a dating relationship within the same area of an organization may cause significant interpersonal conflicts, problems with favoritism (real or perceived), and/or employee morale issues. In addition to potential claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships, causing disruptions in the work of the individuals involved and/or their coworkers.

Accordingly, UCP will not select the relative of a current UCP employee for any position that would be reporting directly to, or supervising, his/her relative. Likewise, individuals involved in a dating relationship with a current employee may not occupy a position that would be working directly for or supervising the employee whom he/she is dating. UCP also reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority.

For purposes of this policy, the term “relative” shall include an employee’s spouse, children, parents, siblings, brothers- and sisters-in-law, sons- and daughters-in-law, mother-in-law, father-in-law, aunts, uncles, nieces, nephews, stepparents, and stepchildren.

If a relative relationship or dating relationship is established between current UCP employees who are already in a reporting situation described above, it is the responsibility and obligation of the manager involved in the relationship to disclose the existence of the relationship to the Human Resources Department. The individuals concerned will be given the opportunity to decide who is to be transferred to another available position, if one exists. If that decision is not made within 30 calendar days, UCP management will decide who is to be transferred or, if necessary, terminated from employment.

In other cases where a conflict or the potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment at UCP’s sole discretion. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

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207. Transfers

All employees have the benefit of being able to apply for a position in another UCP department. Absent unusual circumstances, the employee must have been in his/her current position for a minimum of six months to be considered for a transfer. Open positions generally will be posted by the Human Resources Department. Any current employee interested in a posted position must notify the Human Resources Department and complete an application. The Human Resources Department will then notify the hiring manager of the employee's interest in and eligibility for transfer. Once an employee has accepted a position in another department, the employee must give a minimum of two weeks' notice of the transfer to his/her current manager.

- *Effective: January 1, 2009*

208. Employment Verification

Active Employees

When banks, lending institutions, creditors, etc., call to verify employment information, the Human Resources Department will require a signed release from the employee before any information will be given. Many such creditors have a release of information statement in the application. The Human Resources Department must have a signed copy of the release (a fax copy will suffice) and will keep a copy of the release in the employee's personnel file. Basic information usually requested may include date of hire, gross or net income, date of next raise and amount, and probability and/or likely duration of continued employment. Any statement which UCP may make with respect to an employee's probability and/or likely duration of continued employment should not be construed as a promise of continued employment, and shall not affect the employee's "employment-at-will" status as set forth in Sections 102 and 201 of this Handbook.

Former Employees

When a prospective employer calls to request employment information regarding a former UCP employee, the Human Resources Department will require a signed release from the employee before any information will be given. The Human Resources Department must have a signed copy of the release (a fax copy will suffice) and will keep a copy of the release in the employee's personnel file. It is general UCP policy to release only the following information: date of hire, separation date, and position(s) held. If additional information is requested, the employee must specifically identify such information and state in the signed release that he/she authorizes the disclosure of the additional information.

- *Effective: January 1, 2009*

209. Termination of Employment/Exit Interviews/Rehire

Termination of Employment/Exit Interviews/Rehire

While UCP hopes that the employment relationship between each employee and UCP will be mutually satisfying, rewarding, and beneficial, employee turnover for a variety of reasons is an unavoidable personnel issue in any organization. To assist both managers and departing employees, the following policy will apply:

1. All voluntarily separating employees should provide to their immediate manager a letter of resignation. This letter must include the resignation effective date and be signed by the employee.
 - UCP requests that all voluntarily-separating employees give their manager a written notice of at least two calendar weeks in advance of their final day to be worked.
2. Upon receiving a resignation letter, the employee's manager should immediately forward it to the Human Resources Department, who will then initiate a Separation Checklist.
3. A Human Resources representative will conduct an Exit Interview with the employee prior to or on his/her last day of employment. All UCP property should be collected and the separation form completed. In addition, benefit options will be discussed.
4. Final paychecks are issued only on regular paydays.
5. Any amounts owed to UCP by the departing employee (i.e. lost, damaged, or unreturned UCP property) will be deducted from the employee's final paycheck and/or payout of accrued benefits (if any) to the fullest extent permitted by applicable law.

Rehire

An employee who is rehired within six months of his/her separation date will be reinstated with his/her original date of hire and will accrue PTO and any other applicable employment benefits at the same rate of accrual as when the employee separated.

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SECTION 3

Employee Benefits

301. Employee Benefits

UCP provides eligible employees with a wide range of employment benefits. A number of the programs (such as Medicare tax contributions, workers' compensation, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a number of factors, including employee classification. The Human Resources Department can identify the programs for which each employee is eligible. A general summary of many of these programs can be found elsewhere in this Employee Handbook, although the formal Plan Documents always govern the specific terms of each program.

The following benefit programs are currently available to eligible employees:

- Health Insurance
- Dental Insurance
- Vision Insurance
- Flexible Spending Accounts
- Life Insurance and ADD Insurance
- Long-Term Disability Insurance
- Pension Plan – 401(a), 403(b), 457(b)
- Paid Time Off (“PTO”) and paid Long-Term Sick (“LTS”) time
- Educational Assistance (Tuition Reimbursement)
- Paid Holidays
- Workers' Compensation Insurance

Some benefit programs are optional and/or require contributions from the employee desiring to participate. Please contact the Human Resources Department for further information and/or a copy of any applicable Plan Document.

- *Effective: January 1, 2009*

302. Holidays

1. UCP provides the following 10 paid holidays for eligible employees:

New Year's Day	Veterans' Day
Martin Luther King, Jr. Day	Thanksgiving Day
Memorial Day	The day after Thanksgiving
Independence Day	Christmas Day
Labor Day	The day before or after Christmas

2. When holidays observed by UCP occur on a Saturday or Sunday, the holiday will be observed on a workday or either before or after the holiday, as determined by UCP.
3. To be eligible for a recognized paid holiday, a non-exempt employee must have worked and be in active pay status in the calendar week during which the holiday is observed by UCP.
4. Holiday pay for non-exempt full-time and part-time employees will be prorated based on hours worked and paid at the employee's regular rate of compensation. Holiday hours are not counted towards the 40-hour work week for purposes of determining overtime. Holiday pay for an exempt employee is included in the employee's salary. Those employees classified as PRN are not eligible to receive holiday pay.
5. If a UCP paid holiday falls during a period in which the employee is on approved PTO, the employee shall receive holiday pay for that recognized holiday and accumulated PTO hours will not be charged against the employee for that holiday.
6. If a non-exempt employee is assigned to and does work on a holiday, he/she will earn up to eight hours holiday pay based on a percentage of full time equivalent status. In addition, the employee will have the choice as to whether he/she will receive a credit to his/her PTO balance equal to the number of hours worked or receive straight pay equal to the number of hours worked. The employee must notify his/her manager of this choice before the end of the pay period in which the holiday falls.
7. New employees are eligible for holiday pay immediately upon hire (if they otherwise meet the criteria listed above).

8. The determining factor concerning how much holiday time will be received is based on the percentage of full-time employment.
- a. A non-exempt employee generally scheduled to work 40 hours per week is considered a 1.0 Full Time Equivalent (FTE). Thus an FTE would receive 8 hours of holiday pay each time a holiday occurs.
 - b. A non-exempt employee generally scheduled to work less than 40 hours per week would use the following calculation to determine the number of hours of pay received:

Hours generally scheduled and worked divided by 40, times 8.

Example: An employee generally scheduled to work 24 hours per week would receive 24 divided by 40 = .6 times 8 = 4.8 hours of holiday pay

This calculation applies only to non- exempt full-time, part-time regular and part-time casual employees. Exempt employees are paid their full salary amount for holidays not worked and may arrange with their manager for other time off if a holiday is worked.

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303. Paid Time Off ("PTO")

Years of Service PTO

Non-exempt Employees:

0-5 years	13 days
6-10 years	18 days
11 + years	23 days

Exempt Employees

0-5 years	18 days
6-10 years	23 days
11 + years	28 days

All non-exempt full-time, part-time regular, and part-time casual employees will accrue PTO hours on a prorated basis depending upon hours actually worked.

Employees will be eligible to use PTO as it is accrued. Accrual rates will change once an employee advances to the next tier. For example, after an employee has completed five years, on the first day of his/her sixth year the employee will accrue at the new rate. Employees will not be allowed to go into negative accrual status (i.e., may not use PTO before it has accrued). Scheduled PTO must be requested in advance and is granted at the discretion of the employee's manager.

PTO can accrue up to a maximum of 240 hours or 30 days.

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304. Long Term Sick (“LTS”)

All full-time, part-time regular, and part-time casual employees accrue paid LTS time based on actual hours worked. Employees may accrue up to seven LTS days per year and can accrue up to a maximum total of 480 hours or 60 days.

An employee must use accrued PTO for the first three days of illness. If no accrued PTO balance exists, the time is unpaid. Thereafter, an employee may use paid LTS time. Thus, an employee off for an illness of five days would use PTO for the first three days and LTS time for the last two days, assuming the employee has adequate accrued PTO and LTS balances. If an employee has been approved for FMLA leave, LTS can be used the first three days. LTS can be used for illnesses lasting longer than three scheduled work days, FMLA leave, immediate hospitalization (admittance to the hospital), same-day surgeries, and invasive procedures requiring minimum conscious sedation. When LTS is used for same-day surgery or an invasive procedure, a minimum of two weeks’ notice must be given to the manager if possible. The Human Resources department must receive from the physician in writing the type of surgery or procedure, date of surgery or procedure, and the number of days the employee will miss. If no PTO/LTS balance exists, then time is unpaid. LTS can only be used for the illness of the employee unless FMLA leave has been approved.

LTS will also be used for and will run concurrently with Family and Medical Leave per the guidelines of the Family and Medical Leave Act (see Section 505).

Employees will not be allowed to go into a negative accrual status for LTS (i.e., may not use LTS time before it has accrued).

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305. Parking Allowance

To help defray the cost of on-campus parking, UCP provides a monthly allowance to employees who pay for parking on the University of Cincinnati’s East Campus. The dollar amount of the parking allowance will be determined at UCP’s discretion and will be included on each paycheck.

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306. Educational Assistance (Tuition Reimbursement)

UCP offers educational assistance for approved course work in job-related fields. To be eligible for tuition reimbursement, an employee must have completed at least 180 calendar days of employment prior to enrolling and be employed in good standing as a full-time employee.

Employees must apply and obtain approval from the Human Resources Department for the course work prior to enrolling. Courses for the completion of an approved degree, licensing or certification program, and individual courses that are not part of an approved degree program but are job or healthcare-related will be reviewed for approval.

Upon successful completion of course work, which includes the requirement that the employee receive a grade of C or better, the employee must provide proof of payment and an official copy of the grade report to the Human Resources Department. Any monies received by grant or scholarship will not be reimbursed.

Eligible employees will be reimbursed up to \$3,500.00 per calendar year for tuition expenses not including fees or books.

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SECTION 4

Employment Practices

401. Working Hours

UCP's pay period begins on Sundays at 12:00 a.m. and ends on Saturdays at midnight. The normal work week is on a five days per week, 40 hour basis as follows:

- In order to meet the needs of our patients and practice, employees may be scheduled to work flexible hours.
- In case of emergency or as otherwise required by the needs of the practice, managers may authorize (and/or require) overtime.
- Employees are provided with a minimum unpaid lunch period of one half hour. UCP encourages employees to take personal lunch breaks away from their work areas. Managers may set lunch break schedules so that the business needs of UCP's practice and patients are met.
- Each employee is required to be at his/her work station, ready to begin work, at his/her scheduled starting time, and at the end of his/her scheduled lunch period. Each employee is to continue working until the end of his/her scheduled working time.

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402. Recording of Time Worked

All non-exempt employees must accurately record their time worked each day, including arrival time, lunch or other breaks, and departure time. Employees may not record another employee's time. Violation of this policy or falsification of time reporting will not be tolerated and will result in disciplinary action up to and including immediate termination of employment.

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403. Attendance

UCP expects and requires prompt and reliable attendance. Regular attendance is an essential function of every employee's job. Accordingly, excessive tardiness, leaving early, and/or absenteeism will not be tolerated. UCP, in its sole discretion, will address any such attendance problems on an individual basis, including disciplinary action up to and including termination of employment.

Reporting Absences/Tardiness

Employees must personally report all absences and tardiness directly to their manager as soon as becoming aware that they will be unable to report for work because of injury, illness, an emergency, or any other reason. Notification to, or through, another employee is not acceptable. This notice should occur at least one half hour before the beginning of the employee's shift unless circumstances render this impossible. If it is before working hours, the employee may leave a message for his/her manager.

Notification is required to be given for each day absent, unless it is understood that the employee will be absent for a certain number of days.

The mere fact that an employee has reported an absence does not excuse the absence.

UCP may require documentation (medical or otherwise) for any amount of time absent from work.

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404. Overtime

Any and all overtime work to be performed by any non-exempt employee (whether above 40 hours per work week or just beyond the employee's normally-scheduled hours) must be approved in advance by the employee's manager.

Employees are required to work any overtime that is assigned to them.

Overtime pay for non-exempt employees will accrue at 1.5 times the employee's regular rate of pay for all hours actually worked over 40 hours in any given work week. Overtime pay will accrue at the non-exempt employee's regular rate ("straight time") if under 40 hours are worked during any given work week.

For purposes of calculating overtime pay, Paid Time Off (PTO), Long Term Sick (LTS), and holidays are not considered hours worked.

Exempt employees are not entitled to overtime compensation.

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405. Deductions from Pay

1. Deductions from each employee's gross compensation will be made for all amounts required by federal, state, or local law, such as the withholding of taxes.
2. Deductions may be made for any amounts the employee owes to UCP, including but not limited to the value of UCP property that has been damaged, lost, or is in the possession of the employee without authorization.

3. Deductions may be made pursuant to any UCP benefit plans which require an employee contribution for participation.
4. Deductions will be made in response to court orders (e.g., garnishment).
5. Deductions will be made if an employee misses work time and has either not yet accrued, or has already exhausted all previously accrued, PTO and/or LTS.

Any employee, exempt or non-exempt, who believes that his/her pay has been improperly reduced, docked, or otherwise miscalculated should contact the Human Resources Department immediately to report his/her concern. Any such reported concerns will be promptly investigated and, if found to have merit, corrected without retaliation of any kind.

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406. Performance Reviews

UCP will normally conduct a formal performance review of each employee's job performance on an annual basis. Individual performance evaluations also may be conducted more frequently on a case by case basis. These formal evaluations seek to review performance, assess the employee's work, and set goals for the future. Performance reviews will be retained in the employee's personnel file. Employees are required to sign their evaluations (which do not necessarily indicate concurrence with the substance of the evaluation, but rather reflects that the employee has participated in the evaluation process).

UCP will generally, although not necessarily, make adjustments to employee compensation in connection with the annual performance reviews, in its sole discretion.

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407. Employee Data Changes

It is the responsibility of each employee to provide UCP with accurate information for personnel and applicable benefit purposes, and to notify UCP promptly of any changes in such data, including name, address, telephone number(s), Social Security number, names and addresses of spouse and dependents, beneficiaries under benefit plans, number of tax exemptions, citizenship, immigration or work authorization status, individual to be contacted in the event of an emergency, educational accomplishments, and other such information. Employee's whose information changes must notify the Human Resources Department promptly.

Additionally, under the law, the employee or a family member has the responsibility to inform UCP of a divorce, legal separation, death of a spouse or dependent, birth or adoption of a child, or a child losing dependent status under any UCP benefit plan within 30 days of the date of the event. If UCP is not notified, the employee or his/her family members may lose the right to coverage under the Plan.

In order to protect you and your family's rights to benefit coverage, please remember to notify UCP promptly of any such changes.

- *Effective: January 1, 2009*

408. Inclement Weather/Emergency Situations

During periods of inclement weather or other emergency situations, in general because UCP is made up of multiple practices, we will not make announcements that UC Physicians is closing and individual practices should not close due to inclement weather. Employees not reporting as scheduled must charge their absences to their PTO bank or take leave without pay; in that order. Employees absent from work on previously scheduled PTO time must still charge the time to their PTO bank. Employees asking to leave early due to weather conditions must have manager's approval or, in the manager's absence, the approval of another manager or a member of the Executive Committee and must use PTO. Tardiness rules may be waived, depending upon the situation, at the discretion of the employee's manager.

In all circumstances, the employee is expected to notify his or her manager as directed in the Attendance section of the Employee Handbook.

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- *Revised: April 1, 2009*

409. Employee Accident or Injury

It is UCP's intent to comply with all applicable federal, state, and local health and safety regulations and to provide a safe work environment, as free as feasible from recognized hazards. Employees are expected to comply with all safety and health requirements. Should any employee observe any safety or health violation, or any potentially unsafe condition, he/she should promptly report it to his/her manager and/or the Human Resources Department.

In the unfortunate event of an accident or an injury on UCP property or while functioning as an employee of UCP, employees must do the following:

1. Report the accident and any injury, no matter how minor, to his/her manager immediately (unless circumstances render this impossible). The Human Resources Department will provide a managed care organization ("MCO") identification card and instructions to be followed if medical treatment is required.
2. At the time of treatment, if any, the MCO identification card should be presented to any health care provider that is seen.

- *Effective: January 1, 2009*

410. Access to Personnel Files

All employee personnel files are the property of UCP. UCP generally keeps such personnel files confidential. The following procedures have been instituted to maintain confidentiality:

- A manager may examine the personnel file of one of his/her employees, but only based upon a legitimate business need and only within the confines of the Human Resources Department.
 - Personnel files or items therein may not be taken from the Human Resources Department without advance authorization.
 - Personnel records will not be released to third parties unless required by law.
- *Effective: January 1, 2009*

SECTION 5

Leaves of Absence

501. Jury Leave

A leave of absence for jury duty will be granted to any employee who has been notified to serve. An employee must notify his/her manager promptly upon receipt of the jury summons. UCP will pay the employee for each day's jury service and his/her normal earnings, for all days spent in jury service that the employee would otherwise have been scheduled to work. The employee must hand in a copy of the jury duty reimbursement check to his/her manager for verification purposes. The manager will forward the copy of the check to the Payroll Department.

- *Effective: January 1, 2009*
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502. Bereavement Leave

In the unfortunate event of a death in an employee's immediate family, a bereavement leave of absence of up to three days will be granted. Such leave must be taken within a reasonable period of time of the death or date of the funeral, and may not be postponed. Bereavement leave will be charged to LTS time. Additional approved leave may be charged to PTO.

For purposes of this policy, immediate family is defined as mother, father, spouse, son, daughter, sister, brother, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepmother, stepfather, stepchild, stepbrother, stepsister, grandparent, grandchild, or person other than above who resides permanently at the same address as the employee.

If all paid leave is exhausted, UCP will grant unpaid bereavement leave of up to three days.

Employees must make their manager aware of their need for bereavement leave as promptly as possible. UCP may require proof of death and the employee's relationship to the deceased.

- *Effective: January 1, 2009*

503. Maternity Leave

UCP will provide a reasonable period of maternity leave for disability due to pregnancy and/or childbirth for any employee who is not eligible for FMLA leave (e.g., has not yet worked for UCP for at least 12 months). Any request for maternity leave should be made to the employee's manager as soon as the need for such leave becomes known to the employee, and will be treated in the same manner as a leave request for any other type of disability rendering an employee temporarily unable to perform the essential functions of his/her position.

During a maternity leave, the employee will first be required to use any and all accrued PTO and/or LTS time; should the employee not have any accrued PTO or LTS time available, or should the employee exhaust all such accrued paid time off, the remainder of the maternity leave will be unpaid.

The commencement and duration of maternity leave will depend on the individual capacities and the medical status of the employee involved. UCP reserves the right to require medical certification of the need for and duration of any such leave, and a fitness for duty certification prior to the employee's return to work. Each employee will be granted a reasonable period of maternity leave, depending upon her particular medical status. An employee returning from maternity leave will be reinstated to her original position or to a similar position with the same rate of pay and benefits, without loss of service credits.

- *Effective: January 1, 2009*

504. Military Leave

Any employee who either volunteers for or is called to duty with any branch of the United States uniformed services (Army, Navy, Air Force, Marines, Coast Guard, National Guard, and the Reserves of any of same) is eligible for unpaid military leave in accordance with federal law. Notice of the need for military leave must be submitted to UCP in advance unless military necessity prevents the giving of notice. Employees are entitled to military leave for a cumulative total of up to five years, subject to certain exceptions. Employees may elect, but are not required, to use accrued PTO during military leave.

While on military leave, the employee's service with UCP will be considered continuous. Upon honorable release from military service, employees who report back to UCP and/or file an application for employment within certain time periods (which vary depending upon the length of service) are entitled to reinstatement in the position they held or would have held but for the leave (or, depending upon the length of the leave, an equivalent position of like seniority, status, and pay), as well as any seniority-related benefits, as if they had remained continuously employed.

Upon reinstatement following a military leave, the employee may not be terminated without "cause" for a certain period of time depending upon the length of the leave.

UCP does not discriminate against any employee or applicant due to past, current, or future military service or obligations.

Additionally, if an employee is a full-time employee with one year or more of employment with UCP and a member of the military reserve unit that is required to attend a two-week training session annually, UCP provides a plan that allows the employee to perform that obligation without loss of income. UCP will make up any difference between the employee's normal pay and the amount

received in military pay for the two-week period. When returning from military duty, the employee must present his/her military reserve pay voucher to his/her manager and the manager will arrange for the payment.

For any military leave without pay, arrangements may be made with the Human Resources Department for continuation of benefits at the employee's expense, should the employee desire to do so.

- *Effective: January 1, 2009*

505. Family and Medical Leave Act ("FMLA") Leave

The Family and Medical Leave Act ("FMLA") provides eligible employees with up to 12 work weeks of unpaid leave during a rolling 12-month period for certain family and medical reasons as detailed below. The FMLA also now permits an employee who is the spouse, parent, child, or "next of kin" of a member of the United States Armed Forces to take up to 26 workweeks of unpaid leave to care for the service member if the service member becomes seriously injured or ill in the line of duty. During an FMLA leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, the employee generally has a right to return to the same or an equivalent position.

Basic Employee Eligibility Criteria

To be eligible for FMLA leave, an employee must:

- have been employed by UCP for a total of at least 12 months (which need not be consecutive) prior to the date upon which the requested FMLA leave would commence;
- have actually worked at least 1,250 hours for UCP during the 12-month period immediately preceding the commencement of the requested leave; and
- be employed by UCP at a worksite (a) with 50 or more UCP employees or (b) where 50 or more UCP employees are located within a 75-mile radius of the employee's worksite.

Events Which May Entitle an Employee to FMLA Leave

FMLA leave may be taken for any one, or for a combination, of the following reasons:

- the birth of the employee's child or to care for the newborn child;
- the placement of a child with the employee for adoption or foster care or to care for the newly-placed child;
- to care for the employee's spouse, child, or parent (but not in-law) with a "serious health condition," when the employee is needed to help care for the family member;
- the employee's own "serious health condition" that renders the employee unable to work at all or unable to perform any one or more of the essential functions of his/her job;

- to care for the employee’s spouse, child, parent (but not in-law), or other relative for whom the employee is the next of kin, if the so-defined family member is a member of the United States Armed Forces, including the National Guard and Reserves, and is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; and/or
- any “qualifying exigency,” as the Secretary of Labor shall, by regulation, determine, arising out of the fact that the employee’s spouse, child, or parent is on active duty, or has been notified of any impending call or order to active duty, in the U.S. Armed forces in support of a “contingency operation.”

The FMLA defines a “serious health condition” as an injury, illness, impairment, or physical or mental condition that involves:

1. Hospital Care: inpatient care (*i.e.*, an overnight stay) in a hospital or similar medical facility, including any period of incapacity* or any subsequent treatment in connection with or consequent to such inpatient care; or
2. Absence Plus Continuing Treatment: a period of incapacity* of more than three consecutive calendar days (including any subsequent treatment or period of incapacity relating to the same condition), that also involves:
 - (a) treatment two or more times by a doctor or other “health care provider;” or
 - (b) treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider; or
3. Pregnancy: any period of incapacity* due to pregnancy, or for prenatal care; or
4. Chronic Conditions Requiring Treatments: a chronic condition is one which:
 - (a) requires periodic visits for treatment by a doctor or other health care provider;
 - (b) continues over an extended period of time (including recurring episodes of a single underlying condition) and
 - (c) may cause episodic rather than a continuing period of incapacity (e.g. asthma, diabetes, or epilepsy) or
5. Permanent/Long-Term Conditions Requiring Supervision: a period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving treatment by, a health care provider. Examples may include Alzheimer’s, a severe stroke, or the terminal stages of a disease; or
6. Multiple Treatments (Non-Chronic Conditions): any period of absence to receive multiple treatments (including any period of recovery therefrom) by a doctor or other health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation), severe arthritis (physical therapy), or kidney disease (dialysis).

* For FMLA purposes, “incapacity” is defined to mean inability to work, attend school, or perform other regular daily activities due to the serious health condition, treatment therefore, or recovery therefrom.

Ordinarily, unless complications arise or inpatient care is required, the common cold, the flu, earaches, upset stomachs, minor ulcers, headaches other than migraines, routine dental or orthodontia problems, and periodontal disease are examples of conditions that generally do not meet the definition of a serious health condition and do not qualify for FMLA leave.

FMLA Notice and Application Procedures

Upon notice and application to his/her manager and/or the Human Resources Department, an eligible employee who submits medical certification and/or other information verifying eligibility is entitled to up to 12 work weeks of unpaid leave (up to 26 work weeks of unpaid leave in the case of a seriously injured or ill family member who is a member of the U.S. Armed Forces) during a rolling 12-month period for any FMLA qualifying reason(s) according to the following procedures:

1. Notice. Notice and application for leave for an FMLA-covered reason may be given either verbally or in writing. An employee must provide as much notice as is reasonable and practicable under the circumstances. Where practicable, notice and application should normally be made on provided leave forms that are available from the Human Resources Department. Where the need for leave is foreseeable (*e.g.*, expected birth, planned adoption, or planned medical procedure/treatment), notice must be given at least 30 calendar days prior to the beginning of the requested leave. In other situations, notice must be given (at least verbally) within a reasonable time, generally not more than one or two business days after the need for the leave becomes known to the employee. In all cases, the duration of each requested FMLA leave, and any renewals thereof, shall be specifically stated in the request and in the granting of the leave.
2. Conditional Granting/Opportunity to Cure. Once UCP learns that a leave is being requested by an eligible employee for an FMLA-qualifying reason, UCP will notify the employee that it has granted the leave request, designated the leave as FMLA-qualifying, and will count the leave against the employee’s FMLA leave entitlement -- up to 12 work weeks or 26 work weeks in cases involving seriously injured or ill family members who are in the U.S. Armed Forces within the rolling 12-month period, measured backwards from the date of commencement of the requested leave. The granting of FMLA leave prior to UCP’s receipt of any required medical certification or other verifying documentation, however, is conditional. Failure to provide the requested certifications or verifying documentation in a timely manner may result in delay of the employee’s commencement or continuation of approved FMLA leave. An employee will also be given a reasonable opportunity to cure any deficiencies in any incomplete certification that is submitted to UCP. However, if the employee does not produce the requested certifications, information, or documentation, the leave may not be considered FMLA-protected.
3. Medical Certification. For an FMLA leave requested due to the employee’s own serious health condition or because it is necessary for the employee to care for his/her spouse, child, or parent who has a serious health condition, the employee must submit medical certification to UCP on a form that UCP will provide. The medical certification, based upon reasonable medical certainty, must verify that the employee is unable to work at all or is unable to perform at least

one of the essential functions of his/her job because of a serious health condition, or that the employee's spouse, child, or parent is affected by a serious health condition and requires care from the employee. When leave is foreseeable and at least 30 calendar days' notice has been provided, the employee should provide medical certification before the leave begins. If 30 days' notice is not possible, the employee must provide the medical certification within 15 calendar days after UCP's request for same, unless it is not practicable to do so despite the employee's diligent, good faith efforts. Such other medical information as UCP requests, and is permitted by law, may be required. If UCP has reason to doubt the validity of a medical certification, UCP may require the employee to obtain a second medical opinion (at UCP's expense). If the first and second opinions differ, UCP may require the employee to obtain certification from a third health care provider, again at UCP expense.

4. Status Reports, Leave Renewals, and Re-certifications. For any type of FMLA leave, UCP may require the employee to provide periodic reports of his/her status and intent to return to work. For leaves due to a serious health condition (the employee's own or a family member's), UCP may require medical recertification every 30 days or as otherwise permitted by law. If an employee on FMLA Leave needs to request a renewal or extension of leave, notice and application must be made to UCP prior to the expiration of the leave then in effect. Recertification is also required prior to any renewal, or within 15 calendar days after notice of this recertification requirement, whichever is later, unless it is not practicable to do so despite the employee's diligent, good faith efforts.

Maximum Amount of FMLA Leave

The maximum total amount of time available to an eligible employee for FMLA leaves of absence is 12 work weeks during the rolling 12-month period measured backward from the date leave is used (except in cases involving seriously injured or ill family members, as defined by the FMLA, who are in the U.S. Armed Forces, in which case up to 26 work weeks of unpaid leave may be granted). A work week for purposes of this policy generally consists of five eight-hour work days for a full-time employee. If an employee works a schedule that changes from week to week, however, the average amount of time the employee worked per week over the twelve-week period just before the date of the requested leave will be used to determine the work week.

Husband/Wife Employees

If both spouses are employed by UCP, the maximum total (combined) amount of time available to both employee spouses for the birth or placement of a child is 12 work weeks during the rolling 12-month period as defined above.

Birth/Placement Leave - Continuous Period

An FMLA leave for the birth or placement of a child must be taken in a single, continuous period of time, unless UCP and the employee agree to an intermittent leave or reduced schedule, and must be concluded within 12 months of the birth/placement. An intermittent or reduced schedule leave must be approved in advance of the leave by UCP, in its sole discretion.

Concurrent Exhaustion of All Paid Time Off

Leave for an FMLA-covered reason will be without pay, unless the employee has accrued PTO and/or LTS time available for use. If accrued paid time off is available, employees are required first to exhaust any such paid time off during any FMLA leave. The use of paid time off will run concurrently with, and count toward, the maximum amount of FMLA leave to which the employee is entitled. Any applicable short-term or long-term disability pay policies also will run concurrently with an employee's FMLA leave due to a serious health condition.

Intermittent/Reduced Schedule FMLA Leave

FMLA leave taken due to an employee's own, or his/her family member's, serious health condition may be taken on an intermittent or reduced-schedule basis where such leave is certified as medically necessary. Time off of work on an intermittent or reduced-schedule basis will be charged proportionally toward the 12 work week maximum.

To take intermittent or reduced-schedule leave, there must be a medical necessity for such leave (as distinguished from voluntary treatments and procedures). Employees who require intermittent or reduced-schedule leave also have an obligation to attempt to schedule the leave so as not to disrupt UCP's business operations. If the leave is required for medical treatment, the employee should consult with his/her manager and the Human Resources Department to make a reasonable effort to minimize any potential disruptions to UCP's operations; e.g., the employee may be required to attempt to reschedule the treatment, subject to the availability and approval of the health care provider. In addition, UCP may, at its option, temporarily reassign an employee to an available alternative position with equivalent pay and benefits that better accommodates his/her intermittent or reduced-schedule leave.

Group Health Insurance

Group health insurance, where applicable, shall be continued in effect for any employee on approved FMLA leave. If the employee is on paid leave, the applicable employee contribution will be made in the same manner as it would have been made had the employee been working (i.e., payroll deduction). If the leave is unpaid, the employee must pay his/her applicable employee contribution amount directly to UCP on or before the day of the month on which the premium is due. If the employee's payment of his/her portion of the health insurance premium is more than 30 days late, UCP may discontinue the health insurance coverage upon notice to the employee.

Other Employment Benefits

An approved FMLA leave means that time spent on leave and time previously worked for UCP will not be lost in the computation of length of service and any benefits dependent thereon. Any previously accrued PTO and/or LTS not exhausted during the FMLA leave, for example, will still be available to the employee upon his/her return from leave. The unpaid portion of an FMLA leave, however, will not be credited toward the accumulation of any additional applicable benefits. Nor will an employee be eligible for any paid holiday falling within an unpaid portion of an FMLA leave period.

Return from FMLA Leave

1. Fitness-for-Duty Certification. Prior to returning to work, an employee who has been on a non-intermittent FMLA leave due to the employee's own serious health condition must provide to his/her manager and/or the Human Resources Department a medical fitness-for-duty certification verifying that the employee is able to resume work at the time of return. In the case of an employee who has a "disability" within the meaning of the Americans with Disabilities Act ("ADA"), a medical fitness-for-duty certification that he/she is otherwise qualified to return to work with or without reasonable accommodation must be provided. UCP will delay reinstatement until such certification is provided, and an employee who does not provide such certification (or a new medical certification for a new or extended serious health condition) may be terminated.
2. Reinstatement. Upon return to work from an FMLA-covered leave, and subject to other applicable FMLA provisions, UCP will place the employee in the same position he/she held before the leave or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.
3. Limitations on Reinstatement. An employee is entitled to reinstatement only if he/she would have continued to be employed by UCP had FMLA leave not been taken. Thus, an employee is not entitled to reinstatement if, for example, because of a layoff, reduction in force, or other reason, the employee would not have been employed at the time job restoration is sought, irrespective of the FMLA leave taken. UCP also reserves the right to deny reinstatement to salaried, eligible employees who are among the highest-paid ten percent of UCP's employees employed within 75 miles of the worksite (FMLA-defined "key employees") if such denial is necessary to prevent substantial and grievous economic injury to UCP's operations.
4. Failure to Return To Work Following FMLA Leave. As with all other leaves of absence and time off from work, an employee's failure to return to work at the time at which he/she is regularly scheduled to report at the conclusion of an FMLA leave, or to obtain an approved extension of leave in advance, will result in termination of employment as the employee will be considered to have voluntarily resigned. UCP may recover health insurance premiums that it paid during any unpaid portion of the FMLA leave on behalf of any such employee who fails to return, unless the employee's failure to return is due to the continuation of the employee's or a family member's serious health condition or because of other circumstances beyond the employee's control. In such cases, UCP may require the employee to provide medical certification of the employee's or family member's continuing serious health condition.

Forms/Additional Information

For FMLA forms or further information or clarification about FMLA leave, please contact the Human Resources Department.

- *Effective: January 1, 2009*

506. Personal Leave

Personal leaves of absence may be granted in certain situations which require employees to be absent from work for extended periods of time but are not covered by the FMLA or any other UCP leave policies. UCP is not required to grant a personal leave in any particular situation, but may do so in its sole discretion on a case-by-case basis in exceptional circumstances.

A request for a personal leave of absence must be submitted in writing to the employee's manager as far in advance as possible. Such requests will be considered on the basis of the reason for the leave, the employee's job performance and length of service, UCP's business needs, and other relevant factors within the sole discretion of UCP. All requests for a personal leave of absence must be approved in advance by the employee's manager, department administrator and the Human Resources Department.

During a period of approved personal leave, the employee shall be placed on "inactive pay status." The employee will not be paid a salary or wages and will be responsible for the payment of the premiums for any benefit plan coverage he/she wishes to maintain during the leave. An employee on personal leave will not accrue PTO or LTS time or be eligible for holiday pay or other benefits until he/she returns to "active pay status."

Upon return, the employee will be eligible to resume his or her previous duties or other duties assigned by his/her manager and at the discretion of UCP.

- *Effective: January 1, 2009*

SECTION 6

Employee Conduct

601. Non-Discrimination and Anti-Harassment Policy

It is UCP's policy to afford all employees a workplace that is free from all forms of unlawful harassment or discrimination on the basis of race, color, religion, sex (including pregnancy), national origin, ancestry, age, disability, military service, or any other legally-protected characteristic or status. Any such misconduct must be reported promptly, regardless of who originates it or participates in it (employee or non-employee), and regardless of whether it is verbal, written, visual, or physical conduct. If found to have occurred, such misconduct will result in disciplinary action that UCP determines is an appropriate resolution of the matter, up to and including termination of employment.

1. Reporting Procedure

Anyone who is the object of any such misconduct or who observes any such activity must immediately report the matter to his/her manager, his/her manager's manager, and/or any representative of the Human Resources Department. There will be no retaliation against anyone for truthfully reporting incidents of perceived discrimination or harassment or for cooperating with the investigation of a complaint of same.

2. Investigation/Disciplinary Action

Each reported matter will be investigated promptly and thoroughly by the Human Resources Department. All reports of harassment will be kept as confidential as practicable consistent with a thorough investigation. After the investigation has been completed, a determination will be made by UCP. Appropriate corrective action, up to and including termination of employment, will be taken if that is deemed by UCP to be the proper resolution of the matter.

3. Explanation of Sexual Harassment

The Equal Employment Opportunity Commission (“EEOC”) defines sexual harassment as follows:

Unwelcome sexual advances (verbal and/or physical), requests for favors, and other verbal and/or physical conduct of a sexual nature constitute sexual harassment when:

- a) Submission to such conduct is either an explicit or implicit term or condition of employment (such as a promotion, job assignment, overtime opportunity, wage increase, etc.); or
- b) Submission to or rejection of the conduct is used as a basis for making employment decisions; or
- c) The conduct has the purpose or the effect of substantially interfering with an individual’s work performance or creating a hostile or offensive work environment.

While it is not possible to list all conduct that may constitute sexual or other unlawful harassment, the following non-exhaustive list sets forth some examples of conduct which may constitute sexual harassment depending upon the totality of the circumstances including, without limitation, whether the specific conduct is welcome, the severity of the conduct, and its pervasiveness:

- Unwanted sexual advances or requests for sexual favors
- Sexual jokes or offensive sexual language or innuendo
- Sexual references
- Verbal harassment of a sexual nature
- Subtle or direct pressure for sexual activity
- Comments about an individual’s body
- Physical contact such as touching, patting, pinching, rubbing or squeezing
- Leering at or ogling or other sexual references or comments about a person’s body, appearance or clothing
- Seeking sexual attention with implied or explicit threats or rewards
- Displaying pictures or objects (including through e-mail) that depict women or men as sexual objects

Sex-based harassment that does not involve sexual activity or language (e.g., male manager yells only at female employees and not males) may also constitute discrimination if it is severe or pervasive and directed at employees because of their gender.

4. Harassment on the basis of any other legally-protected characteristic, trait, or status is also strictly prohibited. Harassment of this nature includes verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her protected characteristic, trait, or status, including but not limited to epithets, slurs, or negative stereotyping; threatening, intimidating, or hostile acts; denigrating jokes or displays; and circulation through the workplace (including through e-mail) of offensive written or graphic material.

Using and insisting upon good manners, professional behavior, and the exercise of good sense will go a long way in avoiding and preventing the inappropriate conduct. Again, should there be any incident which runs afoul of this policy, it must be reported immediately. UCP emphasizes, moreover, that while this policy sets forth its goals of promoting a workplace that is free from the above-referenced harassment or discrimination, this policy does not limit UCP's ability to take corrective action for workplace conduct which UCP determines is unacceptable, regardless of whether that conduct violates the law or the specific terms of this policy.

- *Effective: January 1, 2009*

602. Conflicts of Interest

Employment by UCP carries with it a responsibility to be constantly aware of the importance of ethical conduct. In all matters involving UCP's business operations, employees must act solely in UCP's best interests at all times and refrain from taking part in, or exerting influence over, any transaction in which their own interests may conflict (or even appear to conflict) with the best interests of UCP.

Exactly what constitutes a conflict of interest or an unethical business practice in any given situation is both a moral and a legal question. UCP recognizes and respects the individual employee's right to engage in activities outside of his/her UCP employment which are private in nature and do not in any way conflict with or reflect poorly upon UCP. UCP reserves the right, however, to determine in its sole discretion when an employee's activities constitute a conflict with UCP's interests and to take whatever action is necessary to resolve the situation.

Additionally, UCP employees may not request gifts, money, or gratuities from persons or organizations receiving benefits or services from UCP, from persons or organizations performing or attempting to perform contractual services for UCP, or from persons or organizations otherwise in a position to benefit from an employee's actions. When in doubt, employees should seek guidance from their manager and/or the Human Resources Department.

- *Effective: January 1, 2009*

603. Whistleblower Policy

It is the policy of UCP that all of its employees comply with all laws, regulations, and ethical standards applicable to UCP's business activities. All employees are expected to maintain the highest standards of integrity, ethical conduct, and good faith, and avoid even the appearance of impropriety. Any employee who has reason to believe that misconduct is occurring has a responsibility to help UCP stop it.

Any employee who becomes aware of any information which he/she believes reflects potentially illegal or unethical conduct by UCP or any of its officers, managers, or employees must promptly report the matter to his/her manager, his/her manager's manager, or the UCP Human Resources Department. Such reports will be kept as confidential as practicable consistent with a thorough investigation. There will be no retaliation against anyone for truthfully reporting incidents of perceived illegal or unethical conduct or for cooperating with the investigation of a report of same.

- *Effective: January 1, 2009*

604. Confidentiality

The protection of confidential UCP business and patient information is vital to the interest and success of UCP. During the course of employment, employees may have access to information regarding UCP's operations, finances, marketing or business development plans, other employees, or patients which is considered business proprietary, trade secrets, or otherwise sensitive or confidential. Because improper disclosure of any such confidential information may be detrimental to the parties involved, it is extremely important that the privacy of this information be maintained. All employees must also abide by HIPAA and Medicare Compliance Rules and Regulations and by UCP's Compliance Plan. Proper security of confidential documents is also required. Employee's who has doubts about what is defined as "confidential" should consult with his/her manager regarding the matter.

- *Effective: January 1, 2009*

605. Personal Appearance

All office employees are expected to maintain a clean, well-groomed, and professional appearance and appropriate personal hygiene at all times. For male employees, appropriate attire includes suits, sport coats, sweaters, dress shirts, golf shirts, slacks, khakis, socks, and dress shoes. Appropriate attire for female employees includes business suits, dresses, and skirts, pant suits, sweaters, blouses, slacks, khakis, and dress shoes. Uniformed employees (e.g., Medical Assistants, Technicians, RNs, etc.) will wear coordinating colored tops and bottoms. Shoes (with socks) such as tennis shoes or nurse's shoes are appropriate. Employees may not wear revealing or provocative clothing, clothing with any type of slogan (other than UCP-logo items), ripped, torn, or otherwise damaged clothing, or any type of denim.

The only visible areas in which pierced rings/studs are appropriate are the earlobes. All tattoos must be covered.

- *Effective: January 1, 2009*

606. Infectious Diseases

Although UCP fully recognizes and supports the confidentiality of employees' personal medical information, the importance of maintaining safety for patients and other co-workers in our healthcare-provider environment may take precedence in some circumstances. An employee who is HIV positive, suffers from AIDS or hepatitis, or otherwise has or may have an infectious or communicable disease is obligated to seek immediate medical involvement and become educated about any risks to

himself/herself, fellow workers, patients, etc. Employees diagnosed with any of these diseases or agents must report such information to the Human Resources Department. Such information shall be kept confidential to the extent possible and will be disclosed only on a need-to-know basis for implementation of safety precautions, job restrictions, modifications of duties, or other reasonable accommodations.

Upon reasonable suspicion that an employee may have a communicable or infectious disease (including, but not limited to, HIV infection, AIDS, or hepatitis), UCP may require an employee to undergo testing for such disease if the employee's condition may be job-related or such inquiry is consistent with business necessity or necessary to assess and/or prevent a direct threat to the employee, patients, or co-workers.

This policy applies only to employees involved in direct patient care, including but not limited to registered nurses, licensed practical nurses, technicians, medical assistants, and medical personnel working in a clinical area.

- *Effective: January 1, 2009*

607. Alcohol and Drug Use

Possessing, manufacturing, dispensing, using, selling, or being under the influence of alcohol, illegal drugs, or controlled substances without a medical prescription in any UCP facility, or reporting to work or working under the influence of alcohol, illegal drugs, or a controlled substance without a medical prescription is strictly prohibited (except in the case of a management-authorized party or celebration where alcohol may be served). Any employee violating this provision will be subject to disciplinary action up to and including immediate termination of employment and, possibly, referral to the appropriate authorities.

If an employee reports to work and is suspected of being under the influence of alcohol, illegal drugs, or controlled substances without a medical prescription, UCP reserves the right to require that the employee submit to an alcohol or drug test at a hospital or doctor's office. Refusal to consent to testing will result in disciplinary action up to and including immediate termination of employment.

Any employee who suspects that he/she may have a problem relating to either alcohol or drug abuse is encouraged to contact the Human Resources Department for suggestions about counseling or other treatment.

- *Effective: January 1, 2009*

608. Disciplinary Action

Rules for acceptable conduct of employees are necessary for the orderly operation of any business and for the benefit, protection, and safety of persons and property. Rules promote understanding of what is considered unacceptable conduct. The rules set forth below, and others that may be established from time to time by UCP, are designed to serve as general guidelines subject to everyday common sense. Each employee is expected always to conduct himself/herself in an honest, ethical, and professional manner with all persons with whom we do business.

No single set of rules can address in advance every possible situation that may arise or every aspect of employees' conduct on the job. Specific situations may always be handled by UCP on a case-by-case basis and at UCP's sole discretion, whether addressed by the following rules or not. As set forth elsewhere in this Employee Handbook, employment with UCP is and shall at all times remain "employment-at-will" which may be terminated at any time, with or without prior discipline, cause or advance notice, by either UCP or the employee. Similarly, UCP reserves the right to impose the level of disciplinary action it deems to be appropriate in any situation, up to and including termination of employment.

Accordingly, examples of employee misconduct that may result in disciplinary action up to and including termination of employment include, but are not limited to:

- Dishonesty or breach of trust or confidentiality
- Conviction of a felony
- Concealing a fellow employee's misconduct or inadequate performance that would adversely affect UCP
- Excessive absenteeism, early departures, and/or tardiness
- Conducting any type of personal business or enterprise at work without the employee's manager's explicit permission in advance
- Using UCP supplies or equipment for unauthorized personal use, including excessive use of telephones for personal calls or excessive or inappropriate use of Internet access
- Failing to observe standards of dress and hygiene appropriate to the applicable work area
- Failing or refusing to obey the directives of a manager as they relate to job duties or UCP's operations (insubordination)
- Possessing, manufacturing, dispensing, selling, using, or being under the influence of alcohol, illegal drugs, or controlled substances without a medical prescription while on UCP property
- Behaving in a rude, aggressive, violent, dishonest, or unprofessional manner, using vulgar, obscene, threatening, discriminatory, or abusive language, or in any way harassing coworkers, patients, vendors, or visitors
- Forging, altering, tampering with, or falsifying any document, authorization, or record that is used by UCP, including the employee's own or any other employee's time records
- Stealing, removing, damaging, destroying, or otherwise misusing any property or equipment that belongs to UCP, patients, visitors, or coworkers
- Accessing without proper authorization, disclosing, or misusing confidential information about patients, their families, coworkers, and/or any other individuals associated with UCP or UCP's medical or business affairs
- Failing or refusing to carry out assigned duties and responsibilities in a satisfactory manner
- Sleeping during work periods
- Gambling or fighting

- Possessing a dangerous weapon on UCP premises, including brandishing any object which reasonably could be construed as dangerous or threatening
 - Violation of any other UCP rule, practice, or policy outlined in this Employee Handbook
- *Effective: January 1, 2009*

609. No Smoking

UCP is dedicated to providing a healthful, comfortable, and productive work environment for all employees. Therefore, UCP observes a “No Smoking” policy in all facilities and grounds.

- *Effective: January 1, 2009*

610. Solicitation

Patients and customers must receive our undivided attention. Therefore, UCP believes that as many workplace distractions as possible should be eliminated. With that in mind, UCP has established the following rules concerning non-work related solicitation and distribution of material:

1. Persons who are not employees of UCP may not solicit UCP employees for any cause or purpose or distribute any material to employees anywhere in UCP facilities at any time.
2. No employee shall engage in solicitation of any kind or distribution of material that interferes with the work of that employee or any other employee.
3. No employee shall engage in solicitation of any kind or distribute material in any patient service area.
4. Any unauthorized solicitation of patients or customers for any cause, product, or purpose is prohibited.

- *Effective: January 1, 2009*

611. Computer, Electronic and Telephone Communications Systems

UCP relies heavily on various kinds of electronic information and communication resources in its daily operations. These resources include computer systems, electronic mail (“e-mail”), voicemail, Internet access, telephones, mobile phones, and fax and copy machines. It is very important for users to recognize that these resources are the property of UCP and are made available to employees solely for the purpose of helping UCP meet its short-term and long-term business goals. UCP expects employees to use good judgment when using such resources.

To ensure that employees’ use of UCP’s information and communication systems is consistent with UCP’s business interests, employees should be aware that UCP retains the right to monitor the use of all such resources. All messages and information communicated through such systems, as well as passwords and/or access codes, are the property of UCP. No employee may use a password or voicemail access code without authorization. Moreover, improper use of any information or communication resources, such as making or spreading offensive, derogatory, sexually explicit or

suggestive, defamatory, discriminatory, or harassing jokes, images, or remarks, visiting inappropriate websites (as determined by UCP), or playing games, will not be permitted.

Furthermore, since e-mails sent from UCP's network contain UCP's name, and messages (even personal ones) may be construed by recipients as containing communications from UCP, care should be taken in formulating messages. Users also should bear in mind that voicemail and e-mail may be as permanent as hard copy communications and may be stored indefinitely, forwarded to others, inadvertently transmitted to the wrong person, or copied/printed and passed on, generally without the knowledge or consent of the originator. Although an item may be "deleted," it may remain in the system and later be retrieved. Accordingly, no electronic message should be sent except ones that a user would be comfortable putting in a memo or letter for general distribution.

For safety reasons, UCP also prohibits the use of mobile phones while operating a motor vehicle.

• *Effective: January 1, 2009*

612. Safety and Security; Searches

Each employee should make himself/herself aware of the emergency procedures and the specific safety and security practices for his/her work area. The safety of people comes first. An employee's manager is responsible for disseminating safety and security information to the employee.

1. **Fire:** If evacuation is necessary, move quickly and quietly to the nearest exit. The Fire Marshall and UCP require that employees leave the building as soon as the alarm sounds. Building security will notify personnel when it is safe to re-enter the building.
2. **Security:** Employees should report any suspicious-looking stranger to a manager. All visitors are required to report to the receptionist who will then contact the employee to announce the visitor. An ex-employee is considered a visitor and must always be accompanied by a UCP employee while in any work area.

Theft or willful destruction of property will result in disciplinary action up to and including immediate termination of employment and possibly criminal prosecution. Employees who witness or discover a theft or property damage must report the incident to a manager immediately.

It is recommended that employees make a special effort to secure purses, wallets, jewelry, and other valuables so that they are never exposed. UCP is not responsible for the loss or theft of any personal items.

Searches

From time to time, UCP may, at its sole discretion, conduct internal investigations pertaining to security, safety, auditing, or other work-related matters. Any and all UCP facilities, premises, grounds, work areas (i.e., desks, file cabinets, lockers, etc.), and personal belongings on UCP property (i.e., briefcases, handbags, jackets, pockets, etc.) are subject to search without notice. Employees are required as a condition of employment to cooperate fully with and assist in any such investigations or searches if requested to do so.

• *Effective: January 1, 2009*

613. Workplace Violence

UCP is committed to providing a work environment that is free from violence and intimidation. All employees, patients, and visitors must be treated with dignity and respect in the workplace. Accordingly, any acts or threatened acts of violence will not be tolerated. Anyone engaging in violent or threatening behavior will be subject to discipline up to and including immediate termination of employment, and may also be personally subject to other civil or criminal liabilities.

For purposes of this policy, violent or threatening behavior includes, but is not necessarily limited to:

- Physically harming or threatening to harm an individual, group of individuals, or relatives of those individuals
- The possession on UCP property of weapons of any kind or the brandishing of any object that could reasonably be perceived as a weapon (except for authorized security guards and members of law enforcement)
- Loud, angry, or disruptive behavior that is not a part of the typical office work environment
- Disregard for the physical safety or well being of others
- Intentional or negligent destruction of UCP, employee, or patient property
- Commission of a felony or misdemeanor on UCP property
- Any other statements or conduct that UCP determines, at its sole discretion, constitutes an act or a threat of violence or intimidation

Any employee who is subjected to, witnesses, or has knowledge of any type of violent or threatening behavior, or has reason to believe that violent behavior may occur at or in connection with the activities of UCP, is required to report it promptly to his/her manager or to the Human Resources Department. Employees can raise concerns and make reports without fear of reprisal, and UCP will treat such reports as confidential to the extent possible consistent with a thorough investigation of same.

- *Effective: January 1, 2009*