



HEALTHCARE
CALIFORNIATM

PERSONNEL POLICY BOOK

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A. APPROPRIATE WORKPLACE RELATIONS

POLICY

Members of management are charged with responsibility to uphold standards of professionalism and workplace behavior that are compatible with the purpose of this policy.

PURPOSE

To avoid misunderstandings, actual or potential conflicts of interest complaints of favoritism, possible claims of sexual harassment and the employee morale problems that can potentially result from relationships involving members of management and subordinates or other employees within their sphere of influence in the company.

REPORTING RELATIONSHIPS

Standards of professionalism and workplace behavior for the purpose of this policy, is defined as the avoidance of any personal relationship between anyone in a “direct or indirect” reporting relationship; a member of management and any other employee, which diminishes his or her effectiveness as a manager or otherwise limits his or her ability to make impartial business decisions in the best interest of the company.

For purposes of this policy, examples of direct and indirect reporting relationships include, but are not limited to, the following:

- A manager and any person employed in that location.

PROCEDURE

Any managerial employee who becomes involved in a personal relationship or is aware of such a relationship should contact Human Resources so that the company can determine if there has been a violation of this policy. Upon such a finding, appropriate action may include rescheduling, transfers, or disciplinary action up to and including demotion or termination.

B. ATTENDANCE

POLICY

Regular attendance is required of all employees for the company to operate efficiently.

GUIDELINES

Employees are expected to be at their work site and ready to work at the start of their assigned work hours. They are also expected to remain at their job until the end of their assigned work hours, except for approved breaks and lunch.

If an employee is unable to report for work, he/she must notify his or her supervisor at least four (4) hours prior to the beginning of the work shift. The team member must personally contact the supervisor unless he/she can show cause why another team member was contacted instead.

The company has the right to ask for a physician's statement if the absence involves compliance with the Americans with Disability Act and/or the Family Medical Leave Act. A physician's statement may also be requested in other situations.

Consistent failure to call in at least four (4) hours prior to the scheduled work shift is grounds for a warning or other disciplinary action.

An employee who is absent for three (3) or more consecutive workdays without notifying his or her supervisor is considered to have voluntarily terminated employment.

PROCEDURE

Supervisors should communicate attendance guidelines and expectations to all employees. Absences of a questionable nature or those that could have been avoided by advance planning should be monitored. Tardiness, frequent short-term absences, a pattern of Monday or Friday absences or absences on the day before or after a holiday should be considered in determining unsatisfactory attendance problems.

Employees who do not comply with attendance expectations should be counseled. Employees should be informed that failure to comply may result in disciplinary action up to and including termination. Employee warnings are to be documented.

C. CODE OF BUSINESS CONDUCT AND ETHICS

POLICY

HealthCare California is committed to providing a safe and welcoming environment for all employees and clients. To promote safety and comfort for all, HealthCare California asks individuals to act appropriately at all times when they are in the HealthCare California offices or other business locations.

GUIDELINES

Employees are expected to behave in a mature and responsible way and to respect the rights and dignity of others. HealthCare California's Code of Conduct does not permit language or any action that can hurt or frighten another person or that could affect operations. Specifically, this includes, but is not limited to:

- Any conduct or action that is contrary to established rules and regulations or detrimental to the best interest of HealthCare California.
- Violations of the harassment policy include, but are not limited to:
 - Angry or vulgar language including swearing, name-calling or shouting
 - Physical contact with another person in any angry or threatening way
 - Harassment or intimidation by words, gestures, body language or any other menacing behavior.
- Theft or behavior that results in the destruction of property.
- Carrying or concealing any weapons, devices or objects that may be used as weapons.
- Using or possessing illegal chemicals or alcohol on HealthCare California's vehicles or at company-sponsored programs.
- Inappropriate release of confidential information.
- Falsifying documents such as applications, resumes, time sheets, reports, clinical or personnel file documentation.
- Excessive tardiness or absenteeism.
- Inappropriate attire or grooming.
- Use of company equipment, facilities, data or property for personal gain.
- Unsafe or inappropriate use of equipment and vehicles.

PROCEDURE

Employees are encouraged to be responsible for their personal comfort and safety and ask any person whose behavior threatens their comfort to stop such behavior. If an employee feels uncomfortable in confronting the person directly,

he/she should report the behavior to a supervisor. Supervisors should contact Human Resources if they feel any employee action warrants disciplinary action.

D. DISCIPLINE

POLICY

This policy establishes guidelines for dealing with employee conduct or work performance that does not meet company standards.

PURPOSE

HealthCare California expects every employee to abide by company policies and procedures. Violation of any company policy or procedure may lead to disciplinary action, up to and including termination. In response to inappropriate workplace conduct or unsatisfactory work performance, HealthCare California in its sole discretion will initiate appropriate disciplinary action. This policy does not, either by itself or in conjunction with any other company document, policy, practice, procedure or verbal statement, create an employment contract, express or implied, or define the employment relationship. Employees are employed “at will,” meaning they or HealthCare California can end the employment relationship at any time, for any reason. This policy does not alter the “at will” status of any employee.

DISCIPLINARY STEPS

For each violation of policy procedure, misconduct or unsatisfactory work performance, the immediate supervisor should follow the steps below. These actions are to be performed as soon as the company learns of the issue in order to give the employee an opportunity to correct his/her deficiencies.

Step	Action
1	Investigate and evaluate employee conduct thoroughly, objectively and fairly.
2	Decide upon the appropriate corrective action. When needed, consult with the appropriate partners (i.e. Director of Operations, Chief Operating Officer).
3	Administrator “Corrective Notification” as outlined on page D-2.

CORRECTIVE NOTIFICATION

A “Corrective Notification” is a documented discussion that places the employee on notice of unacceptable conduct/performance. The following Corrective Notification guidelines are designed to address and correct unacceptable employee conduct.

NOTE: A Corrective Notification need not be given in the progression shown below; the severity of the offense dictates the warning level administered.

Type of Warning:	Use for:
<i>Verbal Warning</i>	First violation of minor offenses
<i>Written Warning</i>	Repeated conduct for which a previous warning has been issued or policy/procedure violations meriting more discipline than that of a Verbal Warning
<i>Final Warning</i>	Serious offenses or repeated conduct for which a previous warning has been issued.
<i>Termination</i>	Gross misconduct or repeated conduct for which a previous warning has been issued.

TRANSFERS AND PROMOTIONS

While on any type of active Corrective Notification, an employee is not eligible for a transfer of positions or promotion.

SUSPENSION

Suspension may be administered in the following instance:

- Pending an investigation

CONTACT

Please direct questions regarding this policy to **Human Resources**.

E. DRESS CODE/GROOMING

POLICY

HealthCare California requires that all corporate office employees adhere to the dress code and grooming standards outlined in this policy.

PURPOSE

To establish consistent grooming and “business casual” dress code standards for all corporate office employees.

DEFINITION

“Business casual” refers to more relaxed attire than that of traditional business dress (such as suits, ties and jackets). It is neat, clean and professional.

APPROPRIATE ATTIRE

The following attire is considered appropriate for work:

- Dresses, skirts
- Slacks, trousers, Dockers-style pants
- Capri pants or crop pants
- Blouses, knit shirts, dress shirts, golf shirts, sweaters
- Dress shoes, loafers, flats, or dress sandals

INAPPROPRIATE ATTIRE

The following attire is considered inappropriate:

- Jeans of any type or color (exception: Office Friday) (See page E-2)
- Leggings or stirrup pants
- Jogging suits/sweat pants
- Shorts or skirts
- Mini-skirts or skirts with high slits
- Sweatshirts or T-shirts with insignia, printed slogans or cartoons characters
- Sheer or low-cut garments
- Midriff, halter, tube or tank tops
- Hat

HOSIERY AND SOCKS

Hosiery or socks must be worn at all times, with the exception of seasonal dress sandals.

SHOES

See below for outlines appropriate and inappropriate shoe types:

Appropriate Shoes:

Dress shoes, dress sandals
Loafers

Inappropriate Shoes:

Thong-types sandals
Tennis shoes
(unless authorized by a physician for
Medical reasons or on Denim Day)

FRIDAY

Employees may wear denim of any color and athletic shoes on Friday (as outlined below).

Note: Denim must be in good condition; frayed and/or torn denim is **not** permitted. Excessively baggy denim and garments listed as inappropriate (on page E-1) are not permitted for wear. Cleanliness and neatness standards must be maintained.

EXCEPTIONS

Management must approve any deviations from this policy.

GROOMING STANDARDS

Personal hygiene and grooming habits must meet the highest standards of cleanliness and professionalism. All employees must adhere to the following standards:

- Hair shall be clean and well groomed, not extreme in style or color.
- Men shall be clean-shaven or shall keep mustaches, sideburns and beards short and well trimmed.
- Makeup and jewelry shall not be excessive.
- Visible body piercing is unacceptable, other than ear piercing (maximum of two earrings per ear).

PROCEDURE

Failure to adhere to this policy may result in disciplinary action, up to and including termination.

F. DRUG & ALCOHOL-FREE WORKPLACE

POLICY

HealthCare California is committed to providing a safe environment for our employees and customers. Alcohol and drug abuse jeopardizes the welfare and safety of our employees and customers, has an adverse effect on job performance, serves to undermine the confidence of our customers in the communities in which we operate and harms our reputation as a premier health care agency.

PURPOSE

The purpose of this policy is to balance respect for our employees' rights with the company's rights to maintain a safe and drug-free work environment. The intent of this policy is to offer assistance to those who need it, while sending a clear message that the misuse of alcohol and drugs is not compatible with employment at HealthCare California. Compliance with the provisions of this ***Drug and Alcohol-Free Workplace*** policy is a condition of employment with HealthCare California.

GUIDELINES

Employees are prohibited from the use, sale, transfer, distribution, possession or manufacturing of illegal drugs, or other controlled substances, or alcoholic beverages during working hours (including lunch and break periods) and at any time when on company property, or while on company business, or in a company vehicle.

Employees under the influence of alcohol or any illegal drug or other controlled substance while on company property, conducting or performing company business or while in a company vehicle will be subject to termination of employment.

Employees taking physician-prescribed or over-the-counter medications are responsible for adhering to all directions, instructions and warnings with regard to impairment of mental and/or motor skills such that the medication could affect job performance and/or safety.

In addition, an employee's off-duty use of any substance that materially impacts his/her job performance or otherwise negatively impacts the workplace will be disciplined to the fullest extent permitted by law.

This policy does not constitute a contract (or an offer for a contract) between the company and any person and does not alter the at-will nature of employment with HealthCare California.

DEFINITIONS:

“Illegal drugs or other controlled substances” means any drug or substance that:

1. is not legally obtainable;
2. is legally obtainable but has not been legally obtained or
3. has been legally obtained but is being sold, distributed or used unlawfully.

“Legal drug” means any drug, including any prescription or over-the-counter drug that has been legally obtained and is not sold, distributed or used unlawfully.

“Abuse of any legal drug” means the use of any legal drug:

1. for any purpose other than the purpose for which it was prescribed or manufactured or
2. is a quantity, frequency or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.

“Possession” means that an employee has the substance on his/her person or otherwise under his/her control.

DRUG TESTING

To insure a drug and alcohol-free workplace, HealthCare California adheres to all local, state and federal laws and regulations regarding alcohol and drug testing procedures.

NOTE: An employee refusing to consent to drug testing is subject to immediate termination of employment.

MEDICAL MARIJUANA

HealthCare California will review, on a case-by-case basis, circumstances involving candidates/employees with prescriptions for Medical Marijuana.

DRUG TESTING COMPLIANCE REQUIREMENTS

HealthCare California will require, but not limit, alcohol and drug testing for the following conditions:

Pre-employment:

All job applicants who are extended an offer of employment will undergo testing for the presence of illegal drugs and/or alcohol as a condition of employment. Applicants will be given the name, address and telephone number of the collection facility and will be instructed to test within 24 hours of offer. Any applicant with a positive test result will be denied employment. Applicants with positive drug test results will not be eligible for consideration for employment with HealthCare California.

Reasonable Suspicion:

Employees must report to work in a condition that will allow them to be mentally and physically alert. When management has a reasonable basis to believe that an employee's job performance is affected as a result of alcohol or illegal drug usage, the employee may be required to undergo drug testing. "Reasonable Suspicion" may occur, for example, when an employee shows signs of impairment, such as difficulty in maintaining balance, slurred speech, erratic or atypical behavior, smells of alcohol or is otherwise unable to perform his/her job in a safe manner. If sent for reasonable suspicion drug testing, the employee must undergo testing within six hours (of being sent) for alcohol testing and within 24 hours for drug testing.

Post Accident:

When an employee is involved in an on-the-job accident he/she may be subject to drug testing if factors leading to Reasonable Suspicion are present. Testing will also be required when employees report injuries incurred on-the-job resulting in the individual receiving medical treatment, or result in the individual missing one day or more of work. In addition, when employees are involved in an on-the-job accident where damage to company property occurs in excess of \$250.00 he/she will be required to undergo testing.

Return-to-Duty Testing:

Employees who have volunteered information on their substance abuse problem and are currently in, or have previously completed, a treatment program may be required to undergo unannounced drug testing. This testing will continue for two years.

The employee may return to work while waiting for the test results **with the approval of the Manager and Chief Operating Officer.**

Compensation:

Applicants whose drug tests are negative will be offered employment but will not be compensated for the drug testing process. However, current employees who are required to be tested and whose test results are **negative** will be compensated for scheduled time not worked as a result of the testing procedure.

Positive Test Results:

A Medical Review Officer (MRO) will review all positive test results. The Medical Review Officer will give every employee or applicant whose test results are positive an opportunity to provide medical or other information that might explain the positive test results. In the event there is no legitimate explanation for the positive test results, the employee will be subject to termination and will not be compensated for any scheduled work time missed. **NOTE: Any drug test found to be adulterated or substituted will be considered a positive test result.**

Confidentiality:

HealthCare California will maintain the highest standards of confidentiality for all records and information concerning alcohol and drug-related situations. No employee is authorized, without the express consent of the Chief Operating Officer, to release, communicate or to leave information unsecured on alcohol and drug abuse problems. Any employee violating this policy will be subject to disciplinary action up to and including termination of employment.

Employee Provisions:

It is the duty and responsibility of every employee to be aware of and abide by existing rules, regulations and policies. It is also the responsibility of employees to perform their duties in a satisfactory manner. When employees do not meet these responsibilities, disciplinary action will be taken. This policy does not create an employment contract, either expressed or implied, or define the employment relationship. All company employees are at-will, meaning that they or the company can end the employment relationship at any time, for any reason or for no reason at all.

G. ELECTRONIC COMMUNICATIONS

POLICY

All data entered, created, received, stored or transmitted via HealthCare California equipment are considered HealthCare California property and are therefore subject to inspection, search and disclosure at all times by Human Resources and senior management. This is to safeguard the interests of the company and protect it from potential liability.

PURPOSE

To define appropriate usage of electronic communication resources provided to company employees as well as appropriate activities and conditions relating to the usage and communication of company information. This policy statement covers the security, confidentiality and integrity of information obtained, created or maintained by company employees.

GUIDELINES

The company provides access to various information technology resources for its employees. These resources are provided to facilitate the creation and communication of business-related data in the most effective and efficient manner possible. Resources such as computers, the Internet, E-mail, telephone and fax are intended for company business only.

CORE GUIDELINES

Communications sent from the company network are identified as originating from the company server and carry the company name. E-mail and Internet usage and communications must reflect well on the organization. Each employee is responsible for using company E-mail and Internet resources in an acceptable manner.

- Passwords are confidential and are not to be given to anyone except on a “need to know” basis for official company business purposes. Examples of people who may need to know a password are a supervisor needing access to a file in the absence of the staff member.
- The electronic communications systems should be used in ways that further company business interests and support work on behalf of the company. Any use of company information or systems for the financial

gain of an employee or third party not relating to those interests is strictly prohibited.

- All language used in communications should be professional and courteous. Abusive or obscene content in communications is strictly prohibited.
- Use appropriate business English. In a culturally diverse environment such as the company, the use of slang, humor, sarcasm or local terminology may not be correctly interpreted.
- E-mail is no different than a written document. A file can be stored in the system indefinitely and can be reviewed, if necessary, during legal proceedings involving the company. Take as much care in sending E-mail messages as with any confidential written document.
- Treat all E-mail messages as public information. Senders have no control over messages once they are sent, and recipients may forward the messages to people not originally intended to receive them.
- All Internet communication should be treated as public information since those messages are not generally encrypted. No confidential or copyrighted information should be sent through the Internet.
- Confidential information such as performance or disciplinary communications should never be sent electronically.
- Staff members should use discretion when opening, downloading and saving files sent via E-mail or from the Internet. Prior to placing any file on the network, staff members should scan for viruses.

SOFTWARE

Only software purchased and licensed by the company, or personally purchased software approved by senior management, may be installed on company equipment. Senior management may periodically conduct an audit of installed computer software. Unauthorized software will be removed.

PROHIBITED USE

The following are expressly prohibited by the company:

- Sending or receiving any data that may be construed to violate the values or policies of the company. This prohibition includes sexually explicit or

offensive messages or images, cartoons or jokes, ethnic or religious slurs, racial epithets or any other statement or image that can be construed as harassment or disparagement.

- Accessing another employee's personal files without their consent.
- Disruptive behavior such as introducing viruses or intentionally destroying or modifying files on the network.
- Intentional misuse of data or equipment.
- Collection and/or transmission of materials in violation of any federal, state or local law.
- Chain letters that are mailings with a request to recipients to continue distribution to others.
- Messages to other employees that serve as advertising or solicitation for personal gain.

PROCEDURE

Failure to comply with this policy will be grounds for disciplinary action, up to and including termination.

H. EQUAL EMPLOYMENT OPPORTUNITY

POLICY

The Agency provides equal opportunity to all team members and applicants for employment regardless of race, color, national origin, creed, religion, sex, marital status, sexual orientation, status with regard to public assistance, membership or activity in a local commission, disability, age or other legally protected status.

GUIDELINES

Equal employment opportunity applies to all facets of employment, pre-employment and the terms and conditions of employment as well as discharge from employment.

PROCEDURE

Any employee who does not comply with the ***Equal Employment Opportunity*** Policy may be subject to disciplinary action, up to and including termination.

I. POLICY AGAINST HARRASSMENT

POLICY

HealthCare California prohibits any form of harassment or inappropriate conduct toward or by our employees, independent contractors or clients. For purposes of this policy, “harassment” includes slurs, jokes or any other verbal graphic or physical communication or conduct that demeans, humiliates, embarrasses or would be considered offensive to a reasonable person. HealthCare California will not tolerate any form of harassment, including, but not limited to, harassment related to an individual’s race, religion, color, sex, sexual orientation, national origin, ancestry, citizenship status, age, uniform-service member status, marital status, pregnancy, medical condition or disability.

WHERE HARRASSMENT OCCURS

Harassment can occur in the workplace itself, or outside of the workplace in a situation that in some way is connected to work: off-site meetings, business trips and any other employer sponsored event.

TYPES OF HARASSMENTS

HealthCare California will not tolerate any form of harassment. Harassment may involve inappropriate conduct related to an individual’s race, religion, color, sex, sexual orientation, national origin, ancestry, citizenship status, age, uniform-service member status, marital status, pregnancy, medical condition or disability. Examples of harassment include, but are not limited to, the following:

- Making unwanted sexual advances, including verbal advances, propositions, requests or comments
- Engaging in unwanted physical conduct, such as touching, sexual gestures or leering
- Conditioning an employment benefit, such as a raise, promotion or assistance with a person’s career, in exchange for sexual favors
- Threatening an adverse employment action, such as termination, demotion, or disciplinary action, for refusal of a request for a sexual favor
- Creating an offensive, intimidating or hostile working environment by:
 - a. Disfavoring an employee due to their age, race or gender
 - b. Displaying offensive or derogatory objects, pictures, cartoons or posters
 - c. Making graphic verbal comments about a person’s body
 - d. Using degrading words or writing or distributing offensive letters, notes or e-mails

NOTIFICATION

If you feel you are being harassed or subjected to any form of inappropriate conduct related to work, or if you observe work-related harassment or inappropriate conduct, you are required to immediately notify a manager or someone in Human Resources. Notifying HealthCare California of conduct that violates this policy is essential. We cannot resolve a harassment issue unless we know about it. No employee will be disciplined for making a good faith report of conduct implicated by this policy. In addition, HealthCare California will not tolerate acts of retaliation in any manner.

RESPONSES

Every complaint will be reviewed and/or investigated by Management as promptly as possible under the circumstances. HealthCare California will initiate corrective action depending on the outcome of the investigation. The company prohibits employees from interfering with, or in any way hindering, the company's enforcement of this policy. Complaints of harassment will be treated with as much confidentiality as is reasonable, consistent with the need to conduct an adequate investigation and response.

COMPLIANCE

It is incumbent upon all employees to prevent and deter harassment. If you become aware of harassment in your work area or elsewhere in the company, you must do everything you can to stop it, whether or not a complaint has been made. All employees have a responsibility to cooperate in the investigation of a harassment complaint.

PROCEDURE

Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

J. HOLIDAY PAY

POLICY

HealthCare California provides compensation to eligible employees for company-recognized holidays.

Eligible employees are paid for the following holidays:

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

DAY-IN-LIEU

Eligible employees shall receive a designated "observed" day off in lieu of the holiday if the paid holiday falls on a weekend day.

WORKING ON HOLIDAYS

Non exempt (hourly) employees are not allowed to work on Holidays unless prior approval granted by their manager.

ELIGIBILITY

Full-time employees:

- Full-time exempt (salaried) and non-exempt (hourly) employees shall receive the paid holiday benefit (not to exceed eight hours).

Employees who have returned from a Leave of Absence:

- Shall receive the paid holiday benefit based on the average daily hours worked during the six weeks preceding the start date of the leave of absence.

Employees on a Leave of Absence:

- Do not receive holiday pay while on leave.

ALTERNATE RELIGIOUS HOLIDAYS

Alternate religious holidays, other than those listed above, but celebrated in accordance with an employee's religion, shall not be paid holidays. However, an alternate religious holiday may be granted as time off without pay or used as a vacation day (if available to employee), if requested in advance and approved by the employee's manager.

HOLIDAY DURING PAID TIME OFF (PTO)

If a holiday falls during an eligible employee's vacation, the employee may incorporate the paid holiday into their PTO (thus using one less day of vacation pay).

CONTACT

Please direct questions regarding this policy to **Human Resources**.

K. INSPECTION OF COMPANY PROPERTY AND PERSONAL EFFECTS

POLICY

Desks, credenzas, file cabinets, office supplies, vehicles, voice mail and electronic mail (E-mail) are company property and must be maintained according to company rules and regulations. The company reserves the right, without notice to the employee and not necessarily in the employee's presence, to inspect all company property to ensure compliance with its rules and regulations.

GUIDELINES

HealthCare California copiers, voice mail and/or E-mail should be used for business purposes. The company reserves the right, without notice to the employee and not necessarily in the employee's presence, to monitor voice mail messages and E-mail messages to ensure compliance with this policy.

The company may periodically need to assign and/or change "passwords" and personal codes for copiers, voice mail, E-mail and/or computers. These communication technologies and related storage media and databases remain the property of the company. The company reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system.

Prior authorization must be obtained before any of the company's property may be removed from the premises.

For security reasons, employees should not leave personal belongings of value in the workplace.

Terminated employees should remove any personal items at the time they leave the company.

L. LAPTOPS

POLICY

HealthCare California requires employees using laptops for point-of-care delivery to adhere to all rules and regulations set forth in this policy.

KEEPING LAPTOP SAFE

Users are expected to take precautions to ensure that laptops are not stolen, lost or damaged. Laptops should not be left in unlocked automobiles or any other unsafe areas. Employees should ensure that laptops are not subject to extreme climate conditions, whether in a car, home or any other area.

USE OF LAPTOP

The use of the laptops is restricted to business only. Laptops assigned for the delivery of point-of-care service to patients may only be used to access www.kinnser.com. Personal use such as internet browsing, downloading software applications and downloading personal photos or music is strictly prohibited.

RESPONSIBILITY

Employees are responsible for the laptop assigned to them and will be required to reimburse the company for any lost, stolen or damaged device.

I have read and understand the above policy concerning laptops assigned for the purpose of point-of-care delivery.

M. LEAVES OF ABSENCE EFFECTIVE

POLICY

HealthCare California offers various leave programs for employees when they need to be away from work because of medical, family, military or personal reasons. This policy highlights certain requirements and benefits of HealthCare California leave of absence programs. However, this policy does not include all details of all leave programs.

NOTE: Because of the complex legal and administrative issues regarding leaves of absence, HealthCare California requires that Human Resources be contacted immediately at (559) 243-9990 for assistance whenever an employee requests a leave.

STATEMENT OF POLICY

HealthCare California adheres to all applicable laws, including, but not limited to, the Family and Medical Leave Act, the Uniformed Services Employment and Reemployment Act and other applicable federal and state laws. NOTE: Refer to pages M-12 through M-17 of this policy for state-specific leave of absence laws.

ELIGIBILITY

Eligibility requirements vary based on the type of leave of absence. Below are the eligibility requirements for each type of leave.

NOTE: Refer to pages M-12 Through M-17 of this policy for state-specific leave of absence eligibility requirements.

Type of Leave	Employee is eligible if he/she:
<i>FMLA</i>	<ul style="list-style-type: none"> • has completed at least 12 months of service with the company, which need not be consecutive; • has worked a minimum of 1,250 hours during the 12 months immediately prior to the start of the leave; • works at a HealthCare California work site which employs 50 or more employees (or the total number of employees in multiple HealthCare California locations within a 75 mile radius is 50 or more (as measured by surface miles, using public surface transportation); • has not exhausted his/her available FMLA leave within the last 12 months.

Type of Leave	Employee is eligible if he/she:
<i>Personal Leave</i>	has completed their 90-day introductory period.
<i>Military Leave</i> (Uniformed Services Employment and Reemployment Rights Act Leave: USERRA)	is participating in active military duty, inactive duty, training, fitness determination, funeral honors duty or full-time National Guard duty.
<i>Industrial Leave</i>	is an employee of HealthCare California and is disabled and/or unable to work as a result of illness or injury incurred while working for HealthCare California.

FAMILY AND MEDICAL LEAVE ACT (“FMLA”) LEAVE*

An employee is eligible for a maximum of 12 weeks of Family and Medical Leave Act (FMLA) leave if, at the time the leave begins, the employee has been employed by HealthCare California for at least 12 months, the employee has worked a minimum of 1,250 hours during the rolling 12-month period immediately before leave is requested and works at a HealthCare California work site which employs 50 or more employees (or the total number of employees in multiple HealthCare California locations within a 75 mile radius is 50 or more as measured by surface miles, using public surface transportation).

NOTE: Any employee who does not meet the FMLA eligibility requirement, but has completed their 90-day introductory period, may apply for a 30-day, unpaid Personal Leave of Absence for one of the following reasons:

- A “serious health condition” (as defined on page M-3 of this policy, in section titled, “FMLA Definitions”);
- Compelling personal business that cannot be addressed outside of normal working hours.

NOTE: Refer to section titled, “Personal Leave of Absence” for more information on this policy.”

FAMILY AND MEDICAL LEAVE ENTITLEMENTS

Leave entitlements and health benefit protection are provided up to 12 weeks in a rolling 12-month period. The rolling period begins with the first leave request and expires 12 months thereafter. Any leave taken in a rolling period is subject to the eligibility requirements listed beginning on page M-1.

PURPOSE OF FMLA LEAVE

Employees may take a total of 12 weeks of unpaid leave during a rolling 12-month period for any of the following reasons: (1) because of the birth of a child of the employee and to care for such child; (2) because of the placement of a child with the employee for adoption or foster care; (3) in order to care for the spouse, child, or parent of the employee if such spouse, child, or parent has a serious health condition; or (4) because of a serious health condition that makes the employee unable to perform the functions of his or her position.

NOTE: The 12-month period is measured forward from the beginning of the employee's first FMLA leave.

FMLA DEFINITIONS

- **“Child”** means a biological, adopted or foster child or a stepchild, a legal ward or a child of a person standing in place of parent who is under 18 years of age, or 18 years of age or older but incapable of self-care because of a mental or physical disability.
- **“Parent”** means a biological parent or an individual who stands or stood in place of parent, but does not include a parent-in-law.
- A **“serious health condition”** is an illness, injury, impairment or physical or mental condition which prevents the employee from performing one or more of the essential functions of his/her position, involving:
 - 1) any period of incapacity or treatment in connection with or consequent to inpatient care in a hospital, hospice or residential medical care facility;
 - 2) any period of incapacity requiring absence from work, school or other regular daily activities, of more than three calendar days, that also involves continuing treatment by a health care provider;
 - 3) continuing treatment by, or under the supervision of, a health care provider for a chronic or long-term health condition that is incurable or so serious that, if not treated, would likely result in a period of incapacity for more than three calendar days; or

- 4) any period of incapacity due to pregnancy or for prenatal care.
 - a) In California, leaves taken because of an employee's disability on account of pregnancy, childbirth or related medical conditions are separately governed by pregnancy-related leave statutes, as explained on pages M-11 through M-13 of this document.
- **"Spouse"** means a person who is a husband or wife. A common law marriage qualifies as a marriage for FMLA purposes in those states where such a marriage is recognized.

NOTE: A domestic partner is not eligible for FMLA benefits under federal law.

FMLA MEDICAL CERTIFICATION

The company requires a medical certification from a health care provider to support a Family Medical Leave Act leave. Such certification should be provided within fifteen (15) calendar days after the employee's request unless it is not possible to do so. Employees must submit a Medical Certification form which can be obtained from a manager or via HealthCare California Intranet upon requesting a leave under FMLA.

NOTE: A Certification of health care provider must include the following:

- 1) **Beginning and expected ending dates of disability.**
- 2) **An estimated delivery date for pregnancy or related leave.**
- 3) **If for employee, a health care provider's authorization of employee's:**
 - a) **inability to perform one or more of the essential functions of his or her position; or**
 - b) **medical need for an intermittent or reduced-schedule leave**
- 4) **If for a dependent, provider's authorization for the need for employee's participation in the treatment or care of a seriously ill parent, spouse, or child/ dependent.**

HealthCare California also may require an employee on family or medical leave to check in periodically with management about his or her status and intent to return to work. A check-in schedule should be arranged between the employee and management before leave is taken.

At the company's discretion and expense, Human Resources may require a second medical opinion from a health care provider it selects and approves. This opinion will be given by a medical professional that is not regularly used by HealthCare California. If there are differing opinions, the company can require a

third medical opinion, at the company's expense, from a mutually agreed upon health care provider. The third opinion shall be final and binding.

FMLA INTERMITTENT OR REDUCED LEAVE SCHEDULE

An employee may request intermittent leave or a reduced-hours leave due to a "serious health condition" of the employee or an eligible member of his/her family. The company requires a medical certification that supports the claim that the immediate medical need can best be accommodated through an intermittent or reduced leave schedule. In order to accommodate a request of this nature, the company may require the employee to transfer to a temporary alternative job for which the employee is qualified. HealthCare California will make every reasonable effort to offer the employee a position of equal hours and duties as the employee's regular job. The employee's rate of pay and most benefits will be equivalent to that of their regular job; however, total wages earned and vacation accrual may be less if hours are reduced if deemed necessary by management. Intermittent/reduced leave is counted towards the employee's 12-week FMLA leave period.

NOTE: The employee must make a reasonable effort to schedule his or her leave so as not to unduly interrupt HealthCare California operations and must give 30-day notice of his or her intent to take leave, if practical.

JURY DUTY LEAVE

All HealthCare California employees will be granted leave to serve on jury duty. The employee must give reasonable notice of his or her requirement to serve on a jury. Jury duty leave shall be unpaid.

BEREAVEMENT LEAVE

Employees who have been continuously employed with HealthCare California for 12 consecutive months will be granted time off with pay to attend funeral services and attend to personal family matters following the death of an immediate family member. An immediate family member includes a spouse, registered domestic partner, child, stepchild, parent, stepparent, sibling, parent-in-law, grandchild, grandparent or legal guardian. Eligible employees will be granted up to three days paid benefit for bereavement leave.

MILITARY LEAVE:

Uniformed Services Employment and Reemployment Rights Act Leave (USERRA)

HealthCare California will grant employees leave for periods of military service, generally up to five years. Military service includes participating in active military duty, inactive duty training, fitness determination, funeral honors duty or fulltime National Guard duty. The employee, or an appropriate officer of the uniformed service, must give advance written or verbal notice of his or her service obligations, unless doing so is impossible, unreasonable or otherwise precluded.

USERRA: BENEFITS

Upon return from military leave, an employee is entitled to any seniority-based benefits as if the employee was continuously employed. An employee is entitled to non-seniority benefits just as other employees on non-military leave are entitled.

HealthCare California will treat a returning employee as if the employee was continuously employed for purposes of any benefit plans including eligibility for FMLA leave.

USERRA: REPORTING BACK TO WORK

To be entitled to reemployment, the employee must report back to work or submit an application for reemployment at the completion of his or her military service within the following time frame, as determined by the length of the employee's military service:

- **Less than 31 days:** If an employee's period of military service lasted less than 31 days, the employee must report to work either on the first day of the first regularly scheduled work period following completion of service and safe transportation home, plus an eight-hour period of rest or as soon as possible if reporting on the first regularly scheduled work period is impossible or unreasonable through no fault of the employee.
- **More than 30 but less than 181 days:** If the employee's service lasted more than 30 but less than 181 days, the employee must submit an application for reemployment within 14 days of completing his or her service unless, through no fault of the employee, it is impossible or unreasonable for the employee to do so. If it is impossible or unreasonable, the employee must submit an application by the first full calendar day after it becomes possible.
- **Longer than 180 days:** If the employee's service lasted longer than 180 days, the employee must submit an application for reemployment no later than 90 days after the employee completed his or her service. Discharge papers are required for review and prior to returning to work.

USERRA: REEMPLOYMENT RIGHTS

The position in which a returning employee is entitled to be reemployed depends on the length of the employee's military leave.

- **Less than 91 days:** If an employee's military leave was less than 91 days, he or she is entitled to be reinstated in the position he/she would have had if the employee had not taken military leave, including any promotions the employee would have received, as long as he/she is qualified for the job or can become qualified with reasonable efforts. If, after returning from military service, an employee is not qualified to take that position, he or she may be returned to the position held when the leave began.

- **Greater than 90 days:** If an employee's military leave was greater than 90 days, the employee is entitled to be reinstated in the position:
 - a) That he/she would have had if the employee had not taken military leave, including any promotions the employee would have received, as long as he/she is qualified for the job or can become qualified with reasonable efforts;
 - b) Of like seniority, status and pay with the duties for which the employee is qualified.

NOTE: If, after reasonable efforts have been made to qualify the employee, the employee is not able to perform the functions of that position, HealthCare California may reinstate the employee in the position he/she held prior to taking military leave.

Disability: An employee who has become disabled, or whose disability is aggravated during his or her military leave has the same reinstatement rights as other employees. HealthCare California will make reasonable efforts to accommodate such an employee's disability and to place the employee in the position he/she had prior to military service. If HealthCare California cannot reasonably accommodate a particular employee's disability in the position held prior to military service, HealthCare California will reinstate the disabled employee to any position equivalent in seniority, status and pay (or nearest approximation to such a position) for which the employee is qualified or can be made qualified through HealthCare California reasonable efforts, unless doing so would create an undue hardship for HealthCare California.

USERRA: LOSS OF RIGHTS

An employee forfeits his/her rights under USERRA in the following circumstances:

- Separation from uniformed services with a dishonorable or bad conduct discharge
- Separation from uniformed services under “other than honorable” conditions (based on the applicable rules set forth for each military branch of service)
- Dismissal of a commissioned officer in certain situations involving a court martial or by order of the President in time of war
- Removal from roll based on absence without authority for at least three months, court martial, or imprisonment by a civilian court
- Providing written notice to HealthCare California that the employee will not be returning to work after the period of uniformed service.

INDUSTRIAL LEAVE OF ABSENCE

This leave policy does not modify applicable law related to work-related injury or illness. Employees who sustain work-related injuries are eligible for medical leaves of absence for the period of disability in accordance with applicable law. Leave for work-related injury that also qualifies as a medical leave under this policy and applicable family and medical leave laws will be counted as a medical leave and charged against the employee’s leave entitlement.

NOTE: Refer to pages M-20 through M-23, “Industrial Leave of Absence” for details of policy.

CONCURRENT LEAVES

If the eligibility requirements and reasons for a leave are met for one or more leave types, the leaves will be taken at the same time and will be considered a fulfillment of entitlement under all leaves to the extent permitted by applicable law.

COMPANY INITIATED LEAVE

The company has the right to initiate a leave of absence when, in its sole judgment, such a leave is appropriate. For example, if an employee is unable to perform the essential functions of their job, or poses a safety risk to him/her self or others, the company may initiate a leave of absence. This action will only be taken when authorized by Human Resources and Management.

ADVANCE NOTIFICATION OF LEAVE

Any employee anticipating an absence of five or more scheduled workdays must apply for a leave of absence. The employee requesting a leave must complete and submit a Leave of Absence Request form 30 days in advance of the starting date of the leave to his/her manager. The manager must then forward the request form to Human Resources. The request must specify beginning and estimated ending dates for the leave and be accompanied by the appropriate medical certification from the employee's health care provider. If the employee is not available to sign the request, the manager must sign and send the request form to the Human Resources, who then will contact the employee. Human Resources will send the employee a leave of absence "Delay Notification" letter if sufficient medical certification was not received with the leave request form. The employee is allowed 15 days to secure the required medical certification to Human Resources, unless it is not possible to because of a medical condition. Termination may result if employee fails to provide the required certification within the time frame provided.

COMPENSATION DURING LEAVE

All leaves described herein are unpaid unless otherwise noted. Available paid time off (PTO) pay may be applied to these leaves. The use of paid leave for any of the leaves described herein does not extend the total leave period to which an employee is entitled.

If the employee takes leave for the newborn care, placement of a child or to care for someone with a serious health condition, available PTO hours/days may be applied to the leave period until such leave is exhausted. The remainder of the leave period will be unpaid.

If the employee takes leave **for his or her own serious health condition, available PTO hours/days and vacation hours/days may be applied to the leave period until such leave is exhausted.** The substitution of such paid leave does not extend the total amount of leave that may be taken. The remainder of the leave period will be unpaid.

RETURNING TO WORK/REINSTATEMENT

All leave of absence requests must indicate a beginning and expected end date of the leave. It is the employee's responsibility to give periodic updates to his/her manager or to Human Resources regarding the expected date of return and continued intent to return to work at the end of the leave.

Employees returning to work must notify their manager of their intention to return to work at least seven days prior to the end of their leave of absence.

Employees are expected to return to work on their first scheduled workday following the expiration of their leave. When returning from a medical leave, employees must provide a release from their health care provider. Under certain circumstances, an employee may be granted an extension of leave. The employee must request an extension for their leave at least seven days prior to the expiration of his/her original leave. Should unforeseeable circumstances arise that do not permit such notification, employees must contact their manager as soon as the need for the extension is known.

Generally, an employee who complies with the provisions of these policies, with the exception of HealthCare California 30-day Personal Leave, returning from leave will be reinstated to the same position or an equivalent position, with equivalent pay, benefits and other terms of employment, to the extent required by applicable law. If the company deploys a reduction in workforce or restructuring program that impacts the employee's position during the leave period, his/her employment will be so affected at the time of deployment, up to and including possible termination or reassignment due to an elimination of the employee's position.

Certain highly compensated employees may, in some circumstances, be denied reinstatement. HealthCare California's Human Resources should be consulted if the employee is believed to be within the highest paid 10 percent of workers employed within 75 miles of the employee's workplace.

FAILURE TO RETURN TO WORK

If the employee fails to return to work at the end of the leave or to notify HealthCare California of his or her status, Human Resources will send a certified, "Request for Response" letter to the employee. If the employee does not reply to the letter within the time specified in the letter, the employee will be terminated.

EFFECT ON BENEFITS

Full-time employees are covered under their current medical and dental plan for the first 12 weeks of leave in a rolling 12-month period. Employees must pay their regular portion of the premium for individual and dependent health coverage, if any, on a monthly basis. Premiums will be deducted from any compensation paid to employees during the leave, such as sick or vacation pay, as a regular payroll deduction. Employees who are going out on a leave of absence are responsible for contacting Human Resources at the beginning of

their leave to make arrangements to pay their portion of the health benefit premiums by one of the following methods:

- 1) by making the payments by the first of each calendar month; or
- 2) by prepaying the premiums, before commencing the leave.

TERMINATION OF HEALTH CARE BENEFITS

Full-time employees who are away from work for more than 12 weeks and will have their current medical and dental plan terminated. However, these employees will be eligible to continue coverage by enrolling in continuation coverage (COBRA). Human Resources will send personalized information to employees once their leave exceeds 12 weeks.

Employees on leave do not lose any benefits that have accrued prior to their first day of leave and the leave period will be treated as continued service for purposes of determining vesting and eligibility to participate in profit-sharing plans. However, an employee does not accrue any other benefits during the leave period, unless it is a paid leave under which benefits would otherwise accrue, nor does the leave period entitle the employee to any greater rights than would have been earned had he or she remained in the workplace.

REINSTATEMENT OF BENEFITS

Employees whose leaves are more than 12 weeks, and who have participated in COBRA for some portion of the leave, will be reinstated in their selected medical and dental plan (from COBRA) on the first of the month following their return to work. Those employees who declined to participate in COBRA must reestablish eligibility for medical coverage by working an average of 30 hours a week for a 12-week period of time.

Employees, whose leaves are 12 weeks or less, will be reinstated for medical and dental coverage upon return to work. Employees should notify the Human Resources of their return to work.

EFFECTS ON PAID TIME OFF (PTO) HOURS

Except where required by law, employees do not earn (PTO) hours when they are out on a leave of absence, unless the employee receives payment for PTO hours while on leave. Accrual/earning is based on hours **paid**. The employee *does* retain his/her most recent hire date for purposes of continuing accrual of these benefits upon return to work.

401(k) PLAN

Company contributions to the 401(k) Plan end when paychecks cease. Contributions automatically resume once the employee returns to work unless he/she elects otherwise.

HOLIDAY BENEFITS

Employees on a leave of absence are not eligible for holiday pay for holidays occurring during the leave.

AMERICANS WITH DISABILITIES ACT (ADA) AND STATE DISABILITY LAWS

If an employee's serious health condition meets the Americans with Disabilities Act's definition of "disability," reinstatement will be evaluated in terms of whether the employee can return to his/her previous job with or without reasonable accommodation. If that is not possible, consideration will then be given to reinstating the employee to any job that is available for which the employee is qualified to perform, with or without reasonable accommodation.

NOTE: "Reasonable accommodation" may include, but is not limited to, one of the following:

- Granting an extension of the leave of absence
- Job restructuring
- Work station modification
- Flexible work schedules
- Reinstatement to a "light duty" position
- Reinstatement to a lower graded position

ADA does not require an employer to create a new job or to allow "bumping" of another employee from a job to provide for reinstatement, nor is an employer required to promote a disabled individual to make such an accommodation. Some state disability laws may afford greater protections to individuals with disabilities than those provided under the ADA, whereas the applicable state laws shall apply.

ADDITIONAL STATE SPECIFIC LEAVES

CALIFORNIA LEAVES

California Family Rights Act (CFRA) Leave

California employees who have been employed by HealthCare California for at least 12 months and have worked a minimum of 1,250 hours during the rolling 12-month period immediately before the leave begins may take a total of 12 weeks of unpaid leave during a rolling 12-month period for any of the following reasons:

- 1) the birth of the employee's child
- 2) because of the placement of a child with the employee for adoption or foster care
- 3) in order to care for the spouse, child, or parent of the employee if such spouse, child, or parent has a serious health condition; or
- 4) because of a serious health condition (other than a condition related to pregnancy, childbirth or related medical condition) which prevents the employee from performing one or more of the essential functions of his/her position.

This leave runs concurrently with FMLA leave. Other provisions of the CFRA are generally similar to those of the FMLA outlined above. Except under the CFRA, HealthCare California will provide intermittent leave for the birth or placement of a child; but, it may require a minimum duration for such intermittent leave of two weeks.

California Pregnancy-Related Disability Leave (PDL)

California employees certified as medically unable to work due to pregnancy, childbirth or pregnancy-related medical conditions are eligible for up to four months of unpaid leave for each pregnancy under pregnancy disability leave (PDL). There is no length of service requirement for eligibility for PDL.

Pregnancy related medical conditions may include time off needed for prenatal care, severe morning sickness, health care provider-ordered bed rest, childbirth and recovery from childbirth.

This leave, which may be intermittent or on a reduced work schedule when medically advisable, as determined by employee's health care provider, runs concurrently with FMLA leave for employees eligible for FMLA, but not with CFRA leave. Please see section titled, "**California PDL: Duration of Leave.**"

California PDL: Notice Requirements

An employee should notify HealthCare California of her request for pregnancy-related disability leave as soon as she is aware of the need for such leave. The employee's healthcare provider must submit certification to the company setting forth:

- the start date of the pregnancy disability leave;
- the probable duration of the period(s) of disability; and
- an explanatory statement stating that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or undue risk to other persons.

NOTE: Upon return from pregnancy-related disability leave, the employee must submit a healthcare provider's verification of fitness to return to work.

California PDL: Duration of Leave

The four-month period is based on the number of days an employee normally would work within the four months. For example, for a full-time employee who works five eight-hour days per week, "four months" means 88 working and/or paid eight-hour days of leave entitlement, based on an average of 22 working days per month for four months. For employees who work more or less than five days a week, or who work on alternative work schedules, the number of working days which constitutes "four months" is calculated on a pro rata or proportional basis. For example, for an employee who works half time, "four months" may mean 44 eight-hour days or 88 four-hour days.

The first 12 weeks of the four months of California Pregnancy Disability Leave (PDL) will run concurrently with the annual entitlement under the federal Family and Medical Leave Act. If leave is taken on an intermittent or reduced schedule basis, the time off is still counted toward the employee's 12-week entitlement under FMLA. However, that time will not count against the 12 weeks of family medical leave under the California Family Rights Act (CFRA). This is because generally, PDL will apply to situations where leave is required for the health of the pregnant mother while CFRA applies to situations where leave is required due to bonding or to serious health conditions of the newborn, newly adopted or newly placed foster child. Therefore, when the PDL ends, employees with circumstances that make them eligible for CFRA may request an additional 12 weeks under that statute, for a maximum total of up to seven months of unpaid leave.

The period of PDL leave need not be continuous and may include periods both before and after delivery of the child. Pregnancy-related disability leave maybe taken intermittently or on a reduced schedule where medically necessary. If requested by the employee and recommended by the employee's physician, the employee's work assignment may be changed as required to protect the health and safety of the employee and her child.

California PDL: Employee Job Transfer Requests

Employee requests for a transfer to a less strenuous or hazardous position or to less strenuous or less hazardous duties will be approved if:

- 1) The employee's health care provider certifies:
 - a. the date on which the need to transfer became medically advisable;
 - b. the probable duration of the period or periods of the need to transfer;
 - c. an explanatory statement that, due to the pregnancy, the transfer is medically advisable **and**
- 2) The company can reasonably accommodate the transfer.

When an employee requests a temporary transfer; but, it is **not** supported by a health care provider's certification, the company will accommodate the request where possible. If such a transfer is made, the employee will receive the rate of pay that accompanies the job, as is the case with any other temporary transfer due to temporary health reasons.

NOTE: The company is not required to create a position, discharge another employee, transfer another employee with more seniority, or promote or transfer the employee if she is not qualified for the position, in order to accommodate the request for transfer.

California PDL: Intermittent Leave/Reduced Work Schedule

When the employee's health care provider indicates that intermittent leave or a reduced work schedule is medically advisable, the company may, at its option, require the employee to temporarily transfer to an available alternative position for which the employee is qualified that will better accommodate recurring periods of leave than the employee's regular job. HealthCare California will make every reasonable effort to offer the employee a position of equal hours and duties as the employee's regular job. The employee's rate of pay and benefits will be equivalent to that of their regular job; however, total wages earned may be less if hours are reduced if deemed necessary.

California PDL: Maintenance of Benefits

HealthCare California will continue the employee's coverage under its group medical insurance plan to the same extent as if the employee had been working continuously, provided that the employee was already participating in the plan before the first day of the leave. If the employee takes both pregnancy-related disability leave, the first 12 weeks of which run concurrently with FMLA, and CFRA leave, continued payment of insurance premiums will not exceed the 12-week limit for FMLA.

California PDL: Reinstatement

To ensure that an employee's return to work can be properly scheduled, an employee on pregnancy-related disability leave is requested to provide HealthCare California with at least seven days advance notice of the date the employee intends to return to work.

An employee who complies with the provisions of these policies, returning directly from a PDL leave, will be reinstated to the same position unless:

- 1) the employee would not otherwise have been employed in her same position at the time reinstatement is requested for legitimate business reasons unrelated to the employee taking a PDL leave or transfer, such as a layoff pursuant to a plant closure, or
- 2) each means of preserving the job or duties for the employee, such as leaving it unfilled or filling it with a temporary employee, would substantially undermine HealthCare California ability to operate the business safely and efficiently.

If the employee is not reinstated to the same position for the reasons set forth above, the employee will be reinstated to a comparable position unless:

- 1) there is no comparable position available or
- 2) the employee has taken a PDL leave that does not qualify as an FMLA leave or
- 3) a comparable position is available but filling the available position with the returning employee would substantially undermine HealthCare California's ability to operate the business safely or efficiently.

A comparable position is "available" if there is a position opens on the employees' scheduled date of reinstatement or within 10 working days thereafter for which the employee is qualified, or to which the employee is entitled by company policy, contract, or collective bargaining agreement.

California Military Leave

After service in the California National Guard, HealthCare California will restore the employee to his or her former position or to a position of similar seniority, status and pay, unless HealthCare California circumstances have changed such that it is impossible or unreasonable to reemploy the employee. To be eligible for reemployment, a returning employee must receive a certificate of satisfactory service in the California National Guard, be qualified to perform the duties of the position in which he or she will be reemployed and give HealthCare California timely notice of his or her intention to return to work. The time frame in which an employee must apply for employment with HealthCare California depends on whether the employee was previously a full-time or part-time employee. Employees who left full-time positions must apply for their former jobs within 40 days of returning from active duty. Employees who left part-time employment must apply within five days.

California Leave for Victims of Crimes, Domestic Violence, or Sexual Assault

California employees who are victims of crimes may take unpaid leave to appear in court to comply with a subpoena or other court order to appear as a witness in a judicial proceeding related to the crime. Employees who are victims of domestic violence or sexual assault may take unpaid leave to obtain or attempt to obtain injunctive relief, to seek medical attention for injuries caused by the domestic violence or sexual assault, to obtain services from a counselor or crisis center or to take other actions to increase their safety or the safety of their children. The employee shall give HealthCare California reasonable advance notice of the employee's intention to take time off, unless giving advance notice is not reasonable. HealthCare California may request certification of the absence, including a police report, a court order, or documentation of treatment from a medical or counseling professional. The length of time granted for leave will be determined on a case-by-case basis. Available sick and/or vacation hours may be applied to this leave.

California Emergency Personnel Leave

HealthCare California will grant unpaid leave to a California employee to perform emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue person. In addition, an employee who is a volunteer firefighter shall be permitted to take leave, not to exceed an aggregate of 14 days per calendar year, for the purpose of engaging in fire or law enforcement training. Available vacation hours may be applied to this leave.

California Voting Leave

If a California employee does not have sufficient time outside of working hours to vote in a statewide election, the employee may take off enough working time to enable the employee to vote. HealthCare California will pay for up to two hours of such time. The time taken off for voting must be at the beginning or the end of the regular working shift, unless otherwise agreed. The employee is required to give two days' notice to his/her immediate supervisor that time off for voting is required.

California Leave for School Visits

HealthCare California will grant unpaid leave to a California employee who is the parent or guardian of a pupil and who is requested by school personnel to appear in the school of that pupil because the pupil has been suspended, if the employee gives reasonable notice to the employer that he or she is requested to appear in the school.

In addition, HealthCare California will grant unpaid leave to a California employee who is a parent, guardian, or grandparent having custody of one or more children in grades kindergarten and one through 12, or a licensed child day care facility, to participate in activities of the school or licensed child day care facility for up to eight hours in any calendar month, not to exceed 40 hours per year, if the employee gives reasonable notice of the planned absence. If HealthCare California so requests, the employee shall provide documentation from the school or licensed child day care facility as proof that he or she participated in an activity on a specific date and at a particular time. Available vacation hours may be applied to this leave.

California Election Official Leave

HealthCare California will grant a California employee one day of unpaid leave on Election Day to volunteer at his or her polling place. Available vacation hours may be applied to this leave.

California Sick Leave and Kin Care

California employees may use one-half of their annual sick leave entitlement in each calendar year, up to 24 sick hours total, to attend to the illness of the employee's child, spouse, parent, registered domestic partner or child of a registered domestic partner. Available sick and/or vacation hours may be applied to this leave.

A “child” means a biological, foster or adopted child, a stepchild, the child of a registered, domestic partner, a legal ward or a guardian. The term “child” is not specifically limited to minors.

Employers are prohibited from denying an employee the right to use sick leave, or from discharging, threatening to discharge, demoting, suspending or in any manner discriminating against an employee for using or attempting to exercise the right to use sick leave to attend to an illness of a child, spouse, parent, registered domestic partner or child of a registered domestic partner.

Absences, up to 24 hours each year, used to attend to the illness of a family member should be excused from any attendance policy.

INDUSTRIAL LEAVE OF ABSENCE

PURPOSE

To provide a leave of absence to eligible employees when they are unable to work as a result of a work-related illness or injury.

ELIGIBILITY

An employee is eligible for leave under this policy if he/she:

- is an employee of HealthCare California
and
- is disabled and/or unable to work as a result of illness or injury incurred while working for HealthCare California

EMPLOYEE RESPONSIBILITIES

Immediately notify the immediate supervisor of the injury or illness. The employee’s manager will report the condition to HealthCare California Workers’ Compensation insurance carrier. If the carrier approves the illness or injury as work-related, the employee will become eligible to receive workers’ compensation benefits.

California employees must also complete an Employee’s Claim for Workers’ Compensation Benefits form (DWC-1). The company will provide this form within 24 hours of incurring the injury or illness.

Employees are required to give their manager periodic updates regarding their expected date of return and continued intent to return to work at the end of the leave.

MANAGER RESPONSIBILITIES

- Follow the current reporting procedures **to report immediately** all workplace injuries or illnesses
- Provide employee with Employee's Claim for Workers' Compensation Benefit Form (DWC-1) within 24 hours of receiving notice of injury or illness from employee
- Contact Human Resources if you have questions
- Upon returning to work, managers are to send a copy of the employee's Medical Release form to Human Resources

PROVISIONS

If the injured employee is absent from work for more than five days, or is on a reduced work schedule for longer than one month, management must complete a Leave of Absence Request form and send to Human Resources. The form must specify beginning and estimated ending dates for the leave. The form must be accompanied by the appropriate medical certification from the employee's health care provider. If the employee does not provide medical information or is unavailable to sign the form, management must contact the Human Resources to provide estimated dates and medical information.

CONCURRENT LEAVES

If an employee meets the eligibility requirements for a Family and Medical Leave under the HealthCare California Family and Medical Leave (FMLA) Policy, the first 12 weeks of an Industrial Leave will also be designated a Family and Medical Leave. Any leave taken under this policy that also meets the requirements under federal and applicable state family and medical leave laws will be designated leave taken concurrently under those laws.

NOTE: See section titled, "Family and Medical Leave Act" of HealthCare California Leaves of Absence policy for eligibility requirements.

DURATION

An occupational leave is granted for the length of time that is medically necessary, as determined by the employee's health care provider, and approved by Human Resources. An employee will be retained on an extended leave of absence for work-related disabilities by HealthCare California **until one of the following events occur:**

- the employee is released for full or partial duty

- HealthCare California receives medical evidence the employee will be permanently unable to perform the functions of his/her position, with or without reasonable accommodation
- either directly or indirectly, the employee informs HealthCare California that he/she does not intend to return to HealthCare California employ (e.g., by resigning or accepting other employment that is inconsistent with the intent to return to the job, moving out of state, etc.) or
- the employee is found to be in serious and willful violation of HealthCare California leave of absence policy

NEW OR PRIOR INJURY

HealthCare California's Workers Compensation Insurance Carrier shall determine whether or not an incident is a new injury or a continuation of a prior injury.

EXTENSION OF INDUSTRIAL LEAVE

If an employee needs to extend an Industrial Leave beyond a scheduled return date, he/she must notify his/her immediate supervisor or Human Resources, in writing, as soon as the need for the extension is known. HealthCare California Workers' Compensation insurance carrier will contact the employee's health care provider to substantiate that the extension is medically necessary.

RETURNING TO WORK

Before an employee will be allowed to return to work after an Industrial Leave, he/she must provide the manager with a written release from a health care provider. The employee's health care provider must complete and sign a Medical Release Form and return to Human Resources. This form will specify:

- 1) the date the employee is able to return to work
- 2) any limitations or restrictions on the employee's ability to do the job
- 3) the estimated length of time these restrictions will last

RELEASE WITH RESTRICTIONS

If the health care provider releases the employee to work part time or on restricted duty, the written certification must include the above information and also specify the number of hours the employee can work each day and week.

NOTE: An employee's own request to return to work on a part-time basis or to take a different position that has become available will be treated the same as any other employee's request for a change in hours or positions.

No special consideration for a schedule change will be made solely because of the employee's request or return from leave; the employee's health care provider must deem it medically necessary to alter an employee's schedule or position in order for consideration.

FAILURE TO RETURN TO WORK

If the employee fails to return to work at the end of the leave or to notify HealthCare California of his or her status, **Human Resources will send a certified, "Request for Response" letter to the employee. If the employee does not reply to the letter within the time specified in the letter, the employee may be terminated.**

FALSIFICATION

Misrepresentation of reasons for an Industrial Leave of Absence will result in disciplinary action up to and including termination of employment.

NOTE: If upon investigation it is determined that there is no longer a valid reason for the employee to be absent from work, the employee will be notified by certified letter that his/her employment with the company is being terminated. If no reply to the letter is received within the timeframe specified in the letter, the individual's employment will be terminated.

AMERICANS WITH DISABILITIES ACT (ADA)

If an employee's serious health condition meets the Americans with Disabilities Act's definition of "disability," reinstatement will be evaluated in terms of whether the employee can return to his/her previous job with or without reasonable accommodation. If that is not possible, consideration will then be given to reinstating the employee to any job that is available for which the employee is qualified to perform, with or without reasonable accommodation.

NOTE: "Reasonable accommodation" may include, but is not limited to, one of the following:

- Granting an extension of the leave of absence
- Job restructuring
- Work station modification
- Flexible work schedules
- Reinstatement to a "light duty" position
- Reinstatement to a lower graded position

ADA does not require an employer to create a new job or to allow "bumping" of another employee from a job to provide for reinstatement, nor is an employer required to promote a disabled individual to make such an accommodation.

Some state disability laws may afford greater protections to individuals with disabilities than those provided under the ADA, in which event the applicable state laws shall apply.

COMPENSATION WHILE ON LEAVE

Once HealthCare California Workers' Compensation insurance carrier has approved the employee's illness or injury as work-related, the employee will receive a percentage of his/her base earnings as income replacement through Workers' Compensation Insurance. The exact amount varies by state. In most states, the employee will receive approximately two-thirds of average weekly earnings, subject to the state's specific minimum and maximum amounts.

PAID TIME OFF (PTO) DAYS/HOURS

An employee may, but is not required, to use any available PTO hours/days as soon as the leave begins. PTO hours/days will be combined (integrated) with all other forms of disability payments, with the total not to exceed the employee's regular weekly (or bi-weekly) earnings.

NOTE: Lump-sum payments for available PTO days will not be granted.

PTO ACCRUAL

PTO does not accrue during a leave of absence unless employee receives payment for PTO while on leave as accrual/earning is based on hours **paid**. The employee *does* retain his/her most recent hire date for purposes of continuing accrual of these benefits upon return to work.

EMPLOYEE HEALTH BENEFITS

Employees are covered under their current medical and dental plan for the first 12 weeks of leave in a rolling 12-month period. Employees must pay their regular portion of the premium for individual and dependent health coverage, if any, on a monthly basis. Premiums will be deducted from any compensation paid to employees during the leave, such as sick or vacation pay, as a regular payroll deduction. Employees who are going out on a leave of absence are responsible for contacting Human Resources at the beginning of their leave to make arrangements to pay their portion of the health benefit premiums by one of the following methods:

- 1) by making the payments by the first of each calendar month or
- 2) by prepaying the premiums, before commencing the leave

Employees who are away from work for more than 12 weeks will have their current medical and dental plan terminated. However, these employees will be eligible to continue coverage by enrolling in continuation coverage (COBRA). Human Resources will send personalized information to employees once their leave exceeds 12 weeks.

Employees on leave do not lose any benefits that have accrued prior to their first day of leave and the leave period will be treated as continued service for purposes of determining vesting and eligibility to participate in profit-sharing plans. However, an employee does not accrue any other benefits during the leave period, unless it is a paid leave under which benefits would otherwise accrue, nor does the leave period entitle the employee to any greater rights than would have been earned had he or she remained in the workplace.

REINSTATEMENT OF BENEFITS

Employees, who return to work from a leave, and who have participated in COBRA for the duration of the leave, will be reinstated in their selected medical and dental plan from COBRA on the first of the month following their return to work. Those employees, who declined to participate in COBRA, must reestablish eligibility for health care coverage by working an average of 30 hours a week for a 12-week period of time.

Employees whose leaves are 12 weeks or less will be reinstated for medical and dental coverage upon return to work. Employees should notify Human Resources of their return to work.

HOLIDAY BENEFITS

Employees on leave of absence are not eligible for holiday pay for holidays that occur during the leave.

CONTACT

Please direct questions regarding this policy to: **Human Resources at (559) 243-9990.**

N. NO SOLICITATION

POLICY

The non-solicitation is intended to protect the interest of both the company and its employees

GUIDELINES

It is the policy of the company that solicitation of or by employees during **working time** is prohibited. Distribution of literature by employees during working time is also prohibited, as is literature in working areas, including posting of personal information on the bulletin board. "Working time," as used in this policy, excludes meals and break periods.

Under no circumstances will non-employees be permitted to solicit or distribute written material for any purpose on company property.

PROCEDURE

Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

O. PER DIEM

POLICY

This policy establishes guidelines for per diem reimbursement while traveling overnight on company business. All travel must have the prior approval of the Chief Operating Officer. In addition for hotel stays, the Chief Operating Officer must approve each request prior to reservation.

PURPOSE

HealthCare California periodically sends employees on business trips for the purpose of continuing education and training. During these trips, employees will be reimbursed for their reasonable meal expenses at the following rates:

Meal	Rate
Breakfast	\$10.00
Lunch	\$15.00
Dinner	\$20.00

The above allowances include taxes and tips.

Reimbursement for meals is not cumulative. For example, if the employee fails to eat breakfast, the \$10.00 breakfast allowance does not roll over to subsequent meal allowances. Additionally, no portion of the allowance is to be used for the consumption of alcoholic beverages.

In order to qualify for reimbursement, the employee must provide receipts for all meals being expensed. If a credit card is being used to purchase the meal, the employee must retain the line item receipt detailing the purchased items in addition to the credit card sign-off slip.

P. REST AND MEAL PERIODS

POLICY

All hourly employees are to be scheduled for and required to take rest and meal periods as outlined in this policy.

REST PERIODS

For each four hours worked, or major portion thereof, an employee must be provided with a 10-minute paid rest period. Employees are not to “clock out” for rest periods.

Rest periods should be taken during the middle of the work shift, not at the beginning or end.

Rest periods may not be combined or added to meal periods.

MEAL PERIODS

Employees must be scheduled for and provided an unpaid meal period of **at least 30 consecutive minutes** if the work period exceeds five hours.

The meal period must be completed BEFORE the end of the 6th hour of the shift. Follow the examples below when scheduling meal periods:

<i>The meal period must be completed</i>	
<i>If the shift starts at:</i>	NO LATER THAN:
7:00 am	12:00 pm
8:00 am	1:00 pm
9:00 am	2:00 pm

EMPLOYEES RESPONSIBILITY

It is the responsibility of the employee to notify management immediately if, for business reasons, he/she cannot take a rest or meal period at the **scheduled** time.

REQUIREMENTS

Follow the chart below to determine the number of rest and/or meal periods to provide:

Length of Work Shift	Number of REST Periods Required	Number of MEAL Periods Required
0 - 3 hours	0	0
3 - 5 hours	1	0
5 - 6 hours	1	1
6 - 7 hours	1	1
7 - 8 hours	2	1
8-10 hours	2	1
10-12 hours	2	2

FIVE-HOUR RULE

Meal periods **MUST** be scheduled to ensure the employee *does not work* more than five consecutive hours at any time during the shift. A meal period or shift end must occur prior to exceeding five consecutive hours at any time during the shift.

PROCEDURE

Patterns and/or habitual behavior demonstrating non-compliance with this policy will be investigated and unexcused failures to comply with this policy will result in disciplinary action, up to and including termination of employment. Within a 12-month rolling period, disciplinary action for unexcused failures to comply with this policy will result as follows:

Unexcused Failure to Comply:	Corrective Action:
1 st	Verbal Warning
2 nd	Written Warning
3 rd	Final Warning
4 th	Termination of Employment

Q. SAFETY REGULATIONS

POLICY

Every employee is responsible for his or her individual safety, as well as the safety of others, in the workplace. To achieve our goal of maintaining a safe workplace, everyone must be safety-conscious at all times.

GUIDELINES

In compliance with Proposition 65, the company will inform employees of any known exposure to a chemical known to cause cancer or reproductive toxicity.

A good safety record is the result of safe working conditions combined with alertness to common sense safety practices. The following General Safety Rules are designed for accident prevention and efficient operations:

- Sound judgment and safe practices are to be exercised in the work habits of all employees;
- Equipment should only be operated by those authorized as a result of their knowledge, training and experience;
- Fire protection and prevention practices, including the clearance of passage aisles and doorways, proper storage of flammable materials and control of smoking and open flame, must be complied with at all times;
- All employees are expected to comply with laws, rules and regulations concerning safe practices as published by the company and by governmental agencies having jurisdiction over such matters; and
- All work-related injuries and illnesses, regardless of their extent or nature, and unsafe working conditions, and/or practices must be immediately reported to management.

HAZARDOUS AND TOXIC MATERIALS

If your assignment involves the use of hazardous or toxic material (i.e., copy machine toner, solvents, cleaning fluids, etc.), you must comply with all laws, rules and regulations concerning their safe handling and disposal. You should refer to product labeling for information regarding exposure to such materials.

EQUIPMENT OPERATION

Before operating equipment for the first time, you must demonstrate an understanding of its operation. **Follow all instructions carefully.** If there is a mechanical problem, do not make repairs without authorization.

The company encourages safe and proper work procedures and requires all employees to follow safety instructions and guidelines.

The company 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 intend to provide appropriate resources to create a risk-free environment.

R. SMOKE-FREE WORKPLACE

POLICY

HealthCare California has designated its offices, facilities and vehicles tobacco free because of its commitment to improve the physical, mental and spiritual well being of persons, and a dedication to providing a healthy and comfortable environment for its employees and clients.

GUIDELINES

Tobacco products are prohibited in the offices, facilities or vehicles of HealthCare California. In addition, employees may not use tobacco products while performing their job responsibilities off HealthCare California property.

PROCEDURE

Employees who violate this policy are subject to warnings and other disciplinary action, up to and including termination.

S. USE OF CELL PHONE WHILE DRIVING

POLICY

Employees must adhere to all federal, state or local rules and regulations regarding the use of cell phones while driving.

GUIDELINES

The new Wireless Communications Device Law, effective January 1, 2009, makes it an infraction to write, send, or read text-based communication on an electronic wireless communications device, such as a cell phone, while driving a motor vehicle. Two additional laws dealing with the use of wireless telephones while driving went into effect July 1, 2008. The first law prohibits all drivers from using a handheld wireless telephone while operating a motor vehicle. (California Vehicle Code [VC] §23123). Motorists 18 and over may use a “hands-free device. The second law effective July 1, 2008, prohibits drivers under the age of 18 from using a wireless telephone or hands-free device while operating a motor vehicle (VC §23124).

Employees must adhere to all federal, state or local rules and regulations regarding the use of cell phones while driving. Additionally, employees who have access to a cellular telephone while operating a vehicle on company business should remember that their number one priority is driving safely and obeying the rules of the road.

HealthCare California requires all employees driving on company business to avoid making or receiving telephone calls while driving. Employees must let incoming calls go to their voicemail and then find a safe place to pull over and park before initiating a call. Under no circumstances shall employees use wireless telephones during adverse weather or difficult traffic conditions.

PROCEDURE

Any employee found to be violating this policy will be subject to disciplinary action, up to and including termination.

T. VEHICLES

POLICY

HealthCare California requires employees driving on company business, whether in company-owned or personal vehicles, to adhere to all rules and regulations set forth in this policy.

REQUIREMENTS TO DRIVE FOR THE COMPANY

- 1) **Valid License** – All employees who may be assigned to drive a company vehicle or operate their personal vehicle on company business must possess a valid license appropriate for the vehicle they will be operating. A license check will be made annually for each authorized driver and a photocopy placed in the driver's file.
- 2) **Obeying the Law** – All employees driving on behalf of the company are required to obey the laws of the state in which they are operating. Specifically, the California Vehicle Code is to be adhered to for all California drivers. Please also refer to the ***Use Of Cell Phone While Driving*** policy.
- 3) **MVR Review** – Motor Vehicle Records (MVRs) will be reviewed periodically for drivers using consistent and objective acceptability criteria.
- 4) **Insurable** – Employees must have a driving record which enables them to be included in the company's commercial automobile insurance policy (if driving a company vehicle) or the company's general liability insurance policy (if driving a personal vehicle on company business).
- 5) **Cleanliness** – Employees are required to maintain vehicles, whether company-owned or personal, in a clean and neat condition as to both the interior and exterior.

PERSONAL VEHICLES

Designated employees will be called upon to drive their personal vehicles on company business. As a reminder, normal home to work commuting is not part of an employee's principal work activities and such time is not counted as hours worked or compensated. The following procedures have been adopted in order to minimize the potential for losses arising out of claims involving vehicles that are not owned by the company but used for company business.

MILEAGE REIMBURSEMENT

The company will reimburse employees mileage for business travel at the rate of 82% of the current Federal rate.

APPROVAL

Use of personal vehicles in conjunction with any activity that relates to company business must be reviewed and approved by the Chief Operating Officer.

INSURANCE

The company's commercial automobile policy does not provide liability coverage for an employee using his or her own vehicle, even though the employee may be driving his or her vehicle on company business. Employees using their personal vehicle are responsible for liability arising out of the operation of their vehicle.

All drivers of personal vehicles on company business must provide evidence they have auto liability insurance with the amounts of coverage as required by the state in which the vehicle is operated. However, in no event will such coverage be less than \$100,000/\$300,000 as required by the company's insurance carrier. A certificate or proof of auto insurance must be obtained and given to management upon hire and as the policy renews. This proof should be kept in the driver's file.

ELIGIBILITY TO DRIVE A COMPANY VEHICLE

Employees eligible for assignment of a company vehicle are selected at the discretion of the Chief Operating Officer. Prior to vehicle assignment, an eligible employee must have and show a valid California driver's license which is not suspended or revoked in any state.

WITHDRAWAL OF COMPANY VEHICLE PRIVILEGE

The privilege of driving a company vehicle may be withdrawn for any of the following reasons:

- Abuse or misuse of the vehicle or failure to comply with the rules and procedures stipulated in this HealthCare California policy.
- A driving record which becomes deficient during the course of operating a company vehicle which, under certain circumstances, may be grounds for dismissal.
- Conviction or a guilty plea to driving a company vehicle under the influence of alcohol or an illegal controlled substance.

- If an eligible driver has a long-term disability, the assigned vehicle may be reassigned to another driver. Upon recovery from the disability and return to work, the driver may be assigned another vehicle.

DRIVER RESPONSIBILITIES

Eligible drivers are responsible for driving their vehicle in a safe and reliable manner. Employees must know and adhere to driving laws in all areas where they operate their company vehicles. If, for any reason, an employee's driver's license is revoked, suspended, or restricted, the driver must report this information immediately to the Chief Operating Officer.

SAFETY GUIDELINES

- Seat belts must be used by all occupants of a company vehicle, at all times and without exception. It is the company driver's responsibility to ensure all occupants fasten their seat belts prior to operating the vehicle. Any malfunctioning seat belt should be repaired and replaced by the employee immediately.
- The Company reserves the right to revoke the driving privilege of any driver not complying with this policy. In addition, HealthCare California expects all employees to drive defensively during business and personal travel, to obey all traffic laws and to prohibit employees from driving under the influence of drugs and alcohol, including prescription drugs.
- If an employee is taking prescription drugs on a doctor's orders, he or she must immediately notify the Chief Operating Officer if the drug(s) affect one's driving ability. Company vehicles are not to be used to transport flammable items, firearms or other hazardous materials.

TRAFFIC VIOLATIONS

- Excessive speeding violations and/or accident history may exclude a driver from being covered by company-provided automobile insurance and may make them ineligible to receive a company vehicle. If an employee receives a summons for a traffic violation or a parking ticket, the employee must pay it as soon as possible. All traffic violations and parking tickets should be reported to the Chief Operating Officer immediately. Under no circumstances will traffic or parking fines be charged to HealthCare California.
- A driver with three moving violations or any combination of three accidents and/or moving violations within a three-year period will be prohibited from driving a company vehicle. Any driver with a violation associated with alcohol or drugs will be prohibited from driving a company

car. This type of violation may also be grounds for immediate termination at the discretion of management.

PERSONAL USE OF A COMPANY VEHICLE

- Company vehicles are to be used only for HealthCare California business, unless the employee has elected to take the Personal-Use option. Information on the Personal-Use option can be obtained from Human Resources. If the Personal-Use option is taken, the individual's spouse and children (21 years and older with a valid driver's license) are allowed to operate the vehicle as determined by the Chief Operating Officer.
- All employees under the Personal-Use option are required to provide to the Chief Operating Officer a list of all members of their family who meet these criteria and who may need to drive the vehicle. In addition, all rules and procedures outlined in the HealthCare California Policies and Procedure handbook apply to an employee's spouse and licensed children while operating a company vehicle. It is the employee's responsibility to ensure these rules and procedures, in particular mandatory seat belt usage and cell phone usage restrictions, are adhered to by a spouse and licensed children (over age 21). No other drivers are permitted to operate a company vehicle.

THE COMPANY ALSO PROHIBITS:

- The transport of a hitchhiker or stranger. This policy has been established by our insurance carrier and must be observed for the protection of the employee and HealthCare California.
- The use of a company vehicle for any business venture other than pertaining to the employee's job duties and responsibilities at HealthCare California.
- The acceptance of any form of compensation from any individual for carrying passengers or material.

VEHICLE FUELING

- Employees driving company vehicles are required to fuel with regular unleaded (87 octane) fuel only. Premium or supreme fuel types are not to be purchased under any circumstances.

MAINTENANCE

- Every driver of a company vehicle is expected to maintain his or her assigned vehicle in a safe operating condition. Maintenance schedules outlined in the vehicle's owner manual should be followed and receipts maintained documenting that prescribed service work was completed. Particular attention should be given to the maintenance requirements for keeping the warranty of the vehicle in effect.
- Never leave a company vehicle at a service facility without specific instructions as to what work needs to be done.

GARAGING

The company driver is responsible for ensuring all necessary precautions are taken to prevent damage and theft of the company vehicle and its contents at all times. Whenever you leave a company vehicle, follow these precautions:

- Roll up all windows.
- Lock all doors.
- Do not leave supplies and equipment in open view inside a car since it may invite a break-in. Lock all valuable items inside the trunk when the vehicle is left unattended.

When traveling outside your residential area, whether on personal or company business, make sure to take reasonable precautions to safeguard the vehicle and its contents. When possible, select an off-street, lighted area close to a business or hotel entrance where normal police surveillance or security protection exists.

DRIVING OUTSIDE OF CALIFORNIA AND THE UNITED STATES

A company vehicle may only be used in California or Nevada. No vehicle is authorized to be operated in other states of the United States, Canada and Mexico.

ATTACHMENTS

- Trailer Towing. A trailer hitch is not to be used on the vehicle. The company vehicle is not to be used to push another vehicle.
- Bumper Stickers. No bumper or window stickers are to be affixed to a company vehicle. No signage of any type is to be displayed from inside the vehicle.

COMPANY VEHICLE ODOMETERS

Company vehicle odometers shall be governed in accordance with the following federal odometer laws and regulations:

- Change of mileage indicated on the odometer is prohibited. No person shall disconnect, reset or alter the odometer of any motor vehicle with intent to change the number of miles indicated thereon.
- Operation of a motor vehicle with knowledge of a disconnected or non-functional odometer is prohibited. No person shall, with intent to defraud, operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or non-functional.
- Criminal penalties: Any person who knowingly and willfully commits any of the two items listed above is liable to be fined not more than \$50,000 or imprisoned not more than one year, or both.

Any HealthCare California employee who knowingly violates the federal laws specified above will be immediately terminated. In addition, HealthCare California may pursue available civil remedies.

WHAT TO DO IN CASE OF AN ACCIDENT

- All accidents, no matter how seemingly inconsequential, must be reported to the Chief Operating Officer.
- A HealthCare California accident reporting form must be filled out as completely and as rapidly as possible for submission to the Chief Operating Officer.
- The driver must notify the local police and state motor vehicle authorities of the accident.
- If the employee was at fault in an accident while driving a company vehicle for personal use, there is a \$500.00 deductible for collision coverage which is the financial responsibility of the employee.
- If the employee grants permission for someone to drive their assigned vehicle other than a spouse and children (21 years and older with a valid driver's license), the employee will be considered financially responsible for all damages and vehicle repairs.

STOLEN VEHICLE

- If a company vehicle is stolen, report the theft immediately to the local police and to the Chief Operating Officer.
- Obtain a copy of the filed police report. Maintain one copy for your personal file and submit another copy to the Chief Operating Officer.

- Any attempted break-in or theft of items from a company vehicle must be reported to the local police department and the Chief Operating Officer.
- In addition, report the following information to the Chief Operating Officer:
 - The name, badge and precinct number of the police officer responding to your call.
 - List any equipment which was stolen by model and serial number
 - The date and location of where the theft occurred.

HOW TO REPORT AN ACCIDENT

If you are involved in an accident, it is necessary to follow the procedure outlined below:

- If anyone is hurt, call for medical assistance.
- Immediately following an accident, stop and investigate what damage might have occurred to the vehicle.
- Secure the names and addresses of the owner(s) and driver(s) involved, license number and registration number of the car(s) involved and the names and addresses of any passengers in the vehicles connected with the accident.
- Secure the name of the other party's insurance company and insurance policy number
- Secure the names and addresses of witnesses, if any.
- If law enforcement officers are present at the scene, note their names, badge and precinct numbers. If no police officers are present, call the police to the accident scene.
- Express no opinion as to who was at fault. Give no information except as required by law enforcement officers.
- Sign no statements for anyone except an identified representative of the insurance company covering the assigned company vehicle.
- Contact the Chief Operating Officer as soon as possible and within 24 hours of the accident so a preliminary accident report may be made.
- Keep a copy of the company's authorized accident reporting form for your records.
- Complete all reports required by local law enforcement and state motor vehicle authorities. If you need help in completing these reports, request help from your local police department, state motor vehicle office or a HealthCare California authorized representative.
- If any demand, claims or summons is served to an employee involved in an accident asserting liability against the employee, contact the Chief Operating Officer immediately.
- If the collision involves an unattended vehicle, you must attempt to notify the owner. If that is not possible, attach a note to the vehicle asking the

owner to contact you. Notify the police immediately telling them you have attempted to make contact with the owner.

There are NO EXCEPTIONS to the above requirements. Failure to comply with these procedures could have serious consequences for HealthCare California and an employee's tenure to the company.

ACKNOWLEDGEMENT

I acknowledge I have read and understand HealthCare California's Vehicles Policy. I Do Do Not elect to take the Personal Use option and understand there will be a \$92.31 bi-weekly deduction from my paycheck for this Personal Use.

Name

Signature

Date

HEALTHCARE CALIFORNIA ACCIDENT REPORT

Date of Accident:

Time of Accident:

Company Vehicle Involved:

- Year
- Make
- Model
- License Number
- Vehicle Identification Number (VIN)

Location of Accident:

Employee Name (Driver)

Address:

Telephone:

Date of Birth:

Driver's License Number:

Description of Accident:

Describe Damage to Company Vehicle:

Police Agency:

Police Report Number:

Reporting Officer:

Traffic Citation Issued: [Yes] [No]

Location of Company Vehicle:

OTHER PARTY INVOLVED IN THE ACCIDENT:

- Driver's Name:
- Address:
- Telephone Number(s):
- Insurance Company and Policy Number:
- Vehicle:
 - Year
 - Make
 - Model
 - License Number
- Name and Address of Passenger(s) and state if injured: