



**EMPLOYEE HANDBOOK
PROGRESSIONS COMPANIES, INC.**

REVISED JULY 2016

WELCOME!

On behalf of the Management Team of Progressions Companies, Inc.,* I extend to you our most sincere welcome. We value your contribution to continued excellence in client care. The accomplishments and success of our organization are not only the result of individual effort, but of teamwork and cooperation. Together, working as a team, we have been able to prosper and attain the high standards of client care that everyone expects.

To ensure that Progressions' employees know the policies and procedures that relate to employment terms and conditions, and are knowledgeable about who to contact when a question or issue arises at work (or relating to your ability to do your work), we ask that you carefully review this handbook. I believe you will find the information provided in this handbook helpful in learning our employment policies and procedures. The handbook was provided electronically when you joined the Company to ensure that you have easy access to the handbook for reference during your employment by maintaining the document or requesting a new document from Human Resources, if necessary. Should you have any questions, please contact Human Resources at any time.

Please accept my best wishes for a most rewarding experience working within the Company.

Nicholas C. Tenaglia, M.D.
Chairman of the Board

* This handbook and the policies included refer to Progressions Companies, Inc. ("Progressions") and its affiliates which include: Progressions Company, Malvern Institute ("Malvern"), Malvern Institute Willow Grove ("Willow Grove"), Internet Behavioral Health ("Behavioral Health") and IBC Counseling ("IBC") (collectively referred to as the "Company").

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I. EMPLOYMENT POLICIES AND PRACTICES

A. THIS EMPLOYEE HANDBOOK

Upon joining the Company, you were provided a copy of our Employee Handbook electronically so that you know company policies and procedures and who you may contact when issues or questions relating to your work experience arise. We recommend that you maintain the handbook in an easy-to-access version so that you may refer to it throughout your employment. After reading this Employee Handbook, please sign the receipt and acknowledgment page and return it to Human Resources. If you lose access to this handbook, notify Human Resources as soon as possible to obtain a replacement version. Your Human Resources is a good source of information about the Company and your job.

B. AT-WILL EMPLOYMENT

Unless you have a written agreement with the company that states otherwise, your employment with the Company is what is known as “at will.” This means that the Company and its employees have the mutual right to terminate employment, at any time, for any reason. No internal document (including this handbook or your application for employment), benefit plan description, or statement from any Company employee will be construed as a contract or guarantee of employment, express or implied.

C. EQUAL OPPORTUNITY

We are committed to a work environment in which all individuals are treated with respect, dignity and equal opportunity without discrimination or harassment on the basis of race; color; religion; genetic information; national origin; sex; pregnancy; childbirth or related medical conditions; age; disability; sexual orientation; uniform service member status; or any other characteristic protected by applicable federal, state, or local law. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, we expect that all relationships among persons in the office will be business-like and free of bias, prejudice and harassment.

These policies apply to all applicants and employees, whether related to conduct engaged in by fellow employees or someone not directly connected to the Company (e.g., an outside vendor, consultant or customer). This policy applies to all terms and conditions of employment, including, hiring, placement, job assignments, promotion, discipline, termination, layoff, recall, transfer, leave of absence, benefits, compensation and training.

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace such as during business trips, business meetings, and business-related social events. The policies and procedures in this handbook apply to any work-related events.

You are encouraged to bring questions, concerns, or complaints regarding equal employment opportunities in the workplace to the attention of Human Resources. If a Human Resources employee is the person toward whom your complaint or concern is directed, you should contact a

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different member of Human Resources who will ensure that appropriate steps are taken and that there is no retaliation for reporting the claim or concern.

The Company will not allow any form of retaliation against individuals who raise issues concerning equal employment opportunity. To ensure our workplace is free of artificial barriers to reporting, violation of this policy will lead to discipline up to and including discharge. All employees must cooperate with any investigation into a complaint regarding equal employment opportunity.

D. UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

Pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Company prohibits discrimination against persons because of their service in the Armed Forces, the Army National Guard and the Air Force National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency.

E. ANTI-HARASSMENT

The Company is committed to promoting a productive work environment in which every employee is treated with respect and can concentrate on the duties of their employment without unnecessary distractions. The purpose of this policy is to prevent discrimination and harassment of employees based on sex, gender, race, color, religion, national origin, marital status, age, mental or physical disability, veteran status, sexual orientation or any other basis protected by federal, state or local law whether by managers or supervisors, co-workers or non-employees.

Harassment is defined as offensive or intimidating conduct of a verbal or physical nature, which has the purpose or effect of unreasonably interfering with an employee's working conditions or performance, creates a hostile, intimidating or offensive work environment or otherwise adversely affects employment opportunities.

Sexual harassment is a particular type of harassment which is characterized by unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature where submission is a term or condition of employment; submission to or rejection of the conduct is a basis for an employment decision; or such conduct unreasonably interferes with an individual's work performance or creates a hostile work environment.

Examples of sexual or other harassment include, but are not limited to:

- jokes, derogatory expressions or comments of a sexual nature;
- references to the Ku Klux Klan, nooses or burning crosses, actual imagery of nooses, burning crosses or the Ku Klux Klan or other references or imagery that is derogatory or negative in references to a protected class;

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- jokes, derogatory expressions or comments involving sex, gender, race, color, religion, national origin, marital status, age, mental or physical disabilities or veteran status, sexual orientation, or any other basis protected by federal, state or local laws;
- the display of graphics, cartoons, photographs, computer images or objects of a sexual nature;
- the display of degrading graphics, cartoons, photographs, computer images or objects involving race, color, religion, gender, national origin, marital status, age, mental or physical disabilities or veteran status, sexual orientation, or any other basis protected by federal, state, or local laws.
- physical contact, or advances of a sexual nature;
- statements or threats which imply a link between an employee's sexual conduct, race, color, sex, gender, religion, national origin, marital status, age, mental or physical disabilities or veteran status, sexual orientation on any other basis protected by federal state or local laws and his or her employment status, advancement potential, salary treatment or other employment action; and
- basing an employment decision, such as hiring, promotion, retention or compensation on whether an employee or applicant submits to sexual advances or a person's race, color, sex, gender, religion, national origin, marital status, age, mental or physical disabilities or veteran status, sexual orientation.

Retaliation is also prohibited. Retaliation includes but is not limited to threatening to and/or taking adverse employment action against an individual for: (1) reporting a possible violation of this policy; or (2) participating in an investigation conducted under this policy.

Company management is covered by this policy and are prohibited from engaging in any form of harassing, discriminatory, or retaliatory conduct. No manager/supervisor has the authority to suggest to any applicant or employee that employment or advancement will be affected by the individual entering into (or refusing to enter into) a personal relationship with the manager/supervisor, or for interfering with a work, investigation under this policy, or for tolerating (or refusing to tolerate) conduct or communications that might violate this policy. Such conduct is a direct violation of this policy. Even non-employees are covered by this policy. The Company prohibits harassment, discrimination, or retaliation by non-employees against Company employees in connection with their work.

Any employee who experiences or observes harassment, discrimination, or retaliation should report it using the steps listed below.

If you have any concern that our anti-harassment policy may have been violated by anyone, you must immediately report the matter to any of the individuals listed below either in person, via telephone, or via email to the Director of Human Resources or your Human Resources representative. You have a duty to report any incident of harassment, discrimination, or

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retaliation that you witness or that you become aware occurred or is occurring, regardless of whether you were involved.

The Company will promptly investigate your report and take swift remedial action. The Company will protect the confidentiality of your report to the extent possible consistent with its investigation. You will not be penalized or retaliated against for reporting improper conduct, harassment, discrimination, or retaliation. All investigation files will be maintained separately from personnel files, except that any determination that an employee has violated, this policy will be placed in the personnel file of the employee who violated the policy.

We cannot resolve a potential policy violation unless we know about it. The Company has every interest in learning about any issues that would violate federal, state, or local laws and is committed to ensuring that any concerns are promptly reported and addressed. You are responsible for reporting possible policy violations to us so that we can take appropriate actions to address your concerns and to make the workplace productive and healthy.

F. ANTI-RETALIATION POLICY

The Company strictly prohibits any form of retaliation against an employee who in good faith makes a complaint, raises a concern, provides information or otherwise assists in an investigation or proceeding regarding any conduct that he or she reasonably believes to be in violation of Company policies, the Code of Ethics or any other Company policy, or applicable laws, rules or regulations.

This Anti-Retaliation Policy is designed to ensure that all employees feel comfortable speaking up when they see or suspect illegal or unethical conduct without fear of retaliation. It is also intended to encourage all employees to cooperate with the Company in the internal investigation of any matter by providing honest, truthful and complete information without fear of retaliation.

No employee should be discharged, demoted, suspended, threatened, harassed, intimidated, coerced, or retaliated against in any other manner as a result of his or her making a good faith complaint or assisting in the handling or investigation of a good faith complaint, that a Company policy, the Company's Code of Ethics set forth in this handbook, or an applicable law, rule or regulation has been violated. Employees who in good faith make a complaint or participate in an investigation or proceeding under this policy, however, remain subject to the same standards of performance and conduct as other employees.

The Company prohibits employees from being retaliated against even if their complaints are proven unfounded by an investigation, unless the employee knowingly made a false allegation, provided false or misleading information in the course of an investigation, or otherwise acted in bad faith. Employees have an obligation to participate in good faith in any internal investigation of retaliation.

The Company takes all complaints of retaliation very seriously. All such complaints will be reviewed promptly and, where appropriate, investigated.

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If you believe you have been retaliated against or that any other violation of this policy has occurred, or if you have questions concerning this policy, you must immediately notify the Director of Human Resources.

Any employee who violates this policy is subject to disciplinary action, up to and including termination of employment.

G. OPEN DOOR POLICY

The Company encourages its employees to raise issues relating to their employment or to their ability to perform the eventual functions of their job. The Open Door Policy provides an opportunity for you to raise issues and/or concerns regarding your employment and your ability to perform your job duties in a productive and healthy work environment. The Open Door Policy allows employees to bring these concerns to Human Resources in the most comfortable manner, oral or written. The Open Door Policy will help ensure that routine problems, procedural issues or personal issues can be addressed effectively and appropriately, if possible, and that employees can focus on performing their job duties at work.

You may use the Open Door Policy to address issues that may also fall under the Anti-Harassment or Anti-Retaliation policies. If an issue that you raise to Human Resources also falls within another complaint procedure in the Handbook, Human Resources will ensure that the appropriate procedure is followed.

H. AMERICANS WITH DISABILITIES ACT

The Company is committed to providing equal employment opportunities to qualified individuals with disabilities. This may include providing a reasonable accommodation, where appropriate, for known physical or mental disabilities in order for an otherwise qualified individual to perform the essential functions of his or her job, unless the accommodation would impose an undue hardship on the operation of our business.

If you need an accommodation to perform job duties, you should notify the Director of Human Resources. Upon notifying Human Resources of the need for an accommodation, Human Resources may ask you for input on the type of accommodation you believe may be necessary, or for a further description of the functional limitations caused by your disability. In connection with your request for an accommodation, the Company may need your permission to obtain additional information from your healthcare provider(s). The goal in determining whether a request for an accommodation is reasonable or places an undue burden on the Company requires an interactive dialogue between the Employee and the Company to discuss the documented restrictions and the essential duties of the job that the employee is performing. Human Resources will ask input from your manager/supervisor regarding your job duties and the potential for accommodating your request based on the restrictions provided. The Company will not seek genetic information in connection with requests for accommodation. All medical information received by the Company in connection with a request for accommodation will be treated as confidential information.

I. CONFLICT OF INTEREST IN THE WORKPLACE POLICY

To ensure that familial relationships (spouse, siblings, cousins, in-law, or relatives by blood or marriage of you and your spouse or any member of your household) romantic relationships (dating or other romantic relationship) or financially relevant relationships (member of an employee's household or individual contributing to your household or other financial obligations) do not present a conflict of interest in the workplace, or an appearance of a conflict of interest, The Company requires the following steps be taken with respect to all aspects of employment program regarding such relationships:

To ensure that any familial, romantic and/or financially relevant relationships do not influence decisions on hiring, discipline, promotions, increases, bonuses, termination, benefits, or other benefits related to employment opportunities at the Company, we are asking employees to notify their supervisor and Human Resources of a familial, romantic and/or financially relevant relationship with an applicant or employee at the time that the employee becomes aware of either the application of an individual with a familial, romantic and/or financially relevant relationship to the Company, or a change in a relationship between an employee and another employee at the Company such that the relationship between the employees becomes a familial, romantic and/or financial relationship. Any questions regarding whether an individual would be included in the definition of a familial, romantic and/or financially relevant relationship should be directed to Human Resources, and reported to the CEO/President.

In the event that the Company hires an individual with a familial, romantic and/or financially relevant relationship to another employee, the Company prohibits an individual working in a position in which one of the parties to the relationship would have a supervisory role with respect to the other. Upon notice of a familial, romantic and/or financially relevant relationship for an employee, supervisor and/or Human Resources, the Company will take immediate steps to ensure that there is no conflict of interest in the chain of command that could impact, or have the appearance of impacting employment opportunities or benefits for a Company employee.

In the event that current employees' relationships become familial, romantic, and/or financially relevant relationship at any time during employment, it is incumbent upon the employee to notify his/her supervisor(s) and Human Resources so that appropriate steps may be taken to ensure that there is no conflict of interest in the chain of command that could impact or have the appearance of impacting employment opportunities or benefits for a Company employee.

Failure by any employee to report a familial relationship, romantic relationship and/or financially relevant relationship as required by this Conflicts of Interest in the Workplace Policy could result in disciplinary action, up to and including immediate termination.

J. IMMIGRATION REFORM AND CONTROL ACT

In compliance with the Federal Immigration Reform and Control Act of 1986 (IRCA), as amended, and any applicable state law requirements, our Company is committed to employing only individuals who are authorized to work in the United States. Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. If an employee is authorized to work in this country only for a limited time, the individual will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the Company.

K. EMPLOYEE EVALUATION

Supervisors and employees are strongly encouraged to informally discuss job performance and goals at any time.

Additionally, formal performance reviews will be conducted to provide both supervisors and employees with the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. These performance reviews will typically be conducted at the end of 60-days and annually. If you have any questions regarding your performance evaluation, you should contact Human Resources.

L. EMPLOYEE INFORMATION AND RECORDS

It is important that your records with the Company remain accurate and up-to-date. Such information can affect benefit eligibility, beneficiary designations or other important aspects of your employment. When you first joined the Company you completed many forms that provided us with information necessary for employment. It is your responsibility to keep your records up-to-date by advising us in writing of any changes, such as change of address, change of marital status, dependents, phone numbers, and other personal information. You are allowed reasonable access to your personnel file during business hours upon prior request and approval, and in the presence of a Human Resources representative. You may not take your personnel file off premises. You may not obtain a copy of all or part of your personnel file without prior permission from a Human Resources representative, but you may take notes on your personnel file. If permission to make copies is granted, the Human Resources Representative will make all copies. In accordance with the Health Insurance Portability and Accountability Act (“HIPAA”), all protected health information is kept in a locked file with limited access. Managers do not have access to protected health information.

The Company safeguards confidential employee information in its possession. Additionally, the Company will only collect personal information that is required to pursue its business operations and to comply with government reporting and disclosure requirements. The Company intends to prevent, detect, and mitigate identity theft. The Company maintains the privacy of social security numbers and personal employee information. All pre-employment personal and reference information is maintained in records accessible only as required and a need to know basis and is not used by the Company in the course of its business operations.

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The Company will never post, display, or otherwise make available to the public or co-workers an employee's social security number. Personal employee information will be considered confidential and as such will be shared only and with those that have a need to have access to such information. The only personnel that will have access to an employee's confidential personal information stored electronically are the Human Resources Representatives, Payroll Representatives and the Director. Supervisors or managers may only access to documents relevant to a Human Resources investigation and an employee's past performance appraisals, coachings or counselings, commendations, salary history, employees' phone numbers and training information.

Electronic document containing personal/sensitive data are maintained pursuant to appropriate retention and deletion standards.

Participants in Company benefit plans should be aware that personal information will be shared with plan providers as required for their open enrollment process, for periodic benefit plan changes, updates, claims handling and/or recording keeping needs.

If an employee becomes aware of a material breach in maintaining the confidentiality of his or her personal information, the employee should report the incident to the Human Resources immediately. Human Resources will investigate the incident and take corrective action. Any security breach that occurs will be reported immediately to law enforcement, as well as to any employee affected. Human Resources will ensure that a prompt investigation into the security breach, and recommended steps are undertaken. Any employee involved in such a security breach will be subject to discipline, up to and including termination.

Computer screens should be facing so that others entering the room can't read confidential information that may be displayed in the direction on the screen. Personal employee information used in business system applications will be safeguarded under Company proprietary electronic transmission and intranet policies and security systems. All computers at the facility are protected by antivirus and antispyware. Sensitive data has restricted access and is safeguarded by using firewalls and limiting access of who has authority to access certain applications.

Release of partial employee birth dates, i.e., day and month or Company anniversary information is not considered confidential and will be shared with others as a means of recognizing employee's birthdays or anniversaries.

Personal telephone numbers or e-mail addresses will be distributed as a way to facilitate Company work schedules or as a means to communicate with employees.

The Company will strictly enforce this policy and take stern action, up to and including termination, against any employee who violates this policy.

M. PROTECTED HEALTH INFORMATION

The Company has the legal and/or ethical responsibility to safeguard the privacy of all employees and patients and to protect the confidentiality of their health information, personal records, financial records and all other health information.

In the course of employment with the Company, you may come into possession of or have access to confidential information, even though you may not be directly involved in patient services. This includes, but is not limited to, information that is in printed or written form, spoken verbally, e- mail, and reports, on a computer screen, disk, and flash or external storage device or on voice mail.

You are expected to maintain such information in the strictest confidence. It is understood that, unless directed by your manager, you will not at any time during or after your employment with the Company disclose any confidential information, or permit any person to examine or make copies of any confidential reports, or other documents prepared by you, coming into your possession, or under your control, unless that individual has a job-necessitated need to know or is otherwise authorized by law.

When confidential information must be discussed with health care practitioners or other staff members in the course of your work, you will use discretion to assure that such conversations cannot be overheard by others who do not have a job necessitated need to know.

N. INCLEMENT WEATHER

Generally, Company offices will remain open and fully operational during inclement weather and you are required to report to work at your scheduled time. If exceptional conditions exist, the decision to close one or more offices will be made by the President of the Company for the Corporate office, by the Chief Executive Officer of the Malvern Institute, the Director of IBC and by the Regional Director of Behavioral Health Rehabilitation Services for their respective divisions. Decisions on office closures and delays will be communicated from these officers to management for distribution to all employees.

If weather conditions prevent you from getting to work safely, you must use Paid Time Off (“PTO”) if available or take time off without pay. Exempt employees may be provided time off with pay when necessary to comply with federal and state wage and hour laws.

You must contact your manager prior to your work day to communicate your request to use PTO or take an unpaid day due to inclement weather. Employee safety is of the utmost importance. If severe weather conditions arise during the workday, you may take PTO or time off without pay for time not worked. You must notify your manager prior to leaving work.

For Malvern Institute, Essential Staff are required to report to work during inclement weather conditions. Failure to report to work will result in disciplinary action. The following departments are considered Essential Staff: Nursing, Counseling, Dietary, Maintenance, and Admissions and Medical Staff. If you are Essential Staff working at inpatient and stay over, appropriate accommodations will be provided. All applicable laws and regulations will be met towards the goal of ensuring that you will only be paid for hours worked, not paid for rest time. Please

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discuss your schedule with your manager/supervisor regarding your work and rest hours if you are Essential Staff and agreed to stay overtime.

O. VISITOR POLICY

You may not have personal visitors during work hours without prior management approval.

Patient visitors must sign in with Company staff and must not be unaccompanied. Unaccompanied visitors may be asked to leave the premises. Visitors must never be allowed in employee hallways or in work areas. All patient visitors must stay in public or common areas unless they are accompanied in connection with visiting a patient. In addition, all vendors, agency staff, or workmen should register with office personnel.

P. ELECTRONICS AND VOICE MAIL COMMUNICATIONS

The Company provides employees with electronic access consisting of an e-mail system, a network connection, and Internet/Intranet access. The Company's e-mail system is designed to improve service to our customers, enhance internal communications, and reduce paperwork. The Company's e-mail system, network, and Internet/Intranet access are intended for business-use only. The Company blocks broad categories of sites that it considers "non-productive", however if you believe a web site should be reclassified (not blocked) you may contact the IT Director and request a review.

The Company is committed to improving IT systems, maintaining them at peak efficiency, and protecting its employees, contractors, partners and itself from illegal or damaging actions by individuals either knowingly or unknowingly. All information created, sent, or received via the Company's electronic systems is the property of the Company. You should have no expectation of privacy regarding this information. The Company reserves the right to monitor all electronic communications to ensure that Company property is being used for business purposes only. Network administrators may review files and intercept communications for any reason, including but not limited to maintaining system integrity and ensuring employees are using the system consistently with this policy. When deemed necessary, the Company reserves the right to disclose text or images to law enforcement agencies or other third parties without the employee's consent.

Any message or file sent via e-mail must have the employee's name attached. Only authorized management personnel are permitted to access another person's e-mail without consent.

E-mail messages must contain professional and appropriate language at all times. Employees are prohibited from sending abusive, harassing, intimidating, threatening, and discriminatory or otherwise offensive messages via e-mail. Chain messages and executable graphics should be deleted. Employees may be disciplined for inappropriate use of the Company's e-mail system including transmission of the above types of messages. Employees may not copy or download copyrighted materials. Files are not to be downloaded from the internet without prior authorization of management. Any files downloaded must be scanned with virus detection software before being opened. Employees may access the Company email system from their smart phones. Please contact the Help Desk if you have any questions. Every email must include

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a Company-standard “signature” of the employee sending the message (do not add your own signature, the Help Desk may help you set this up if needed).

Employees are prohibited from disseminating the Company’s proprietary data or other confidential information to unauthorized persons; operating a business, soliciting money for personal gain or otherwise engaging in commercial activity outside the scope of employment; searching for outside employment; sending jokes which may contain objectionable material; sending or soliciting sexually oriented messages or images; attempting to access or visit sites featuring pornography, terrorism, espionage, theft, or drugs; gambling or engaging in any other criminal activity; engaging in unethical activities or content; participating in activities, including the preparation or dissemination of content, which could damage the Company’s professional image, reputation and/or financial stability; using another employee’s password or impersonating another person while communicating or accessing the network or internet; or introducing a virus, harmful component, corrupted data or the malicious tampering with any of the Company’s computer systems.

Employees must help maintain the integrity of our system and protect the Company’s assets. Therefore, employees should not keep liquid or magnets near their computer. Employees may not duplicate copyrighted software. Unauthorized reproduction of software is a federal offense. In the U.S., violators may be subject to civil damages in the amounts up to \$150,000 per title copied. Criminal penalties include fines up to \$250,000 per software title copied and imprisonment of up to 5 years. Employees may not install their personal software onto the Company’s computer system. Employees may not copy software from the Company’s system to their home or other computers. Employees who suspect or become aware of software misuse are required to notify the Help Desk, their supervisor or the Human Resources department. The Company reserves the right to suspend access at any time, without notice, for technical reasons, possible policy violations, security reasons, or for other concerns.

The Company provides storage media at each of its locations on “shared drives” or “S” drives. All Company information must be stored on the shared drive in an appropriate folder. If you are unsure where to store information on the shared drive please see your supervisor or call the Help Desk. Storing information on your workstation’s hard drive or “desktop” is prohibited. Storing Company information on non-Company storage media or removable media (unless that media has been encrypted with the Company’s encryption technology) is prohibited.

Employees need to have strongly chosen passwords that they protect and change every 90 days. Passwords should contain upper and lower case letters; have characters other than letters; be at least 8 characters long and aren’t based on personal information. Passwords shouldn’t be written down or stored online. Passwords should not be shared with anyone. If you do forget your password or need to change it, please contact the Help Desk.

Unauthorized electronic surveillance of employees is disruptive to employee morale and inconsistent with the respectful treatment required of our employees. For this reason, no employee may record the conversation of another employee without his or her full knowledge and consent. The following conditions must be met if a recording takes place: a legitimate purpose for the recording, a recording device in plain view, and a written authorization from the supervisor of the employee who wishes to record the conversation. Secret recordings are strictly

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prohibited unless authorized in writing by legal counsel. A violation of this provision may result in disciplinary action including termination.

Q. COMPANY PHONE AND PERSONAL CELL PHONE USE

Telephone equipment is provided to render service to clients and to conduct Company business.

Personal phone calls whether using Company phones or personal cell phones are permitted only in case of emergency, and the length of such calls should be held to a minimum. Repeated personal calls during work hours can be disruptive. You may be disciplined up to and including termination for violating this policy.

Personal cell phones shall be turned off or set to silent or vibrate mode during meetings, conferences and in other locations on Company premises where incoming calls may disrupt normal workflow.

The use of personal cell phones for text messaging, browsing and updating Internet sites and/or checking personal e-mail during working hours is prohibited with the exception of emergencies. If your use of a personal cell phone causes disruption or loss in productivity, you may become subject to disciplinary action, up to and including termination.

R. SOCIAL MEDIA POLICY

Social media uses internet and web-based technologies to share information broadly. There are many different forms of social media including but not limited to: internet forums, blogs and micro blogs, online profiles, wikis, podcasts, pictures, videos, e-mail, instant messaging, music-sharing and voice over IP, to name just a few. Examples of social media applications are LinkedIn, Facebook, MySpace, Wikipedia, YouTube, Twitter, Snapchat and Yahoo groups. The policies, practices, standards and conduct listed in this Employee Handbook apply to all avenues of social media.

The Company takes no position on an employee's decision to start or maintain a personal blog or participate in other personal social networking activities outside of work. The Company respects the right of employees to write blogs and use social networking sites and does not want to discourage employees from self-publishing and self-expression. The Company's policy on social media usage will be consistent with the recommendations of and regulations promulgated by the National Labor Relations Board ("NLRB"). However, it is the right and duty of the Company to protect itself from unauthorized disclosure of information and from Employee actions or conduct that is appropriately within the Company's interests, consistent with NLRB regulations and appropriate law. Employees are expected to follow the guidelines in the Code of Ethics set forth in this handbook, that sets boundaries between staff and patients and managers/supervisors with staff. Employees are prohibited from making contact with patient's or patient's relatives on social networking, unless the contact predated the patient's enrollment. Social networking shall be defined to include blogs, podcasts, wikis, stories, pictures, email, instant messaging, forums, chat rooms, group chats, Facebook, Twitter, Snapchat and texting ("Social Networking"). Similarly, managers/supervisors shall not contact staff on Social Networking unless the contact predated the supervising role. Employees are expected to follow Company policies designed to provide a clear line between you as an individual and you as a Company employee. Be mindful

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that you are responsible for what you communicate. Consequently, when using or participating in personal blogs or social networks, you should be mindful of the below general guidelines:

- always be fair and courteous to anyone associated with the Company;
- make sure you are always truthful and accurate in everything you post online;
- if you make a mistake in something you post, correct it quickly;
- use privacy settings as, and when appropriate;
- remember everything and anything you post online is there forever even if you delete what you posted;
- do not post any information about the Company that could constitute confidential information, proprietary information, or trade secrets;
- do not post any of the following concerning the Company: financial information, employee contact information, patient contact information or any information pertaining to patient treatment, internal reports, policies or procedures, contracts with patients, vendors, independent contractors, employees, or suppliers;
- do not use the Company's logo on any blog, web site, or social networking site without the written permission of the Company;
- do not post a link to the Company's web site on any blog, web site, or social networking site without the written permission of the Company;
- do not post anything about anyone associated with the Company that you know to be false;
- do not post anything online that could be considered discriminatory, create a hostile work environment, or constitute harassment;
- do not post anything that could be considered a threat or bullying;
- do not post anything that would give the impression that you are a spokesperson of the Company;
- do not create or use a private email containing the words "Progressions," "Behavioral Health Services," "Malvern" or "IBC".

You are encouraged to report violations of this policy. The Company prohibits retaliation against any employee from reporting a possible deviation from this policy or for cooperating with an investigation into a violation of this policy. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action up to and including termination.

S. NON-SOLICITATION POLICY

The Company believes in a work environment free from interruptions of a non-work related nature as work time is for work. When you are to be working you should focus on your duties and not engage in activities that would interfere with your work or the work of others. For the purpose of this policy, solicitation includes, but is not limited to, collection of any debt or obligation, raffles of any kind or chance taking, the sale of merchandise or business services, or the attempt to sell any product or service. Such interruptions can be both detrimental to the quality of work and efficiency, and may not be respectful of others job responsibilities and right not to be interrupted.

You may not engage in solicitation for any purpose during work time, which includes the working time of the employee who seeks to solicit and the employee who is being solicited. Nothing in this policy is intended to restrict an employee's statutory rights.

T. DRUG-FREE WORKPLACE / SUBSTANCE ABUSE POLICY

The use, sale, manufacture, distribution, or possession of alcohol or illegal drugs at any time on company premises or while conducting business off company premises is a violation of Company policy. The Company has zero tolerance for the use of drugs or alcohol on Company grounds or on company time. We encourage you bring any issues that you have that would impact your compliance with this policy to the attention of your Human Resources so appropriate consideration and assistance can be provided.

The Company has a vital interest in ensuring a safe, healthy and efficient working environment for our employees, their co-workers and the clients we serve. The unlawful or improper presence or use of controlled substances or alcohol in the workplace presents a danger to everyone. For these reasons, we have established as a condition of employment and continued employment with the company the following substance abuse policy.

You are prohibited from reporting to work or working while using illegal or unauthorized drugs. You are prohibited from reporting to work, or working while using any drugs, except when the use is pursuant to your doctor's orders and your doctor has advised you that the substance does not adversely affect your ability to safely perform your job duties.

In addition, you are prohibited from engaging in the unlawful or unauthorized manufacture, distribution, sale or possession of illegal drugs and alcohol in the workplace including: on Company paid time, on Company premises, in Company vehicles, or while engaged in Company activities. You are also prohibited from reporting for duty or remaining on duty with any alcohol in your system. You are further prohibited from consuming alcohol during working hours, including meal and break periods. This does not include the authorized use of alcohol at company-sponsored functions or activities; all employees are expected to limit their consumption to a responsible level at such events.

Your employment or continued employment with the Company is conditioned upon your full compliance with the foregoing substance abuse policy. Any violation of this policy may result in disciplinary action up to and including termination. Furthermore, any employee who violates this policy who is subject to termination, may be permitted in lieu of termination, at the Company's

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sole discretion, to participate in and successfully complete an appropriate treatment, counseling or rehabilitation program as recommended by a substance abuse professional as a condition of continued employment. The Company assures that any information concerning an individual's drug or alcohol use will remain confidential to the extent permitted by law. The Company further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of personal areas at work suspected of concealment, when the Company has reasonable suspicion to believe that the employee has violated this substance abuse policy.

U. DRUG SCREENING POLICY

By signing the acknowledgment form contained at the end of this Employee Handbook, you agree to submit to random drug screening. During the drug screening process, staff involved will be treated with absolute dignity and respect. In order to ensure staff confidentiality, the Human Resources Department, CEO/Regional Director, and Executive Director/Site Director will be the only personnel with access to the results. Refusal to submit to a drug screening will be considered a positive result. Current employees will face disciplinary action up to and including termination. Prospective employees will not be hired. Pre-employment drug screens will be completed off site at an Occupational Health Office. Reasonable suspicion testing and for cause drug screens will be completed off site at an Occupational Health Office or Emergency Room.

The current or prospective employee will be informed in advance about the drug testing procedures and that the results of any sample will be maintained as confidential by the Human Resources Department. A third-party will complete all drug testing for prospective or current employees and follow all regulations for proper testing, results collection, and proper reporting. Immediate results are obtained when the drug test is negative. If a drug screen is positive, the sample will need to be sent out for further testing by an MRO/ Medical Review Officer. It may take up to 72 hours to receive confirmation back on these tests. The employee will be informed that the procedures surrounding the production of a sample are designed to maintain chain-of-custody and to ensure that the sample provided has not been tampered.

When an employee has been suspected of being impaired, the employee's supervisor, the Human Resources Department, the CEO/Regional Director and ED/Site Director will be notified immediately. If two supervisors or managers believe an employee to be impaired, the employee will be removed from their duties immediately. The employee will be informed that he/she is suspected of being impaired and that a drug screen must be produced within 24 hours of the notification. The employee also will be informed that the failure to produce a sample within two hours will be subject to disciplinary action up to and including termination. If the employee is suspected of being impaired, the employer must transport the employee to the testing site. The employee also will be informed that he/she is being placed on administrative leave pending the results of the drug screen sample, which may take up to 72 hours.

Prospective employees will be informed as part of the hiring process that their employment with the facility will include successful completion of a pre-employment drug screen. The prospective employee will be scheduled to report off site to an Occupational Health office for pre-employment drug screening within 72 hours of being offered employment.

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An employee who tests positive will be referred to the EAP program.

- The Occupational Health office will follow the procedures for drug screening and will notify the Human Resources Department of the successful completion of the sample and the results.
- Upon receipt of a positive drug screen result, the Human Resources Manager will initiate a plan of action together with the employee's supervisor, the CEO/Regional Director and ED/Site Director as applicable.

II. COMPENSATION AND WORK SCHEDULES

A. CATEGORIES OF EMPLOYMENT

FULL-TIME EMPLOYEES are employees who consistently and regularly work at least a 30 hour work week.

PART-TIME EMPLOYEES are employees who consistently and regularly work less than 30 hours per work week.

In addition to the preceding categories, employees are also categorized as "EXEMPT (Salaried)" or "NON-EXEMPT (Hourly)."

EXEMPT (Salaried) employees are employees who are not eligible for overtime pay and may also be exempt from minimum wage requirements pursuant to applicable Federal and State laws.

NON-EXEMPT (Hourly) employees are employees who are eligible for overtime pay under applicable Federal and State law. This means that you will be paid your regular hourly rate for the regular hours that you have worked, and you will be paid time and one-half for any overtime hours that you have worked over 40 hours in a week. Overtime hours should be approved in advance by management.

Upon hire, your manager will notify you of your employment classification.

B. PAYROLL

Employees will be paid on a bi-weekly basis. Annual benefit deductions will be divided by 26 pays and deducted from each pay. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of their supervisor so that corrections can be made as quickly as possible.

We strive to maintain strict compliance with the Fair Labor Standards Act (FLSA). The FLSA is a federal law that protects employees from unfair pay practices and guarantees non-exempt employees payment of minimum wage and overtime. Failure to follow these rules may subject you to discipline up to and including termination. These rules apply to non-exempt employees only. If you are unsure of your status as exempt vs. non-exempt, please ask your Human Resources Representative.

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Employees are responsible for clocking in and out, or logging time worked into the computer system on a daily basis. Do not falsify your time records. Let your supervisor know if you want to use any PTO time. Do not tamper with timekeeping equipment. Failure to comply with this directive will result in immediate termination of both employees.

You must obtain your supervisor's approval before working over and above your regularly scheduled work hours.

Exempt employees must submit their days worked, holidays, or PTO time used.

C. DIRECT DEPOSIT

The Company deposits the employee's pay through direct deposit, an electronic transfer of the pay into his or her account through an automated clearinghouse (ACH). Direct deposit allows employees to designate up to two (2) accounts where they want their money to be deposited. There is an option to direct monies to more than one institution. You must notify us immediately if your banking information changes. The Company will not be held responsible if the employee has made any changes to the account and has not notified us, which may result in paycheck delays. In addition, if an employee doesn't opt for direct deposit, there may be situations in which an employee doesn't receive their check on the normal Friday pay day, as the check will be sent to the home address on file and we can't guarantee the mail delivery system's pace in getting to you. To avoid waiting for payment, it is highly recommended that you use direct deposit.

D. OVERTIME PAY

There will be times when overtime will be necessary. All overtime work must be approved by your supervisor prior to overtime hours being performed. You should not access work-related e-mails or conduct other Company-related business outside of work hours without prior approval from management. You are not eligible for overtime if you are classified as an exempt employee.

A non-exempt employee is eligible for overtime pay for time worked over forty (40) hours in a workweek at one and a half times their regular pay rate. Overtime pay is based on actual hours worked. Meals, breaks, Paid Time Off (PTO), bereavement leave, workers' compensation, holiday, disability, FMLA, jury duty or military duty does not count as time worked toward overtime calculations.

III. STANDARDS OF CONDUCT

Violation of the below-outlined standards of conduct may result in disciplinary action up to and including termination. Discipline may include coaching, verbal warning(s), written warning(s), suspension or discharge. Decisions as to discipline for violation of these standards of conduct will be made on a case-by-case basis taking into account the nature of the violation and the your work performance.

The Company expects you to adhere to the highest standards of job performance and personal conduct, including individual involvement and interactions with Company personnel, patients, visitors and outside business contacts.

The following list of violations of the Company's standards of conduct is by way of example only and does not include every type of unacceptable behavior that can or will result in disciplinary action. Be aware that the Company retains discretion to determine the nature and extent of any discipline based upon the circumstances of each individual case.

The following are examples of situations that may require discipline or termination. This is not an exhaustive list and conduct or actions that violate any of the policies and tenants set forth in this Handbook may result in discipline or termination, such actions include:

- unsatisfactory quality of work;
- repeated unexcused absences or lateness or for a no-show/no-call;
- sleeping while on duty;
- accepting or soliciting tips, gifts or gratuities from patients, families or vendors;
- allowing credentials to lapse;
- being under the influence of drugs or alcohol while at work;
- positive screening for a prohibited substance;
- smoking in non-designated areas;
- failing to follow instructions or Company procedures;
- failing to follow applicable safety regulations;
- falsifying an employment application or any other Company records or documents;
- falsifying time records;
- spreading false information regarding Company employees, patients, or vendors;

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- failing to follow the dress code;
- working overtime without management approval;
- failing to clock in and out;
- stealing from Company employees, patients or vendors;
- abusive behavior (either physical or mental) directed toward employees or patients;
- any type of harassment or discrimination;
- unsafe or improper use of Company equipment;
- failure to maintain confidentiality of patient records;
- insubordination or refusal to perform job duties;
- inappropriate use of the Internet, e-mail, voicemail or other forms of electronic communication;
- improper socialization or interaction with a patient before, during, or after treatment;
- intentional false or misleading statements to Company management whether written or oral;
- falsification of Company records;
- waste of Company property;
- gambling at work;
- assisting any person to gain unauthorized entrance to or exit from Company facilities;
- horseplay, fighting, loud or disruptive behavior, or any acts of violence;
- conducting personal business on Company time or while using Company property;
- interfering with the work performance of another employee;
- using vulgar, profane or obscene language, including any communication or action that violates our policy against harassment and other unlawful forms of discrimination

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- possessing, entering with, or using weapons on Company property;
- possessing, distributing, using or reporting to work with alcohol or illegal drugs;
- violating conflict of interest rules;
- disclosing or using confidential or proprietary Company information without authorization; or
- being convicted of a felony or having a criminal history that indicates unfitness for a job or in any way presents a threat to the Company, its clients or its employees.

A. ATTENDANCE STANDARDS

One of the most important contributions that each of us can make to the efficient operation of our Company is to report to work regularly and on time. Failure to report to work regularly and on time results in unnecessary delays in patient care and/or business operations, reduced productivity and often imposes an unnecessary and impractical workload on other employees. Excessive absences, or failure to notify the Company regarding an absence, may result in discipline, up to and including termination. Counseling for absenteeism is a part of the progressive discipline system, not separate or distinct from other rule violations.

If you are going to be late for work or absent, you must notify your supervisor/manager as far in advance as is feasible under the circumstances. If you are going to be late for work, you must notify your supervisor/manager no later than 30 minutes before the start of your work day. If you are going to be absent from work, you must notify your manager no later than two hours before the start of your work day.

If an emergency or unforeseen sickness or accident occurs, you must notify your supervisor/manager of your circumstance as soon as possible thereafter. The requirement is specific in that you must contact your supervisor/manager. You should **also** contact someone at the work site if you do not speak directly to your supervisor, but you are required to make sure that your supervisor is aware of your inability to be at work as scheduled. Please speak to someone at your work site if you do not reach your supervisor/manager. Do not rely only on voicemails, emails or texts as a means of communication when you are calling out. If you are physically unable to call, please have someone call for you. If you do not call in an absence in advance, your absence will be considered unexcused and may lead to discipline, up to and including termination.

Frequent unexcused absences, regardless of how justified, reduce your effectiveness and adversely affect staffing patterns and overall Company operations. Attendance standards apply to everyone.

Four or more episodes of unexcused absences within a six month period will be considered excessive.

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No-call, no-shows are considered violations of Company policy could warrant termination for the first occurrence.

B. PERSONAL APPEARANCE/DRESS CODE

The Company expects each employee to maintain a high standard of conduct and dress in order to promote the atmosphere and appearance necessary for good customer and employee relationships. It is important that all employees project a professional image and use their best judgment in dressing appropriately. Clothing should always be pressed, clean, free from excessive wrinkles and without holes or frayed areas. Extremes in dress, personal grooming and conduct are considered inappropriate for business offices.

Specific standards may be required for your department. Your supervisor will explain any details of your particular department's dress code policy.

The following personal appearance guidelines should be followed:

- no Tee shirts, sweatpants, sweatshirts, or athletic wear;
- no jeans, denim pants or skirts (exceptions may be casual Fridays or other identified special days as approved);
- no Capri pants (crops, clam diggers etc.) for all Malvern employees;
- no shirts with graphics;
- no tight or revealing clothing, no yoga pants, no tight running pants or leggings;
- fingernails must be kept neat and clean;
- shoes must provide safe, secure footing and offer protection against hazards (must not wear flip flops, shower shoes, or slippers). Summer sandals may not be worn at King Road and Willow Grove;
- no tank tops, tube or halter tops, spaghetti straps or shorts/cutoffs may be worn;
- mustaches and beards must be clean, well-trimmed, and neat;
- hair should be neat (cooks and food servers must have their hair restrained);
- good personal hygiene is required;
- perfume, cologne, and aftershave lotion should be used moderately or avoided altogether, as some individuals may be sensitive to strong fragrances;
- jewelry should not be functionally restrictive, dangerous to job performance, or excessive;

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- all inappropriate and offensive tattoos must be covered;
- gloves must be worn when dealing with any bodily or blood fluids that could be potentially hazardous or infectious.

If your clothing or appearance is deemed inappropriate by your supervisor, you may be instructed to return home on your own time to change, or coverage for your shift may be arranged. If you are classified as a non-exempt employee, you will not be paid for time away from work due to a dress code violation.

C. MEALS AND BREAKS

Employees who work a minimum of 5 hours per shift are entitled to a 30-minute unpaid meal break. Supervisors may schedule breaks at staggered times to allow for adequate department staffing coverage. You must notify your supervisor whenever leaving your duties for a break period. If you did not receive your 30 minute break time on a particular day, you must notify your supervisor before the end of that shift.

No more than two fifteen minute breaks should be taken during an 8 hour shift. Therefore, smoking should be limited to no more than three times per day. These breaks are not required by law and are only to be taken as long as patient care is not affected. Meal and break times are not counted towards hours worked in overtime calculations.

D. GIFT GIVING AND TIPS

Employees shall not accept any payment, gift, item or thing of more than a nominal value (\$50) from any person or entity with whom the Company has or is seeking any business or regulatory relationship, or from any client or client family member. Employees must promptly report the offer or receipt of gifts above a nominal value to their manager.

E. SMOKING

We are committed to promoting and maintaining a healthy and productive work environment for employees and visitors. Therefore, smoking is not permitted in any of our facilities. Smoking is permitted only on meal or break times and in designated areas.

F. STANDARD PRECAUTIONS

The Company has a practice of ensuring the health and well-being of all of its employees. To minimize the risk of transmission of communicable diseases, employees are to use personal protective equipment (PPE) when coming into contact with blood or bodily fluids. PPE may include gloves, masks and gowns. Questions regarding standard precautions or the spread of infections should be directed to your Program Director.

G. DISCIPLINARY PROCESS

In order to provide an opportunity for you to improve our actions/conduct, when practical, the Company will follow a progressive discipline process. In the case of serious misconduct or rules

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violations, you may be terminated without prior warning. The determination of what conduct is serious enough to warrant immediate termination is made at the sole discretion of the Company. Terminations may not take place without the approval of the Human Resources Director and the Executive Director/CEO. However, you may be suspended by a manager for up to three days unpaid until an investigation occurs. After that time, Human Resources or the Director will determine if you will continue employment or be separated based on the outcome of the investigation.

The Company may apply its progressive discipline across a spectrum of performance issues in an effort to provide an opportunity for you to improve your actions/conduct. Where progressive disciplinary steps are appropriate, you will receive a verbal warning, a written warning and a final written warning before being terminated from employment. At any stage in this process, the Company may determine that immediate termination is appropriate.

All disciplinary action shall be implemented in accordance with the Company's policy of equal employment opportunity. This policy is not intended, nor shall it be interpreted as modifying the basic employment at-will relationship; neither should it be construed as creating a contract of employment.

H. SEPARATION OF EMPLOYMENT

Unless you have a written agreement with the Company that states otherwise, you are an employee-at-will and your employment with the Company may be terminated by you or the Company, without notice. If you need to separate your employment you must present your resignation in writing to your manager. Employees must provide at least a two (2) week notice of resignation if you are a staff employee. In order to receive a PTO back paid you upon separation, or to be able to resign, management-level employees will be required to provide a four (4) week notice of resignation. If you do not give proper notice, you will be considered ineligible for re-hire and you will not receive any of your PTO balance, if applicable. Upon notice of resignation, you should contact Human Resources to discuss exit paperwork. An employee may be involuntarily dismissed at any time, with or without cause, for any reason, with the approval of the Human Resources Manager and the Director/CEO/Regional Director.

You are required to return all Company property, including cell phones, computers, laptops, access cards, calling cards, documents, equipment and any other Company property within your control to the Company upon termination. The Company will delete your access to all Company electronic systems upon separation or notification of termination.

If you have been terminated, you are prohibited from re-entering Company premises for any reason without prior approval from Human Resources or the Director.

I. PATIENT SAFETY AND SURVEILLANCE

To ensure patient and staff safety, the Company has security cameras installed in its locations.

J. WORKPLACE VIOLENCE

The Company strives to maintain a safe, hazard-free working environment for all of our employees. We will not tolerate any type of free workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities.

Any threats of violence, suspicious individuals or suspicious activities by employees, customers, vendors, visitors or other members of the public should be reported to the manager or a member of management immediately.

Employees who violate this policy may be disciplined up to and including termination. If appropriate, the Company will bring criminal charges against the violators of this policy.

K. CONFIDENTIALITY

The Company expects that you will maintain the confidentiality of information relating to its systems, education, services, resource materials, programs, marketing techniques, including without limitation, software programs, manuals, correspondence, memoranda, contracts, billing structures, payment programs, client lists, client information, business methods, business affiliations and sources. This information is valuable and considered a unique asset to the Company and would likely incur irreparable harm in the event of disclosure. All Company employees must abide by HIPAA. Additionally, Malvern Institute employees must abide by federal confidentiality rule (42 CFR Part 2), in addition to state-mandated confidentiality rules.

IV. CODE OF ETHICS

A. PURPOSE

Professional ethics are at the core of our work. We feel that we are obligated to articulate our basic values, ethical principles, and ethical standards. The Code of Ethics (also referred to as the “Code”) sets forth these values, principles, and standards to guide your conduct. The Code is relevant to everyone, regardless of their professional functions and will help ensure that the workplace is healthy and productive.

The Code offers a set of values, principles, and standards to guide decision making and conduct when ethical issues arise. It does not provide a set of rules that prescribe how you should act in all situations. Ethical decision making is a process. There are many instances where simple answers are not available to resolve complex ethical issues. You should take into consideration all the values, principles, and standards in the Code that are relevant to any situation in which ethical judgment is warranted. Decisions and actions should be consistent with the spirit as well as the letter of the Code. You should be aware of the impact of ethical decision making on your patients and be mindful of each patient’s own personal values that could impact your job duties, or your ability to abide by the Code of Ethics, and cultural and religious beliefs and practices. You should be aware of any conflicts between personal and professional values and deal with them responsibly. For additional guidance you should seek help when faced with ethical dilemmas. This may involve consultation with a knowledgeable colleague, supervisor, or legal counsel. A code of ethics cannot guarantee ethical behavior. Moreover, a code of ethics cannot resolve all ethical issues or disputes or capture the richness and complexity involved in striving

to make responsible choices within a moral community. Rather, a code of ethics sets forth values, ethical principles, and ethical standards to which professionals aspire and by which their actions can be judged. Your ethical behavior should result from your personal commitment to engage in ethical practice. The Code of Ethics reflects the commitment of all employees to uphold the profession's values and to act ethically. Principles and standards must be applied by individuals of good character who discern moral questions and, in good faith, seek to make reliable ethical judgments.

B. ETHICAL PRINCIPLES

The following broad ethical principles are based on core values of service, social justice, dignity and worth of the person, importance of human relationships, integrity, and competence. These principles set forth ideals to which you should aspire and what you should expect in the workplace. Our commitment to strong ethical principles will help create and maintain a workplace that is healthy and productive.

Dignity and Worth of the Person: You must respect the inherent dignity and worth of the person, colleague, patient and all work contacts. You must treat each person in a caring and respectful fashion, mindful of individual differences and cultural and ethnic diversity. You must promote patients' socially responsible self-determination. You must seek to enhance patients' capacity and opportunity to change and to address their own needs.

Importance of Human Relationships: You should recognize the central importance of human relationships. Understand that relationships between and among people are an important vehicle for change. Engage people as partners in the helping process. Seek to strengthen relationships among people in a purposeful effort to promote, restore, maintain, and enhance the well-being of individuals, families, and social groups.

Integrity: You are continually aware of the profession's mission, values, ethical principles, and ethical standards and practice in a manner consistent with them. Be trustworthy, act honestly and responsibly, promote ethical practices on the part of the Company and be a good role model in your actions and attitude.

Transparency: Honesty and open communication. Being visible about your professional behavior is paramount to maintaining the high standards expected of you. Transparency means being honest about your actions and the motivations behind them. It means keeping your actions aboveboard. A commitment to transparency demonstrates to the community, the Company and the patient that there is nothing to hide.

C. ETHICAL RESPONSIBILITIES TO PATIENTS

Commitment to Patients: Your primary responsibility is to promote the well-being of patients. In general, patients' interests are primary.

Self-Determination: Respect and promote the right of patients to self-determination and assist patients in their efforts to identify and clarify their goals. You may only limit patients' rights to self-determination when, in your professional judgment, patients' actions or potential actions pose a serious, foreseeable, and imminent risk to themselves or others.

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Informed Consent: Provide services to patients only in the context of a professional relationship based, when appropriate, on valid informed consent. Use clear and understandable language to inform patients of the purpose of the services, risks related to the services, limits to services because of the requirements of a third-party payer, relevant costs, reasonable alternatives, patients' right to refuse or withdraw consent, and the time frame covered by the consent. Provide patients with an opportunity to ask questions.

In instances when patients are not literate or have a language barrier, take steps to ensure patients' comprehension. This may include providing patients with a detailed verbal explanation or arranging for a qualified interpreter or translator whenever possible.

Cultural Competence and Social Diversity: Understand culture and its function in human behavior and society. Be sensitive to patients' cultural backgrounds in providing services to them. Educate yourself on social diversity and oppression with respect to race, ethnicity, national origin, pregnancy, color, sex, sexual orientation, gender identity or expression, age, marital status, political belief, religion, uniform service member status, genetic information, immigration status, and mental or physical disability.

Conflicts of Interest: Be alert to and avoid conflicts of interest that interfere with the exercise of professional discretion and impartial judgment. Inform management when a real or potential conflict of interest arises and take reasonable steps to resolve the issue in a manner that makes the patients' interests primary and protects patients' interests to the greatest extent possible. Such a conflict may arise where you are treating a patient with whom you also maintain a separate business or personal relationship. Seek assistance from your supervisor or Human Resources to address the issues presented and help avoid a problem by establishing appropriate boundaries.

In some cases, protecting patients' interests may require termination of the professional relationship and provision of a proper referral. Do not take unfair advantage of any professional relationship or exploit others to further your personal interests. In instances where such a conflict is unavoidable, take steps to set clear and appropriate boundaries. This is part and parcel of informing management of a real or potential conflict immediately and whenever practicable.

Privacy and Confidentiality: Respect patients' right to privacy. Do not solicit private information from patients unless it is essential to providing services. Once private information is shared, standards of confidentiality apply. You may disclose confidential information when appropriate with valid consent from a patient or a person legally authorized to consent on behalf of a patient. The general expectation that you will keep information confidential does not apply when disclosure is necessary to prevent serious, foreseeable, and imminent harm to a patient or other identifiable person. In all instances, you should disclose the least amount of confidential information necessary to achieve the desired purpose; only information that is directly relevant to the purpose for which the disclosure is made should be revealed. If you have any questions about what information is confidential and what patient information, if any, may be disclosed, please contact your supervisor or Human Resources for clarification. Management should be consulted whenever possible prior to the disclosure of confidential information.

To the extent possible, inform patients about the disclosure of confidential information and obtain their consent before the disclosure is made.

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Discuss with patients and other interested parties the nature of confidentiality and limitations of patients' right to confidentiality. Review with patients circumstances where confidential information may be requested and where disclosure of confidential information may be legally required. This discussion should occur as soon as possible in the employee-patient relationship and as needed throughout the course of the relationship. Do not disclose confidential information to third-party payers unless patients have authorized such disclosure. Do not discuss confidential information in any setting unless privacy can be ensured. Do not discuss confidential information in public or semipublic areas such as hallways, waiting rooms, elevators, and restaurants. Protect the confidentiality of patients' written and electronic records and other sensitive information. Take reasonable steps to ensure that patients' records are stored in a secure location and are not available to others who are not authorized to have access. Take precautions to ensure and maintain the confidentiality of information transmitted to patients or third parties through the use of computers, electronic mail, facsimile machines, telephones and telephone answering machines, and other electronic or computer technology. Disclosure of identifying information to third parties should be avoided whenever possible. Transfer or dispose of patients' records in a manner that protects patients' confidentiality and is consistent with state statutes governing patient records. Do not record or tape patients' conversations by phone or in-person without a signed informed consent and permission of the CEO.

Sexual Relationships: You shall not engage in sexual activities or sexual contact with current or former patients, whether such contact is consensual or forced. You shall not engage in sexual activities or sexual contact with current patients' relatives or other individuals with whom patients maintain a close personal relationship when there is a risk of exploitation or potential harm to the patient. Do not provide clinical services to individuals with whom you have had a prior sexual relationship. You should consult your supervisor or Human Resources whenever a situation arises in which you become aware of the enrollment of a patient with whom you had an intimate relationship or an intimate relationship with the patient's close contacts (relatives, or others with whom the patient maintains a close personal relationship) so that appropriate boundaries can be maintained. You shall not make sexual advances toward, request sexual favors from, solicit sexual acts from, make sexual innuendos to, or make other verbal or physical contact of a sexual nature toward patients, patients' relatives or the close personal friends of patients.

Sexual activity or sexual contact with patients' relatives or other individuals with whom patients maintain a personal relationship has the potential to be harmful to patients and may make it difficult for you to maintain appropriate professional boundaries. You—not your patients, patients' relatives, or other individuals with whom the patient maintains a personal relationship—assume the full burden for setting clear and appropriate boundaries

Exploitation of Patients: You will not develop, implement or maintain exploitative relationships with patients, family members of patients or close personal contacts of patients. Ethical problems are often raised when those persons providing services blend their professional relationships with another kind of relationship. Dual relationships can take many forms and are inherent in the work of all helping professions regardless of their setting or patient population. The nature of the professional-patient relationship is such that the patient remains vulnerable to the real or perceived influences of the professional.

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Dual relationships may make it difficult for you to maintain appropriate professional boundaries. It is your responsibility to assume the full burden for setting clear and appropriate boundaries. Examples of dual or multiple relationships that are potentially exploitive through the violation of professional boundaries include but are not limited to: romantic/sexual relationships, bartering arrangements, business arrangements, counseling ones' own family members, friendship, and Social Networking with patients and/or family members of patients. The Social Media Policy set forth here should be specifically reviewed in connection with the Code of Ethics relating to the boundaries set forth for Social Networking.

Unavoidable or potentially helpful dual relationships should be discussed with a supervisor and documented prior to undertaking such a relationship when feasible. You shall not misappropriate property from patients and/or family members of patients. You shall not promote to a patient for their personal gain any treatment, procedure, product, or service. You shall not ask for nor accept gifts or favors from patients and/or family members of patients.

Physical Contact: Limit physical contact with patients to that contact which is necessary and appropriate for patient care. Physical contact for social greeting to a patient should be limited to a handshake. You are responsible for establishing clear and appropriate boundaries governing such physical contact.

Derogatory Language: Employees should not use derogatory language in their written or verbal communications to or about patients. Employees should use accurate and respectful language in all communications to and about patients.

D. YOUR ETHICAL RESPONSIBILITIES TO COLLEAGUES AND THE COMPANY

Respect: Treat colleagues with respect and represent accurately and fairly the qualifications, views, and obligations of colleagues. Avoid unwarranted negative criticism of colleagues in communications with patients or with other professionals. Unwarranted negative criticism may include demeaning comments that refer to colleagues' level of competence or to individuals' attributes such as race, ethnicity, national origin, color, sex, pregnancy status, sexual orientation, gender identity, expression, or color, religion, genetic information, national origin, sex, pregnancy, child birth or related medical conditions, age, disability, sexual orientation, uniform service member status, expression, age, marital status, political belief, religion, immigration status, and mental or physical disability or any other protected characteristic protected by applicable federal state or local law.

Sexual Relationships: Supervisors shall not engage in sexual activities or contact with individuals over whom they exercise professional authority. Avoid engaging in sexual relationships with colleagues when there is potential for a conflict of interest. If you become involved in, or anticipate becoming involved in, a sexual relationship with a colleague, you have a duty to transfer professional responsibilities, when necessary, to avoid a conflict of interest.

Sexual Harassment: Do not sexually harass anyone while at work. Sexual harassment includes sexual advances, sexual solicitation, requests for sexual favors, sexual innuendos and other verbal or physical conduct of a sexual nature.

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Colleagues' Unethical Conduct: Discourage, prevent, expose, and correct colleagues' unethical conduct. If you believe that a colleague has acted unethically, take action by informing your supervisor. Do not participate in, condone, or be associated with dishonesty, fraud, or deception.

Impairment: Do not allow your own current drug or alcohol abuse interfere with your professional judgment and performance or jeopardize the care of patients. If necessary, immediately take appropriate remedial action by seeking professional help, making adjustments in workload, or taking any other steps necessary to protect patients and others. Immediately inform your supervisor if you intend to or are seeking treatment for drug or alcohol abuse.

V. CORPORATE COMPLIANCE

A. CERTIFICATION, LICENSING AND OTHER REQUIREMENTS

Certain positions at the Company require licensing, certification and/or other testing or compliance requirements. Human Resources will require documentation of such necessary licensing, certification or other compliance requests for your job. Failure to qualify for or to maintain a certification or license may be sufficient cause for discharge.

You must report to your Director any and all proceedings for sanctions and/or sanctions brought against you by professional and/or licensing bodies. You must also report any proceedings instituted against you by the Office of the Inspector General, as well as any criminal convictions, or any proceedings pertaining to professional malpractice or founded reports of child abuse. All reports of such actions must be reported to your Director.

B. DRA (DEFICIT REDUCTION ACT) COMPLIANCE

The Company complies with federal and state requirements regarding false claims and statements to federal and state government medical assistance programs; to provide protection for employees who report actual or suspected wrongdoing; and to implement and enforce procedures to detect and prevent fraud, waste and abuse.

The Federal False Claims Act ("FCA") imposes civil liability on any person or entity who:

- knowingly files a false or fraudulent claim for payments to Medicare, Medicaid or other federally funded health care program;
- knowingly uses a false record or statement to obtain payment on a false or fraudulent claim from Medicare, Medicaid or other federally funded health care program; or
- conspires to defraud Medicare, Medicaid or other federally funded health care program by attempting to have a false or fraudulent claim paid.
- "Knowingly" is defined as:
 - actual knowledge that the information on the claim is false;

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- acting in deliberate ignorance of whether the claim is true or false; or
- acting in reckless disregard of whether the claim is true or false.

A person or entity found liable under the Federal False Claims Act is subject to a civil money penalty of between \$5,000 and \$10,000 plus three times the amount of damages that the government sustained because of the illegal act. In health care cases, the amount of damages sustained is the amount paid for each false claim that is filed.

Anyone may bring a *qui tam* action under the Federal False Claims Act in the name of the United States in federal court. The case is initiated by filing the complaint and all available material evidence under seal with the federal court. The complaint remains under seal for at least sixty (60) days and will not be served on the defendant. During this time, the government investigates the complaint. The government may, and often does, obtain additional investigation time by showing good cause. After expiration of the review and investigation period, the government may elect to pursue the case in its own name or decide not to pursue the case. If the government decides not to pursue the case, the person who filed the action has the right to continue with the case on his or her own.

If the government proceeds with the case, the person who filed the action will receive between fifteen (15) percent and twenty-five (25) percent of any recovery, depending upon the contribution of that person to the prosecution of the case. If the government does not proceed with the case, the person who filed the action will be entitled to between twenty-five (25) percent and thirty (30) percent of any recovery, plus reasonable expenses and attorneys' fees and costs.

C. ANTI-DISCRIMINATION

Anyone initiating a *qui tam* case may not be discriminated or retaliated against in any manner. The Company is authorized under the FCA to initiate court proceedings to make themselves whole for any losses resulting from any such discrimination or retaliation.

D. PROGRAM FRAUD CIVIL REMEDIES ACT (31 U.S.C. §§ 3801-3812)

The Program Fraud and Civil Remedies Act (PFCRA) creates administrative remedies for making false claims and false statements. These penalties are separate from and in addition to any liability that may be imposed under the Federal False Claims Act.

The PFCRA imposes liability on people or entities who file a claim that they know or have reason to know:

- is false, fictitious, or fraudulent;
- includes or is supported by any written statement that contains false, fictitious or fraudulent information;

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- includes or is supported by a written statement that omits a material fact, which causes the statement to be false, fictitious, or fraudulent and the person or entity submitting the statement has a duty to include the omitted fact; or
- is for payment or property or services not provided as claimed.

A violation of this section of the PFCRA is punishable by \$5,000 civil penalty for each wrongfully filed claim, plus an assessment of twice the amount of any unlawful claim that has been paid.

In addition, a person or entity violates the PFCRA if they submit a written statement which they know or should know:

- asserts a material fact that is false, fictitious or fraudulent; or
- omits a material fact that they had a duty to include, the omission caused the statement to be false, fictitious, or fraudulent, and the statement contained a certification of accuracy.

A violation of this section of the PFCRA carries a civil penalty of up to \$5,000 in addition to any other remedy allowed under other laws

The Fraud and Abuse Control provisions of the Public Welfare Code prohibit:

- knowingly or intentionally submitting a claim for payment by a government medical assistance program that is false or fraudulent, for medically unnecessary services, or contains false information in order to obtain greater compensation under the medical assistance program;
- soliciting or receiving, or offer or pay any compensation, whether in cash or in kind, in connection with the furnishing of services or merchandise for which payment is from medical assistance funds;
- submitting a duplicate claim for services for which the provider has already been reimbursed;
- submitting a claim for services that were never rendered;
- referring a consumer to another provider by referral, order or prescription of services, supplies or equipment that are not documented in the record in the prescribed manner, and are of little or no benefit to the recipient or are below accepted medical standards or are medically unnecessary;
- misrepresenting the description of the services provided, the dates of the services, the identity of the recipient, the identity of the practitioner or identity of the provider;

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- submitting a claim for a fee or charge higher than the provider's customary or usual charge to the general public;
- submitting a claim for a service or item that was not prescribed, or was without the recipient's consent, unless furnished in an emergency situation;
- submitting a claim for a service rendered to an individual claiming to be a participant in the medical assistance program without first making a good faith effort to ascertain whether the individual is eligible under the program; or
- submitting a claim that is in any other way fraudulent or false.

Violation of these provisions subjects the provider to criminal penalties, including fines of up to \$15,000 and imprisonment of seven (7) years for the first offense. Each subsequent offense may be punishable by up to \$25,000 and ten (10) years imprisonment. In addition, restitution, accrued interest, and a penalty of up to three times the amount of excess benefits or payments received are mandatory following each offense, along with a five (5) year prohibition of participating in the medical assistance program.

Beyond criminal penalties, if the Department of Public Welfare (DPW) determines that a provider has violated any provision of the Fraud and Abuse provisions of the Welfare Code, it may institute a civil action against the provider. DPW will have the authority to seek damages for twice the amount of excess benefits or payments plus legal interest from the date the violation occurred, and shall upon notice to the provider, terminate the provider's agreement. Once an entity has had its provider's agreement terminated, the entity is prohibited from serving medical assistance consumers during the period of termination, and shall not receive any payment directly or indirectly from medical assistance programs.

E. PENNSYLVANIA WHISTLEBLOWER LAW (43 P.S. §1423)

Pennsylvania has enacted an employee protection measure known as the Whistleblower Law. This statute forbids an employer from discharging, threatening or otherwise discriminating against an employee who makes a good faith report of, or is about to make a good faith report, of an instance of wrongdoing or waste. This protection would apply to employees of a health care provider that submits a fraudulent report to a government medical assistance program. These forbidden actions, known as reprisals, would include altering compensation, terms and conditions of employment, location or other peripheral corporate privileges. Likewise, no employer may engage in reprisal actions against an employee who is requested by an appropriate authority to participate in an investigation, hearing, inquiry or court proceeding.

An employee who feels they are the target of reprisals may bring a civil action against the employer to retain their employment, to seek damages or both.

The Company has developed policies for detecting and preventing fraud and abuse and waste and to prevent retaliation against those who report concerns about compliance.

F. CORPORATE COMPLIANCE

The Company has adopted a Corporate Compliance Program to ensure that its operations are in full compliance with applicable laws. An important component of the program is the Code of Ethics, which is set forth in full in the handbook and sets out basic principles that the Company and its subsidiaries, Directors, shareholders, officers and employees (referred to as “Personnel”) must follow. The Code of Ethics Section of this handbook should be reviewed in connection with the obligations under Corporate Compliance.

This Code applies to all business operations and Personnel. Non- personnel representatives of the Company, such as external advisors and consultants, should also be directed to conduct themselves in a manner consistent with this Code when they are acting on behalf of the Company. If you have any questions about the Code or its applicability to a particular situation, please contact the Corporate Compliance Officer at (866) 941 – 4151. The Corporate Compliance Program and this Code are not intended to and shall not be deemed or construed to provide any rights, contractual or otherwise, to any Personnel or to any third parties.

G. REPORTING OF VIOLATIONS

Illegal acts or improper conduct may subject the Company to severe civil and criminal penalties, including large fines and being barred from certain types of business. It is, therefore, very important that any illegal activity or violations of the Code be promptly brought to the Company’s attention. In many cases, if the Company discovers and reports illegal acts to the appropriate governmental authorities, the Company may be subject to lesser penalties.

Any Director, officer or employee who believes or becomes aware of any violation of this Code or any illegal activity by a Director, officer or any other person acting on the Company’s behalf shall promptly report the violation or illegal activity to the Corporate Compliance Officer. A report may be made on an anonymous basis by calling the Corporate Compliance Hotline at 866-941-4151.

It is a violation of this Code for Personnel not to report a violation of the Code or any illegal activity. If you have a question about whether particular acts or conduct may be illegal or violate the Code, you should contact the Corporate Compliance Officer.

It is a violation of this Code for Personnel to whom a potential illegal act or violation of the Code is reported, to not ensure that the illegal act or violation of the Code comes to the attention of those responsible for investigating such reports.

If the illegal acts or conduct in violation of the Code involve a person to whom such illegal acts or violations might otherwise be reported, the illegal acts or violation should be reported to another person to whom reporting is appropriate.

The Company promptly and thoroughly investigates reports of illegal activity or violations of this Code. Personnel must cooperate with these investigations. You must not take any actions to prevent, hinder or delay discovery and full investigation of illegal acts or violations of this Code as these actions constitute a violation of this Code.

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Personnel may report illegal acts or a violation of this Code anonymously. To the extent permitted by law, the Company will take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or violations of this Code and of those individuals involved in the alleged improper activity, whether or not it turns out that improper acts occurred. Failure to abide by this confidentiality obligation is a violation of this Code.

No reprisals or disciplinary action will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of, illegal acts or violations of this Code. It is a violation of this Code for Personnel to punish or conduct reprisals in regard to Personnel who have made a good faith report of, or cooperated in the investigation of, illegal acts or violations of this Code.

Personnel who violate the Code or commit illegal acts are subject to discipline up to and including dismissal. With regard to Personnel who report their own illegal acts or improper conduct, however, such self-reporting will be taken into account in determining the appropriate disciplinary action.

H. ESCALATION POLICY FOR BEHAVIORAL HEALTH REHABILITATION SERVICES CLIENTS

The Company promotes the use of constructive and nonviolent techniques to de-escalate potentially volatile and dangerous situations with clients and/or their families. At no time should physical contact be used by Company staff to restrain clients. Should a client appear to be out of control and a danger to self or to others (outside of school hours), then the clinician should follow the identified crisis plan on the treatment plan. However, while the client is attending school, the school's policy on such conduct will prevail. All staff will be trained on de-escalation and managing verbal aggression. (please refer to the Company Policy and Procedure Manual – Management of Escalation Policy). For Malvern employees please refer to your Policy and Procedures Manual for escalation policies regarding patients.

VI. EMPLOYEE BENEFITS AND TIME AWAY FROM WORK

The Company provides eligible employees with the benefit programs outlined in this section. Separate benefits highlights and medical insurance booklets are available describing detailed eligibility requirements and coverage of each program. For current information on each benefit please see your Human Resources Representative.

A. GROUP HEALTH PLAN

The Company offers medical benefits to all full-time employees and their eligible dependents. Coverage is effective on the first of the month following sixty (60) days of employment. Employees are eligible to enroll in medical benefits upon hire, open enrollment or when a qualifying event has occurred. Qualifying events include the birth of a child, adoption, marriage, divorce or the job change of a spouse that leaves the employee without medical coverage.

The medical insurance information describe the coverage in detail and should be read carefully to determine the amount and kind of benefits provided. Employees are responsible for knowing and understanding the provisions of the plan they elect.

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Employees are required to share in the cost of the medical premiums in such amounts as determined by the Company. Information regarding employee's cost sharing can be obtained from the Human Resources Representative.

Coverage for employee health care benefits ceases on the last day of month that the employee separates from the Company. Upon separation from the Company, employees are eligible to continue benefits in accordance with the provisions of COBRA (Consolidated Omnibus and Reconciliation Act).

B. MEDICAL REIMBURSEMENT (125 PLAN)

All employees are eligible to participate in the Medical Reimbursement Plan benefit, which allows payment for their portion of the medical premium in pre-tax dollars.

C. DENTAL INSURANCE

The Company provides all full-time employees and their eligible dependents with a dental plan. Coverage is effective on the first of the month following sixty (60) days of employment.

D. LIFE/ACCIDENT INSURANCE

The Company provides a Basic Term Life Insurance and Accidental Death & Dismemberment Insurance policy in the amount of \$10,000 for eligible employees.

E. 401(K) PROGRAM

The Company's 401(k) Retirement Savings Plan was adopted to provide retirement benefits for its eligible employees. The Plan is designed to provide retirement income to employees. There is a .25 cent match to every dollar contributed up to 4%.

* Must be 21 years of age to participate in the 401(k) Plan. Eligible after 6 months of employment.

F. EMPLOYEE ASSISTANCE PROGRAM

All employees are eligible to participate in the Company sponsored Employee Assistance Program (EAP). The EAP is a confidential service that provides counseling to employees and their dependents. Call 800-366-0129 for EAP assistance.

G. PAID TIME OFF

We believe that employees should have opportunities to enjoy time away from work to balance work/life issues. As a result, we offer full-time employees PTO benefits to meet the needs of the team. PTO is an all-purpose time off policy for eligible employees to use as they need. PTO is accrued based on hours worked.

PTO accruals are available for use in the pay period following completion of 60-days. After that time, employees can request use of earned PTO including that accrued during the waiting period.

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Length of service and employment status determines the amount of PTO the employee will accrue.

Whenever possible, PTO must be scheduled in advance for vacations, personal appointments or other reasons. It is subject to supervisory approval, department staffing needs and established departmental procedures. It is requested that employees turn in their PTO requests up to 30 days in advance to arrange for any scheduling needs when possible.

Unscheduled absences will be monitored. An employee will be counseled when the frequency of unscheduled absences adversely affects the operations of the department. The manager may request the employee provide a statement from his or her health care provider at any time concerning justification for an unscheduled absence.

After sixty (60) days of employment, an employee will be paid upon resignation or retirement for accrued but unused PTO up to the maximum carry over limit. Separation without providing proper notice or working out the time intended on the notice may result in forfeiture of unused PTO. Termination may also result in forfeiture of unused PTO.

Guidelines for use:

- Employees must use all accrued PTO prior to requesting unpaid time away from work. PTO will continue to accrue while it is being used.
- No more than two (2) weeks of PTO may be taken at one time for any discretionary leave.
- Employees who have an unexpected need to be absent from work due to sickness of self or to care for the illness of a dependent child should notify their supervisor/manager before the scheduled start of their work day. The supervisor/manager must also be contacted on each additional day of unexpected absence.
- Absence due to illness or injury for three (3) or more consecutive days must submit documentation from a health care provider. This must include prognosis, the length of time under a providers care (dates), medical documentation that supports the need to absent, prognosis and medical authorization to return to work. This documentation must be presented to Human Resources on the day the employee returns to work. Failure to provide the required certification may subject the employee to disciplinary action and based on the nature of the illness or injury, may prevent the employee from returning to work. Human Resources will determine if FMLA needs to be facilitated.

H. HOLIDAYS

You will receive an attachment for your Company's specific holiday policy. Full time employees are eligible for paid holidays. Non-exempt employees from Malvern Institute that work on a designated holiday will be paid double time for that day. Salaried/exempt employees do not earn double time as they are not hourly employees. An exempt employee that works on a holiday should take another day off during that same pay period to count as their holiday.

I. FAMILY AND MEDICAL LEAVE ACT (FMLA)

The Family and Medical Leave Act (FMLA) allows an eligible employee to take up to twelve (12) weeks of unpaid leave during any 12-month period for one or more of the following reasons:

- Due to a child, spouse or parent being called to active duty or to take care of someone who was injured during active duty;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Eligible employee is defined as someone who:

- Has been employed by the employer for at least one (1) year; and
- has worked at least 1,250 hours during the 12-month period prior to the time leave is requested

A serious health care condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Employees should provide 30 days advance notice of the need to take FMLA whenever possible. Failure to provide appropriate documentation/certification of the need for FMLA may result in denial of the leave of absence. Leave may be taken intermittently as needed. Please contact the Human Resources representative for further information and guidance.

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Spouses employed by the same employer are jointly entitled to a combined total of 12 work weeks of FMLA for the birth and care of the newborn child, for placement of a child for adoption or foster care, and to care for a parent who has a serious health condition. In addition leave for these reasons must conclude within 12 months of the birth or placement.

Employees will be required to exhaust their accrued PTO while out on FMLA leave.

J. MILITARY LEAVE

An employee who has completed one year or more of service with the Company will be protected as a result of participating in annual encampment or training duty in the U.S. Military, U.S. Military Reserves or National Guard. The time away from work will be considered an unpaid leave, although you may use any earned, unused PTO if necessary. You will be responsible to make the appropriate benefit payments during the time of absence.

K. MILITARY FAMILY LEAVE REQUIREMENTS

Eligible employees with a spouse, child, or parent on active duty or called to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to twenty-six (26) weeks of leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the national Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, therapy or is in outpatient status or is on the temporary disability retired list.

L. BEREAVEMENT LEAVE

A three (3) day leave, with pay, will be granted in the case of the death of spouse, child, parent, brother, or sister. A one (1) day leave of absence will be granted in the case of the death of a grandparent, grandchild, in-law, aunt, uncle or cousin. The approval of your manager is required prior to taking this leave time.

Bereavement leave pay will not be granted to employees attending a funeral during periods when, for other reasons, they are not scheduled to be at work (i.e. vacation, holiday, illness, etc.).

M. JURY DUTY

The Company recognizes its civic duty to provide all regular full-time employees with time to serve as jurors when called upon to do so. When called for jury duty, a full time employee shall be excused from work for up to two (2) weeks for which jury service pay is received. The Human Resources Representative and your manager should be informed upon receipt of notification of jury duty. Proof of jury duty will be required each day that is missed for jury duty to receive your regular pay.

N. WORKERS' COMPENSATION

Absences due to work-related injuries and illness are entitled to compensation and payment for medical care under the state Workers' Compensation laws. You must file the appropriate paperwork with your supervisor/manager immediately following the injury or illness. Supervisor/manager are required to notify the Human Resources representative immediately following the report of an incident. We will make every reasonable attempt to return you to your same or similar position at the conclusion of the leave based on your specific situation and the business needs at the time. FMLA leave will run concurrent with this leave if necessary.

NOTICE: We have selected a list of 6 of more physicians and other health care providers who are available to treat your work-related injuries and illnesses during the first 90 days of treatment. This list is posted in the administrative/common area for you to view. Also, you may obtain a copy of the list from Human Resources. If the list of providers does not meet the requirements, and it is not a valid list and you have the right to seek medical treatment for your work injury or illness from any health care provider of your choice.

If you are injured at work or suffer an occupational illness, you have certain legal RIGHTS and DUTIES under Section 306 (f1) of the Worker's Compensation Act regarding your medical treatment. These rights and duties are listed below:

- If you are injured while at work and medical treatment is necessary, you are required to visit one of the physicians or health care providers on the list designated by your employer for a period of 90 days from your first visit with the physician or health care provider if you expect your employer to pay for the medical treatment you receive. You have the RIGHT to choose which of the listed providers will treat you for your work injury or illness.
- All reasonable medical treatment and supplies (e.g. medicines, prosthetics) related to the injury will be paid for by the employer provided treatment is by a designated physician or
- health care provider on the list during the 90 day period.
- Charges for treatment and supplies are specified by the ACT. You are not responsible for the payment of any charges in excess of those specified by the ACT.

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- During the 90 day period, you may change from one designated physician or health care provider on the list to another physician or health care provider on the list, and the treatment will be paid for by the employer.
- If the designated physician or health care provider refers you to a non- designated provider, the employer will pay for the treatment by the non-designated provider.
- You have the RIGHT to obtain emergency medical treatment from a non-designated physician or health care provider. However, the subsequent non-emergency treatment must be by a designated physician or health care provider for the remainder of the 90 day period.
- You may seek treatment or consultation from a non-designated physician or health care provider during the 90 day period however, you are responsible for the charges for this treatment during the 90 day period.
- If the employer designated physician or health care provider recommends invasive surgery, you are permitted to obtain a second opinion from a non-designated physician or health care provider. Your employer will pay for the cost for this opinion. If this opinion differs from the opinion of the designated physician or health care provider and provides a specific and detailed course of treatment, you may elect to undergo this treatment. The treatment however must be provided by a designated physician or health care provider for 90 days from the date of the visit to the non-designated physician.
- You have the RIGHT to seek treatment from any physician or health care provider after the 90 day period has ended, and your employer will pay for this treatment provided it is reasonable and necessary.
- You have the DUTY to notify your employer of treatment by a non-designated physician or health care provider within five days of your first visit to this physician or provider.

Your employer may not be required to pay for treatment by a non-designated physician or health care provider prior to notification. The employer however shall pay for this treatment once notified unless the treatment is found to be unreasonable.

If you have any questions, please feel free to contact the Bureau of Workers' Compensation at 1-800-482-2383 or (717) 783-5421.

Your signature on the employee handbook acknowledgement form indicates that you have been informed of and you understand these rights and duties. If you have questions, be sure you have your rights and duties explained to you before signing the form. This information is presented to you at time of hire.

O. RETURN TO WORK POLICY

The Company Return to Work Policy has the following goals:

- To prevent, to the extent possible, the loss of earning to an employee who experiences any on-the-job injury or illness.
- To keep the employee active in the workplace, which is beneficial to his overall psychological and physical well-being.
- To reduce costs of worker's compensation, which will in turn reduce expenses to the facility, which will in turn increase the profit picture and ultimately will benefit all employees.
- To provide better medical care for the employee by coordinating with the authorized treating physician.

Overview:

When it is medically necessary for an employee to be restricted from his normal work duties due to an on-the-job injury or illness, but is able, in the opinion of the authorized treating physician, to perform other work activities, the employee will be assigned alternative work.

The authorized treating physician will be required to supply Management with a return to work evaluation specifying restrictions and/or capabilities so the employee can be placed in an appropriate job.

Attempt to return any employee to a restricted job within his own department. However, if this cannot be done or is not advisable, Management will assign another job, if available.

Once the employee has been assigned a job for the day, the employee must report to Management so that any special preparations can be made. In this way, they will be in a position to monitor the employee's progress.

Recovery and work status will be re-evaluated regularly by the authorized treating physician to determine when the employee will be ready to transfer from restricted duty status to a regular job assignment.

Should the employee need a permanent restricted assignment, the Company will do everything reasonable to accomplish this assignment.

Restricted Duty Procedures:

Consistent with the policies set forth in the Americans with Disability Act section of this handbook, the Company will enter into an interactive dialogue with employees who present restrictions on their ability to perform job duties due to a disability in order to determine if an accommodation may be made. The following outlines the specific steps that shall be followed:

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- Step #1: Employee brings restrictions as designated by the doctor to Management.
- Step #2: Management meets with the supervisor to determine whether the restrictions can be accommodated under applicable standards. Management will work with the supervisor for identifying an acceptable job if the restrictions require a change from the present job.
 - 1st choice: A different regular duty job that meets the restrictions.
 - 2nd choice: Modify a job to meet the requirements.
 - 3rd choice: Determine alternative work to be done.
- Step #3: If an accommodation can be made Management explains the restrictions to the employee; the employee acknowledges that they understand and will follow the restrictions. The Supervisor places the employee on the job and observes the employee doing the job to verify acceptability.
- Step #4: Management checks on employee daily and verifies that they are indeed doing a job within the restrictions.
- Step #5: Employee reports to Management as instructed for wound care, therapy, etc., and also if a problem develops, if the restriction resolves itself, or when restrictions change.
- Step #6: Resolution Options:
 - Employee recovers and is released to return to regular job. However the employee cannot return to their regular job if an employee has surgery or severe problem unless job is modified.
 - Employee returns to physician for additional or continuing temporary restrictions.
 - Employee is given permanent restrictions. Management checks with employee monthly. Verification includes written documentation. Documentation shall be placed in the employee's personnel file.

P. COBRA

Under federal law, if you discontinue employment (for reasons other than gross misconduct) or experience a reduction in hours, you are eligible to continue healthcare coverage at group rates. The continuation coverage is also available to your spouse and dependent children for the following reasons:

- Termination of employment
- Death of employee, divorce or legal separation from the employee, eligibility for Medicare or dependent ceases to be a dependent under our plan

If you, your spouse or your dependents elect to continue coverage, you are responsible to pay the full premium plus an administrative fee.