

## **Business Code of Ethics and Conduct**

As a Company, we are committed to honest and ethical behavior, and to conducting our business with integrity. The practice of behaving honestly, ethically and with integrity, both within the company and in conducting its business, is an individual responsibility. We make decisions about how to conduct ourselves every day as we go about our work. Each of us is responsible and accountable for the actions that we decide to take.

The Adeptus Health Code of Conduct is the keystone of our corporate integrity philosophy and communicates our ethical business standards. The Code of Conduct serves as a cultural compass for staff, management, vendors, and others who interact with our emergency rooms and hospitals. It is an essential element of our Compliance Integrity Program. The Compliance Department was created to oversee our Compliance Integrity Program and to demonstrate our commitment to conducting our business with integrity. The Compliance Integrity Program is a partnership among all of us to make the right business choices.

The Code of Conduct is a vital part of how we achieve our mission and vision. It provides guidance to ensure that our work is accomplished in an ethical and legal manner. It emphasizes our common culture of integrity and our responsibility to operate with the highest principles and ethical business standards as we strive to care for our patients and each other with respect, honesty, compassion, teamwork and excellence.

At Adeptus Health, we are each guardians of our reputation for ethical business practices and our standing as a leader in the medical center community. We are committed to delivering the highest quality patient care in compliance with our Code of Conduct.

### **Our Compliance Integrity Program**

Our mission at Adeptus Health is about providing access to the highest quality medical care to the communities we and our partners serve.

#### ***Compliance with Applicable Laws and Regulations***

Adeptus Health is committed to compliance with all applicable laws, rules and regulations. This commitment permeates all levels of Adeptus Health. Our Compliance Integrity Program was created to ensure that we conduct our business with integrity and in accordance with applicable laws and our policies, as well as to provide a safe environment for raising compliance concerns and questions. The Compliance Department oversees the Compliance Integrity Program and ensures compliance with our Code of Conduct. Our Compliance Integrity Program outlines what we do as a company to comply with legal and ethical requirements, including the following:

- Setting integrity standards through written policies, procedures and our Code of Conduct;
- Communicating standards through awareness, education and training programs;
- Providing a process for reporting potential violations of laws, policies or our Code of Conduct;
- Conducting ongoing auditing and monitoring activities;
- Identifying, investigating and responding to potential compliance problems;

- Performing routine sanctions by checking to ensure we are not conducting our business with individuals and entities ineligible to participate in federal healthcare programs;
- Enforcing integrity standards and disciplining non-compliant actions;
- Maintaining a company culture that supports the furtherance of the Compliance Integrity Program, including establishment of appropriate Compliance Committees and appointment of a Chief Compliance Officer who has an independent reporting relationship to the Audit and Compliance Committees of the company's Board of Directors.

The standards set forth in our Code of Conduct apply to all of Adeptus Health, including its staff, health care professionals with clinical privileges, trainees, agents, officers, directors, volunteers, representatives, contractors, vendors and any other person or company engaged to provide products or services. The Code of Conduct standards require us to follow all applicable laws, rules, regulations and company policies as related to the scope of our duties and responsibilities for Adeptus Health, and to maintain a health care and business environment that is committed to integrity and ethical conduct. In addition, we all are expected to exhibit a consistent commitment to our legal, regulatory compliance and Code of Conduct by completing compliance training modules on time and by following legal and regulatory policies, that supports the Code of Conduct and Employee policies on insider trading, Stark Laws, anti-kickback, EMTALA, HIPAA, and privacy.

Our Code of Conduct is the keystone of our Compliance Integrity Program and guides us in carrying out our daily activities within appropriate ethical and legal standards. Our Code of Conduct standards are mandatory and must be followed. Anyone who violates laws, policies or our Code of Conduct may be disciplined, up to and including termination. Our Code of Conduct is an evolving policy that will be updated periodically to respond to changing conditions and to reflect changes in law.

Our Code of Conduct is not intended to cover every situation that may be encountered. We must comply with all applicable laws, regulations and our policies whether or not specifically addressed in our Code of Conduct. In some cases, a subject discussed in our Code of Conduct involves such complexity that additional guidance may be needed. In these cases, our Code of Conduct is to be used as a guide if you are confronted with a situation that raises questions about ethical business conduct. If you think a law, policy or our Code of Conduct is not being followed, you must report it to our Compliance Department. You should also report it to your Supervisor. If you feel uneasy talking to your Supervisor, voice your concern to the next supervisory level, up to and including the highest level of management and/or Human Resources. Adeptus Health encourages open and honest discussion of issues with management. We are committed to providing an environment that allows reporting in good faith without fear of retaliation.

It is very important, as well as required, that you immediately report any perceived violation of compliance law, policy or our Code of Conduct to the Compliance Department. Failure to report or a complaint not made in good faith to the Compliance Department may result in disciplinary action, up to and including termination. Our Compliance Department will evaluate all reports promptly, completely and fairly.

## **The Laws We Need to Comply With**

### ***False Claims Act and Deficit Reduction Act***

The State and Federal False Claims Acts and the Federal Deficit Reduction Act protect government programs from fraud and abuse. It is a violation of the False Claims Act to knowingly submit, or cause

another person or entity to submit, false claims for payment of government funds. Additionally, the State and Federal False Claims Acts contain provisions that allow individuals with actual knowledge of alleged false claims to sue on behalf of the government, as well as provide protections against retaliation for individuals taking a false claims action.

It is illegal to submit claims for payment to government programs that we know or should know are false or fraudulent. No specific intent to defraud the government is required for a claim to qualify as a false claim. The False Claims Act defines “knowing” to include not only actual knowledge, but also instances of deliberate ignorance or reckless disregard of the truth or falsity of a claim. Filing false claims may result in damages of up to three times the amount of the government program’s loss, fines, imprisonment, entering into a Corporate Integrity Agreement and exclusion from participation in federal and state health care programs.

We are committed to submitting claims that are accurate and truthful. If you know of a false claim, contact our Compliance Department immediately, or utilize EthicsPoint reporting system to notify the Compliance Department anonymously. Failure to notify the Compliance Department may lead to disciplinary action, up to and including termination.

### ***Anti-Trust Laws***

Adeptus Health competes fairly and complies with Anti-Trust Laws. We do not engage in activities or negotiate agreements that restrain or obstruct competition or illegally share proprietary information with competitors. The illegal obtainment or use of proprietary information from competitors is also strictly prohibited.

Antitrust violations may subject our Company to severe civil and criminal monetary fines, civil liability for treble damages, and injunctions that could impair our ability to compete effectively. Anti-Trust violations may also subject us individually to imprisonment, personal liability, and substantial monetary fines.

We are required not only to comply with the law but also to avoid activities which, though not illegal, may pose unnecessary risks of litigation, government investigation, or injury to our reputation. The following limitations on information exchanges with competitors are designed to aid compliance with Anti-Trust laws and protect our competitive, financial, ethical and reputational interests.

Except with legal advice from the Company’s Office of General Counsel, we do not communicate with a competitor, either directly or indirectly, about the following:

- We do not communicate about prices charged for goods or services, including physician services
- We do not communicate about costs of goods, supplies, equipment, or services, including physician services
- We do not communicate Employee salaries, wages, or benefits, compensation policies, staffing policies or terms of collective bargaining agreements, employment contracts or severance agreements
- We do not communicate terms of managed care contracts
- We do not communicate terms of equipment, supply or service contracts
- We do not communicate allocation of customers, services or territories among competitors

- We do not communicate exclusion of any existing or potential competitor or supplier from the market
- We do not communicate joint bidding or joint venture arrangements

### ***Anti-Kickback Laws***

The federal Anti-Kickback Law prohibits individuals and companies, that participate in one or more government funded health care programs, from knowingly or willfully offering or paying, directly or indirectly, any form of remuneration in return for, or to induce, the referral of any patient or business that is covered by any such federal or state health care financing program. Remuneration includes kickbacks, bribes or rebates.

Similarly, the many states have anti-kickback laws that prohibit individuals and Company from offering or paying, directly or indirectly, any form of remuneration as compensation or inducement for referring patients, clients or customers to our facilities regardless of the payor.

If one purpose or reason for a financial transaction or arrangement with an individual or a company is to induce that individual or company to refer patients or business to Adeptus Health, or to recommend our services, then such transaction or arrangement may constitute a violation of the anti-kickback laws.

All agreements involving patient referral sources, including physicians, hospitals, ambulance services, managed care companies and other health care companies and service providers, must be reviewed and approved by the Corporate Legal Counsel prior to execution.

### ***Physician Self-Referral Law***

We conduct all of our business practices with physicians in conformity with the federal Physician Self-Referral or “Stark” Law. The Stark Law prohibits referrals for certain covered items or services furnished by a company with which the referring physician, or his or her immediate family member, has a financial relationship, unless a specific legal exception applies.

It is a violation of Company policy for us to enter into arrangements with or accept referrals from physicians that would violate any applicable provisions of the Stark Law. We are required to immediately report all known or suspected violations of any of these policies to the Compliance Department.

The Company may contract directly with physicians to provide certain services, such as on-call coverage, moonlighting, training, consulting or administrative services, and pay these physicians directly for such services. In such arrangements, there is a direct compensation relationship between the Company and the physician and we must consult with the Corporate Legal Counsel to execute a personal services agreement with the physician. We must strictly follow Company policy any time we enter into any business arrangement with physicians or their immediate family members, including services agreements, lease agreements and equipment agreements.

### ***EMTALA***

The Emergency Medical Treatment and Labor Act (EMTALA) is a federal statute that address how hospitals deliver emergency medical services to the public. Known as the “anti-dumping” law, it prohibits a hospital emergency department from delaying care, refusing treatment, or transferring a patient to another hospital based on the patient’s ability to pay for services.

## EthicsPoint Telephone and Internet Reporting Resource

The management team values Employee input so EthicsPoint is an available resource that allows for anonymous and confidential reporting. This tool gives Employees the opportunity to voice suggestions, concerns or report misconduct and guarantees that your comments will be heard.

To make a report you may use either one of the following methods:

- Use the following link to “Make a Report”,
- [https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=34319](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=34319), or
- Dial toll-free at 1-855-503-8073.

After you complete your report you will be assigned to a unique code called a “report key”. Write down your report key and password and keep them in a safe place. After 5-6 business days, use your report key and password to check your report for feedback or questions.

*Note: EthicsPoint is NOT a 911 or Emergency Service. Do not use this site to report events presenting an immediate threat to life or property. Reports submitted through this service may not receive an immediate response. If you require emergency assistance, please contact your local authorities.*

Please know that when you use EthicsPoint, you may report misconduct that you observe or inquire whether or not something is permissible under Adeptus Health’s policy. Additionally, we welcome your feedback and suggestions pertaining to areas you believe we might improve. We will do our best to review and respond to each inquiry in a timely and appropriate manner.

Reports may also be made openly, confidentially or anonymously to the Audit Committee of the Board of Directors, the General Counsel with respect to: (i) any questionable accounting, internal accounting controls or auditing matters; (ii) non-compliance with applicable legal and regulatory requirements of this Code; or (iii) retaliation against Employees, and other persons who make, in good faith, allegations of questionable accounting, internal accounting controls or auditing matters, in each case through any avenue available.

### ***Things to Keep in Mind When Reporting***

If you report a compliance concern, be sure to include information that our Compliance Department will need to follow up, such as the location where your concern occurred or is occurring (for example, the name of the emergency room and, if applicable, department), the date or dates of any incident, the names and job roles of individuals involved in the concern, a description of your concern and your name if you are comfortable letting us know. If you are not comfortable leaving your name, you may make an anonymous report through EthicsPoint.

Anyone making such a report is assured that it will be treated as confidential and will be shared with others only on a need-to-know basis. The findings of a compliance investigation are confidential to protect all involved in the investigation process. As a result, details and specific findings of a compliance investigation will be shared only on a need-to-know basis. The Chief Compliance Officer ensures that all reports will be thoroughly and fairly investigated and that appropriate action will be taken.

No adverse actions will be taken against someone for making a report in good faith or for cooperating with a compliance investigation in good faith. Adeptus Health has a policy that protects against retaliation or retribution for reporting a compliance concern in good faith or cooperating with a compliance investigation with good intentions. The non-retaliation policy ensures that no one is penalized for reporting what is honestly believed to be a compliance problem or for honestly participating in a compliance investigation. However, if someone purposely falsifies or misrepresents a report or makes false statements during an investigation, that person will not be protected under the non-retaliation policy. False accusations or statements made in a report or during an investigation, including those made with the intent of harming or retaliating against another person, may result in disciplinary action, up to and including termination. Although we have a policy that does not permit retaliation for reporting or cooperating in good faith, it is important to understand that no policy can protect you from applicable consequences if you have broken the law or violated our policies. Breaking the law or violating our policies may result in disciplinary action, up to and including termination, as well as possible state and federal actions and penalties.

Sometimes the Company is required by law to report certain compliance issues to state or federal agencies. When this is the case, the Compliance Department will conduct an evaluation of the issue in terms of state or federal reporting requirements and will notify the appropriate state or federal agencies on behalf of the Company when applicable.

Adeptus Health is committed to correcting wrongdoing, whether intentional or inadvertent, wherever it may occur in the Company, and to cooperating fully with government investigations.

## **Integrity with Decision Making**

Our Code of Conduct helps us to make ethical business decisions. However, it is not designed to address every issue. You may face a situation where the right course of action is unclear. Ask yourself the following questions when you are unsure of what to do:

- Is it inconsistent with our mission and values?
- Is it illegal?
- Is it unethical?
- Could it harm patients?
- Could it harm our co-workers, colleagues, or physicians?
- Could it harm government programs?
- Could it harm our financial health?
- Would our Company be compromised or embarrassed if it became public knowledge?
- Would we be uncomfortable reading about it in the newspaper?
- Is it unfair or inappropriate?
- Could it adversely impact our Company if everyone did it?
- Is it inconsistent with our policies or our Code of Conduct?

If you are still unsure what decision to make or what action to take, talk to your Supervisor or consult with the Compliance Department.

It is critical that our Compliance Integrity Program is effectively communicated throughout all levels of the Company. Compliance is the responsibility of each of us. The Compliance Department welcomes constructive input regarding its Compliance Integrity Program and our Code of Conduct. If you have comments, suggestions or questions, please submit them through our EthicsPoint portal.

Utilizing EthicsPoint along with this business code of ethics and conduct policy is the responsibility of every Adeptus Health Employee. Disregarding or failing to comply with this standard of business code of ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

## **Integrity in Patient Care**

At Adeptus Health, we strive to ensure that the patient care we provide is:

- Safe: Avoiding injuries to patients from the care that is intended to help them;
- Effective: Providing services based on scientific knowledge, best practices and cost-effectiveness;
- Patient-Centered and Family-Centered: Providing care that is respectful of and responsive to individual patient and family preferences, needs and values, ensuring that patients' values guide all clinical decisions;
- Timely: Reducing waits and sometimes harmful delays for both those who receive and provide care;
- Efficient: Avoiding waste, including waste of equipment, supplies, ideas and energy;
- Equitable: Providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, socio-economic status, sexual orientation or perceived disability.

Everything we do should advance our commitment to deliver the highest quality of care to our patients. We make every effort to provide each patient with the best possible care to reach optimal recovery from a condition or procedure. We treat all patients with dignity, respect and courtesy.

We are committed to providing clear, accurate, honest and transparent information about the quality of care we offer to all our patients so that they can make informed health care decisions. As health care providers, it is important for us to note errors or deficiencies, even those that seem small or insignificant, in order to improve future care. Promptly report such matters to your Supervisor.

### ***Patient Rights and Patient Choice***

We encourage patient and family involvement in all aspects of care. Patients and families are given a statement of patient rights and responsibilities upon admission, including information about the right to make decisions regarding medical care. We involve patients and families in decisions regarding care to the extent that this is practical and possible. We inform patients about therapeutic alternatives and the risks associated with the care they are seeking.

We provide coordinated discharge planning to all patients as an integral part of the treatment plan in order to support the level of medical, psychological, occupational, rehabilitation and social services needed post-discharge. Our health care teams develop discharge plans in a collaborative manner,

individualizing each plan to each patient's and family's needs. Patients, families and caregivers are participants in the care and discharge processes and their preferences and choices are given priority whenever possible. We address the wishes of patients related to advance directives and end of life decisions.

### ***Charity Care and Discounts***

Financial assistance is available to patients in the form of financial need discounts or charity care and is provided in a manner that addresses the patient's individual financial situation, and complies with application and eligibility criteria as set forth in our Financial Assistance and Charity Care Policy and our Uninsured Patient Discount Policy.

## **Integrity in Billing and Financial Matters**

Adeptus Health takes great care to ensure that billings to the government, third-party payers and patients are accurate and conform to all applicable federal and state laws and regulations. Coding is how we identify and classify health information, such as diseases and procedures, based on the care provided and documented in the patient's medical record. Using these codes in the billing process is how we identify charges for services we have provided.

We are committed to timely, complete and accurate coding and billing, including the following principles:

- We bill only for services that we actually provide, document, are medically necessary and are ordered by a physician or other appropriately licensed individual;
- We assign billing codes that we believe in good faith accurately represent the services that we provide and that are supported by documentation in the medical record according to applicable regulatory requirements and guidelines;
- We implement good faith controls to prevent unbundling, up-coding, duplicate billing for the same service, and other known forms of billing errors;
- We do not routinely charge government payers in excess of our usual charges;
- We respond to billing and coding inquiries and timely resolve inaccuracies in previously submitted claims that are discovered and confirmed;
- We make every effort to ensure that Employees and subcontractors who perform billing or coding services have the necessary skills, quality assurance processes and appropriate procedures to ensure that billings are accurate and complete; and
- We do not knowingly present, or cause to be presented, claims for payment that are false, fictitious or fraudulent.

### ***Financial Reporting***

We maintain a high standard of accuracy and completeness in the documentation and reporting of all financial records. These records serve as the basis for managing our business and are important in meeting our obligations to patients, staff, suppliers and others. These records are also necessary for compliance with tax and financial reporting requirements.

Our financial information fairly represents actual business transactions and conforms to generally accepted accounting principles or other applicable rules and regulations. We maintain a system of internal controls to ensure accuracy and completeness in documenting, maintaining and reporting financial

information. We cooperate fully with internal and external auditors and any regulatory agencies that examine our books and records.

We treat credit balances and bad debt in compliance with applicable state and federal law. In some instances, a credit balance will exist in a patient account after payment by both the patient and a federal or state healthcare program. We endeavor to accurately track, report and refund credit balances.

State and federal laws require us to submit reports of our operating costs and statistics, known as cost reports. These laws define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to government program beneficiaries. We are committed to the preparation, submission and settlement of accurate, timely and complete cost reports.

## **Integrity in Business Conduct**

### ***Marketing and Advertising***

In conducting marketing and advertising activities, honesty and accuracy in the portrayal of Company's capabilities is essential to the Company's reputation and success. You should not distort the truth, make false statements, engage in any unlawful comparative advertising, or falsely attack or disparage any competitor.

### ***Contracting***

Adeptus Health negotiates and enters into fair and equitable contractual arrangements with reputable vendors and individuals that meet the needs of our Company. All arrangements must comply with applicable federal and state laws. Prior to executing arrangements for items and services, we verify that all contracted parties are eligible to participate in federal and state-funded healthcare programs. All contracts with patient referral sources must be in-writing, as well as reviewed and approved by the Corporate Legal Counsel.

### ***Accuracy of Records/Document Retention and Destruction***

It is our duty to create and maintain accurate and complete records, as well as only destroy Company records, in compliance with federal and state laws and applicable policies. To this end, you must ensure that matters of self-reporting, including but not limited to, travel and entertainment expenses, hours worked, petty cash, paid time off, and vacation time are reported honestly and accurately.

Honest errors happen. If you make a mistake, immediately correct it and bring the error to the attention of your Supervisor or the appropriate financial officer. If you are believed to have falsified a record or attempted to cover-up a mistake, you will be subject to disciplinary action, up to and including termination.

Adeptus Health policies provide guidance on the proper creation, amendment, maintenance, retention and destruction of Company records and documents. Contact the Compliance Department for additional guidance.

### ***Contact with the Media***

We must contact the Company's Chief Marketing Officer before responding to any media inquiries or initiating contact with the media. Additionally, communications with media involving patient information

must comply with federal and state privacy laws in order to fulfill our legal and ethical duty to protect patient privacy.

## **Use of Company Resources**

### ***Political Contributions and Activities***

Adeptus Health has adopted a bipartisan, or neutral, stance regarding corporate participation in political campaigns and political lobbying. The Company does not endorse or intervene on behalf of any candidate for public office, and does not solicit funds or endorsements in support of political issues or causes.

As individuals, we may exercise our civil liberties by participating, advocating or supporting the political candidates and causes of our choice outside of the workplace. However, we never engage in or promote the following activities while at work on the Company's business, or while representing the Company at off-site events and activities:

- We do not use Company time or assets to perform political activities
- We do not speak on behalf of our Company supporting political candidates or causes
- We do not use the Company's name or logo on letters or other written materials supporting political candidates or causes
- We do not distribute political literature
- We do not wear political campaign clothing, buttons or symbols representing a political candidate or cause, excluding those defined as "protected activities" by the National Labor Relations Board

### ***Gifts***

We maintain high ethical standards regarding the offering and acceptance of gifts. Offering or accepting personal gifts may influence our decisions or the decisions of others and may constitute a conflict-of-interest. The appropriateness of offering or accepting gifts depends on the specific circumstances of the gift and who is offering and receiving it. The following information provides general guidance on this topic. Consult with the Compliance Department for specific advice if you are offered a gift or are considering giving a gift:

- Gifts from Patients/Family Members to Our Organization: Adeptus Health may accept grateful giving or contributions from our patients and their family members. Please refer patients and their family members who wish to make grateful giving or other contributions to the Compliance Department.
- Gifts from Patients/Family Members to Us Personally: There are significant ethical limitations regarding the acceptance of personal gifts from patients or their family members. We do not accept personal gifts of cash, cash equivalents, gift cards or merchandise from patients or their family members. Additionally, we never solicit personal gifts from patients or their family members. We may accept perishable items of modest value, such as food or flowers, provided that it is shared with our entire department or unit.

- Gifts from Our Organization to Patients/Family Members: Adeptus Health may not induce government program health care beneficiaries to use our services by offering gifts that would likely influence these beneficiaries to obtain services from our Company. Inexpensive gifts of nominal value that are not cash or cash-equivalents are permitted. Federal guidelines define “inexpensive” as having a retail value of no more than \$10 per item or \$50 in aggregate per patient annually.
- Gifts from Our Organization to Us Personally: Adeptus Health may offer reasonable gifts purchased with the Company’s budgeted funds to us personally. A gift given by the Company that exceeds a total value of \$75 per year become personal taxable income for the recipient of the gift and must be reported to the Payroll Department by the individual or department giving the gift. Contact the Human Resources Department for additional guidance.
- Gifts from Our Organization to Physicians and Other Referral Sources: Adeptus Health never offers gifts to physicians or other referral sources in exchange for patient referrals or any other business. Limited gifts to physicians and other referral sources that are not cash or cash equivalents must be given in compliance with federal and state laws, as well as Company policies. All applicable provisions of the Physician Referrals Stark Law Compliance Policy, Business Courtesies to Physicians and Immediate Family Members Policy, and Anti-Kickback Compliance Policy must be met before offering gifts to physicians or other referral sources. Contact the Compliance Department for additional guidance.
- Gifts from Physicians and Other Referral Sources to Our Organization: Adeptus Health never accept gifts from physicians or other referral sources in exchange for patient referrals or any other business. All gifts and other donations from physicians and other referral sources should be referred to the Compliance Department, which will process gifts as donations in compliance with applicable laws and policies.
- Gifts from “Industry” and Other Vendors to Us Personally: There are significant ethical limitations regarding the acceptance of personal gifts from “Industry” and other vendors. “Industry” vendors are pharmaceutical, biotech, medical device, equipment or supply companies. We do not accept personal gifts of any kind from “Industry” vendors. For non-“Industry” vendors, we do not accept cash, cash equivalents or gift cards offered to us personally. We may accept items of modest value from non-“Industry” vendors, such as food or flowers, provided that the gift is shared with our entire department or unit. Contact the Compliance Department for additional guidance.

Gifts from Industry and Other Vendors to Our Organization: Adeptus Health may accept donations or other program-related contributions from “Industry” or other vendors. The Company never accepts gifts from “Industry” or other vendors in exchange for any business. All gifts and other program-related donations from “Industry” and other vendors should be referred to the Compliance Department, which will process gifts as donations in compliance with applicable laws and policies.

***Business Courtesies to Government Customers***

In addition to the prohibitions described in the prior paragraph, Company Employees may not provide or pay for **any** entertainment, travel, or lodging expenses for federal, state or local government employees

or officials. Government employees also may not provide or pay for any meal or refreshment for Employees.

### ***Charitable Contributions***

Any charitable contributions made in the name of the Company or with Company funds must be approved, in writing, by the Chief Financial Officer prior to any Employee committing the Company to make such contribution or the Finance Department issuing the charitable donation.

Contact the Compliance Department for additional guidance.

## **Confidential Information**

Each Employee is required to sign a Confidentiality Agreement upon the start of employment with the Company. You should refer to that Agreement for further information on this subject.

### ***Confidentiality of Employee Information***

In the course of your work you may have access to confidential personal information regarding the Employees of the Company. You have a responsibility to protect the security and confidentiality of that information, in accordance with state and federal law including, but not limited to, HIPAA and state specific privacy laws. Access to such information must be on a “need-to-know” basis and must be authorized by your manager/supervisor.

### ***Confidentiality of Patient Information***

Patients and their families trust us with highly personal and sensitive information regarding their medical conditions. If patients or families do not feel confident that we will keep such information private, they may hesitate to discuss some health concerns with us, which can affect our medical decision making and hinder their medical care.

We collect information about a patient’s medical condition, history, medication, and family illnesses in order to provide quality care. We realize the sensitive nature of this information and are committed to protecting patient privacy. We do not access patient information, internally use patient information, or disclose patient information outside the Company except as necessary to perform our jobs. We are committed to complying with state and federal privacy laws, and to assisting patients with exercising their patient privacy rights.

Strong federal and state laws govern the privacy of our patients and their health information. This includes patient information that is spoken, written or in electronic systems. The laws apply to past, present or future health information of a patient, as well as deceased patients. These laws apply to the Company, as well as to you as an individual, even after you are no longer working here. Patient privacy laws include serious consequences for failing to protect patient privacy, including potential fines, imprisonment, loss of your professional license and the patients’ right to sue both the Company and you personally. Additionally, violating our privacy policies can lead to disciplinary actions, up to and including termination. Our Compliance Department monitors electronic patient records to determine who is accessing the record and whether the access is consistent with job functions.

Complying with our privacy policies includes the following:

- We access, use and disclose only the minimum amount of patient information needed to perform our jobs;
- We do not discuss patient information with others who do not have a job-related need to know, including co-workers, colleagues, family and friends;
- We do not share our user IDs or passwords to our electronic systems and we log-off when we step away from our computers; what is done under your ID/password is your responsibility;
- We assess our surroundings when speaking with or about patients and speak quietly, always asking the patient for permission to speak to them about their care when family or friends are present;
- We do not mention or make reference to any patients whatsoever on personal social networking sites or blogs;
- We verify written patient information to ensure that we do not mix one patient's information with another's, that fax numbers are accurate and entered correctly before sending, and that patient labels are correct;
- We dispose of written patient information in confidential disposal bins and we contact IT for proper disposal of electronic patient information;
- We do not put patient information in the subject line;
- We only use Company-approved personal devices, flash drives or cameras to store, download or capture patient information, including photographs;
- We report all privacy concerns or potential privacy policy violations immediately to our Compliance Department.

### ***Confidentiality of Business Information***

Confidential information about our Company's strategy and operations is a valuable asset. Although you may use confidential business information as necessary to perform your job, it must not be shared with others outside the Company or internally with those who do not need to know about the information to perform their jobs or who are otherwise authorized by law to know such information. Confidential and proprietary business information covers anything related to our business or operations that is not publicly known, including, but not limited to, personnel files, wage and salary information, financial information, billing and pricing information, cost data, strategic plans, marketing strategies, projected earnings, techniques, organizational structure and reporting relationships, business plans, existing and prospective investments, passwords and other security information; computer programs and codes; customer lists, customer preferences, pending projects and proposals, research and development strategies, Employee lists, information related to investigations, disciplinary actions, supplier and contractor information, information related to acquisitions or joint ventures, policies and procedures, clinical and patient information, computer and system login IDs and passwords, emails, and proprietary computer software.

Even when you are no longer working here or affiliated with the Company, you are still bound to maintain the confidentiality of information viewed, received or used during the course of your relationship with the Company. Copies or electronic files of any confidential or proprietary information in your possession when you leave the Company must be returned at the end of your employment or relationship with the Company.

In addition to proprietary and confidential information, it is our duty to abide by all laws, regulations and our policies related to intellectual property. Intellectual property includes patents, trademarks, copyrights and trade secrets. The Company's intellectual property must be protected from unauthorized use.

If you are provided with an email account to facilitate business communications within and outside the Company, all your emails are the property of the Company. Management has the right to review your emails and to terminate your email account. You are responsible for the appropriate use of your email account.

Some tips on complying with our confidential business information policies include:

- Make sure you have the right to copy and distribute copyright material before you do so
- Consult the relevant policies or contact the Compliance Department before you use the Company's logo on any printed materials
- Consult with the Compliance Department before you share any of our policies and procedures outside the Company
- Make sure you have authorization to download any software onto your workstation before doing so

No one is permitted to distribute, remove, or make copies of any Company records, reports, or documents without prior management approval. This includes the electronic transfer of information.

You agree that the Company will own or possess inventions which, in the Company's opinion, are made on Company time or with Company assets or relate to the Company's business or are required to meet its obligations and that you will assist the Company in perfecting and protecting its title to these inventions.

You also agree to maintain in confidence and to use only in the interest of the Company, any and all information acquired by you in the course of your relationship with the Company.

Use common sense to help prevent accidental disclosure of confidential information. Remember that you can be overheard in public places such as elevators, hallways, cafeterias and restaurants. Do not discuss confidential or proprietary information with family or friends, as they may not understand its significance or its confidential nature. You could be held responsible for the inadvertent disclosure of such information by a family member, friend or acquaintance.

If you are in doubt about whether information you are being asked to share is confidential or proprietary, or if you know it is confidential and proprietary but are not sure about whether the request is legitimate, contact your Supervisor or the Compliance Department before you act.

## **Requests for Information Pursuant to an Investigation or Legal Proceeding**

We promptly and appropriately respond to requests for information pursuant to a government investigation or legal proceeding. These requests may come in the form of a subpoena, summons, warrant, letter or verbal request. Only certain people are authorized to accept them on behalf of the Company.

Accepting or acting on these requests may expose the Company, and sometimes you as an individual, to significant fines or other types of criminal, civil or administrative penalties. If you are asked to accept a legal document or to share information of any kind for any reason, immediately consult with your Supervisor, the Compliance Department, or the Chief Operating Officer.

## Protection of Company Assets

### *Conflict-of-Interest*

A conflict-of-interest involves any circumstance where your personal activities or interests are advanced at the expense of the Company's interests. These circumstances may be financial or involve some other type of personal interest that conflicts with your professional responsibilities. Since our patients expect us to make decisions that are not biased by personal interests, actual or perceived conflicts-of-interest may compromise our ability, and the ability of our Company, to provide patient care, transact business or make purchasing decisions. They may also pose a risk to the operations and reputation of the Company.

Conflicts-of-interest can often be avoided or mitigated when the Company is aware of potential conflicts. We are required to disclose at the time of hire, promotion or transfer, and no less than annually thereafter, all information about any actual or perceived conflict-of-interest to the Human Resources Department.

We are also required to disclose within ten business days of a material change in our situations that may create an actual or perceived conflict-of-interest. All reported actual or perceived conflicts-of-interest are reviewed on a case-by-case basis. Failure to disclose a conflict-of-interest may result in disciplinary action, up to and including termination. The following information provides general guidance on several common potential and actual conflicts-of-interest:

- Consulting and Speaking Conflicts-of-Interest: We must disclose and discuss with the Human Resources department before accepting or engaging in compensated or uncompensated consulting and/or speaking activities for outside companies and vendors.
- Purchasing Conflicts-of-Interest: We must disclose any actual or perceived conflicts-of-interest involving the purchases of goods, equipment and services. We must avoid situations where we have actual or perceived conflicts-of-interest between our purchasing decisions and our personal interests.
- Industry Interactions: We must follow all company policies and procedures when engaging in business activities with pharmaceutical, biotech, medical device, equipment or supply companies and the Company. These manufacturers and suppliers are known as "Industry" vendors. It is a conflict-of-interest to accept travel or entertainment from any "Industry" vendor. Additionally, there are significant limitations regarding our acceptance of complimentary onsite and offsite education from "Industry" vendors. Meals or other types of food directly funded by "Industry" vendors may not be provided at the Company's facilities. Contact the Compliance Department for additional guidance.
- Business Courtesies and Entertainment from Non-Industry Vendors: We must follow Company policies and procedures when engaging in business activities with non-"Industry" vendors. It is a

potential conflict-of-interest to accept travel, entertainment or complimentary education from a non-“Industry” vendor that does, or is seeking to do, business with the Company when you can influence the decision to purchase such items or services. Contact the Compliance Department for additional guidance.

- Loans or Guarantees: Loans to, or guarantees of obligations of, directors or executive officers, and their family members, may create conflicts of interest. It is unlawful for the company, directly or indirectly, to extend or maintain credit, or arrange for the extension of credit, or to renew an extension of credit, in the form of a personal loan for any directors or executive officers (or equivalent persons) of the Company. If you are uncertain as to whether a real or apparent conflict exists in any particular situation between your interests and the interests of Adeptus Health, you should consult the Human Resources or Legal Department immediately. All Employees, officers, and directors are expected to avoid any situation that involves, or appears to involve, a conflict of interest between personal and professional relationships. Honesty at all times and in all things is an essential part of your responsibility to Adeptus Health.

## **Insider Information**

You are prohibited by law from insider trading. Trading in the stock or securities of a company by a person who is aware of material, non-public information about that company is considered “insider trading”. Information is “material” if a reasonable investor would consider such information important in a decision to buy, hold, or sell their securities. Information is non-public until it has been broadly disclosed to the marketplace and the marketplace has had time to absorb the information. Examples of adequate disclosure include public filings with the U.S. Securities and Exchange Commission (the “SEC”) and the issuance of press releases.

Insider trading and the sharing of material, non-public information with any other person who then trades in securities or passes the information on further (called “tipping”) is illegal. The personal consequences of insider trading or tipping can be severe and include possible imprisonment and significant fines. Individuals who involve themselves in insider trading or tipping may be subject to immediate termination.

The Company’s Securities Trading Policy is available on Adeptus Health’s intranet. You should carefully review the Securities Trading Policy. If you have any doubts as to the propriety of any transaction, seek advice from the Legal Department before undertaking the sale or purchase of the Issuer’s Class A common stock or of any other publicly traded stock, bond, or other securities that is directly related to Adeptus Health.

## **Accurate and Timely Disclosure**

In reports and documents filed with or submitted to the SEC and other regulators by Adeptus Health, and in other public communications made by Adeptus Health, whoever is involved in the preparation of such reports, documents, and communications (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, you shall provide accurate financial and accounting data for inclusion in such disclosures. You shall not knowingly falsify information, misrepresent material facts or omit material facts necessary to avoid misleading Adeptus Health’s

independent public auditors or investors. You are never permitted to take any action to coerce, manipulate, mislead, or fraudulently influence Adeptus Health's independent auditors in the performance of their audit or review of Adeptus Health's financial statements.

## **Waivers**

Any waiver of this Code for executive officers or directors may be made only by the Issuer's Board of Directors or a committee of the Board of Directors. Any such waiver shall be promptly disclosed in accordance with applicable rules and regulations (including New York Stock Exchange rules).

## **Fair Dealing**

You should endeavor to deal fairly with Adeptus Health's customers, suppliers, competitors and Employees. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Misappropriating proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing improper disclosure of such information by past or present Employees of other companies, is prohibited.

## **Protection and Proper Use of Assets**

You should protect Adeptus Health's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on Adeptus Health's profitability. All Adeptus Health assets, including its confidential information, should be used for legitimate business purposes.

## **Hiring- Excluded Parties**

Adeptus Health does not hire Employees; accept volunteers, contract with or bill for services rendered by individuals or organizations excluded from participating in federal or state healthcare programs. This includes exclusion from those programs administered by the U.S. Department of Health and Human Services, U.S. General Services Administration and the state agencies in states where the Company does business.

## **Accountability for Violations**

If the Audit Committee or its designee determines that these rules have been violated, either directly, or by failure to report a violation, or by withholding information related to a violation, the offender may be disciplined for non-compliance with penalties up to and including removal from office and/or termination. Such penalties may include written notices to the individual involved that a violation has been determined, a written letter of reprimand by the Audit Committee, disgorgement, demotion or re-assignment of the individual involved, suspension with or without pay or benefits, and termination of employment. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending person and Adeptus Health. You are expected to cooperate in all internal investigations of misconduct.

## Outside Employment

Employees may hold outside jobs as long as they meet the performance standards of their job with Adeptus Health. All Employees will be judged by the same performance standards and will be subject to Adeptus Health's scheduling demands, regardless of any existing outside work requirements.

If Adeptus Health determines that an Employee's outside work interferes with performance or the ability to meet the requirements of Adeptus Health as they are modified from time to time, the Employee may be asked to terminate the outside employment if they wishes to remain with Adeptus Health.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside Adeptus Health for materials produced or services rendered while performing their jobs for Adeptus Health.

*Note: Outside employment is prohibited for the following positions:*

- *Facility Administrators*
- *Department Directors and Managers*

*If you are in one of these positions and/or transfer to one of these positions you must complete an "Employment Disclosure Form" located in our applicant tracking system and HRIS platform to be reviewed and approved by the VP of HR.*

## Employment of Relatives

The employment of relatives in the same department, facility and/or line of authority in which Employees can initiate, influence, and/or participate in decisions directly or indirectly involving a relative is prohibited due to the fact that such employment can create serious conflicts and problems with favoritism and Employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

"Family member" is defined as one of the following: relationships by blood—parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece and first cousin; and relationships by marriage—husband, wife (as defined by state law), step-parent, step-child, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, half-brother, half-sister, uncle, aunt, nephew, niece, spouse/partner of any of the above and cohabitating couples or significant others. The hiring Supervisor is responsible for ensuring policy compliance. Department directors are responsible for monitoring changes in Employee reporting relations after initial hire to ensure compliance with this policy. Employees are responsible for immediately reporting any changes to their Supervisor.

If any Employee, after new employment or change in employment, enters into one of the above relationships, one of the affected individuals must seek a transfer or a change in the reporting relationship. Such changes must be approved by the VP of HR. If a decision cannot be made by the affected Employees within 14 days of reporting, reassignment will be made on direction of the department director and the VP of HR.

Although Adeptus Health has no prohibition against employing relatives of current Employees, we are committed to monitoring situations in which such relationships exist in the same area. In case of actual or potential problems, Adeptus Health will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

No exception to this policy will be made without the written consent of the VP of HR.

## **Employment of Minors**

As a general rule, regular Employees of Adeptus Health must be 18 years of age or older. Occasionally, students or others who are 16 or 17 years of age may be employed, but this is done only under special conditions and must be approved in advance by the VP of HR and the applicable next level Manager.

## **Romantic Relationships**

Consenting romantic and/or sexual relationships between a Manager and an Employee may sometimes lead to complications and difficulties for both parties and for the Company. Because such relationships may be contrary to the best interests of Adeptus Health, the Company strongly discourages any conduct that may lead to, or be anticipated to lead to the formation of a romantic or sexual relationship between a Manager and an Employee. The policy applies regardless of the gender of the participants in the relationship. Additionally, all Employees, both managerial and non-managerial, are discouraged from becoming romantically involved with other Employees, when, in the opinion of the Company, their personal relationships may create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security, or morale.

The Company desires to avoid misunderstandings, actual or potential conflicts of interest, and complaints of favoritism, possible claims of sexual harassment, and the Employee morale and dissension problems, that can potentially result from romantic relationships involving managerial and supervisory Employees in the Company or certain other Employees in the Company.

An Employee who is romantically involved with a Supervisor or fellow Employee must immediately and fully disclose the relevant circumstances to their Supervisor and Human Resources, so that a determination can be made as to whether the relationship presents an actual or potential conflict of interest. If an actual or potential conflict exists, the Company may take whatever action appears appropriate according to the circumstances, up to and including transfer or discharge. In no event will the Manager and the Employee be permitted to work together or continue to work together on the same project or matter. Further, the Manager must withdraw from participating in, or exercising any influence over any decision or activities that impact the Employee, including, but not limited to, hiring, firing, evaluating, promoting, demoting, transfer, work assignments, discipline, or any compensation related decisions. This separation withdrawal will continue even if the romantic or sexual relationship between the Manager and the Employee has ended.

Failure to immediately disclose facts regarding a romantic or sexual relationship may lead to disciplinary action, up to and including termination.

Clearly, any attempt to define the term “romantic” or the phrase “romantic relationship” would be difficult. However, it is hoped and assumed that the Manager and/or Employee will understand the meaning and the intent behind this policy and act appropriately and consistent with this policy. Employees are expected to behave in a professional manner in the workplace and keep their personal relationships out of the work environment. Employees should also remember that the Company maintains a strict policy against unlawful harassment of any kind, including sexual harassment. The Company will vigorously enforce this policy and its other policies regarding discrimination and/or harassment in a manner consistent with all applicable federal, state, and local laws.

## **Gossip Policy**

Gossip in the workplace is an activity that can drain, distract and reduce Employee job satisfaction. While this policy does not, in any way, restrict or impede the Employee from exercising their rights under Section 7 of the National Labor Relations Act or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required or permitted by the law, regulation or order, this policy is an effort to create a more professional workplace. The Company is therefore making a commitment to change the work environment to be free from gossip.

Gossip is defined as a rumor or talk of personal, sensational, or intimate nature. Someone who spreads intimate or private rumors or facts that are not related to the operation of Adeptus Health’s business, engages in trivial, chatty talk or writing is engaging in gossip.

Gossip is, therefore, a verb, which means that it is something that is done by individuals. In that regard, an individual can enter into gossip by choice or opt out of this activity at work. Furthermore:

- Gossip always involves a person who is not involved in the discussion.
- Gossip is an unwelcome and negative discussion criticizing another person without any constructive or business benefit.
- Gossip is often about conjecture that can injure another person’s credibility, reputation or the perception of that individual.

In order to have a more respectful, professional, gossip free workplace, we ask that each Employee make the following pledge. I will:

- Not speak or insinuate another person’s name when that person is not present unless it is to compliment or in reference to work matters.
- Refuse to participate when another individual mentions a person in a negative light who is not present. I will change the subject or tell them I have agreed not to talk about another person in a derogatory manner without the other person participating in such communication.
- Choose not to respond to negative e-mail by email, or use e-mail to pass on private or derogatory information about any person within the company.
- Not speak to another co-worker about other Employees in a derogatory manner while at work.

- Follow the proper chain of command if another person in the Company does something unethical, incorrect, against procedures, or disruptive and I will report this to the appropriate person in authority to take corrective action.
- Mind my own business, work hard, be a professional, and expect the same from others.
- Discuss with my Supervisor or another member of the management team if I have concerns or issues about Company policies or procedures.

Making negative comments and badmouthing other Employees is detrimental to the productivity of the workplace. Malicious gossip and/or the spreading of rumors will not be tolerated. Any violations of this policy will result in corrective action. This action may involve but is not limited to a written warning for the first offense and a significant or continuing violation of this policy may result in immediate termination.

## **Job Posting/Job Transfer Guidelines**

Adeptus Health provides Employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although Adeptus Health reserves its discretionary right to not post a particular opening.

Job openings will be posted on the Company's Applicant Tracking System, and normally remain open for 30 days. Each job posting notice will include the dates of the posting period, job title, department, location, job type, job summary, essential duties, and qualifications (required skills and abilities).

Job posting is a way to inform Employees of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring Manager. Other recruiting sources may also be used to fill open positions in the best interest of the organization.

To be eligible to apply for a posted job, Employees must have performed competently for at least 6 months of service in their current position. Employees who have a written warning on file, or are on probation or suspension are not eligible to apply for posted jobs. Eligible Employees can only apply for those posted jobs for which they possess the required skills, competencies, and qualifications.

Employees should apply for open positions via the Applicant Tracking System.

## **Solicitation**

In an effort to ensure a productive and harmonious work environment, persons not employed by Adeptus Health may not solicit or distribute literature in the workplace at any time for any purpose.

Adeptus Health recognizes that Employees may have interests in events and organizations outside the workplace. However, solicitations by Employees for contributions, sale of merchandise, or memberships in clubs or organizations, circulation of petitions, and all other forms of solicitation by Employees are prohibited during working time. (Working time does not include lunch periods, work breaks, or any other periods in which Employees are not on duty.)

In addition, the posting of written solicitations on company bulletin boards is prohibited. Bulletin boards are reserved for official organization communications on such items as:

- Postings required by law
- Employee announcements
- Internal memoranda
- Job openings
- Organization announcements
- Payday notice
- Workers' compensation insurance information
- State disability insurance/unemployment insurance information

Nothing in this no solicitation policy is intended to in any way, restrict or impede an Employee from exercising their rights under Section 7 of the National Labor Relations Act, but is designed to maintain a work environment free from distraction and interruption of persons performing their jobs.

## **Policy for a Drug Free Workplace**

It is Adeptus Health's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, Employees are required to report to work in appropriate mental and physical condition to perform their jobs in a safe and satisfactory manner. Drug use subjects our Employees, customers, and contractors to unacceptable safety and health risks, and undermines our ability to operate productively and efficiently.

While on Adeptus Health's premises and while conducting business-related activities off Adeptus Health's premises, no Employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an Employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Each of our Employees, as a condition of employment, must abide by this policy. Any Employee who is convicted or who pleads nolo contendere (no contest) to controlled substance-related violations in the workplace must inform management within five days of the conviction or plea. This policy is not a contract of employment. All Employees are Employees at-will unless otherwise set forth in a written contract. This policy does not alter the terms of any existing employment agreement. This means that employment can be terminated at any time either by the Employee, Adeptus Health with or without cause and with or without notice. Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

## **Substance Abuse Policy**

Adeptus Health is firmly committed to providing a safe, healthy, productive and efficient work environment for our Employees as well as our customers and the public in general. We have a vital interest in providing a safe, healthy and efficient working environment and in preventing accidents and injuries resulting from the misuse of alcohol or drugs. The unlawful or improper influence from, presence or use of drugs or alcohol in the workplace presents a danger to everyone. For these reasons, we have established the following substance abuse policy. Drug and alcohol testing is an integral part of our

substance abuse policy. Compliance with this policy is required as a condition of employment or continued employment with Adeptus Health.

This policy applies to all applicants, to all applicants conditionally hired pending the results of a pre-employment drug test and other background screens, and to all Employees, including Employees in Managerial or supervisory positions.

This policy is not a contract of employment. All Employees are Employees at-will unless otherwise set forth in a written contract. This policy does not alter the terms of any existing employment agreement. This means that employment can be terminated at any time either by the Employee, Adeptus Health with or without cause and with or without notice. If an Employee fails to comply with this policy, the Employee will be subject to discipline, up to and including termination.

### ***Prohibited Conduct Concerning Alcohol and Drugs***

The following conduct is prohibited:

- Reporting for work or remaining on duty after the Employee has consumed alcohol or drugs in any amount that adversely affects the Employee's job performance.
- Consuming alcohol at any time during an Employee's workday.
  - This prohibition does not include the authorized and reasonable consumption of alcohol by an Employee of legal drinking age at functions or activities sponsored by the Adeptus Health. *Note: For employer sponsored activities that include alcohol consumption Employees are expected to act and maintain behavior that appropriately represents the Company. Any inappropriate intoxicated behavior may be subject to discipline up to and including discharge.*
- Engaging in any illegal or unauthorized use of a controlled substance.
  - This prohibition does not apply to an Employee's use of drug medications under the following circumstances:
    - The drug medication has been legally prescribed to the Employee;
    - It is being used in accordance with the prescription's guidelines; and
    - The Employee has been advised that the medication's use will not adversely affect the health or safety of the Employee or others in the workplace, including customers or visitors.
- Consuming alcohol within the eight-hour period immediately following a work-related accident or until the Employee has submitted to a post-accident alcohol test, whichever occurs first.
- Failing to stay in contact with Adeptus Health while awaiting the results of a drug or alcohol test.
- Engaging in the unlawful or unauthorized manufacture, distribution, dispensation, solicitation, sale, purchase, transfer or possession of controlled substances or alcohol while at work, on Adeptus Health's premises, in Adeptus Health's vehicles, or while otherwise engaged in activities for or on behalf of Adeptus Health. In addition, an Employee's illegal conduct involving drugs or alcohol during non-work times may also result in discipline, up to and including discharge.

## **Drug Testing**

Adeptus Health is firmly committed to providing a safe, healthy, productive and efficient work environment for our Employees as well as our customers and the public in general and in preventing accidents and injuries resulting from the misuse of alcohol or drugs. The unlawful or improper influence from, presence or use of drugs or alcohol in the workplace presents a danger to everyone and will not be tolerated. To help ensure a safe and healthful working environment, job applicants and Employees may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and/or whether an employee is under the influence of drugs or alcohol. Questions concerning this policy or its administration should be directed to the Human Resources Manager.

### ***Refusal to Submit to a Test***

An applicant or Employee who engages in any of the following conduct will be considered to have refused to submit to a test:

- Refusing to provide a sample, or an adequate amount without a legitimate medical explanation;
- Refusing to complete any testing form required to conduct the test or providing false information in the completion of such forms;
- Refusing or failing to notify Adeptus Health promptly that the Employee was involved in a work-related accident without a valid excuse;
- Refusing or failing to report promptly to the site where the drug test will be conducted after being notified that they must submit to the test;
- Delaying the collection, testing or verification process;
- Attempting to tamper with or substitute a test sample;
- Refusing to be escorted to or from the collection site; or
- Otherwise engaging in conduct that clearly obstructs or manipulates, or attempts to obstruct or manipulate, the testing process.

### ***Employment Eligibility***

An Employee or an applicant conditionally hired pending the results of a pre-employment drug test, who has engaged in or is engaging in conduct prohibited under this policy will not be permitted to work or continue to work under such circumstances.

Except as otherwise provided in this policy or as demanded by the circumstances, Employees and applicants are required to submit to testing under the circumstances described below.

### ***Pre-Employment Testing***

All applicants to whom a conditional offer of employment has been given are required to submit to a pre-employment drug test and must receive a negative result as a condition of employment. Until the results of the pre-employment drug test are received by Adeptus Health, all offers of employment are conditional offers even though an applicant may begin work. The continued employment of an applicant who begins

to work prior to the receipt by Adeptus Health of the test result will be subject to the receipt of a negative test result. An applicant with a positive test result will be removed from the worksite and will not be employed.

### ***“For-Cause” Drug and Alcohol Testing***

An Employee must submit to a drug and/or alcohol test whenever Adeptus Health has reason to believe the Employee has or may have used or be under the influence of drugs or alcohol in violation of this policy.

Except as state or local law may otherwise provide, a “for-cause” determination will be based on specific, current observations including but not limited to the Employee’s appearance, behavior, conduct, speech, or body odors. These observations may also include indications of Employee’s chronic use of, or the effects of withdrawal from, drugs or alcohol. The determination of “cause” may be based on a single instance of conduct.

All “for-cause” tests must be administered as soon as possible following the determination that testing is required.

An Employee who is required to submit to a “for-cause” test will be suspended with or without pay, (if without pay, Employee can use earned PTO), pending the results of the drug and/or alcohol test. Adeptus Health reserves the right to evaluate the Employee’s conduct that triggered the drug and/or alcohol test, to determine if the conduct in and of itself warrants discipline, up to and including termination.

### ***Post-Accident Drug and Alcohol Testing***

- Whenever an Employee causes or contributes to a “work-related accident” as defined below, the Employee will be required to submit to a drug or alcohol test.
- As used in this policy, “work-related accident” means an accident:
  - Which occurs while the Employee is on the premises of Adeptus Health or at another worksite location, or is off-site while the Employee is engaged in activities for or on behalf of Adeptus Health, or while the Employee is operating a vehicle, including the Employee’s, for or on behalf of Adeptus Health ; and
  - The accident results in property damage, death or bodily injury to any individual who as a result of the accident receives or requires medical treatment beyond first aid.
- All post-accident tests must be administered as soon as possible following the accident. Employees who are involved in a work-related accident must remain available at the worksite or the accident site unless medical treatment is required off-site for testing. Failure to remain available will be considered a refusal to submit to a test. However, an Employee who is involved in a work-related accident is not prohibited from leaving the scene of an accident for the period of time necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care for the Employee or others who are injured as a result of the accident.
- An Employee who is required to submit to a post-accident test may be suspended with or without pay, (if without pay, Employee can use earned PTO), after the completion of the test pending the results or the drug and/or alcohol test. Adeptus Health reserves the right to evaluate the Employee’s conduct that triggered the test, to determine if the conduct in and of itself warrants

discipline, up to and including termination. Failure of an Employee to immediately report to their Manager any on-the-job or work-related accidents or injuries which require first aid or medical treatment, or work-related vehicular accidents will be grounds for immediate termination.

### ***Employee Assistance Program (“EAP”)/Voluntary Disclosure to Avoid Test or Discipline***

As part of our commitment to providing a safe, healthy and efficient working environment for our Employees, Adeptus Health offers an Employee Assistance Program (“EAP”). The EAP provides information concerning the effects and consequences of alcohol and drug use on an individual’s health, work, and personal life and the signs and symptoms of an alcohol or drug problem. In addition, the EAP provides referral services to Employees and their families seeking help with problems resulting from alcohol misuse and drug use. Participation in this program is voluntary and confidential.

Employees may not voluntarily identify themselves as having a drug or alcohol problem and request assistance for such problem to avoid taking a drug or alcohol test when required under this policy and/or to avoid being disciplined for receiving a positive test result or for refusing to submit to a test.

### ***Inspections of Company Property***

Unannounced inspections for the presence of illegal drugs or unauthorized alcohol in the facilities and property such as (but not limited to) vehicles on Company property, desks, file cabinets, and lockers may be conducted where there is reasonable suspicion to believe that the Employee may have or has violated this policy. Employees are expected to cooperate in the conduct of such inspections.

### ***Inspections of Employee’s Property***

Personal inspections of Employees and their personal property, such as (but not limited to) vehicles on Company property, clothing, packages, purses, brief cases, lunch boxes, or other containers brought onto or being taken off of the premises, may be conducted when there is reasonable suspicion to believe that the Employee may have or has violated this policy.

### ***Refusal to Submit***

Although applicants and Employees have a right to refuse to submit to a test or inspection, Employees who refuse to submit to a test or inspection when requested will be terminated from employment; applicants will not be hired. Refer to Refusal to Submit portion of this policy for a description of the conduct which will be considered as a refusal to submit to a test.

### ***Positive Test Results***

Any applicant who receives a confirmed positive drug test result will be ineligible for employment and may not reapply for one year.

Any Employee who is required to submit to a “for-cause” or post-accident drug or alcohol test may be temporarily suspended pending the test results.

An Employee who receives a confirmed positive drug or a confirmed alcohol test of 0.04 or greater for the first time will be suspended and be subject to further discipline, up to and including termination, depending on the circumstances of the incident at issue. Generally, however, the following will take place:

- The Employee will be given an opportunity to sign and comply with a Last Chance Agreement. This agreement provides the Employee with the opportunity to be evaluated for a drug or alcohol problem by the EAP and, if determined to be necessary by the evaluating substance abuse professional (“SAP”), to participate in a counseling, treatment or rehabilitation program, whichever is determined to be more appropriate by the SAP. Unless covered by the EAP, the cost for the evaluation and any counseling, treatment or rehabilitation will be paid at the Employee’s own expense. The Employee may also be subject to return-to-duty and follow-up testing.
- An Employee who tests positive for the first time will be terminated if the Employee: (i) refuses to sign a Last Chance Agreement; (ii) refuses or fails to be evaluated by the EAP; (iii) refuses to participate in the counseling, treatment or rehabilitation program recommended by the EAP, or (iv) fails to successfully complete the program as evidenced by the Employee’s withdrawal from the program before its completion or by a positive test result during or after completion of the program.
- Any Employee who, after signing a Last Chance Agreement, receives a subsequent confirmed positive drug or an alcohol test result of 0.04 or greater, will be terminated from employment.

An Employee will be immediately removed and/or suspended from their job duties and will be subject to discipline, up to and including termination for other policy violations including but not limited to possession or sale of unlawful drugs or alcohol on the premise. In addition to the consequences imposed under this policy, an Employee who unlawfully manufactures, distributes, possesses, or uses a controlled substance may be subject to criminal fines and/or imprisonment under federal, state and or local law.

***Fitness-For-Duty Evaluation***

Whenever an Employee is required to submit to a “for cause” or post-accident test and receives a positive test result caused by the Employee’s legal and authorized use of a controlled substance, Adeptus Health may require the Employee to submit to a fitness-for-duty evaluation. An Employee who tests negative may also be required to submit to a fitness-for-duty evaluation. The evaluation may include a review of the Employee’s medical records and/or a medical examination. Employees will be required to provide the necessary authorizations for obtaining the medical records and conducting the examination. A refusal to provide such authorization may result in the termination of the Employee’s employment.

***Potential Forfeiture of Workers’ Compensation and or Unemployment Compensation Benefits***

An Employee’s violation of this policy will be considered gross and willful misconduct and will be reported to the appropriate regulatory agency (Board of Nursing). In addition to the discipline and other consequences imposed under this policy, such Employee misconduct may also result in the denial of unemployment compensation benefits and forfeiture of Workers’ Compensation benefits under the applicable state law.

The Drug and Alcohol Testing Procedures as stated herein comply with the Federal Procedures for Transportation Workplace Drug and Alcohol Testing Program and state law. Violation of the Drug and Alcohol Testing Procedures is considered a violation of this policy.

### ***Complaints or Grievances***

Differences of opinion, dissatisfaction with working conditions, wages, benefits and personality conflicts should be handled in a professional manner. If Employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their Supervisors. Every attempt should be made to reach a mutually satisfactory resolution with the individual(s) directly involved.

If, after every avenue has been explored, a grievance still exists, an Employee's direct Supervisor may be consulted. If no resolution is reached at this point in time, the Employee and the direct Supervisor should consult with HR.

Our experience has shown that when Employees deal openly and directly with Supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Adeptus Health amply demonstrates their commitment to Employees by responding effectively to Employee concerns.

Nothing stated in this policy should be construed as an attempt to prohibit or otherwise limit an Employee's rights as recognized by federal and/or state law.

### **Office of Inspector General (OIG)**

Adeptus Health is committed to ensuring we are on the forefront of the Nation's efforts to fight waste, fraud and abuse in Medicare and Medicaid by engaging in a pre-employment and regular monthly Office of Inspector General (OIG) screening process.

Prior to hiring or re-hiring an Employee, Human Resources must ensure that the individual being considered for employment has been checked against the General Service Administration's List of Parties Excluded from Federal Programs (the "GSA List"), which can be accessed on the Internet in a searchable format at <https://www.sam.gov> and the HHS/OIG List of Excluded Individuals/Entities (the "OIG Sanction Report"), which can be also accessed on the Internet in a searchable format at <http://exclusions.oig.hhs.gov>.

Adeptus will utilize our vendor providing background screening who will compare the name and address of each potential candidate for employment to the GSA List and the OIG Sanction Report. Should an individual appear on either the GSA List or the OIG Sanction Report, the Company may not employ that individual until the charges are resolved and it is clear that the individual will not be excluded or debarred. In addition, this screening process will be conducted on a monthly basis for all current Employees and should an Employee or contract physician appear on either the GSA List or the OIG Sanction Report, the Company may suspend and/or terminate the Employee/contractor until the charges are resolved and it is clear that the individual will not be excluded or debarred.

Should an individual provide satisfactory evidence that they are not the individual that appears on the GSA List or the OIG Sanction Report, that individual may be considered eligible for employment at the discretion of the VP Human Resources.

## Personnel Records: Access to Employee Personnel Files

Employee personnel records are maintained in our human resources department. As required by law, some records pertaining to Employees are maintained in separate files relating to medical issues and internal investigations. Employees may request access to their basic personnel file. Depending upon the circumstances, Employees may be provided access to records pertaining to their participation in an internal investigation, with appropriate redactions to protect the rights of others.

All requests for access to your personnel file must be provided in writing to Human Resources. Upon receipt of your written request, human resources will schedule an appointment for you to view your file during normal office hours. For purposes of this policy, your personnel file includes records related to performance and training as well as other records used for hiring, promotion and disciplinary decisions. It will not include any reference checks, medical records or investigation files. Employees are not permitted to remove any documents from the personnel file or copy of such documents, but may provide a written response to any document in the personnel file. Written responses will be attached to the original document in the personnel file.

Employees may request copies of documents in their personnel file. Requests for copies must also be made in writing to human resources.

*Note: Understand that Company policy may be subject to local and/or state law requirements which may provide greater rights than those provided. Accordingly, the Company will take all steps necessary to comply with such local and/or state laws.*

## Progressive Discipline

The purpose of this policy is to state Adeptus Health's position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

Adeptus Health's own best interest lies in ensuring fair treatment of all Employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the Employee for satisfactory service in the future.

Although employment with Adeptus Health is based on mutual consent and both the Employee and Adeptus Health have the right to terminate employment at will, with or without cause or advance notice, Adeptus Health may use progressive discipline at its discretion, although there is no requirement that this progressive discipline policy is to be followed in every circumstance and maybe bypassed in the event that the circumstances demand such.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment (see definitions below) -- depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed or repeated.

- **Verbal Warning:** Verbal notification to the Employee that their behavior or performance must improve. Documentation of the verbal warning will be placed in the Employee's personnel file.

Failure to correct the behavior or performance may result in additional discipline up to and including termination.

- Written Warning: Written notification to the Employee that their behavior or performance must improve. Documentation of the written warning will be placed in the Employee's personnel file. Failure to correct the behavior or performance may result in additional discipline up to and including termination.
- Suspension and Final Written Warning (Performance Improvement Plan PIP): There may be performance, conduct or safety incidents so problematic and harmful that the most effective action may be the temporary removal of the Employee from the workplace. When immediate action is necessary to ensure the safety of the Employee or others, the immediate Supervisor may suspend the Employee pending the results of an investigation. Suspensions that are recommended as part of the normal progression of this progressive discipline policy and procedure are subject to approval from a next-level Manager and HR and may be paid or unpaid. Due to Fair Labor Standards Act (FLSA) compliance issues, unpaid suspension of salaried/exempt Employees is reserved for serious workplace safety or conduct issues. HR will provide guidance so that the discipline is administered without jeopardizing the FLSA exemption status.
- Termination: Permanent removal of an Employee from service.

Adeptus Health recognizes that there are certain types of Employee problems that are serious enough to justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps. Adeptus Health therefore reserves the right, in its sole discretion, to bypass, change or alter the progressive discipline process as it may deem it appropriate.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including immediate termination of employment:

- Supplying false or misleading information when applying for employment or at any time during employment
- Any violation of the HIPAA Privacy or Security rules or regulations
- Theft or inappropriate removal or possession of Company property including money or theft of time
- Falsification of timekeeping records and/or other Company documents
- Reporting to work intoxicated or under the influence of non-prescribed drugs, and/or illegal and/or consumption of alcohol or non-prescribed and/or illegal drug while at work
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs or abuse of prescription drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Failure or refusal to submit or consent to a required alcohol or drug test
- Fighting or threatening violence in the workplace
- Threat of, or the act of, doing bodily harm
- Boisterous or disruptive activity in the workplace
- Providing unsafe clinical care

- Negligence and/or willful conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Engaging in unethical or illegal conduct
- Having a conflict of interest
- Failure to follow and/or violation of Adeptus Health's or other licensed regulated safety practices and/or rules
- Smoking in prohibited areas
- Sexual or other unlawful or unwelcome harassment or discrimination
- Possession of dangerous or unauthorized hazardous materials such as explosives in the workplace
- Making threats of violence against other Employees, suppliers, clients, or Adeptus Health
- Excessive absenteeism or tardiness or any absence without notice (refer to the Clinical Attendance Point Tracking System and other attendance policies in the Wages, Time Reporting and Pay Practices section)
- Unauthorized absence from work station during the workday
- Unauthorized use of telephones, mail system, or other employer-owned equipment
- Unauthorized disclosure of business "secrets" or confidential proprietary information
- Conduct that is not otherwise protected by applicable law and that reflects adversely upon you or Adeptus Health
- Making or publishing false or malicious statements concerning an Employee, supplier, client, or Adeptus Health
- Violation of personnel policies
- Unsatisfactory performance or conduct that does not meet the requirements of the position
- Personal use of Company gas or credit cards
- Violating Adeptus Health's nondiscrimination, EEOC, non-harassment, and/or non-retaliation policies
- Bringing or using alcoholic beverages on Adeptus Health's property or using alcoholic beverages while engaged in Adeptus Health's business off the Company premises, except where authorized
- Illegal possession of weapon(s), (refer to firearms policy under the Safety and Security section), on Adeptus Health's premises or while on Company business
- Disregarding safety or security regulations or OSHA or other applicable safety related laws
- Failing to maintain the confidentiality of Adeptus Health, customer, client and/or Employee information
- Poor job performance
- Engaging in unauthorized overtime work or failing to report actual hours worked
- Sexual activity in/or on Company premises
- Leaving during working hours without permission
- Dishonesty
- Discourteous treatment or abusive language (including racial or sexual slurs) to the public, other Employees, or Supervisors

- Any failure of good behavior either during or outside working hours which is of such nature that it causes discredit to the Company
- Failure to report any accident involving a Company Employee
- Sleeping on the job
- Other circumstances which warrant discipline

Behavior that is illegal is not subject to progressive discipline and may be reported to local law enforcement. Theft, intoxication at work, fighting and other acts of violence and/or threats of violence, are also not subject to progressive discipline and may be grounds for immediate termination. By using progressive discipline, we hope that most Employee problems can be corrected at an early stage, benefiting both the Employee and Adeptus Health.

All Employees must realize that the steps in a progressive discipline system serve as general guidelines and Adeptus Health's use of these guidelines is not mandatory. Nothing in this progressive discipline policy is intended to nor does it limit Adeptus Health's right to terminate an Employee at-will with or without having first utilized lesser disciplinary actions.

## Employment Discharge

Discharge of employment is an inevitable part of personnel activity within any organization, and many of the reasons for discharge are routine. Below are examples of some of the most common circumstances under which employment is severed:

- **Resignation:** Voluntary employment discharge initiated by an Employee. Employees who submit their resignation are expected to provide two weeks written notice in order for the Company to have sufficient time to backfill the position. Notice should be provided to a management Employee in writing. *Note: The Company reserves the right to accept a resignation early should the Employee's last day fall on a company holiday.*
- **Discharge:** Involuntary employment discharge initiated by the organization. Involuntary terminations may occur for a variety of reasons, including with cause or without cause. When practical, Employees will be warned and counseled in compliance with the Company disciplinary policy.
- **Layoff/Job Elimination:** Involuntary employment discharge initiated by the organization for non-disciplinary reasons.

Adeptus Health will provide confidential exit interview surveys that will afford an opportunity to discuss such issues as Employee benefit suggestions, and complaints.

Since employment with Adeptus Health is based on mutual consent, both the Employee and Adeptus Health have the right to terminate employment at will, with or without cause, at any time. Employees will receive their final pay in accordance with applicable state law.

Employee benefits will be affected by employment discharge in the following manner:

- All accrued, vested benefits that are due and payable at termination will be paid including earned but unused PTO.

- Some benefits may be continued at the Employee's expense if the Employee so chooses. The Employee will be notified via a COBRA notification of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

## **Job Abandonment**

An Employee who fails to report to work for two (2) consecutive days and fails to notify their Supervisor of their absence in accordance with the Call-In Procedures or request time off in advance in accordance with Company policy, will be considered to have abandoned their job. An Employee that has violated this policy is considered to have voluntarily resigned and employment will be terminated immediately.

## **Rehire Eligibility and Service Recognition**

Where business needs dictate, it is the policy of Adeptus Health to rehire former Employees who: a) voluntarily left Company employment or b) were laid off due to business slowdown(s). To be eligible for rehire, former Employees must have possessed a satisfactory record of service. This policy sets forth the Company's philosophy governing eligibility for reemployment and associated bridging of service (service recognition), where appropriate.

### ***Eligibility for Rehire***

Employees who completed a minimum of 90 days of service and who were part of a reduction in force, as well as those Employees who voluntarily resigned, will be eligible for rehire as long as they had a satisfactory work record while employed by Adeptus Health.

### ***Ineligibility for Rehire***

Former Employees who had a less-than-satisfactory work record appropriately noted at termination as not being eligible for rehire are excluded from any rehire consideration.

Employees who were involuntarily terminated by the Company or who were laid off (with a less-than-satisfactory work record) or who failed to complete a minimum of 90 days of service will not be considered for rehire.

### ***Rehire Service Date Adjustment***

When recognition of prior service is granted, a rehired Employee's Company service date will be adjusted in accordance with the service restoration rule. The decision to grant recognition of prior service is within the sole discretion of Adeptus Health, except in such cases as it may be required by law.

## **Employment Reference Checks**

To ensure that individuals who join Adeptus Health are well qualified and have a strong potential to be productive and successful, it is the policy of Adeptus Health to check the employment references of all applicants.

Adeptus Health will respond in writing or verbally only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only dates of employment, wage rates, and position.