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EMPLOYEE HANDBOOK

WELCOME TO PENNYBYRN

On behalf of all the Sisters, it is my privilege to welcome you to Pennybyrn. Thank you for joining us! We want you to feel that your association with our organization will be a mutually beneficial and pleasant one.

You are now a part of an organization that has established an outstanding reputation for quality care. Credit for this goes not only to the Sisters who founded Maryfield in 1947, but to every one of our employees down through the decades for their continued commitment, enthusiasm and dedication, always showing the utmost respect for those in their care. We hope you, too, will find satisfaction and take pride in your work here.

This handbook provides answers to most of the questions you may have about Pennybyrn’s benefit programs, as well as the company policies and procedures we abide by. If anything is unclear, please discuss the matter with Leadership or Human Resources. You are responsible for reading and understanding this handbook, and your performance evaluations will reflect your adherence to Pennybyrn policies. In addition to clarifying responsibilities, we hope this handbook also gives you an indication of Pennybyrn’s interest in the welfare of all who work here.

From time to time, the information included in our Employee Handbook may change with or without notice to employees. However, every effort will be made to keep you informed through suitable lines of communication, including postings on the company bulletin boards and/or notices sent directly to you in-house.

Again, welcome to Pennybyrn. May your work here prove to be a part of the tradition of delivering outstanding care to our residents; the quality care that has always been the hallmark of Pennybyrn.

Sincerely,

Sr. Lucy Kennessy

Pennybyrn Mission Leader, S.M.G
Sisters of the Poor Servants of the Mother of God

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NOTICE

This Employee Handbook has been prepared to inform you of Pennybyrn's philosophy, employment practices and policies, as well as the benefits provided to you as a valued employee.

The policies in this Employee Manual should be considered as guidelines.

Pennybyrn, at its discretion, may change, delete, suspend or discontinue any part or parts of the policies in this Employee Handbook at any time without prior notice as business, employment legislation, and economic conditions dictate.

Any such action shall apply to existing as well as future employees.

Employees may not accrue eligibility for monetary benefits that they have not become eligible for through actual time spent at work.

Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked.

No one other than an authorized Human Resource representative for Pennybyrn may alter or modify any of the policies in this Employee Handbook. Any alteration or modification of the policies in this Employee Handbook must be in writing.

No statement or promise by another employee, including leadership, past or present, may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee Handbook be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Handbook, but only that particular provision.

Pennybyrn reserves the right to revise, supplement and rescind, or deviate from any policy or provision of these guidelines from time to time, with or without notice, at its sole and absolute discretion, consistent with all applicable federal and state laws. All prior policies in conflict with these policies are superseded.

This Handbook is intended for guidance and is not a contract of employment, nor is it intended to create a contract of employment. All employees at Pennybyrn are employed for an indefinite term, and employment may be terminated, with or without cause or noticed, at any time, at the will of either the employee or the company.

EMPLOYEE WORK COMMITMENT

In accepting employment with Pennybyrn, employees assume certain duties, responsibilities and relationships, which are to be observed in fulfilling the requirements of their positions. Your personal and professional conduct directly reflects the quality of service that can be expected from our organization. It is your responsibility to perform job functions according to the highest ethical standards. You are expected to use the mission, values, philosophy, policies and procedures of Pennybyrn as guidelines for the performance of your duties. In addition to those items reflected in their job descriptions, all employees are expected to observe the following:

- To work conscientiously toward achieving the goals and objectives of Pennybyrn in keeping with its philosophy, mission, policies and procedures.
- To support the total quality concepts and teamwork approaches valued by the organization through active commitment to its quality processes and initiatives and assistance to others throughout the organization.
- To perform assigned duties and responsibilities at a high level of quality, accuracy, efficiency, integrity, and effectiveness.
- To work cooperatively with employees and volunteers. To respect their opinions, views and actions as individuals and to use appropriate behaviors and/or channels to resolve differences.
- To be punctual and to plan assigned duties to achieve effective and productive use of time. To request and use leave with respect for others' schedules and needs and in keeping with requirements of policies and procedures.
- To respect the privacy of the people served by Pennybyrn and to use information gained in relationship with them in a responsible manner. To keep and hold confidential all information in accordance with Pennybyrn policies, especially information regarding residents.
- To be responsive to the guidance, directions, and instructions of Pennybyrn management and Board members.
- To speak publicly only as an individual, except when designated to speak as a representative of Pennybyrn.
- To be constantly mindful of the obligation Pennybyrn and its employees have for the welfare and care of the residents served by Pennybyrn .
- To maintain an appearance and attitude towards residents and the public that is consistent with high business and professional standards.

OUR MISSION

Pennybyrn is committed to Demonstrating God's love for the lives we touch.

OUR VALUES

- **Faith in Action**

"All for the Glory of God". We endeavor to create a culture of spiritual nourishment that embraces all people and bears witness to Christ's Love in all things. We are grounded in prayer, uplifted in spirit, and extraordinary in our daily actions.

- **Empowered, Compassionate Community**

We encourage and value cohesive unity among all individuals within our community. We embrace a person-centered culture that promotes a sense of belonging and strengthens the importance of home and community. We strive to cultivate willing hearts and selfless commitment through servant leadership and resident-driven service. We value diversity, give voice to empowerment, encourage collaboration, nurture appreciation for one another, and continually build relationships and interdependence between all people within our community.

- **Nurture the Human Spirit / Appreciate the Individual**

We achieve our mission by honoring the Golden Rule and treating one another as we wish to be treated. Every person deserves respect, love, honor, acceptance, dignity and the highest quality of life. We show appreciation for each individual through compassionate care, humility, gratitude and celebration of all the nuances of life. We honor all the beginnings and endings of life, and view death as a passage to a new beginning.

- **Accountability**

We are committed to being open, just, and transparent in purpose, action, and communication. We strive to be good stewards of our invaluable resources: people, capital, property, time, heritage, mission and values. We encourage integrity, consistency, self-discipline, objectivity, feedback, and mutual evaluation as pathways to stability and growth.

- **Excellence in Service**

Our devotion to those in our care is second to none. We have a passion for our mission and values and a drive to deliver care with the utmost love, compassion, dignity, respect, quality and Christian moral and ethical standards. Our policies and procedures reflect these ideals, and we strive to hold all individuals in our community to these same principles. We believe this to be a solid foundation to promote confidence in the services we provide.

- **Education and Growth**

We are a learning and teaching organization, and believe that mutual mentoring is a pathway to enlightenment and growth. We support and encourage educational opportunities in and outside our community. We highly value and seek involvement from all individuals to further enhance our culture, our understanding, our standards, and our self-awareness as individuals, as a team, and as an organization.

CODE OF CONDUCT

1. GENERAL MORAL IMPERATIVES

As a person providing services at Pennybyrn , I will....

1.1 Contribute to society and human well-being. Pennybyrn is concerned with the quality of life of all people and affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. Services at Pennybyrn will be provided in such a way as to reflect the loving, caring, sensitive attention all persons are entitled to under Christian ethical and moral standards, as detailed in Pennybyrn's mission, to *Demonstrate God's love for the lives we touch*. All persons will be treated with respect, dignity, and appreciation for the individual. Pennybyrn is dedicated to enhancing the quality of life and offering care and security for all those we serve, for the greater glory of God. It is the goal of Pennybyrn that this not only be carried out within its own community, but outreached into the greater surrounding communities as to positively impact as many persons as possible.

1.2 Avoid harm to yourself or others. Pennybyrn will strive to provide a safe environment where individuals may feel completely secure. All persons should make every effort to adhere to this standard and avoid actions that may produce dangerous, hostile or uncomfortable environments at Pennybyrn. Forethought should be given to actions so that outcomes reflect Pennybyrn's core values including love, kindness and compassion.

1.3 Be honest and trustworthy. Act with Integrity and Consistency. Honesty is an essential component of trust. Without trust an organization cannot function effectively. The honest person will not deliberately be deceptive or make false claims. Any person associated with Pennybyrn has a duty to be honest about his or her own circumstances, as well as circumstances that might adversely affect Pennybyrn and its ability to fulfill its purpose and mission.

1.4 Be fair and take action not to discriminate. The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of Pennybyrn policy and will not be tolerated.

1.5 Honor confidentiality. Respect the privacy of others. Confidentiality of information relating to residents, employees and all others will be respected by all persons. Only the necessary amounts of personal information will be collected, retention and disposal periods for that information are defined and enforced, and personal information gathered for a specific purpose will not be used for other purposes. Information must be treated with strictest confidentiality. A breach in confidentiality will not be tolerated. All persons working or visiting Pennybyrn should understand that this is the residents' home and therefore they are obligated to live, act and work accordingly.

1.6 Respect the property of others. Persons in association with Pennybyrn will take care not to damage, destroy or waste company property. Unauthorized removal of company property or records is not permitted for personal or any other use. Theft or misappropriation will be prosecuted to the full extent of the law.

2. MORE SPECIFIC PROFESSIONAL RESPONSIBILITIES

As a person providing services at Pennybyrn, I will....

2.1 Strive to achieve the highest quality, effectiveness and dignity in both the process and output of work.

Excellence is an important obligation of Pennybyrn. All persons should strive to provide all residents with the highest quality of life possible in whatever area of service they provide.

2.2 Know and respect existing standards pertaining to work. Policies and procedures of the organizations must be followed implicitly.

2.3 Honor contracts, agreements, and assigned responsibilities. Honoring one's commitments is a matter of integrity and honesty. The major underlying principle here is the obligation to accept personal accountability for work or services provided.

3. ORGANIZATIONAL LEADERSHIP IMPERATIVES

As a person providing services at Pennybyrn and as an organizational leader, I will....

3.1 Articulate social responsibilities of members of an organizational unit and encourage full acceptance of those responsibilities. Because organizations of all kinds have impacts on the public, they must accept responsibilities to society. Organizational procedures and attitudes oriented toward quality and the welfare of society will reduce harm to members of the public, thereby serving public interest and fulfilling social responsibility. Therefore, organizational leaders must encourage full participation in meeting social responsibilities as well as quality performance.

3.2 Manage personnel and resources to enhance the quality of working life. Organizational leaders are responsible for ensuring that Pennybyrn enhance the quality of working life. When implementing a policies and procedures organizations must consider the personal and professional development, physical safety, and human dignity of all workers.

4. COMPLIANCE WITH THE CODE

As a person providing services at Pennybyrn I will....

4.1 Uphold and promote the principles of this Code. The future of Pennybyrn depends on this. Not only is it important for each person to adhere to the principles expressed in this Code, but for each person to encourage and support adherence by others. All persons who are aware of a suspected compliance violation are required to report it through Leadership or Human Resources. Failure to report a compliance violation may lead to disciplinary action of employees who were aware of violation. Retaliation against a person for reporting violations is strictly prohibited and will also lead to disciplinary action up to and including termination.

4.2 Violations. All persons providing services for Pennybyrn will be subject to disciplinary action for failure to comply with ethical standards and/or legal requirements. The form of disciplinary action to be applied will vary according to the particular circumstances of each case of noncompliance, up to and including termination. Although the form of discipline will be determined according to the individual circumstances of violation, the Discipline Policy will be consistently applied and enforced.

During investigations of any person for a violation(s), such person may be either suspended or relieved of job responsibilities related to the alleged violation(s), depending upon the seriousness of the offense.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Pennybyrn is an affirmative action and equal opportunity employer. Pennybyrn prohibits discrimination and harassment of any type and affords equal employment opportunities to employees and applicants without regard to race, color, religion, sex, sexual orientation, gender identity or expression, pregnancy, age, national origin, disability status, genetic information, protected veteran status, or any other characteristic protected by law. Pennybyrn conforms to the spirit as well as to the letter of all applicable laws and regulations.

The policy of equal employment opportunity (EEO) and anti-discrimination applies to all aspects of the relationship between Pennybyrn and its employees, including: Recruitment, Employment, Promotion, Transfer, Training, Working conditions, Wages and salary administration, Employee benefits and application of policies.

The policies and principles of EEO also apply to the selection and treatment of independent contractors, personnel working on our premises who are employed by temporary agencies, and any other persons or firms doing business for or with Pennybyrn.

Leadership is primarily responsible for seeing that the company's equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone. Any employee, including Leadership, involved in discriminatory practices will be subject to corrective action, up to and including termination. Human Resources is responsible for overall compliance and will maintain personnel records in compliance with applicable laws and regulations.

Pennybyrn administers our EEO policy fairly and consistently by:

- Posting all required notices regarding employee rights under EEO laws in areas highly visible to employees.
- Advertising for job openings with an EEO statement.
- Posting all required job openings with the appropriate state agencies.
- Forbidding retaliation against any individual who files a charge of discrimination, opposes a practice believed to be unlawful discrimination, reports harassment, or assists, testifies or participates in an EEO agency proceeding.
- Requires employees to report to a member of management, an HR representative or the general counsel any apparent discrimination or harassment. The report should be made within 48 hours of the incident.
- Promptly notifies Leadership of all incidents or reports of discrimination or harassment and takes other appropriate measures to resolve the situation.

Violations of this policy, regardless of whether an actual law has been violated, will not be tolerated. Pennybyrn will promptly, thoroughly and fairly investigate every issue that is brought to its attention in this area and will take disciplinary action, when appropriate, up to and including termination of employment.

ADA / ADA AAA

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act (ADAAA) are federal laws that require employers with 15 or more employees to not discriminate against applicants and individuals with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

Pennybyrn complies with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is the company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

When an individual with a disability requests accommodation and can be reasonably accommodated without creating an undue hardship or causing a direct threat to workplace safety, he or she will be given the same consideration for employment as any other applicant. Applicants who pose a direct threat to the health, safety and well-being of themselves or others in the workplace when the threat cannot be eliminated by reasonable accommodation will not be hired.

Pennybyrn will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation or if the accommodation creates an undue hardship to Pennybyrn. Contact Human Resources with any questions or requests for accommodation.

All employees are required to comply with the company's safety standards. Current employees who pose a direct threat to the health or safety of themselves or other individuals in the workplace will be placed on leave until an organizational decision has been made in regard to the employee's immediate employment situation. Individuals who are currently using illegal drugs are excluded from coverage under the company ADA policy. Human Resources is responsible for implementing this policy, including the resolution of reasonable accommodation, safety or direct threat, and undue hardship issues.

RELIGIOUS ACCOMMODATIONS

Pennybyrn respects the religious beliefs and practices of all employees and will make, on request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the company's business. An employee whose religious beliefs or practices conflict with his or her job, work schedule, vaccination policy, grooming policy, or with other aspects of employment, and who seeks a religious accommodation, must submit a written request for the accommodation to Leadership or Human Resources. The written request will include the type of religious conflict that exists and the employee's suggested accommodation.

Leadership and Human Resources will evaluate the request considering whether a work conflict exists due to a sincerely held religious belief or practice and whether an accommodation is available that is reasonable and would not create an undue hardship on the company. There will be an interactive discussion between Leadership and the employee regarding the request and decision on an accommodation. Employees may appeal any decisions by following the company's general grievance policy and procedure.

DIVERSITY POLICY

Pennybyrn is committed to fostering, cultivating and preserving a culture of diversity and inclusion. Our employees, residents, family members, and volunteers are the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

Pennybyrn's diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of equality that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Employer and employee contributions to the community we serve to promote a greater understanding and respect for the diversity.

All employees of Pennybyrn have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at all other company-sponsored and participative events. All employees are also required to attend and complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility.

Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action, up to and including termination.

Employees who believe they have been subjected to any kind of discrimination that conflicts with the company's diversity policy and initiatives should seek assistance from any Leadership personnel or Human Resources. Please also see Code of Conduct, Harassment, and Grievance Procedure policies.

HARASSMENT POLICY STATEMENT

It is a violation of Pennybyrn's policy to discriminate in the provision of employment opportunities, benefits or privileges; to create discriminatory work conditions; or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, age, religion, disability status, gender, sexual orientation, gender identity, genetic information or marital status.

Discrimination of this kind may also be strictly prohibited by a variety of federal, state and local laws, including Title VII of the Civil Rights Act 1964, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990. This policy is intended to comply with the prohibitions stated in these anti-discrimination laws.

Pennybyrn prohibits discrimination and harassment of any kind and will take appropriate and immediate action in response to complaints or knowledge of violations of this policy. Harassment is any verbal or physical conduct designed to threaten, intimidate, bully, or coerce any associate of Pennybyrn.

Verbal harassment may include, but is not necessarily limited to, comments that are offensive or unwelcome regarding a person's nationality, origin, race, color, religion, gender, sexual orientation, age, body, disability, or appearance.

Nonverbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital or other protected status.

Sexual harassment is defined as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when submission to or rejection of such conduct is used as the basis for employment decisions or such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment."

There are two types of sexual harassment:

- *"Quid pro quo"* harassment, where submission to harassment is used as the basis for employment decisions. Employee benefits such as raises, promotions and better working hours are directly linked to compliance with sexual advances. Therefore, only someone in a supervisory capacity (with the authority to grant such benefits) can engage in quid pro quo harassment.
- *"Hostile work environment"* where harassment creates an offensive, hostile, or unpleasant working environment. A hostile work environment can be created by anyone, and can consist of verbiage of a sexual nature, unwelcome sexual materials, or unwelcome physical contact as a regular part of the work environment. Texts, e-mails, cartoons or posters of a sexual nature; vulgar or lewd comments or jokes; or unwanted touching or fondling all fall into this category.

Sexual harassment may take different forms. The following examples of sexual harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- **Verbal sexual harassment** includes innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks and threats; requests for any type of sexual favor (this includes repeated, unwelcome requests for dates); and verbal abuse or “kidding” that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome.
- **Nonverbal sexual harassment** includes the distribution, display or discussion of any written or graphic material, including calendars, posters and cartoons that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters and notes, facsimiles, e-mail, photos, text messages, tweets and Internet postings; or other form of communication that is sexual in nature and offensive.
- **Physical sexual harassment** includes unwelcome, unwanted physical contact, including touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing and fondling and forced sexual intercourse or assault.

Retaliation

Pennybyrn’s system for resolving grievances is available to employees without fear of retaliation. No hardship, loss, benefit or penalty may be imposed on an employee in response to:

- Filing or responding to a bona fide complaint of discrimination or harassment.
- Appearing as a witness in the investigation of a complaint.
- Serving as an investigator of a complaint.

Retaliation in response to lodging a complaint or invoking the complaint process is a violation of this policy. Any person who is found to have violated this aspect of the policy will be subject to sanctions up to and including termination of employment.

Complaint Procedure

Pennybyrn strives to create and maintain a work environment in which people are treated with dignity, decency, and respect. Discriminatory or harassing behavior is unprofessional and can distract employees from performing their job functions. Therefore, any form of unlawful discrimination or harassment will not be tolerated. (Such behavior by non-employee associates also will not be tolerated).

Pennybyrn has established the following procedure for lodging a complaint of harassment, discrimination, or retaliation. The company will treat all aspects of the procedure confidentially to the extent reasonably possible.

The policy of Pennybyrn is to listen to all reasonable grievances, investigate with due regard for confidentiality, and quickly apply appropriate sanctions that will end any offensive behavior. All employees, regardless of their positions, are covered by and are expected to comply with this policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action will be taken against anyone who violates this policy. Based on the seriousness of the offense, disciplinary action may include verbal or written reprimand, suspension, or termination of employment.

1. Complaints should be submitted as soon as possible after an incident has occurred, preferably in writing. The Human Resources Director may assist the complainant in completing a written statement or, in the event an employee refuses to provide information in writing, the HR Director will dictate the verbal complaint.
2. Upon receiving a complaint or being advised by a supervisor or manager that violation of this policy may

be occurring, the HR Director will notify senior leadership and may review the complaint with the company's legal counsel.

3. The HR Director will initiate an investigation to determine whether there is a reasonable basis for believing that the alleged violation of this policy occurred.
4. If necessary, the complainant and the respondent will be separated during the course of the investigation.
5. During the investigation, the HR Director, together with legal counsel or other leadership, will interview the complainant, the respondent, and any witnesses to determine whether the alleged conduct occurred.
6. Upon conclusion of an investigation, the HR Director, or other person conducting the investigation, will submit a written report of findings to the company. If it is determined that a violation of this policy has occurred, the HR Director will recommend appropriate disciplinary action. The appropriate action will depend on the following factors:
 - a) the severity, frequency and pervasiveness of the conduct;
 - b) prior complaints made by the complainant;
 - c) prior complaints made against the respondent; and
 - d) the quality of the evidence (e.g., firsthand knowledge, credible corroboration).

If the investigation is inconclusive, or if it is determined that there has been no violation of policy but potentially problematic conduct may have occurred, the HR Director may recommend appropriate preventive action.

7. Senior leadership will review the investigative report and any statements submitted by the complainant or respondent, discuss results of the investigation with the HR Director and other leadership staff as appropriate, and decide what action, if any, will be taken.
8. Once a final decision is made, the HR Director will meet with the complainant and the respondent separately and notify them of the findings of the investigation. If disciplinary action is to be taken, the respondent will be informed of the nature of the discipline and how it will be executed.

Alternative legal remedies

Nothing in this policy may prevent the complainant or the respondent from pursuing formal legal remedies or resolution through local, state or federal agencies, or the courts.

VIOLENCE IN THE WORKPLACE

Pennybyrn does its best to provide a safe environment for all employees. To ensure this safety and to reduce the risk of violence, all employees should review and understand all provisions of this workplace violence policy.

Prohibited Conduct

Pennybyrn does not tolerate any type of workplace violence committed by or against employees. For the purpose of this policy, a threat or act of violence shall include, but not be limited to, any act or gesture likely to leave another person injured or fearing injury, any act or gesture likely to damage property, any act or gesture intended to harass or intimidate another. Employees are prohibited from making threats or engaging in violent activities. Employees are

This list of behaviors, while not inclusive, provides examples of conduct that is prohibited:

- Causing physical injury to another person;
- Aggressive, threatening, bullying, or hostile behavior that creates a reasonable fear of injury to another person, creates a sense of intimidation, or subjects another individual to emotional distress;
- Intentionally damaging employer, resident, or another employee's property;
- Possession of a weapon while on company property or while on company business;
- Committing acts motivated by, or related to, sexual harassment or domestic violence.
- Committing acts motivated by harassment due to race, color, religion, gender, national origin, ancestry, age, or disability.

Reporting Procedures

Any potentially dangerous situations must be reported immediately to Leadership and/or Human Resources. Reports can be made anonymously and all reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will be disclosed to others only on a need-to-know basis. All parties involved in a situation will be counseled and the results of investigations will be discussed with them. Pennybyrn will actively intervene at any indication of a possibly hostile or violent situation.

Risk Reduction Measures

Pennybyrn takes reasonable measures to conduct background investigations to review candidates' backgrounds and reduce the risk of hiring individuals with a history of violent behavior.

Safety: Pennybyrn conducts annual inspections of the premises to evaluate and discover any potential exposures to workplace violence or hazards. Any necessary corrective action will be taken to reduce all risks. Visitors to Pennybyrn campus must sign in with the front desk and are not allowed in resident areas (unless there is prior approval from Leadership).

Individual Situations: Employees are expected to be aware and exercise good judgment to inform a Leader if anyone exhibits behavior which could be a sign of potentially dangerous situations. Such behavior includes:

- Discussing weapons or bringing them to the workplace;
- Displaying overt signs of extreme stress, resentment, hostility, or anger;
- Making threatening remarks;
- Sudden or significant deterioration of performance;
- Displaying irrational or inappropriate behavior.

Dangerous/ Emergency Situations

Employees who confront or encounter an armed or dangerous person should not attempt to challenge or disarm the individual. Employees should remain calm, make constant eye contact and talk to the individual. Call 911 without endangering the safety of the employee or others. Cooperate as much as possible.

Enforcement

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any employee determined to have committed such acts will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on the employer's premises will be reported to the proper authorities and fully prosecuted.

WEAPON-FREE COMMUNITY

To ensure that Pennybyrn maintains a workplace safe and free of violence for everyone, the company prohibits the possession or use of dangerous weapons on company property.

All Pennybyrn employees are subject to this provision, including contract workers, temporary employees, and visitors on company property. A license to carry a weapon does not supersede company policy. Any employee in violation of this policy will be subject to disciplinary action, up to and including termination.

“Company property” is defined as all company-owned or leased buildings and surrounding areas such as sidewalks, walkways, driveways and parking lots under the company’s ownership or control. This policy applies to all vehicles (personal, leased, and company-owned) that come onto company property.

“Dangerous weapons” include firearms, explosives, knives and/or other weapons that might be considered dangerous or that could cause harm.

This policy is administered and enforced by the Security and Human Resources departments. Anyone with questions or concerns specific to this policy should contact HR.

RESIDENT CONFIDENTIALITY

As an employee of Pennybyrn , you are expected to protect the resident's right to privacy. Employees are required to hold confidential all information obtained through resident records, written and verbal communication and personal contact with residents or their families.

Employees are required to also keep confidential and not disclose or misuse any company confidential information such as marketing strategies, policies, procedures, systems, client lists, vendor lists, and other related information, either during or after employment. This information is proprietary and must not be given out or shared with others not authorized to receive it whether inside or outside the company or used directly or indirectly for an employee's benefit.

Residents and suppliers entrust the company with important information related to their personal lives or businesses. The nature of our relationships with residents and suppliers requires maintenance of confidentiality. Employees who may be asked for information by persons outside the company or their department should refer the inquirer to the person in the company authorized to supply the information requested.

No one is permitted to remove or make copies of any company records, reports or documents without prior approval by management, including resident and/or employee information. Employees are required to sign a statement upon hire which acknowledges their responsibility for maintaining confidentiality of resident and proprietary information. Disclosure or misuse of any confidential information is a violation of this policy and could result in termination, as well as legal action.

DEFINITION OF EMPLOYMENT STATUS

Employment-At-Will: Employees with Pennybyrn should understand that the employment of all personnel is at the will of Pennybyrn and the particular employee and that the employee and/or Pennybyrn may terminate the employment relationship with or without cause and with or without notice at any time. In no case or circumstance should written guidelines, such as this handbook, or policy statements be considered or interpreted to be a contract of employment between Pennybyrn and the employee.

Recruitment: Applicants will be recruited through job announcements, advertisements, community resources, and referrals. We continually strive to employ the most qualified people for each position. If you wish to refer an applicant or to be considered for a job opening, please direct the inquiry to Human Resources.

Work Year Defined: The term "work year" or "years" relating to policies and procedures or employee benefit information is defined as a continuous twelve (12) month employment period beginning on an employee's date of hire and ending on the following anniversary of that date.

The first ninety (90) days of employment immediately after hire will be considered an introductory period. Annual reviews will be given on the employee's anniversary date or promotion/transfer date.

Introductory Period (new employee): The first ninety (90) days of employment for all new employees of Pennybyrn is considered to be an introductory period. The introductory period is a time for training and evaluating a new employee. During this ninety (90) day period, each new employee has an opportunity to demonstrate his/her ability, skills and performance, as well as have an opportunity to discover whether they would enjoy working at Pennybyrn.

Pennybyrn, as your employer, will evaluate your work performance, including attendance, and your ability to work well with others. Termination of employment may occur without notice at any time during this period. An extension of the introductory period may be offered to allow an opportunity for the employee to demonstrate potential and progress should performance not be at acceptable levels.

During this ninety (90) day period of evaluation, full-time employees are eligible for enrollment in group Medical insurance, Dental insurance, Life and Accidental Death and Dismemberment (AD&D) insurance, and Short and Long Term Disability. Medical Insurance benefits are effective after sixty-one (61) days of employment. Other insurance/benefits are effective after ninety (90) days of employment. Introductory employees are not eligible for Paid Time Off. After completion of the introductory period, the employee will be considered eligible for all applicable benefits as a regular employee. The successful completion of the introductory period does not alter the at-will employment relationship.

Work Probation Period (current employee): If your performance, work quality, attendance and/or attitude are below satisfactory levels, Pennybyrn reserves the right to establish a work probation period. During this period, you will meet with leadership and establish specific areas to improve performance. Discussion will be made to determine what areas are lacking and what performance goals need to be met by a specific date. If at the end of this period the improvement goals have not been reached, you will be subject to termination. During this established work probation period regular employee benefits, if any, will not be affected.

Employee Classification: The following classifications are in compliance with the Fair Labor Standards Act (Wage - Hour Law) and are applicable to positions held within the Company.

Exempt Employees: Employees, who are salaried, eligible for all benefits, perform managerial, administrative or professional duties are exempt from the minimum wage, and overtime provisions of the Fair Labor Standards Act (Wage and Hour Law) as amended. Exempt employees normally perform their work during normal business hours and must meet attendance standards.

Non-Exempt Employees: Employees who are eligible for the overtime pay and minimum wage regulation provisions of the Fair Labor Standards Act (Wage and Hour Law) as amended. These employees comply by reporting all time worked through our timekeeping system. All hours worked in excess of 40 hours per week are compensated with overtime pay.

Regular Full-Time Employees: Employees who normally work at least 72 hours per pay period are eligible for all employee benefits, excluding special Baylor shift employees.

Regular Part-Time Employees: Employees who average less than 72 hours per pay period, excluding special Baylor shift employees. Part-time employees are paid hourly and are ineligible for regular full-time employee benefits. If part-time employees become regular full-time employees, they will be eligible for paid benefits on the same schedule as a new hire full-time employee. Benefit waiting periods will be effective from the date regular full-time employee status begins.

Temporary Full-Time Employees: Employees who are hired with the understanding that employment will be of a limited duration, such as the summer months or as a temporary clerical service. The hours will normally be over 72 hours per pay period. Temporary employees are paid hourly and are ineligible for regular full-time employee benefits. If temporary employees become regular full-time employees, they will be eligible for paid benefits on the same schedule as a new hire full-time employee. Benefit waiting periods may be waived if the employee has maintained full time hours during their service.

Temporary Part-Time Employees: Employees who are hired with the understanding that employment will be of a limited duration. Temporary part-time employees are paid hourly, work less than an average of 72 hours per pay period, and are ineligible for regular full-time employee benefits. If temporary employees become regular full-time employees, they will be eligible for paid benefits on the same schedule as a new hire full-time employee. Benefit waiting periods will be effective from the date regular full-time employee status begins.

SUBSTANCE ABUSE

Pennybyrn is committed to providing a safe work environment and to fostering the well-being and health of its employees. That commitment is jeopardized when any Pennybyrn employee uses drugs on or off the job, comes to work under the influence of drugs or alcohol, possesses, distributes or sells drugs in the workplace, or abuses alcohol on the job. Therefore, Pennybyrn has established the following policy:

It is a violation of company policy for any employee to use, possess, sell, trade, offer for sale, or offer to buy illegal drugs or otherwise engage in the illegal use of drugs on or off the job.

It is a violation of company policy for any employee to report to work under the influence of or while possessing in his or her body, blood or urine, illegal drugs in any detectable amount.

It is a violation of company policy for any employee to report to work under the influence of or impaired by alcohol.

It is a violation of the company policy for any employee to use prescription drugs illegally, i.e., to use prescription drugs that have not been legally obtained or in a manner or for a purpose other than as prescribed. However, nothing in this policy precludes the appropriate use of legally prescribed medications. Violations of this policy are subject to disciplinary action up to and including termination of employment.

Any employee reporting to work visibly impaired will be deemed unable to perform required duties and will not be allowed to work. If possible, the employee's leader will first seek other leadership opinion to confirm the employee's status. Next, leadership will consult privately with the employee to determine the cause of the observation, including whether substance abuse has occurred. If the employee is considered impaired, the employee will be sent home or to a medical facility by taxi or other safe transportation alternative and accompanied by the leader or another employee, if necessary. If it is determined that reasonable cause exists to drug or alcohol test the employee, said test will be administered. An impaired employee will not be allowed to drive.

DRUG SCREENING

Drug screening shall be a part of the conditions of employment. Your continued employment with Pennybyrn is contingent upon the successful passing of this screening. The company may conduct tests to determine whether employees have used an unauthorized drug or controlled substance at any time, and/or alcohol while on the job. These tests may be conducted at the discretion of the company, at any time during pre-employment and/or employment, and may include the following: Pre-employment testing, Random testing, Post-accident/injury testing, and Probable cause testing. Any employee who refuses to take a drug test will be terminated.

CONFIDENTIALITY

The confidentiality of any information received by the employer through a substance abuse testing program shall be maintained, except as otherwise provided by law.

BACKGROUND CHECKS

To ensure that individuals who join Pennybyrn are well qualified and have a strong potential to be productive and successful employees, it is our policy to complete background investigations once a conditional offer of employment has been made. In addition, Pennybyrn may conduct background investigations during an internal investigation of alleged misconduct. Background investigations will be conducted at Pennybyrn's discretion and in accordance with federal and state law.

Pennybyrn relies on the accuracy of information contained in employment applications, as well as the accuracy of other data presented throughout the hiring process and during employment. Any misrepresentations, falsifications, or material omissions in any of this information or this data may result in an applicant being excluded from further consideration for employment or, if an individual has already been hired, termination of employment.

WHEN BACKGROUND INVESTIGATIONS WILL BE CONDUCTED

Applicants for Employment. All applicants who are offered employment with Pennybyrn will be subject to a background investigation. Offers of employment are contingent on the successful completion of a background investigation and drug test conducted in accordance with company policy and state law.

Current Employees. Background investigations may also be conducted as part of an internal investigation of alleged employee misconduct.

Background checks will include:

Social Security Verification: validates the applicant's Social Security number, date of birth and former addresses.

Prior Employment Verification: confirms applicant's employment with the listed companies, including dates of employment, position held, and additional information available pertaining to performance rating, reason for departure and eligibility for rehire.

Personal and Professional References: calls will be placed to individuals listed as references by the applicant.

Educational Verification: confirms the applicant's claimed educational institution, including the years attended and the degree/diploma received.

Criminal History: includes review of criminal history and probation. The following factors will be considered for applicants with a criminal history:

- The nature and gravity of the offense or conduct
- The time that has passed since the offense or conduct
- The nature of the job held or sought
- Whether hiring the applicant would pose an unreasonable risk to the business, its residents, employees, customers, and/or vendors.

The following additional background searches will be required if applicable to the position:

Motor Vehicle Records: provides a report on an individual's driving history in the state requested. This search will be run when driving is an essential requirement of the position.

Credit History: confirms candidate's credit history. This search will be run for positions that involve management of Pennybyrn funds and/or handling of cash or credit cards.

USE OF INFORMATION OBTAINED IN A BACKGROUND INVESTIGATION

Information obtained from a background investigation will be considered for employment purposes or investigative purposes as permitted by federal and state law and in accordance with Pennybyrn's Equal Employment Opportunity Policy. Information will be reviewed to determine:

- Whether false statements or material omissions were made by an individual on an application for employment or during an interview;
- Whether an applicant or employee, based on the job duties of the position in question, poses a threat to security, and/or resident and employee safety in the workplace; and
- The likelihood of an applicant or employee being successful and productive on the job.

PROCEDURE

After a conditional offer of employment has been made, final candidates must complete a background check authorization form and return it to Human Resources during new hire processing. Human Resources will order the background check upon receipt of the signed release form, and an Employment Screening Vendor will conduct a criminal background and social security check (and credit history if applicable to position), while Human Resources will conduct referencing, verifications, and motor vehicle record checks. Human Resources will review all results.

In instances where negative or incomplete information is obtained, Human Resources will notify the candidate of possible employment exclusion and offer the candidate an opportunity to provide additional information for consideration. Human Resources will perform an individualized assessment to determine whether the policy as applied is job related, consistent with business necessity, and whether the individual should continue with employment. If a decision is made not to hire based on the results of a background check, there will be a two-step process completed of required notifications via the Fair Credit Reporting Act (FCRA) that will be handled by Human Resources in conjunction with the employment screening service. Candidates may appeal decisions by following the official procedure below:

1. **Written Appeal to Human Resources.** Candidates may submit a written appeal to Human Resources within five (5) calendar days of receiving a hiring decision. HR will then formally respond to the employee within five (5) calendar days with a decision.
2. **Written Appeal to Executive Leadership.** If the candidate feels the matter is unresolved, he/she may make a formal, written appeal to the President or Vice President within five (5) calendar days of receiving a response from HR. The President or Vice President will respond to the appeal within ten (10) calendar days. This decision is final and may not be appealed.

TERMINATION OF EMPLOYMENT

Employment with Pennybyrn is on a voluntary basis for both the employee and the company, and either may terminate employment at any time.

Voluntary Separation: Employees who wish to resign should notify leadership in their immediate area and Human Resources with a letter of resignation and proper notice. A minimum of two (2) weeks is considered proper notice. For Leadership and Professional positions (including all Nurses), a minimum of four (4) weeks is considered proper notice. (For details on final pay, see Compensation Section.) We ask that you give proper written notice of your intent to resign your employment to ensure timely processing of paperwork and to find replacements to fill your vacancy as necessary.

Involuntary Separation: Pennybyrn provides each employee with a reasonable opportunity to succeed in his or her position. Expectations are that all employees follow established policies and procedures to meet or exceed job requirements and accept correction, suggestions and instructions from leadership. When standards of performance are not met, the employee is subject to discipline and/or termination. (For details on final procedures, see Compensation Section.) Terminated employees are not allowed on Pennybyrn property for any reason. Additionally, employees who do not work within a 90 day period will be subject to termination, unless there are extenuating circumstances detailed by the employee and approved by Leadership.

Job Abandonment: An absence of one (1) day without notice by the employee (“No Call, No Show”) is considered Job Abandonment. Leaving the premises without prior approval during a scheduled shift is considered Job Abandonment. You will be subject to disciplinary action up to and including termination.

RE-EMPLOYMENT

Former employees who wish to seek re-employment with Pennybyrn will be given consideration if they formerly separated in good standing. Employees rehired within a year (12 months) of their prior separation will be eligible for the same benefits during the first year of employment as a newly hired full-time employee. After completion of one (1) year as a rehired employee, the previous amount of time employed will be added to the year of employment to determine the adjusted hire date, seniority and eligible benefits.

OUTSIDE EMPLOYMENT / ACTIVITIES

Additional employment should be disclosed promptly to Human Resource and leadership in your area. Outside employment and participation in outside organizations are permitted unless such activities adversely affect job performance and attendance, or present a conflict of interest.

DISCLOSING INFORMATION ON EMPLOYEES

To protect employee legal rights to privacy, all requests for information or verification of employment on current or former employees must be referred to Human Resources. Banks, finance companies, government agencies, etc. may make such requests. Pennybyrn will release only job-related factual information, including dates of employment, job title, and eligibility for rehire. Any other information, such as salary, requires written authorization from the employee or former employee.

Anyone who receives a telephone inquiry or a written Request for Verification of Employment must forward the request to Human Resources immediately. No comments about or evaluations of performance are to be given out by anyone other than Human Resources.

GRIEVANCE PROCEDURE

Pennybyrn is committed to providing favorable working conditions for our employees. Part of this commitment involves encouraging an open and frank atmosphere in which problems and complaints receive a timely response. Employees may use this procedure to file a grievance regarding work decisions, work directives or procedures, working conditions, and discipline which directly affects the complaining employee. Salary, benefit, job elimination or layoff, or workers' compensation decisions are excluded from review through this grievance procedure. No employee will be penalized, formally or informally, for voicing a complaint in a reasonable, professional manner or for using this procedure. The steps of the grievance procedure are as follows:

3. **Informal discussion with Leadership.** Employees are encouraged to first discuss grievances with department Leadership. Grievances should be addressed to Leadership within thirty (30) calendar days of first knowing about the issue.
4. **Written Grievance to Leadership.** Employees who are not satisfied with the results of the informal discussion, may submit a written complaint (Grievance Form) within five (5) calendar days to Leadership. Leadership will then give a response within five (5) calendar days, while also documenting the meeting.
** Issues regarding harassment, discrimination, or retaliation should be given directly to Human Resources.*
5. **Written Grievance to Human Resources.** If the employee feels the matter is unresolved, he/she may submit a written complaint (Grievance Form) to Human Resources within five (5) calendar days of receiving a response from Leadership. HR will then formally respond to the employee within five (5) calendar days with a decision.
6. **Written Grievance to Executive Leadership.** If the employee feels the matter is unresolved, he/she may make a formal, written appeal (Grievance Form) to the President or Vice President within five (5) calendar days of receiving a response from HR. The President or Vice President will respond to the appeal within ten (10) calendar days. This decision is final and may not be appealed.

Throughout the process, Leadership may request that you or others provide documentation and/or witnesses as may be deemed helpful to resolve the grievance. Additionally, by mutual agreement, but not independently, the amount of time for response to your grievance may be extended. The time limit for submitting or advancing grievances at all steps is controlling and not subject to modification. Any grievance which is not advanced by the employee from one step to the next within the time limits specified will result in the grievance being considered to have been withdrawn or satisfactorily settled. No employee has the power or authority to alter any procedural requirements of this policy other than as stated in the policy.

OPEN DOOR POLICY

Pennybyrn encourages any and all communication between employees and their co-workers and/or leadership. Generally, it is appropriate to address any question, issue, or concern personally and directly. However, if you feel your concern cannot be addressed in this manner or the problem needs further resolution, you may seek guidance from leadership or Human Resources. With good communication and a conscientious effort to do the best job possible, we can all work to provide the best employment relationships. (See the Grievance procedure for more information.)

SUGGESTION PROGRAM

You are our most valuable resource for ideas, improvements, and time or money saving suggestions. All Pennybyrn employees are encouraged to participate. Please submit your suggestions in writing, signed and dated to Human Resources.

PROGRESSIVE DISCIPLINE POLICY

Pennybyrn provides employees with reasonable opportunities to succeed in their positions and meet the company's standards and expectations. Employees who do not meet these standards and expectations are subject to the progressive discipline policy. The policy and procedures are designed to provide a structured corrective action process to improve and prevent a recurrence of undesirable behavior and performance issues.

Outlined below are the steps of Pennybyrn's Progressive Discipline Policy and procedures. Pennybyrn reserves the right to combine or skip steps, up to and including immediate termination, depending on the facts of each situation and the nature of the offense. Some of the factors that will be considered are whether the offense is repeated despite coaching, counseling and/or training; the employee's work record; the impact the conduct and/or issues have on the organization; and the seriousness or severity of the behavior and/or issue.

Nothing in this policy provides any contractual rights regarding employee discipline or counseling, nor should anything in this policy be read or construed as modifying or altering the employment-at-will relationship between Pennybyrn and its employees.

The provision of this Progressive Discipline Policy is not a guarantee of its use. The company reserves the right to terminate employment at any time, with or without reason. Leadership may begin corrective action for reasons including, but not limited to:

- Failure to meet requirements of the introductory period;
- Violations of established work rules;
- Substandard or unacceptable work performance;
- Insubordination;
- Unlawful discrimination or harassment as defined in the Harassment Policy;
- Creating conflict with fellow employees, leadership, or other Pennybyrn associates;
- Suspected or believed to participate in abusive actions toward any person associated with Pennybyrn.

STEP ONE: COACHING AND VERBAL WARNING

Leadership will meet with the employee to identify and discuss the issue or violation and the expected steps the employee must take to remedy the issue. The purpose of this conversation is to remind and educate, if appropriate, on Pennybyrn's expectations and the employee's responsibility to meet those expectations.

The Verbal Warning is the first step of the discipline procedure and will be documented within five business days of the meeting. Employees will be asked to sign the document to demonstrate understanding of the issues and corrective action. Documentation of the incident will remain in the employee's personnel file for future assessment, and a copy will be provided to the employee.

STEP TWO: WRITTEN WARNING

Step Two involves more formal documentation of the issue or violation and consequences. During Step Two, Leadership will meet with the employee to review any additional incidents or information about the issue or

violation, as well as any prior relevant corrective action plans. Leadership will outline the disciplinary actions due to continued failure to meet expectations, and the necessary steps for an immediate remedy.

A formal Written Warning and Performance Improvement Plan (PIP) requiring the employee's immediate and sustained corrective action will be issued within five business days of a Step Two meeting. The Written Warning may also include a statement indicating there may be additional disciplinary actions, up to and including termination, if immediate and sustained corrective action is not taken by the employee. Employees will be asked to sign the document to demonstrate understanding of the issues and corrective action. Documentation of the incident will remain in the employee's personnel file, and a copy will be provided to the employee.

STEP THREE: FINAL WRITTEN WARNING / SUSPENSION

Step Three involves a final formal documentation of the issue or violation and consequences. During Step Three, Leadership will meet with the employee to review any additional incidents or information about the issue or violation, as well as any prior relevant corrective action plans. Leadership will note that continued failure to meet expectations will result in recommendation for termination.

Some performance, conduct, or safety incidents are 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 employee may be suspended pending the results of an investigation.

Depending on the seriousness of the issue or violation, the employee may be suspended for a defined time period without pay in full-day increments consistent with federal, state and local wage and hour employment laws. Non-exempt/hourly employees may not substitute or use an accrued PTO day in lieu of the unpaid suspension. In compliance with the Fair Labor Standards Act (FLSA), Human Resources will provide guidance for exempt/salaried employees to ensure suspension is administered without jeopardizing FLSA exemption status. Pay may be restored to the employee if an investigation of the issue or violation absolves the employee of wrongdoing.

* Discretionary Step: Decision Making Leave

(This step may be used at any point in the process, determined by the situation and preference of Leadership or Human Resources.) In the event there has been no improvement, another disciplinary issue occurs, or the behavior or violation is considered serious, Leadership may decide to place the employee on Decision Making Leave. This is an unpaid leave of a defined time period in which the employee is tasked with a decision to continue employment and agree to meet the expectations set forth, or voluntarily resign employment immediately.

A Final Written Warning requiring the employee's immediate and sustained corrective action, with or without suspension, will be issued within five business days of a Step Three meeting. Employees will be asked to sign the document to demonstrate understanding of the issues and final step in the progressive discipline process. Documentation of the incident will remain in the employee's personnel file for future assessment, and a copy will be provided to the employee.

STEP FOUR: TERMINATION

The final and most serious step in the progressive discipline process is a recommendation to terminate

employment. Generally, Pennybyrn will try to exercise the progressive nature of this policy by first providing warnings, issuing a final written warning, or suspending the employee before proceeding to a recommendation to terminate employment. However, Pennybyrn reserves the right to combine and skip steps depending on the circumstances of each situation and the nature of the offense. Furthermore, employees may be terminated without prior notice or disciplinary action.

* CRISIS SUSPENSION

The actions listed below, or any other action determined to be serious or illegal, are not subject to progressive discipline. Pennybyrn reserves the right to terminate employment without any previous corrective action. Employees may be suspended without pay during an investigation, depending on the situation. Following the results of the investigation, employees may be immediately terminated.

- Theft or inappropriate removal or possession of company property or employee property
- Falsification of Pennybyrn records
- Failure to follow safety policies and procedures
- Breach of Confidentiality Agreement and/or Privacy policies
- Threat of, or the act of, doing harm to any person associated with Pennybyrn
- Willful or negligent destruction of property
- Negligence, abandonment, or abuse of any person associated with Pennybyrn
- Use, possession, distribution, sale, or transfer of alcohol or illegal drugs
- Possession of weapons or unauthorized materials
- Violation of Harassment or Violence in the Workplace policies

Pennybyrn reserves the right to impose a discipline suitable to the issue or violation, up to and including immediate termination at any point in the disciplinary process. Furthermore, Pennybyrn reserves the right to report any of the above actions to local law enforcement authorities, prosecute any employee for any of the above infractions, and/or report actions to professional credentialing agencies, such as the North Carolina Board of Nursing or Nurse Aide Registry.

APPEALS PROCESS

Employees have the opportunity to present information to dispute the findings of leadership used during the disciplinary process. The purpose of this process is to provide insight into extenuating circumstances that may have contributed to the employee's performance or conduct issues while allowing for an equitable solution. If the employee does not present this information during any of the step meetings, he or she will have five business days after each of those meetings to present such information to Leadership or Human Resources.

LEAVE OF ABSENCE PROGRAMS

ATTENDANCE POLICY

Pennybyrn employs the number of staff required to provide quality service and appropriate levels of care to residents. We must have a reliable work force to operate our community efficiently. When you are on the job and on time each assigned working day, you contribute greatly to the team effort and the continuous workflow. When you are absent, even for a valid reason, it places an extra burden on other employees and has a negative impact on the organization. As a normal condition of employment, Pennybyrn expects every employee to be at work, on time, for the full duration of the scheduled work shift, every day the employee is scheduled to work.

All absences are unexcused unless it is scheduled time off. Absences for illness or injury that last three (3) or more consecutive days (excluding scheduled days off) will require a Healthcare Provider's documentation to explain the reason for the absence and a release note to return to work, with or without restrictions. These absences may be counted as one incident. Intermittent absences that relate to a particular condition may also be treated similarly.

The following instances are approved absences that generally do not count against the attendance record:

- Scheduled time off
- Military leave
- Jury Duty
- Bereavement Leave
- Family Medical Leave / Leave of Absence

(Documentation will be required to approve leaves, and may count as one incident on attendance record.)

DISCIPLINARY PROCEDURES

Employees will be counseled and disciplined for any noticeable attendance patterns.

- **(3) THREE** occurrences within a rolling 90-day period will result in a written warning.
- **(4) FOUR** occurrences within a rolling 90-day period will result in suspension without pay for three days.
- **(5) FIVE** occurrences within a rolling 90-day period will result in termination.

SPECIFIC ATTENDANCE PROCEDURES

Employees who will be absent or late for work must notify leadership by telephone at least two (2) hours prior to the start of the shift, or by the start time of the shift in cases of emergency. Employees who are unable to call must have someone make the call for them.

TARDINESS / REPORTING TO WORK LATE / LEAVING WORK EARLY

Employees are expected to report to work on time, return from breaks on time, and complete the entirety of the scheduled shift. Late arrivals should notify leadership at least two (2) hours prior to the start of the shift, or no later than the shift start time during an emergency situation. Employees who leave work before the end of the scheduled shift must notify leadership immediately, and receive approval to leave the work area. Time may not

be made up without the approval of Leadership. Notification does not excuse the tardy or early departure, and excessive absenteeism may result in corrective action, up to and including termination. **Three occurrences within a rolling 90-day period will be considered one (1) absence and will be treated as such.**

CALL-OUTS

Employees unable to work a scheduled shift are responsible for finding coverage for the shift. Employee contact lists are available in each department. The employee calling out must notify leadership in the department at least two (2) hours prior to the start of the shift, proceed to find coverage by calling other employees, then notify leadership of the shift replacement. Call-outs will not be accepted via voicemail, email, text messaging, etc.

In the event of an emergency (example: hospitalization or similar situation) or when a replacement cannot be found, the employee must again notify leadership at least two (2) hours prior to the start of the shift or as soon as possible before the start of the shift. The employee will be asked to verify they have contacted all available staff before leadership will take responsibility for finding a replacement.

Any employee who calls out for a scheduled weekend shift must make up the weekend. The make-up weekend will be scheduled at Leadership's discretion.

Employees who agree to cover another employees' shift, no matter if the shift is in another department, are responsible for that shift and for following the Attendance Procedures above. Leadership should be notified of any schedule changes and the agreement made in writing between the employees to avoid conflicts and confusion.

"NO CALL, NO SHOW" / ABANDONMENT

Employees who miss a scheduled shift without notice, leave the work area without prior approval during a scheduled shift, or do not work one shift within a rolling 90-day period, will be assumed to have abandoned their position and will be terminated.

HOLIDAYS

The following holidays are recognized by Pennybyrn and the Business Office will be closed:

New Year's Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

The use of PTO for a holiday requires Leadership approval. Departments which regularly operate Monday through Friday will observe Saturday holidays on the preceding Friday, and Sunday holidays on the following Monday. Departments which regularly operate seven (7) days per week will observe holidays on the actual day the holiday falls.

Pay for Time Worked on a Premium Holiday:

Exempt (salaried) employees who work on an observed holiday will be paid at straight time for all time worked on the holiday. Non-exempt (hourly) employees who work on a Premium Holiday will be paid "time and a half", which is the regular base rate multiplied by 1.5 for all time worked on the holiday.

The following are considered Premium Holidays:

- *New Year's Day*
- *Easter Sunday*
- *Thanksgiving Day*
- *Christmas Day*

BEREAVEMENT LEAVE

Regular full-time employees who have satisfactorily completed the 90 day probationary period are eligible for bereavement leave. The leave must include consecutive scheduled workdays, one of which must be the day of the funeral.

Three (3) days of leave with pay will be granted upon the death of an immediate family member:

- Spouse
- Child
- Parent or Legal Guardian
- Sibling

One (1) day of leave with pay will be granted upon the death of an extended family members:

- Grandparent
- Grandchild
- Aunt or Uncle
- In-laws (son, daughter, father, mother, and siblings).

If the employee is not scheduled to work during this period, no leave will be granted. Leadership reserves the

right to request valid proof of relationship prior to authorization of payment for the paid bereavement leave.

Leadership may approve employees to take one full day of leave to attend funerals of other relatives and friends. The use of PTO is voluntary, however the day will not be paid by Pennybyrn. Approval of additional bereavement leave will be considered on an individual basis and approved by Leadership and Human Resources.

JURY DUTY

An employee called for jury duty must notify Leadership immediately following receipt of the jury summons and present a copy of the summons from the court or attorney showing the date and time of the jury duty.

All employees, with the exception of temporary employees employed for less than six months, will be paid the difference between their regular salary and the jury duty pay. The employee shall be excused from employment for the day(s) required in serving as a juror or witness in any court created by the United States or any state or common wealth of the United States. This shall be considered an excused absence. Regular part-time employees will receive pay for the number of hours they were scheduled to work on the days missed for jury duty.

PAID TIME OFF (PTO) PROGRAM

The following employees are eligible to participate in the Paid Time Off (PTO) program:

- Regular full-time employees hired to work 75 or 80 hours per period (with a required minimum of 72 hours per pay period)
- Baylor employees hired to work 12 hour shifts every Saturday and Sunday
- Part-time / PRN employees working at least 40 hours per month.

REQUESTS FOR TIME OFF AND PTO

A request for time off and/or PTO should be approved by the Department Leader two (2) weeks in advance. Approval of time off and/or PTO requests will be given in accordance with the department workload, employee status, amount of PTO earned at the time of request, specific dates requested, and requests by other employees. Every effort will be made to honor leave requests, but service to our residents will be the primary focus and it may be necessary at times to deny requests due to business needs (i.e. during holidays or inade). Employees who have not completed a 90 day orientation period or who have given notice of resignation are generally unable to request time off and/or use PTO.

Leadership is not required to approve time off and/or PTO requests, even in the event of an emergency. All unauthorized absences are subject to corrective action, including termination of employment. Employees who believe that they have been denied the use of PTO inappropriately are encouraged to discuss the matter with their Department Leader. If the issue remains unresolved, employees are encouraged to consult with Human Resources, who will assist the employee and Leader in resolving any issues or questions that may exist.

PTO ACCRUAL

PTO will begin accruing from the date of hire, however employees will not be eligible to use this time until the completion of the ninety (90) day introductory period. PTO is accrued during each pay period worked, and there are 26 pay periods in a calendar year. Please see the charts below on how PTO is earned for each of these pay periods.

Full-time PTO is calculated in two ways:

- 1) Prorated from hire date through the end of the calendar year for new employees (or)
- 2) Preloaded annual amount beginning January 1 for existing employees.

PTO is loaded into the employee's PTO bank with the assumption the employee will work full-time hours for the entire 26 pay periods in the year. However, the company has the right to limit PTO use during the year for all the reasons already stated, and when PTO has not actually been accrued at the time of the PTO request. There are instances when an employee may borrow against PTO time that has not yet been accrued, but these will be on a case-by-case basis and with the understanding that PTO must be repaid if the employee leaves or changes status before the borrowed amount is accrued. Unused and accrued PTO (up to 80 hours) will be rolled over at the end of each calendar year into the following year, effective January 1.

Part-time and PRN PTO is calculated as follows:

Any employee who works a minimum of 40 hours per month will receive PTO for the pay periods worked within that month. PTO will be loaded into the employee's PTO bank at the beginning of the following month. Part-time and PRN employees accrue PTO in real time and have earned the balance stated in their PTO bank.

However, Pennybyrn reserves the right to limit approval of PTO for all the reasons already stated under Requests for PTO.

Please see the charts below for PTO accrual in detail. The PTO accrual rate is based on status, hours worked per day, and length of employment, as follows:

FULL-TIME EMPLOYEES		Accrual per Pay Period (7.5 hour shift)		Accrual per Pay Period (8 hour shift)		Total PTO days per year	
Years of Employment							
1 – 4 years		7.22		7.70		25	
5 – 9 years		8.08		8.62		28	
10 – 14 years		8.65		9.23		30	
15 – 19 years		9.52		10.20		33	
20+ years		10.10		10.80		35	
Baylor (all years)		3.69		3.69		12	
PT / PRN EMPLOYEES	Years of Employment	Accrual per Pay Period (7.5 hour shift)		Accrual per Pay Period (8 hour shift)		Total PTO potential per year	
		Accrual for 2 PP in Month	Accrual for 3 PP in Month	Accrual for 2 PP in Month	Accrual for 3 PP in Month		
	1-4 years	2.89	5.78	8.67	3.08	6.17	9.24
	5-9 years	3.47	6.93	10.40	3.70	7.40	11.10
	10-14 years	4.05	8.10	12.15	4.32	8.63	12.96
	15-19 years	4.62	9.25	13.85	4.93	9.85	14.78
	20+ years	5.20	10.40	15.60	5.55	11.10	16.65

PTO TRANSFERS

Pennybyrn will consider allowing employees to transfer their unused and accrued PTO to other employees when there are extreme extenuating circumstances, such as illness, extended leaves of absence, etc. The transfer must be approved by Human Resources and an agreement signed in writing.

STATUS CHANGES

PTO will be prorated for employees who change their employment status during the year.

Status change from Full-time to Part-time/PRN:

The prorated amount of PTO will be calculated from January 1 through the date of the status change. If the status change occurs during the middle of a pay period, PTO accrual will calculate through the last day of the current pay period. PTO in excess of the prorated amount will be forfeited. PTO rolled over from the previous year is considered accrued and is exempt from forfeit for status changes. Thereafter, if the employee works 40 or more hours within a month, the PTO will accrue as scheduled monthly.

Status change from Part-time/PRN to Full-time:

The prorated amount of PTO will be calculated from the date of status change through the end of the current year. PTO will then accrue as scheduled yearly, as stated in the Full-time PTO description. If the status change

occurs during the middle of a pay period, PTO accrual will begin the first day of the next pay period. Employees who change status and used more PTO than was actually earned will be responsible for repayment of the overage. Depending on the employee's continued working status, overages may be reduced by earning additional PTO during the year or deducting the overage directly from the employee's paycheck. Please see "Repayment of Overages" for more on this process.

PTO AT TERMINATION

Employees who voluntarily terminate employment and leave in good standing will be eligible to receive compensation for unused, accrued PTO for the number of pay periods worked within the calendar year, plus any PTO rolled over from the previous year. The employee must have satisfactorily completed the 90 day introductory period, worked at least 200 hours, completed a satisfactory notice, and terminated in good standing with Pennybyrn. Employees may be paid out for up to 200 hours of accrued PTO.

Employees who are involuntarily terminated, do not complete a satisfactory notice, or resign before the completion of the initial ninety (90) day introductory period will not be entitled to any payment of PTO. Employees who terminate, whether voluntarily or involuntarily, will be responsible for any PTO that was used but not accrued during the pay periods worked in the calendar year. (See PTO Accrual and Repayment of Overages sections for more details) The employee will be required to repay the overage by the end of their employment using payroll deduction. In the event Pennybyrn is unable to recoup the entire amount owed, the employee will be required to pay the balance out-of-pocket within two weeks of the last day worked. The Payroll department will discuss payment options with the employee as needed.

FULL-TIME STATUS

Full-time status requires a schedule of 75 or 80 hours per pay period, excluding Baylor status. Employees must work a minimum of 72 hours each pay period to maintain full-time status; however 72 hours should not be a consistent work schedule. Leadership is required to input PTO for any full-time employee who falls below 72 hours in a pay period, even if the employee does not request PTO. There are some instances when an employee will not be allowed to use PTO time due to corrective action procedures or excessive use of PTO.

Employees who do not work a minimum of 72 hours for 3 pay periods within a 90 day period will be placed on probation. Full-time status can be terminated if the employee on probation does not work 72 hours during a fourth pay period within a 90 day period. Human Resources will inform employees of each step of the disciplinary process who are not meeting the 72 hour requirement.

EMERGENCY OR SUDDEN ILLNESS

Pennybyrn recognizes employees occasionally, although rarely, experience emergencies or sudden illnesses which prevent the request for PTO in advance or a timely fashion. Under emergency or sudden illness conditions, employees must notify their leader as soon as possible of their need for PTO. The duty to notify continues as a daily requirement throughout an employee's illness or emergency, unless the leader specifically authorizes the employee to report differently. Employees may be required to provide their convalescent location when they are ill and inform the leader of any changes in the convalescent location. The employee may also be asked to provide verification of the emergency or illness regardless of the length of the absence.

UNPAID LEAVES

Occasionally, for medical, personal or other reasons, employees may need to be temporarily released from their duties with Pennybyrn . It is the policy of Pennybyrn to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

Failure to return to work as scheduled from an approved leave of absence, or to inform Human Resources of an acceptable reason for not returning as scheduled, will be considered a voluntary resignation of employment.

All requests for leaves of absence shall be submitted, in writing, to Human Resources. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave and the relationship of members, if applicable. There are several types of unpaid leaves for which employees may be eligible:

MILITARY LEAVE

Leaves of absence for military service will be granted in accordance with federal law.

UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

USERRA is administered by the Veterans' Employment and Training Service (VETS). USERRA applies to persons who perform duty, voluntarily or involuntarily, in the "uniformed services," which include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service commissioned corps, as well as the reserve components of each of these services. Federal training or service in the Army National Guard and Air National Guard also gives rise to rights under USERRA. In addition, under the Public Health Security and Bioterrorism Response Act of 2002, certain disaster response work (and authorized training for such work) is considered "service in the uniformed services."

Uniformed service includes active duty, active duty for training, inactive duty training (such as drills), initial active duty training, and funeral honors duty performed by National Guard and reserve members, as well as the period for which a person is absent from a position of employment for the purpose of an examination to determine fitness to perform any such duty.

USERRA covers nearly all employees, including part-time and probationary employees. USERRA applies to virtually all U.S. employers, regardless of size.

Basic Provisions/Requirements

USERRA prohibits employment discrimination against a person on the basis of past military service, current military obligations, or intent to serve. An employer must not deny initial employment, reemployment, retention in employment, promotion, or any benefit of employment to a person on the basis of a past, present, or future service obligation. In addition, an employer must not retaliate against a person because of an action taken to enforce or exercise any USERRA right or for assisting in an USERRA investigation.

The pre-service employer must reemploy service members returning from a period of service in the uniformed services if those service members meet five criteria:

- The person must have been absent from a civilian job on account of service in the uniformed services;
- The person must have given advance notice to the employer that he or she was leaving the job for service in the uniformed services, unless such notice was precluded by military necessity or otherwise impossible or unreasonable;
- The cumulative period of military service with that employer must not have exceeded five years;
- The person must not have been released from service under dishonorable or other punitive conditions; and
- The person must have reported back to the civilian job in a timely manner or have submitted a timely application for reemployment, unless timely reporting back or application was impossible or unreasonable.

USERRA establishes a five-year cumulative total of military service with a single employer, with certain exceptions allowed for situations such as call-ups during emergencies, reserve drills, and annually scheduled active duty for training. USERRA also allows an employee to complete an initial period of active duty that exceeds five years.

Employers are required to provide to persons entitled to the rights and benefits under USERRA a notice of the rights, benefits, and obligations of such persons and such employers under USERRA.

Employee Rights

USERRA provides that returning service members are to be reemployed in the job that they would have attained had they not been absent for military service, (the "escalator" principle), with the same seniority, status and pay, as well as other rights and benefits determined by seniority. USERRA also requires that reasonable efforts (such as training or retraining) be made to enable returning service members to qualify for reemployment. If the service member cannot qualify for the "escalator" position, he or she must be reemployed, if qualified, in any other position that is the nearest approximation to the escalator position and then to the pre-service position. USERRA also provides that while an individual is performing military service, he or she is deemed to be on a furlough or leave of absence and is entitled to the non-seniority rights accorded other similarly-situated individuals on non-military leaves of absence.

The time limits for returning to work are as follows:

- **Less than 31 days service:** By the beginning of the first regularly scheduled work period after the end of the calendar day of duty, plus time required to return home safely and an eight hour rest period. If this is impossible or unreasonable, then as soon as possible.
- **31 to 180 days:** The employee must apply for reemployment no later than 14 days after completion of military service. If this is impossible or unreasonable through no fault of the employee, then as soon as possible.
- **181 days or more:** The employee must apply for reemployment no later than 90 days after completion of military service.
- **Service-connected injury or illness:** Reporting or application deadlines are extended for up to two years for persons who are hospitalized or convalescing.

Health and pension plan coverage for service members is also addressed by USERRA. Individuals performing military duty of more than 30 days may elect to continue employer sponsored health care for up to 24 months; however, they may be required to pay up to 102 percent of the full premium. For military service of less than 31

days, health care coverage is provided as if the service member had remained employed. USERRA pension protections apply to defined benefit plans and defined contribution plans as well as plans provided under federal or state laws governing pension benefits for government employees. For purposes of pension plan participation, vesting, and accrual of benefits, USERRA treats military service as continuous service with the employer.

Military Reserve Training

Employees who are members of the military will be granted a leave of absence to attend summer camp or summer training. This leave includes one (1) weekend per month, fifteen (15) consecutive calendar days in any calendar year, and active duty in time of crisis declared by the Department of Defense. The terms on which this leave is granted shall be in accordance with applicable state and federal laws (USERRA).

Military Hourly Employees

Employees will be granted time off when serving for the basic required time in military reserves and will be paid the difference between the compensation received for military reserve duty and the regular wages that would have been earned during the period of military reserve duty. Pennybyrn may require satisfactory evidence of military reserve duty and the amount of compensation received. This clause does not apply for extended time served in the military reserves and if an employee is called into active duty.

FAMILY AND MEDICAL LEAVE ACT (FMLA)

Pennybyrn will provide Family and Medical Leave Act (FMLA) to its eligible employees. The company posts the mandatory FMLA Notice and upon hire, provides all new employees with notices required by the US Department of Labor on Employee Rights and Responsibilities under FMLA. The function of this policy is to provide employees with a general description of their FMLA rights. In the event there is a conflict between this policy and the applicable law, employees will be afforded all rights required by law.

Pennybyrn will grant up to 12 weeks of unpaid, job-protected leave to eligible employees within a 12 month period. This leave may be extended up to 26 weeks for military caregivers needing leave to care for a covered service-member with a serious injury or illness. The leave may be paid, unpaid, or a combination of the two, depending on the circumstances of the leave and as specified in this policy.

During an approved FMLA leave, Pennybyrn will maintain the employee's health coverage under our group health plan on the same terms as if the employee is still working. Upon return from FMLA Leave, employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. Employees qualify for FMLA for the following reasons:

1. **Eligibility** – The employee must have worked for Pennybyrn a cumulative (not necessarily consecutive) 12 months or 52 weeks, and have worked at least 1,250 hours during the 12 months immediately preceding the date on which the FMLA leave would commence.
2. **Types of FMLA Leave Available:**

- Parental Leave - Leave for care of or bonding with the employee's child within 12 months of the birth or placement for adoption or foster care of a child.
- Serious Family Illness - Leave needed by the employee in order to care for a spouse, child, or parent who has a serious health condition.
- Serious Personal Illness - Leave needed by the employee because of a serious health condition (including job-related injuries or illness) which renders the employee unable to perform the functions of his/her job.
- Military Leave – Leave needed by the employee with a spouse, child, or parent on active duty or call to active duty status in the Armed Forces, National Guard, or Reserves. Qualifying exigencies may include short-notice deployment, attending certain military events, childcare and school activities, addressing certain financial and legal arrangements, counseling sessions, rest and recuperation, post-deployment activities, and additional activities that arise out of active duty.

**Military Leave may also include a special entitlement that permits employees to take up to 26 weeks of leave to care for a service member (Armed Forces, National Guard, or Reserves) during a single 12 month period. The employee must be the spouse, child, parent, or next-of-kin of the covered service member. This special entitlement is reserved for service members who have a serious injury or illness incurred during active duty, which renders the service member unfit to perform his/her duties, and for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.*

3. Duration:

- Eligible employees are entitled to a total of 12 weeks of FMLA leave during a calendar year. Pennybyrn will measure the leave during a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, Pennybyrn will compute the amount of leave taken in the last 12 months, subtract it from the available leave amount, and the balance remaining is the amount the employee is entitled to take at that time. This same rolling 12-month period measurement will be used for the 26 week leave offered to military caregiver exigencies.
- Married Couples - In cases where both husband and wife work for Pennybyrn, the couple will be eligible for a combined total of 12 weeks of FMLA leave for Parental Leave or Serious Family Illness Leave, or a combined total of 26 weeks of leave to care for a covered injured or ill service member.

4. Intermittent Leave or Reduced Work Schedule - When medically necessary, Serious Family Illness Leave or Serious Personal Illness Leave may be granted intermittently. The leave may be granted in separate blocks of time (no less than 30 minutes), or on the basis of a "reduced leave schedule" under which an employee's usual working hours each day or week are reduced, if the organization can reasonably accommodate this kind of leave. Requests to take Parental Leave on an intermittent reduced leave schedule will be granted in the discretion of the Company.

Pennybyrn may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule, in instances when leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth or

placement for adoption or foster care.

For the birth, adoption or foster care of a child, the company and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced-hour schedule. Leave for birth, adoption or foster care of a child must be taken within one year of the birth or placement of the child.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the company before taking intermittent leave or working a reduced-hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary.

All FMLA leave is designated as unpaid time away from work. Employees may choose to replace lost wages by using accrued PTO time, or working additional hours (beyond regular scheduled hours) within the same work week in which Intermittent FMLA was used. However, scheduled hours missed due to intermittent FMLA leave will still be counted towards the employee's FMLA entitlement, and are not eligible to be made up. The employee is responsible for proper reporting procedures and must communicate their intent to replace lost wages due to Intermittent FMLA each work week, and communicate their choice of using PTO or working additional hours beyond the regular schedule. This communication must be made to Human Resources and the Team Supervisor within the same work week as Intermittent FMLA is taken.

5. Employee Status and Benefits During Leave

While an employee is on leave, Pennybyrn will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work.

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, Pennybyrn will require the employee to reimburse the company the amount it paid for the employee's health insurance premium during the leave period.

Under current company policy, the employee pays a portion of the health care premium and certain other insurance benefits. While on leave, the employer will continue to collect the employee's share of these premiums. The employee will be required to use accrued paid time off (PTO) to cover voluntary deductions (i.e. medical & dental premiums, disability premiums, supplemental insurance, etc.) during the FMLA period. Pennybyrn will use a minimum amount of PTO to cover deductions each pay period. The employee may choose to use more than the minimum amount of PTO (up to 80 hours in each pay period), and must notify their Supervisor regarding this decision.

Employees that deplete PTO or have not accrued PTO will be responsible for paying deductions out-of-pocket each pay period during the FMLA period. Failure to pay premiums in a timely manner may result in loss of coverage. Payments must be received by Payroll on the last day of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped for the duration of the leave. Pennybyrn will provide 15 days' notification prior to the employee's loss of coverage.

6. Employee Status After Leave

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from a health care provider. This requirement will be included in the employer's response to the FMLA request. Generally,

an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one that is virtually identical in terms of pay, benefits, and working conditions. Pennybyrn may choose to exempt certain key employees from this requirement and not return them to the same or similar position when doing so will cause substantial and grievous economic injury to business operations. Key employees will be given written notice at the time FMLA leave is requested of his or her status as a key employee.

7. Request and Approval – Pennybyrn will require certification for serious health conditions for the employee, family member, and/or military service member. Leave requests should be submitted to Human Resources verbally or in writing. Employees must provide the Company with at least thirty (30) days' notice of the need for FMLA leave whenever the need for the leave is foreseeable (such as when the leave is for an expected birth or placement for adoption or for planned medical treatment). When planning medical treatment, employees should consult with their leader and whenever possible attempt to schedule the treatment so as to minimize the impact of the employee's absence on the Company's operations. In cases where the need for leave cannot be anticipated 30 days in advance, the employee must give notice of the need for leave as soon as possible (no more than two business days) after the employee learns of the need for the leave. Failure to give proper advance notice of the need for FMLA leave when the need for such leave is foreseeable may result in denial of the leave until after such notice is provided. Timely requests for FMLA leave from eligible employees will be granted as required by state and federal law.

Human Resources will respond within five business days of the notice, and will complete and provide the employee with the DOL Notice of Eligibility and Rights, and FMLA documentation for Medical Certification, if necessary.

Requests for Serious Family Illness, Serious Personal Illness, or Military Service member leave must be accompanied by a Certification of Health Care Provider Form (available from Human Resources) whenever the need for such leave is foreseeable. In cases where the need for leave is not foreseeable, a Certification of Health Care Provider form must be provided within 15 calendar days of the request or as soon as reasonably possible under the circumstances. Failure to provide proper medical certification may result in denial of leave, or denial of continuation of leave until the certification is provided.

Once the employee has submitted the appropriate certification form, Human Resources will complete and provide a written response to the employee's FMLA request using the DOL Designation Notice.

If Pennybyrn has reason to question the validity of a Medical Certification provided by the employee's health care provider, the Company may require the employee to obtain a second opinion, at the Company's expense, from a health care provider designated by the Company. In the event the second opinion differs from the first, the Company may require the employee to obtain a third and final opinion, again at the Company's expense, from a health care provider jointly approved by the Company and the employee.

8. Recertification

Pennybyrn may request recertification for the serious health condition of the employee or the employee's family member no more frequently than every 6 months unless circumstances have changed significantly, or if the employer receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence. The company may provide the employee's health care provider with the employee's attendance records and ask whether need for leave is consistent with the employee's serious health condition.

9. Intent to return to work

On a basis that does not discriminate against employees on FMLA leave, the company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work. Upon completion of a leave under this section, the employee shall be reinstated to the original position or an equivalent one. Pennybyrn can't guarantee scheduled days worked or location of position. If the employee is no longer able to perform the original job due to medical circumstances, Pennybyrn will attempt to make a reasonable accommodation to find an alternate suitable job or solution.

GENERAL MEDICAL LEAVE (Non-FMLA)

ELIGIBILITY:

- **Leave within first year of employment**

Employees who do not qualify for FMLA leave coverage may request a Medical Leave of Absence (LOA) when unable to work due to a self-qualifying serious medical condition as defined under FMLA. The employee's hire date must have been within the last year and the 90 day probationary period satisfactorily completed. Pennybyrn will consider a Medical LOA time period of five consecutive days up to six weeks away from work. Length of absence may be granted for longer periods due to extenuating circumstances. Intermittent leave will not be eligible for a Medical Leave of Absence unless it is an ADAAA approved reasonable disability-related accommodation. Please contact the Human Resources department for any accommodation requests. Employees who have accrued paid time off (PTO) and are eligible to use it, are required to use all available PTO during the LOA.

- **Leave after first year of employment**

Employees who do not qualify for FMLA leave coverage due to not meeting the 1,250 hour requirement or having exhausted all available FMLA leave, may request a Medical LOA when unable to work due to a self-qualifying serious medical condition as defined under FMLA. Pennybyrn will consider a Medical LOA time period of five consecutive days up to six weeks away from work. Length of absence may be granted for longer periods due to extenuating circumstances. The entirety of time away from work should not exceed 18 weeks within a rolling 12-month period (when used in conjunction with FMLA : 12 weeks FMLA + 6 weeks LOA), including all other concurrent leaves (except USERRA military leave requirements). Intermittent leave will not be eligible for a Medical Leave of Absence unless it is an ADAAA approved reasonable disability-related accommodation. Please contact the Human Resources department for any accommodation requests. Employees who have accrued paid time off are required to use all available PTO during the LOA.

Request and Approval - Leave requests should be submitted to Human Resources, accompanied by a Medical Certification Form. Requests for General Medical Leave must be submitted at least 30 days in advance of the need for the leave whenever the need for leave is foreseeable. When the need for such leave is not foreseeable, the employee must give as much notice as possible, either the same day, the next business day, or as soon as reasonably possible. Leave requests may be denied if not submitted according to policy. Properly supported and timely requests for General Medical Leave from eligible employees will be granted as

accommodations are possible.

Restoration from Medical LOA – Pennybyrn will generally reinstate employees to the same or equivalent position, however this will be dependent upon the needs of the department during the LOA and after. Any changes to employment will be confirmed by Human Resources and the employee will be notified by the end of the LOA. Pennybyrn requires a medical authorization for all employees to return to work. This release form should be given to Human Resources and confirm the employee’s eligibility to return to work for regular duty or list details of any restrictions. Employees will not be able to return to work without this documentation. Restrictions will be discussed with the home department and Human Resources to determine whether the restrictions can be reasonably accommodated. Human Resources will notify the employee of this decision before returning to work.

Pennybyrn will not continue to hold positions open for employees who are unable to return to work at the end of their Medical LOA, unless a continuation of leave has been granted through Human Resources. Human Resources may transition the employee to PRN (as needed) status or terminate employment depending on the circumstances. Employees who do not work for a three month period after transitioning to PRN status will be terminated.

PERSONAL LEAVE OF ABSENCE (LOA)

An unpaid Personal Leave of Absence (LOA), if not detrimental to the services provided by Pennybyrn or the welfare of other staff members affected, may be granted under circumstances described in this policy. The employee’s home department and Human Resources reserve the right to approve or deny the request. Pennybyrn will consider a period of time from five consecutive days up to six weeks away from work. This amount of time can be subject to change depending on the circumstances.

Eligible employees are those who have completed 12 months of employment and are in good standing (i.e. have not received any disciplinary proceedings within the previous six months). LOA requests that involve issues controlled by other personnel policies are governed by this policy and the other controlling policy. For example, a request for leave because of pregnancy, childbirth, adoption, or illness of a child, spouse or parent would be governed by both the Family Medical Leave Policy and the LOA Policy. Intermittent leave is not permitted as a Personal LOA.

LOA requests should be made at least 30 days prior to the beginning of leave, or as soon as possible if not foreseeable, and before schedules are finalized and the employee exhausts applicable paid leave. Paid leave of any type does not accrue when an employee is on LOA for more than fifteen (15) calendar days.

LOA is generally used for (but not limited to) the following reasons:

- Time off for employees who do not accrue paid leave.
- Extended travel or family needs (request must be submitted at least 60 days in advance).
- Prolonged illness of an employee or employee’s family member.
- Emergencies or crises, which require absence from work.

Pennybyrn will generally reinstate employees to the same or equivalent position, however this will be dependent upon the needs of the department during the LOA and after. Any changes to employment will be confirmed by

Human Resources and the employee will be notified by the end of the LOA.

Pennybyrn will not continue to hold positions open for employees who are unable to return to work at the end of their LOA, unless a continuation of leave has been granted through Human Resources. Human Resources may transition the employee to PRN (as needed) status or terminate employment depending on the circumstances. Employees who do not work for a three month period after transitioning to PRN status will be terminated.

CONTINUATION OF BENEFITS DURING LEAVES OF ABSENCE

While on LOA provided for under these policies, we will continue your group health, dental, and disability insurance benefits under the same terms as provided to other employees, for up to a maximum of 16 weeks leave time during any one-year period. You will be responsible for any employee contribution toward insurance while on leave, and are required to use PTO time to cover these deductions. Once PTO has been exhausted, you will be responsible for paying out-of-pocket. Employees who are unable to pay for medical premiums will have their coverage terminated. If the employee's leave extends beyond 16 weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules.

ABSENCE WITHOUT AUTHORIZATION

Employees who fail to report to work as scheduled, are not in an authorized leave status and will be considered Absent without Authorization. Employees who request leave, which is denied and fail to report to work, will not be paid for this time and are subject to corrective action, up to and including termination.

An employee who fails to report to work, as scheduled, will be considered to have abandoned their position, and will be terminated. An employee who does not come to work after receiving direct instructions to report from a leader, may be terminated at any time for being absent without permission. Employees who are absent from work without authorized leave are not paid for hours not worked. Employees who are absent from work without permission immediately before or after a holiday are not paid for the holiday.

EMPLOYEE BENEFITS

The information contained here on Pennybyrn 's benefits is only a summary. For complete information on benefits, you should refer to the applicable formal documents and plan booklets, which will control in case of any discrepancy between this overview and the actual benefit.

MEDICAL / DENTAL / DISABILITY / LIFE INSURANCE

Pennybyrn provides group life, short term disability and dental coverage and offers major medical insurance for all regular full-time employees who meet plan eligibility requirements. New employee coverage for major medical begins sixty-one (61) days after date of hire. Life, short term disability and dental coverage begin ninety (90) days after date of hire. Should you elect Family or Dependent coverage, they may be enrolled at the same time. If, at a later date, you add new dependents whether by birth, adoption or marriage and you wish to cover them, you have thirty-one (31) days to complete enrollment forms. Otherwise, a health statement, physical, lab tests and/or proof of insurability may be required to enroll family members after this thirty-one (31) day period passes. (Refer to your employee benefits plan booklet).

Should termination or a change in employment status from full-time to part-time occur, an employee's group insurance coverage will end on the day that the event occurs. At this time, your rights to continued health insurance benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allow you to continue the group major medical and dental insurance policy at your expense. (Refer to COBRA in this section for more details.) You may also convert your life and disability coverage to an individual policy at the time of termination of coverage. (See your plan documents or Human Resources for more details)

Pennybyrn pays a portion of the premium for medical insurance, and pays the entire premium for dental, short term disability, and life insurance for each regular full-time employee. Family coverage is voluntary and is available, as well as, other voluntary supplemental insurance plans, when the employee elects to pay the cost of such coverage by biweekly payroll deduction. Specific coverage, eligibility periods and benefits paid are outlined in the Insurance Plan Booklets provided during employee orientation or upon request, thereafter. For additional information, contact the Human Resources department.

COBRA HEALTH INSURANCE CONTINUATION

Under the federal law, Pennybyrn is required to offer to covered employees and their covered family members the opportunity to elect temporary health care continuation coverage at group rates when coverage under the plan would otherwise end due to certain qualifying events. This notice is intended to inform you (and any covered dependents) in a summary fashion of your options and obligations under the continuation coverage provisions of the law.

QUALIFYING EVENTS

For covered employees: If you are a covered employee in the health plan, you may be entitled to elect continuation coverage if you lose your group health plan coverage because of a termination of your employment (for reasons other than gross misconduct), or your hours of employment are reduced.

For covered spouses: If you are the spouse of a covered employee and are covered under the health plan, you may be entitled to elect continuation coverage if you lose group health coverage for any of the following reasons:

- A termination of your spouse's employment (for reasons other than gross misconduct), or a reduction in the employee's hours of employment;
- The death of your spouse;
- Divorce or legal separation from your spouse; or
- Your spouse becomes entitled to Medicare.

For covered dependent children: If you are the dependent child of a covered employee and are covered under the health plan, you may be entitled to elect continuation coverage if you lose group health coverage for any of the following reasons:

- A termination of the employee's employment (for reasons other than gross misconduct), or a reduction in the employee's hours of employment;
- The death of the employee;
- Parents' divorce or legal separation;
- The employee becomes entitled to Medicare; or
- You cease to be a "dependent child" under the health plan.

If you are a child born or placed for adoption with a covered employee during the continuation coverage period, you may also elect continuation coverage.

NOTIFICATION REQUIREMENTS

Under the law, the covered employee, spouse, or other covered family member has the responsibility to inform our Plan Administrator of a divorce, legal separation, or a child losing “dependent status” under the health plan. This notification must be made within 60 days from whichever date is later: the date of the qualifying event or the date that coverage would be lost under the terms of the insurance contract because of the event. Check the dependent eligibility rules contained in the summary plan description carefully to determine when a child loses “dependent status” under the health plan. You satisfy our notification requirements by sending the information in writing to Human Resources. The information must be in writing and may be sent through interoffice mail, certified mail or hand delivered. If this notification is not done in a timely manner, then your rights to continuation coverage may be forfeited. Note: Pennybyrn has the responsibility for notifying the health plan of the employee’s termination of employment, reduction in employment hours, death or Medicare entitlement.

ELECTION PERIOD

After a qualifying event, covered individuals (also known as qualified beneficiaries) will be notified of their right to elect continuation coverage. Each qualified beneficiary has an independent election right and will have 60 days from the date coverage is lost under the health plan or from the date of notification to elect continuation coverage. The law does not allow for an extension of this maximum period. If a qualified beneficiary does not elect continuation coverage within this period, all rights to elect continuation coverage will end.

If a qualified beneficiary does elect to continue coverage and pays the applicable premium, then the company is required to provide the qualified beneficiary with coverage that is identical to that provided under the plan to similarly situated employees and/or covered dependents. If coverage is changed or modified for similarly situated active employees, then continuation coverage may be similarly changed and/or modified.

LENGTH OF COVERAGE

18-month period: If the event causing the loss of coverage is a termination of employment (other than for reasons of misconduct) or a reduction in employment hours, then you will have the opportunity to continue coverage for an 18-month period starting with the date of the qualifying event.

Disability Extension: The 18 months of continuation of coverage may be extended to 29 months if the Social Security Administration determines that a qualified beneficiary was disabled during the first 60 days of continuation coverage according to Title II or XVI of the Social Security Act. It is the qualified beneficiary’s responsibility to obtain this disability determination from the Social Security Administration and to provide a copy of the determination letter to the Plan Administrator within 60 days of the date of determination and before the original 18 months of continuation coverage ceases. If there is a final determination that the qualified beneficiary is no longer disabled, the Plan Administrator must be notified within 30 days of the determination by the qualified beneficiary.

Secondary Events: Another extension of the 18-month period can occur, if during the 18 months of continuation coverage, a second qualifying event occurs (divorce, legal separation, death, entitlement to Medicare, or ceasing

to be a dependent child). If a second qualifying event occurs, then the 18 months of continuation of coverage may be extended to 36 months from the date of the original qualifying event. If a second qualifying event occurs, it is the qualified beneficiary's obligation to notify the Plan Administrator of the event within 60 days of the event and within the original 18-month period. In no event, however, will continuation coverage last beyond three years from the date of the qualifying event.

36-month period: If the original qualifying event causing the loss of coverage was the death of the employee, divorce, legal separation, Medicare entitlement, or loss of "dependent status" of a dependent child under the Health Plan, then each qualified beneficiary will have the opportunity to elect 36 months of continuation coverage from the date of the qualifying event.

ELIGIBILITY, PREMIUMS, AND CONVERSION RIGHTS

You must be covered under the plan at the time of the qualifying event in order to be eligible to elect continuation coverage (except for children born to or placed for adoption with a covered employee during the continuation period). The health plan reserves the right to verify eligibility and terminate continuation coverage retroactively if you are determined to be ineligible or if there has been a material misrepresentation of the facts.

A qualified beneficiary may have to pay all of the applicable premium plus a 2% administration charge for continuation coverage. This premium may be adjusted in the future if the applicable premium amount changes. In addition, if the continuation period is extended from 18 months to 29 months due to a Social Security Administration determination of disability, the company may charge up to 150% of the applicable premium(s) during the extended period. There is a grace period of 30 days for the regularly scheduled monthly premiums. This is the maximum grace period under the plan, as the plan does not provide for an extension beyond what is required by law.

At the end of the continuation period, a qualified beneficiary must be allowed to enroll in an individual conversion plan provided by the health plan, if such conversion plan is available.

TERMINATION OF CONTINUATION COVERAGE

The law allows continuation of coverage that has been elected and paid for to be terminated prior to the maximum continuation period for any of the following reasons:

- The company ceases to provide group health coverage to any of its employees;
- Any required premium is not paid in a timely fashion;
- A qualified beneficiary becomes covered under another group health plan that does not contain any exclusion or limitation with respect to any preexisting condition of such beneficiary (other than an exclusion or limitation that may be disregarded under the law);
- A qualified beneficiary becomes entitled to Medicare;
- A qualified beneficiary who has extended coverage due to a disability is determined by the Social Security Administration to be no longer disabled;
- A qualified beneficiary notifies the Plan Administrator that he/she wishes to cancel continuation of coverage due to other coverage.

ADDRESS CHANGES

Please contact Human Resources of any address changes as soon as possible. Failure to do so on your part may result in delayed notification and loss of continuation coverage options.

QUESTIONS

Please contact Human Resources if you do not understand any part of the notice or if you have questions regarding the information or your obligations.

OTHER HEALTHCARE BENEFIT SOURCES

During your employment you may be entitled to health care benefits from other sources such as Pennybyrn 's Accidental Death and Dismemberment plan (AD&D), Workers' Compensation Insurance (WC), and the U.S. Government's Social Security Disability (SSD) benefit plan.

FLEXIBLE BENEFITS PLAN:

Pennybyrn offers two options for Flexible Spending Accounts (FSAs): Unreimbursed Medical Expenses and Dependent Daycare Expenses. Employees are participating in the medical insurance plan are eligible to enroll in the Medical FSA. Any regular employee is eligible to enroll in the Daycare FSA. FSAs allow employees the option of withholding pre-tax dollars for eligible medical expenses and dependent day care expenses. You must complete the enrollment form, which includes information about using flexible benefits plan. Open enrollment for FSA is October 1 each year. Contact Human Resources for more information.

INCOME PROTECTION

Disability, illness, or injury lasting more than fourteen (14) days may be compensated under the Short Term Disability plan and/or through additional voluntary Long Term Disability or supplemental plans.

ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

If you are disabled as the result of an accidental dismemberment such as the loss of a limb or eyesight, you may be eligible for benefits under the Pennybyrn Life and AD&D insurance plan. For more information on coverage specifics refer to the Life and AD&D Insurance Plan Booklets provided after completion of your ninety (90) day introductory period, or contact Human Resources for additional information.

WORKER'S COMPENSATION INSURANCE

Pennybyrn maintains Worker's Compensation Insurance as required by state law to provide you with on the job injury and death benefits. This coverage is automatic and immediate and protects you from a qualifying on-the-job injury. An on-the-job injury is defined, in general terms, as an accidental injury arising out of and suffered in the course of your work, or an illness, which is directly related to performing your assigned job duties. (State law will determine whether your injury is compensable under Workers' Compensation). This job-injury insurance is paid for by Pennybyrn . If you cannot work due to a qualifying job-related injury or illness, Workers' Compensation

insurance pays your medical bills and, depending on the period of time involved, may provide a portion of your income until you can return to work.

All injuries or illnesses arising out of the scope of your employment must be reported to your leader or Human Resources immediately. Prompt reporting is the key to prompt benefits. You must report every injury, no matter how slight, before the end of your shift. Employees who file fraudulent claims risk denial of benefits and being in violation of state laws governing workers' compensation, which may provide for the assessment of civil and/or criminal penalties against such employees. Employees returning to work after being absent due to a work-related injury must report to Human Resources Leader prior to beginning work and must bring a doctor's clearance for returning to work.

UNEMPLOYMENT COMPENSATION

Pennybyrn pays a percentage of its payroll to the Unemployment Compensation Fund according to Pennybyrn's employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Employees, who quit or are discharged for misconduct in connection with their work, may not be eligible to receive unemployment compensation benefits.

SOCIAL SECURITY

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, Pennybyrn is required to deduct this amount from each paycheck you receive. In addition, Pennybyrn matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

LONG TERM DISABILITY (LTD)

Pennybyrn offers a voluntary Long Term Disability (LTD) plan to all regular full-time employees. The benefit begins ninety (90) days following hire. The plan has a 6 month benefit waiting period and benefits are payable to age 65 provided you are still disabled. The insurance provider determines your disability.

SUPPLEMENTAL PLANS

Pennybyrn offers a variety of supplemental insurances plans that all employees are eligible for after (90) ninety days of employment.

SURVIVOR BENEFIT PLAN / LIFE INSURANCE

Pennybyrn provides a survivor benefit plan for all full-time employees. Upon the event of your death, your family may be eligible to receive benefits from our Group Life and AD&D plan, and under COBRA. The life insurance plans provided for the employee allows the employee to designate beneficiaries.

OTHER BENEFITS

401K Retirement Savings Plan

Pennybyrn offers a tax deferred retirement savings plan for all employees. Employees age 21 and older who have completed one (1) year of service and one thousand (1000) hours may choose to join the plan. Pennybyrn's retirement plan is a Safe Harbor in which we will match a percentage of the employee's contribution. Enrollment is held once every quarter on January 1, April 1, July 1, and October 1. Please see Human Resources to enroll.

Credit Union Membership

Pennybyrn is able to offer our employees and their dependents lifetime membership with Summit Credit Union. Accounts may be opened with \$25.00. See Payroll for details on how to join the credit union.

Education/Training

Pennybyrn may arrange to have both formal and informal training programs to enable you to progress in your technical knowledge of our business. All or a portion of the expenses for off-premises training may be paid for by Pennybyrn depending on the nature of the course. Pennybyrn also partners with an online training company and requires employees to complete trainings each month as instructed and as found on the Pennybyrn Training Calendar.

WELLNESS PROGRAM

Pennybyrn is committed to promoting and living a healthy lifestyle for employees. Some of our benefits in connection with this commitment are:

- Free preventive care (mammograms, pap smears, routine exams) through our medical insurance
- Free membership to our Fitness Center on campus
- Massage packages available at discounted rates on campus
- Professional haircuts available at discounted rates on campus
- Free exercise sessions (when available) courtesy of our Fitness Center
- Free smoking cessation products and medications through our medical insurance plan

EMPLOYEE RESPONSIBILITY

PROFESSIONAL CONDUCT AND COMMITMENT

Pennybyrn 's commitment to its residents and the community is to provide professional services in all facets of business. As part of Pennybyrn , it is extremely important that all members, whether professional or support staff, maintain excellent standards of business conduct. Your actions to residents, family members, and community members reflect upon Pennybyrn 's reputation, which has been carefully developed over 70 years. Expectations are that you maintain high work standards and are courteous, friendly, helpful, hard-working and professional in all related activities. These expectations also require that you avoid any activity or interest, which may reflect unfavorably upon Pennybyrn 's reputation.

SAFETY AND SECURITY

Security is one of our top priorities in caring for our residents and ourselves. Pennybyrn is aware of how important security should be in the workplace. Please be mindful of the following procedures:

ALL VISITORS MUST SIGN IN. No exceptions. Visitors will be directed to the front desk when found in other areas of the campus. We strongly discourage employee visitors on campus as they may cause disruptions to our residents' home and employees' work environment, but understand there may be intermittent needs for such.

Independent Living and Healthcare visitors (including McEwen) must sign in at the respective front desk. Visitors will remain in the front desk area until the employee arrives, and should not be taken into a resident household/area (unless there is prior approval from Leadership).

Taylor Village & Smith/Deal visitors must ring the doorbell, sign in, and be escorted to the first floor Waiting Area. Visitors will remain in the Waiting Area until the employee arrives, and should not be taken into a resident area (unless there is prior approval from Leadership).

ONLY Employees and Residents are allowed to enter locked entrances (side doors, back doors, dock areas, etc). Exceptions are made for those who are issued security badges (resident family members, vendors, contractors).

Terminated employees are not allowed on campus for any reason, at any time.

Security Personnel are available 24/7 for any emergency. Call # 880-5929.

Security of our workplace is the responsibility of everyone! Don't take chances!
Please report any concerns immediately to Security personnel, Leadership or Human Resources.

REPORTING REASONABLE SUSPICION OF A CRIME (ELDER JUSTICE ACT)

All employees of Pennybyrn have the following responsibilities and rights under the federal Elder Justice Act: If you reasonably suspect that a crime has occurred against a Resident or Person receiving care, you must report that suspicion to the Police and State Survey Agency.

High Point Police Department – 336.883.3224

North Carolina Department of Health Service Regulation - 919-855-4520

You must make a report within 2 hours after you first suspect a serious bodily injury, and/or 24 hours after you suspect any/all other crimes. If you fail to report your reasonable suspicion of a crime, you may be subject to a civil monetary penalty of up to \$300,000 and/or you may be excluded from participation in any Federal health care program. Pennybyrn cannot punish you or otherwise retaliate against you for reporting your reasonable suspicion of a crime against a resident or person receiving care from this facility. You have the right to make a complaint to the DHSR (919-855-4520) if Pennybyrn punishes you or otherwise retaliates against you for reporting your reasonable suspicion of a crime against a resident or person receiving care from this facility.

TELEPHONE COURTESY

Telephone communication is essential to all Pennybyrn business dealings. Your part in presenting a courteous, professional image to all that call Pennybyrn is expected. With each call, you should state your name and an appropriate greeting. Always answer promptly and pleasantly. Remember, you may unconsciously convey feelings or other information simply by your manner of speaking and choice of words. Try to "smile" over the telephone to each person you speak with regardless of how frenzied your day may be.

PERSONAL PHONE CALLS

Employees should not make or receive personal phone calls on our business phones. If there is an emergency call, a message will be taken or the call will be passed onto your leader. Be aware that the caller may be asked the nature of the emergency. Employees are never allowed to use a resident's personal phone.

ELECTRONIC DEVICES

Electronic devices are not permitted for personal use by employees during business hours. This includes mobile phones, tablets, laptops, hands-free devices, headphones, ear pods, etc. Also, electronic devices may not be used to take photographs or make audio and/or video recordings of anyone at Pennybyrn without express permission from the person and/or Power of Attorney, and approval of Leadership. Electronic devices may be carried by employees but should be turned off and should not be used in any capacity outside specified break or lunch periods. In case of an emergency, calls will be accepted at the main office number.

INFORMATION SECURITY

Internet: Access to the Internet (both email and world-wide web) has been provided to employees for the benefit of the organization. It allows employees to connect to information resources around the world. Every employee has a responsibility to maintain and enhance the organization's public image, and to use the Internet in a productive manner. To ensure that all employees are responsible, productive Internet users and are protecting the organization's public image, the following guidelines have been established for using the Internet.

Acceptable uses of the Internet: Employees accessing the Internet are representing the organization. All communications should be for professional reasons. Employees are responsible for seeing that the Internet is used in an effective, ethical, and lawful manner. Internet Relay Chat channels may be used to conduct official business, or to gain technical or analytical advice. Databases may be accessed for information as needed. Email may be used for business contacts.

Unacceptable use of the Internet: The Internet should not be used for personal gain or advancement of individual views. Solicitation of non-company business, or any use of the Internet for personal gain is strictly prohibited. It must not interfere with yours or others productivity.

Social Media: Pennybyrn does not allow employees to access social media sites while on duty, and Pennybyrn does not allow access to social media sites via Pennybyrn resources. Social Media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, as well as any other form of electronic communication.

- **Know the rules** - Employees who access social media sites on personal time (off-duty) are solely responsible for what is posted online. Any conduct that adversely affects Pennybyrn or its associates, including yourself, fellow employees, former employees, residents, family or friends of residents, volunteers, suppliers, contractors, or other associates will result in disciplinary action, up to and including termination. Employees should ensure any postings online are consistent with Pennybyrn's Mission and Values, Code of Conduct Policy, Harassment Policy, and Violence in the Workplace policy (all found within the Employee Handbook).
- **Be respectful** - Pennybyrn supports an Open Door policy, in which any employee is welcome to voice grievances to any team member within the organization for the intent of seeking resolution. Posting work-related complaints or criticism online can be counter-productive to this process. However, malicious, obscene, threatening, intimidating, or disparaging posts that may create a negative impact on Pennybyrn business and/or associates, results in harassment or bullying of an associate of Pennybyrn, or creates a hostile working or living environment, will not be tolerated and will result in disciplinary action, up to and including termination.
- **Be honest and accurate** - Employees should never post rumors or information not known to be entirely true pertaining to Pennybyrn and/or its associates. Mistaken posts should be corrected quickly. Employees should not post Pennybyrn trade secrets (including information regarding development systems, processes, products, know-how and technology) or confidential material (including HIPAA information, internal communications, reports, documents, and procedures).

- **Media contacts** – Employees should not communicate to the media on Pennybyrn’s behalf without explicit consent from Pennybyrn’s President or Marketing Department. All media inquiries should be directed to their attention. Never represent yourself as a spokesperson for Pennybyrn, and make it clear that your views do not represent those of Pennybyrn or its associates.

Communications: Each employee is responsible for the content of all text, audio, video, or images that they place or send on the Internet. Fraudulent, harassing, or obscene messages are prohibited. All messages communicated on the Internet should have your name attached. No messages will be transmitted under an assumed name. Users may not attempt to obscure the origin of any message. Information published on the Internet should not violate or infringe upon the rights of others. No abusive, profane or offensive language should be transmitted through the system.

Software: To prevent computer viruses from being transmitted through the systems do not send email chain letters or open attachments you are not expecting. Do not install programs onto the network without the direct consent of the IT Leader responsible for maintaining the network.

Security: All messages created, sent, or retrieved over the Internet are the property of the organization, and should be considered public information. The organization reserves the right to access and monitor all messages and files on the computer system as deemed necessary and appropriate. Internet messages and web sites visited are public communication and are not private. A record of all this information is available on the file server. All communications including text and images can be disclosed to law enforcement or other third parties without prior consent of the sender or receiver.

Harassment: Any conduct that violates Pennybyrn’s Mission and Values, Code of Conduct, or Harassment Policy will not be tolerated and will result in disciplinary action up to and including termination.

Violations: Violations of any guidelines listed may result in disciplinary action up to and including termination. If necessary, the organization will advise the appropriate law enforcement officials for further legal action. Any questions regarding this policy should be directed to Human Resources.

EXPECTATION OF PROPERTY & PRIVACY

Pennybyrn assumes no liability whatsoever for the damage, loss, or theft caused by third parties to the personal property of staff members. Pennybyrn offers the use of lockers for personal property and encourages staff members to secure their items while on campus.

All storage facilities, offices, and workspaces, including desks and lockers, are the property of Pennybyrn and Pennybyrn reserves the right to have access to these areas and to such property at any time, without advance notice to any employee. Therefore, employees should not expect that such property will be treated as private and personal to the employee. Likewise, electronic mail and voice mail are also company property and are to be used only for business purposes. Internet accounts for company business use are not intended for personal use. Pennybyrn reserves the right to inspect, monitor and have access to company computers, electronic mail, voice mail messages and Internet communications.

To promote the safety of employees and company visitors, as well as the security of its facilities, Pennybyrn reserves the right to conduct video surveillance of any portion of its premises at any time. Video cameras will be positioned in appropriate places within and around company buildings. The only exceptions to this policy include private areas of restrooms, showers and dressing rooms.

GROOMING AND APPEARANCE

Pennybyrn expects each person on campus to present a professional, conservative image through proper dress, personal appearance, appropriate oral and bodily hygiene, and courteous behavior. It is essential to understand the importance of appropriate appearance, grooming, and hygiene in the workplace, when providing services, or when otherwise representing Pennybyrn. The standards outlined below set forth the *minimum requirements* to which all persons are required to adhere to.

First and lasting impressions matter. Pennybyrn recognizes the presentation of everyone providing services on our campus contributes to a professional environment and an excellent reputation that leads to our success. Pennybyrn expects each person to project a professional, well-groomed, conservative image by refraining from unbecoming behavior, appearance, and dress while working, engaged in work-related tasks, or providing services.

Hygiene - Every person is expected to practice daily hygiene and good grooming habits, as well as follow infection control procedures while working, such as handwashing, hand sanitizing, etc.

Fragrance - The use of perfume, cologne, scented lotions, scented deodorant, hair products, etc. are discouraged. Any use that is deemed excessive will be considered unacceptable as it may trigger allergic reactions and breathing problems in those who are sensitive to fragrances. Concerns regarding fragrance will be addressed.

Nails - Hands and nails should be clean, conservatively manicured, and neatly trimmed. In accordance with CDC recommendations, staff working in Food Service and/or Patient Care are requested to keep natural nails short to help exercise good infection control practices, and reduce the risk of skin tears during patient contact. The CDC recommends nail lengths no longer than ¼ inch. Concerns regarding nails will be addressed in regards to infection

control and resident safety, as applicable.

Jewelry - Employees may wear tasteful jewelry in moderation. The size and/or amount of jewelry may be determined at the department level based on specific job functions, operational, and safety factors. Where job duties present any type of safety risk, jewelry may be prohibited or severely limited. Visible body jewelry and/or body piercings are inappropriate to wear in the workplace.

Tattoos - Visible tattoos or other body art (such as cosmetic surgical implants, i.e. ball bearings, spikes, ridges, etc.) should be covered while in the workplace. Exceptions may be made for employees who have small, non-offensive tattoos that cannot easily be covered by standard clothing (i.e., wrist, neck, etc.). Exceptions will be determined at the department level based on the employee's job functions and interactions with residents and the public.

Attire - Employees or persons providing services in departments requiring uniforms are expected to wear the approved uniform in a clean, neat manner for every shift. All others should wear attire that is considered Business Formal or Business Casual, as determined by Pennybyrn Leadership. The following attire shows examples of inappropriate clothing, but is not all-encompassing list: shorts, unapproved t-shirts, short skirts, yoga pants or leggings, revealing or overly tight clothing, see-through materials, or any other completely casual attire.

Badges – All employees and persons providing services must wear an issued identification badge while on campus.

Violations - Violations of this policy will result in discipline, up to and including termination. Should your attire, appearance, hygiene, and/or behavior be deemed inappropriate, you will be counseled and may be asked to leave the premises. If asked to correct the violation, the time you are absent from campus will be without pay.

Reasonable accommodation of religious beliefs – Pennybyrn recognizes the importance of individually held religious beliefs and will reasonably accommodate religious beliefs in regards to workplace attire, unless the accommodation creates an undue hardship or safety issue. Those requesting a workplace attire accommodation based on religious beliefs should contact Human Resources.

BREAKS AND MEAL PERIODS

The Department of Labor does not require private employers to give break periods. Pennybyrn values the hard work and dedication of our team members, and believes regular employees (working at least 7.5 or 8 hours shifts) deserve break periods during worked shifts. These periods are offered depending on department location and hours worked. Pennybyrn provides a 30-minute, unpaid meal period, and all hourly employees must clock out for this time. Additionally, regular employees have the opportunity to take two paid 15-minute break periods during one regular shift. Unused break periods are forfeited and cannot be combined with or used as a replacement of meal periods. The use of break periods will be dependent on the department workload and needs of the residents.

Employees who leave their work area or the property at any time (including meals and breaks) must clock out with no exceptions, and must notify Leadership of their departure. Employees who do not take a 30 minute meal period must receive approval from Leadership to do so, and if no approval is given, Leadership reserves the right to deduct 30 minutes from the time card for the day.

EMPLOYEE MEALS

All employees have the option to purchase an Employee Meal Plan and enjoy food prepared in their work areas. Employees may choose to purchase 1 or 2 meals per scheduled work day, depending on area and hours worked, and have the amount payroll deducted. Only employees who have completed an Employee Meal Form* and turned into Payroll may consume Pennybyrn meals. * *Dining Services employees are an exception to this rule, and may receive 1 complimentary meal per scheduled work day. The meal shall be consistent for all dining staff and determined by dining leadership.*

Meals should be enjoyed in designated areas; not including resident rooms, work stations, kitchens, serving lines and any other place deemed a sanitation violation.

Pennybyrn offers meals for employees during their scheduled work days only. Meals may not be consumed on an employee's day off. Food and/or food containers are never allowed to leave Pennybyrn property. Violation of this policy will result in immediate termination.

GRATUITIES

It is the policy of Pennybyrn that employees are not permitted to accept any form of tips, gifts or gratuities in the performance of their job. This policy extends to gifts or incentives offered from vendors, families, residents or any other source. Employees accepting any form of tips, gifts or gratuities are subject to disciplinary action, up to and including termination. If donations or gifts are received from vendors, they should be turned over to Administration to determine the best organizational use. Families, residents, etc wishing to reward employees for exceptional performance should complete Caught You Caring nominations and may make contributions to the Employee Appreciation Fund in any amount, at any time.

COMPENSATION FOR SERVICES

Pennybyrn offers a wide variety of services to residents that are coordinated through the Community and adhere to a scheduled fee. Current and former employees are not permitted to receive compensation from residents, families, vendors, or other sources in exchange for work or services performed on or off Pennybyrn property. Employees accepting any form of compensation are subject to disciplinary action, up to and including termination.

TOBACCO USE

It is the policy of Pennybyrn to promote the health, well-being, and safety of the residents, staff and visitors while on Pennybyrn's campus. Tobacco is a proven health and safety hazard, both to the tobacco user and non-smokers who are exposed to secondhand smoke, carrying very serious health risks. It has been proven to be the leading cause of preventable death in the United States and is inconsistent with our healthcare mission. The use of tobacco products by our staff compromises our image as a healthcare establishment.

Tobacco use refers to any tobacco product, including smokeless tobacco and vaping.

The use of tobacco products is prohibited:

- In all areas within Pennybyrn buildings,
- On all property maintained by Pennybyrn, including sidewalks and parking lots.
- On any property adjacent to Pennybyrn
- In all vehicles owned, leased, or rented by Pennybyrn
- In all staff and visitor vehicles when parked on Pennybyrn property

Properties that are adjacent to Pennybyrn and are NOT permitted for smoking include:

- Yards, driveways, and parking lots on Penny Road and Manor Drive,
- the service road and surrounding area behind the healthcare building,
- the sidewalk around our property, and the end of Manor Drive.

This policy covers all individuals working, visiting, or receiving medical care within the boundaries of Pennybyrn property, as well as vendors and contractors. There is an exception to this policy for Independent Living residents and their guests who may smoke in their private homes or apartments, and Healthcare residents are allowed the use of e-cigarettes in their private rooms.

Staff smoking or using tobacco products on or adjacent to Pennybyrn property are in violation of the stated policy and subject to disciplinary action, up to and including termination.

Employees who smoke must leave the Pennybyrn campus entirely, CLOCK OUT for the entirety of the smoke break, beware of trespassing on other people's property, and take care not to throw cigarette butts or other litter on the ground. Littering is illegal, a fire hazard, and a poor representation of Pennybyrn employees.

HAZARDOUS WEATHER / EMERGENCY CONDITIONS

Due to the residential nature of Pennybyrn and the programs and services we provide to our residents, we do not close during inclement weather which may cause difficult travel conditions.

When severe weather or emergency conditions occur, if you are scheduled to work, you will be expected to report in order to maintain the continuity of resident services, and to assure the timely relief of staff who have been on duty. If replacement staff is delayed in arrival to work, staff currently on duty will be required to remain at their station until properly relieved.

You may be excused for lateness or allowed to leave early from work at the discretion of your Department Leader during severe weather conditions, if your absence does not adversely impact the service provided to our residents. **However, all departments are expected to report to work for business as usual.**

Employees calling out for work due to weather will be subject to the attendance policy as weather related absences are unexcused. Employees are not eligible for PTO for weather related absences. **This does not apply to absences and PTO scheduled prior to the weather incident.*

- Employees should plan ahead, including consideration for lodging, childcare and transportation.
- Follow weather and news reports to stay abreast on weather and road conditions.
- Allow extra travel time, as it will take additional time to get to work when road conditions are bad.
- If you use public transportation, buses may not run so be aware you will have to use other transportation.
- Have an alternative plan for childcare in the event schools and day cares are closed.
- Overnight lodging at Pennybyrn may be possible. Check with the Receptionist for availability.

PAYROLL INFORMATION

Pennybyrn partners with a third-party payroll processing and time recording company. Employees will complete documentation and register themselves in the payroll system at hire. Once registered, employees will be assigned an Identification number, a username, and will create their own password. Employees may then access the time clock for punching in and out.

Payroll and Human Resources have access to the payroll system and hardcopy files, and are responsible for keeping all employees' private information secure (i.e. social security number, birthdate, benefit information, health information, deductions, tax status, etc.). Supervisors will have limited access to the payroll system for approving time cards and will not be able to view employees' private information or hardcopy files without express permission from the employee or as required during the course of performing their job responsibilities.

Payroll operates on a bi-weekly schedule and there are 26 pay periods per year. The pay period begins on Sunday at 12:01 am and ends on the second Saturday at 12:00 midnight. Payday is on the following Thursday after the pay period ends. This will change if there is a holiday, which will cause payday to occur on the Wednesday after the pay period ends.

Service staff may work on various shifts. The scheduled days and length of shifts may vary according to the needs of the community and the department to which the employee is assigned. Leadership reserves the right to change shift schedules and assignments at any time in order to maintain optimal staffing levels.

TIME RECORDING

The purpose of this policy is to establish guidelines for the implementation of the time clock system. In order to maximize the benefit of this system, these policies will describe the use of daily time clock use, time clock correction, and payroll submission.

TIME CLOCK USE

All non-exempt employees (hourly employees eligible for overtime) will use the time clock each workday. These employees will clock in at the beginning of the shift and out at the end of the shift. These employees are also required to clock out before taking a lunch break, smoke break, or any other break in work where the employee leaves the work area or takes a prolonged break period. These employees must clock back in before resuming work. Please see Pennybyrn's Break policy for more information.

The payroll clock records time in tenths of an hour, and will pay employees by rounding punches to the nearest quarter hour. Punches that occur up to seven minutes before or after the beginning or end of a shift will be paid from the nearest quarter hour. *For example*, an employee scheduled to begin work at 7:00 am will be paid from 7:00 am if the time clock punch is between 6:53 am – 7:07 am. The same employee will be paid from 7:15 am if the time clock punch is between 7:08 am – 7:22 am. Please note this is the process for the time clock only, and does not negate Pennybyrn's Attendance Policy. **Employees who punch in at any time after the scheduled start of a shift will be considered tardy.** The payroll system will flag these entries and alert Department Leadership.

The Department, as well as the individual employee, will be responsible to ensure that the time clock system

information is accurate. Whenever an employee does not use the clock to record time worked, the employee is responsible to inform their leader immediately.

Each Department Leader will review punches from the system. All flagged times will be reviewed and corrected or accepted. The information for benefit time will be input into the system at this time using the appropriate notification form.

The Department Leader will maintain a missing “punch” log. Once the employee is oriented to the time clock system and continues to use the time clock inappropriately, the employee will be subject to corrective action. If the employee does not report missed “punches”, the Leader will need to verify hours and the employee will be paid for those missed hours on the paycheck following the date on which the hours are reported.

PAYROLL SUBMISSION

All disputes regarding actual time worked and editing issues must be approved through Department Leadership. All issues regarding information changes and retro pay will be handled by Human Resources or Payroll.

VACATION SCHEDULING

Employees should request time off and/or PTO from Department Leadership at least two weeks (2) in advance. Every effort will be made to accommodate requests, but service to our residents will be the primary focus in approving time off requests. Please see Pennybyrn’s Attendance and Paid Time Off policies.

COMPENSATION PROGRAM

It is the policy of Pennybyrn to continually strive to compensate its employees fairly and competitively. Pennybyrn strives to keep wages and salaries competitive by conducting periodic surveys throughout the appropriate community, and recruitment and retention strategies. Pennybyrn conducts compensation reviews annually.

PERFORMANCE APPRAISAL / DEVELOPMENT REVIEW

Performance evaluations are held and completed during a defined period after hire, promotion, or transfer (usually ninety (90) days), as well as annually.

Leaders will assess the employee’s progress, performance and achievements during the review period in order to rate employee performance. Leaders will complete a performance evaluation form and discuss performance strengths and weaknesses, areas of improvement and areas needing improvement. Both parties will sign and date the evaluation form. Employees will also be asked to complete a self-evaluation as part of the review process.

SALARY CHANGES

Payroll salary changes after the introductory period, performance, promotion/transfer reviews will be in effect on the beginning date of the pay period immediately following your review date. If the salary change is received after the proposed effective date, the changes will be paid back to their retroactive date and will be effective going forward on the pay period after receiving the change.

POLICY ON DEDUCTIONS FROM PAY

Pennybyrn prohibits deductions from the pay of exempt employees where such deductions violate the Fair Labor Standards Act. Additionally, no deductions will be made for absences due to jury duty, attendance as a witness, or temporary military leave, but the company may offset against salary amounts an employee receives for jury duty, attendance as a witness, or military leave.

DEDUCTIONS FROM PAY

Pennybyrn is required by law to make certain deductions from your paycheck. Among these are your federal, state and local income taxes and your contribution to Social Security. The amount of the deductions may depend on your earnings and on the information you furnish on your W-4 tax form regarding the number of dependents/exemptions you claim. Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be entered and explained whenever Pennybyrn is ordered to make such deductions.

It is possible for employees to authorize Pennybyrn to make additional voluntary deductions from pay, such as for 401k contributions, Section 125, Insurance, Benefits, Purchases, etc.

REPAYMENT OF PURCHASE

Pennybyrn employees, who have satisfactorily passed the 90-day probationary period, may choose to purchase items from authorized outside vendors. The repayment of the purchase will be payroll deducted. Purchases may not total more than \$400 at one time. The entire balance of a purchase must be paid before another purchase will be authorized. A minimum of \$50.00 will be deducted per pay period. Employees can elect to have additional amounts deducted or paid out-of-pocket by contacting Payroll.

If an employee resigns or terminates employment, the full amount of any balance owed will be deducted from the employee's final paycheck. If the employee's final pay does not cover the full amount owed, the employee will be responsible for paying the entire balance out of pocket. If this balance has not been paid or arrangements have not been made with Payroll within 2 weeks of termination, all legal remedies will be used to collect the funds due to Pennybyrn.

REPAYMENT OF OVERAGES

The NC Department of Labor states that an employer may withhold or divert any portion of an employee's wages when the employer is required to do so by state or federal law, or the amount of a proposed deduction is known and agreed upon in advance by the employee. The written authorization must be signed on or before the pay date in which the deduction is made, include the reason, and state the actual dollar amount or percentage to be taken.

Employees may withdraw their written authorization for a specific deduction if the designated amount is for the benefit of the employee, (i.e. savings plans, parking fees, contributions, etc). Written authorizations for deductions that are for the benefit of the employer may not be withdrawn by the employee, (i.e. equipment, shortages, uniform purchases, etc). Deductions for the employer's benefit are limited as follows: (a) in non-overtime workweeks, wages may be reduced to the minimum wage but not below (b) during overtime workweeks, wages may be reduced to the minimum wage for the first 40 hours. Deductions for the employee's benefit are not limited.

Advances of wages (i.e. payment overages, etc.) made by the employer are considered a “pre-payment” and a written authorization is not required and there is no limit to the amount that can be recuperated from the employee. Pennybyrn does not charge interest or bookkeeping fees. Employees will receive written notice of any wage or benefit decrease at least 24 hours prior to the deduction.

AUTOMATIC DIRECT DEPOSIT

Automatic direct deposit is mandatory for employees. The employee may choose to have their check deposited into multiple checking and/or savings accounts. On payday, a notice of deposit and an earnings statement will be received rather than a hard-copy check.

OVERTIME

Overtime is paid according to guidelines established by the Fair Labor Standards Act. Pennybyrn honors the rule that any time worked over 40 hours within one work (calendar) week will receive 1.5 times the regular base pay rate. Paid leave, such as PTO, does not apply toward work time. The workweek begins at 12:00 a.m. on Sunday morning and ends at 11:59 p.m. on Saturday night.

Employees are required to obtain approval from leadership prior to the use of overtime. During busy periods, Pennybyrn may require employees to work extended hours. Overtime is considered a condition of employment, and refusal to accept it when reasonable notice has been given or during emergency needs is cause for corrective action. Employees who continually rely on the use of overtime hours to complete a week's work without it being deemed as extenuating circumstances by leadership, or who fail to obtain approval prior to working hours that extend beyond their normal work week, will be subject to corrective action, up to and including termination.

TERMINATION PAY

Termination or final pay will be available within the current pay period for both voluntary and involuntary terminations. The effective date of termination will be the final day worked. The last day of work cannot be PTO. Earned and unused PTO will be paid as defined in the Paid Time Off policy within this Handbook.

OUR POSITION ON LABOR UNIONS

North Carolina is a “right-to-work” state, meaning the right to live includes the right to work. The exercise of the right to work must be protected and maintained free from undue restraints and coercion. The public policy of North Carolina states the right of persons to work shall not be denied or abridged on account of membership or non-membership in any labor union or labor organization or association.

North Carolina law also states that employers and labor unions/organizations can’t make agreements that require employees to be members of a labor union/organization in order to work or continue to work. Additionally, employers can’t require employees to become or remain a member of a labor union/organization, and neither can they require employees to abstain or refrain from membership in order to work or continue to work. Employers and labor unions/organizations also can’t require an employee to pay any dues, fees, or other charges of any kind to any labor union/organization in order to work or continue to work.

Pennybyrn is a 100% non-union company. This means all employees are at liberty to deal directly with leadership without any third party intervening. We consider this a high compliment to the relationship we foster; indicating employees do not feel the need for third party representation. It is not necessary, and it will never be necessary, to belong to any union or pay any dues or fees in order to work at Pennybyrn. We expect to continue to conduct our affairs and relationships with our employees so they will never feel it necessary to belong to a union.

Pennybyrn has always tried to deal fairly with employees in every way and to provide all that goes into creating a good working environment for everyone who sincerely and honestly deserves such an opportunity, and this we will continue to do. We are convinced that employees prefer to deal directly with us rather than through a union. It is our positive intention to oppose unionism by every proper means and, in particular, by fair and square treatment.

It is quite possible that from time to time employees may be approached by union representatives who will try to sell unionism. In such organizing campaigns, they may make false promises and claims, and frequently distort the facts with respect to business, profits and other matters, affecting your working relationship with Pennybyrn. They may also hand out promises which they actually cannot keep. We sincerely trust that if and when our employees are approached by union organizers, they will obtain all the facts from both sides and make an informed decision. Employees have the right to seek information from Human Resources at any time if questions arise on these matters.

It is also important for employees to keep in mind that any person whom might join or belong to any union will never receive an advantage or disadvantage over those who do not join or belong to a union. No employee will be allowed to conduct union organizing activities during his/her working time or approach another employee for the purpose of conducting union organizing activities while that employee is on working time. Anyone who does so will be subject to disciplinary action.

RECEIPT & ACKNOWLEDGEMENT OF EMPLOYEE HANDBOOK

This Employee Manual is an important document intended to help employees succeed in working for Pennybyrn . Employees are encouraged to keep this Manual and use it as a resource throughout employment with the company. This Manual will serve only as a guide. For specific situations, consult the Manual and your leader. The contents of the Manual may be changed at any time with or without notice. Please read the following statements and sign below to indicate receipt and acknowledgment of the Pennybyrn Employee Policy Manual.

I have received and read a copy of the Pennybyrn Employee Handbook. I understand that the policies, rules and benefits described in it are guidelines only and are subject to change at the sole discretion of the company at any time. I understand that this Handbook supersedes and replaces all other previous Pennybyrn Employee Handbooks for the company.

I further understand that this Handbook does not constitute a contract of employment and that my employment is terminable at will, either by myself or the company, regardless of the length of my employment or the granting of benefits of any kind.

I understand that no contract of employment other than “at will” has been expressed or implied, and that no circumstances arising out of my employment will alter my “at will” employment relationship.

I am aware that during the course of my employment confidential information may be made available to me such as marketing strategies, procedures, systems, client lists, vendor lists, and other related information. I understand that this information is proprietary and must not be given out or shared with others outside the company or used directly or indirectly for my benefit. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information in any way. I also understand that this Manual is proprietary information and belongs to the company. When my employment terminates for any reason, I will return this Handbook.

I understand that, should the content of this Handbook change in any way, the company may require an additional signature from me to indicate that I am aware of any new or changed policies.

I understand that my signature below indicates that I have read and understand the above statements and have received a copy of the Pennybyrn Employee Handbook.

Employee’s Printed Name

Position

Employee’s Signature

Date

The signed original of this agreement will be kept in the employee’s Personnel File