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“The future is not someplace we are going to, but a place we are creating. The paths to it are not found, they are made.”—Jane Garvey

Dear Team Member:

Welcome to Sharp HealthCare!

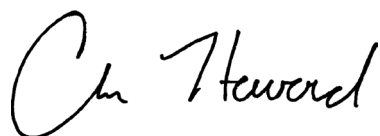
We are an organization filled with passionate, determined and ambitious people — all dedicated to transforming the health care experience for our patients and their families. It’s what we call The Sharp Experience. Our vision is to be the best place to work, practice medicine and receive care, and ultimately the best health care system in the universe.

This employee handbook is your guide to being a Sharp team member and living The Sharp Experience every day. The handbook includes helpful information about our organization’s mission, vision and values, and reviews the foundational elements of our culture. In addition, you’ll learn about workplace policies and procedures, and employee benefits.

I encourage you to take time to familiarize yourself with this handbook. If you have questions about the information provided, contact your supervisor or the Human Resources Operations Department at your entity (see back cover for phone numbers).

We are excited you are part of our journey to create a new kind of health care experience and a new kind of health care organization — unlike any that has come before.

Sincerely,

A handwritten signature in black ink that reads "Chris Howard". The signature is fluid and cursive, with the first name "Chris" and last name "Howard" clearly legible.

Christopher D. Howard
President and Chief Executive Officer
Sharp HealthCare

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An electronic copy of the Sharp HealthCare Employee Handbook can be found in the Human Resources section on SharpNET.

Section 1:

Overview of Sharp HealthCare

For more than 50 years, Sharp HealthCare has been committed to improving the health of everyone we serve. And today, Sharp touches the lives of more San Diegans than any other health care system. Sharp is not for profit, but for people, which means all of our resources are dedicated to providing the highest quality care, the latest medical technology, and superior service for our patients and their families.

Sharp is the largest private employer in San Diego County. The Sharp system includes four acute care hospitals, three specialty hospitals, two affiliated medical groups, a health plan and other facilities and services throughout San Diego.

Sharp HealthCare is proud to be a recipient of the 2007 Malcolm Baldrige National Quality Award, the nation's highest presidential honor for organizational performance excellence. Sharp was the first health care provider in California and the eighth in the nation to receive this recognition. In addition, Sharp is ranked as the No. 1 integrated health care network in California*.

*Modern Healthcare/SDI, 2011

Our Mission

Sharp's mission is to improve the health of those we serve with a commitment to excellence in all that we do. Our goal is to offer quality care and programs that set community standards, exceed patients' expectations and are provided in a caring, convenient, cost-effective and accessible manner.

Vision and Values

Our vision is to transform the health care experience and make Sharp:

- the best place for team members to work,
- the best place for physicians to practice medicine, and
- the best place for patients to receive care.

And, ultimately, to become the best health care system in the universe.

Sharp's core values are integrity, caring, innovation and excellence.

Section 2:

The Sharp Experience

In 2000, the people of Sharp came together with a burning desire to imagine a new future for Sharp and for the entire health care industry. After a rigorous, nationwide, best-practice investigation of what companies across all industries were doing to create exceptional employee and customer experiences, and after conducting more than 100 focus groups of Sharp team members, physicians and patients, a framework for the future of the organization was meticulously crafted. And so The Sharp Experience — an organization-wide commitment to enhance the way we interact with colleagues and affiliated physicians, and serve our patients and their families — was born.

The Sharp Experience isn't any one thing. It's everything we do at Sharp — and it begins with you.

Pillars of Excellence

Sharp HealthCare adopted six Pillars of Excellence as the foundation for its vision. The pillars are a visible testament to Sharp's commitment to becoming the best health care system in the universe by achieving excellence in these areas:

Quality—Demonstrate and improve clinical excellence and patient safety to set community standards and exceed patient expectations

Service—Create exceptional experiences at every touch point for customers, physicians and partners by demonstrating service excellence

People—Create a workforce culture that attracts, retains and promotes the best and brightest people who are committed to Sharp HealthCare's mission, vision and values

Finance—Continually improve financial results to ensure Sharp's ability to invest in new technology and provide quality health care services

Growth—Achieve consistent net revenue growth to enhance market dominance, sustain infrastructure improvements and support innovative development

Community—Be an exemplary community citizen

Behavior Standards

The 12 Behavior Standards were created by Sharp team members to provide a clear and simple description of exactly what is expected of every Sharp employee — what it should look like, sound like, and feel like at Sharp. The Behavior Standards remind us of the importance of our everyday actions and provide the framework for how to interact with each other, our patients and guests.

It's a Private Matter

Confidentiality—Sharp HealthCare protects customers' confidentiality, privacy and modesty in all situations. We are sensitive to the personal nature of health care, and we do everything we can to earn the trust that others place in us. We strive to promote peace of mind and relieve anxiety.

To "E" or Not to "E"

Email Manners—Using email may save the sender time, but may not always be the most appropriate or expedient way to communicate. Use discretion in sending, responding to and forwarding email. Remember that electronic messages can be subpoenaed and used as evidence in legal proceedings.

Behavior Standards *continued*

Vive la Différence

Diversity—At Sharp HealthCare, we know that our differences, unique talents and varied backgrounds come together to create a stronger whole.

Get Smart

Increasing Skills and Competence—Sharp HealthCare is committed to helping its employees, leaders and physicians learn and grow. Professional development demonstrates a desire to continually enhance the delivery of health care. We encourage innovation and constant improvement in efficiency and effectiveness.

Attitude Is Everything

Create a Lasting Impression—We treat every customer as if he or she is the most important person in our workplace. Our behavior and attitude create a positive first impression that is lasting. We strive to exceed expectations.

Thank Somebody

Reward and Recognition—Reward and recognition are central to the Sharp culture. We express gratitude and appreciation to one another. We celebrate our accomplishments and hard work to make Sharp the best place to work, practice medicine and receive care.

Make Words Work

Talk, Listen and Learn—We communicate with courtesy, clarity and care in all verbal and non-verbal messages. We listen attentively to customers to understand their needs and to ensure they comprehend information we provide to them.

All for One, One for All

Teamwork—Sharp team members share a common purpose: to serve our customers. We build up each other; we share our successes, failures, information and ideas.

Make It Better

Service Recovery—When The Sharp Experience doesn't go right for a customer, we pledge to make things better. We listen and respond with empathy, and apologize for not exceeding expectations. We are proactive in making amends, even in difficult situations.

Think Safe, Be Safe

Safety at Work—It is essential that we provide a hospitable, healing, healthy and safe environment at Sharp HealthCare. We identify and report safety hazards promptly, and apply remedies whenever needed.

Look Sharp, Be Sharp

Appearance Speaks—When we dress, groom and maintain our workplace with care, we show respect for our customers and give them confidence in our ability to care for them.

Keep in Touch

Ease Waiting Times—Keeping our customers informed puts them and their families at ease. We are committed to sharing information and acknowledging the presence of our customers at all times.

Must Haves

Sharp's Must Haves define the little details and set expectations for all team members. These small acts of kindness go a long way with colleagues, affiliated physicians and patients and family members.

- Greet people with a smile and "Hello," using their name when possible.
- Take people where they are going, rather than pointing or giving directions.
- Use key words at key times. "Is there anything else I can do for you? I have the time."
- Foster an attitude of gratitude. Send thank-you notes to deserving employees.
- Round with reason to better connect with staff, patients, family and other customers.

AIDET

AIDET is a framework for Sharp team members to communicate with patients and their families as well as with each other. This acronym represents a powerful way to interact with people who are often nervous, anxious and feeling vulnerable. It can also be used as we converse with colleagues, especially when we are providing an internal service.

Acknowledge

Greet people with a smile and use their names if you know them. Eye contact, a warm smile and a positive attitude set the stage for a memorable Sharp Experience and create a lasting impression.

“Good morning Mr. Smith. Welcome to Sharp Rees-Stealy. We want to make your visit as convenient as possible. Would you please take a moment to confirm that we have your most current information?”

Introduce

Introduce yourself to others politely. Tell them who you are and how you are going to help them. Our patients and guests gain confidence and comfort when we tell them who we are and describe our qualifications. Take people where they need to go rather than pointing or giving directions.

“My name is Susan and I will be conducting your test today. I am a certified ultra sonographer and I do about six of these procedures a day. The doctors say that my skills are among the best. Do you have any questions for me?”

“Let me take you to Steve in the lab, he’ll be drawing your blood today. You are in very good hands with Steve.”

Duration

Ensure that patients and guests know how long something will take or how long the wait will be. When patients and guests are kept informed of timing and delays, we reduce anxiety and enhance their trust in us. If waits are longer than expected or there is a service breakdown, make it better by using service recovery methods.

“Dr. Heart had to attend to an emergency. He was concerned about you and wanted you to know that it may be 30 minutes before he can see you. Are you able to wait or would you like me to schedule an appointment for tomorrow?”

“I’m so sorry Mr. Jones, clearly we did not meet your expectations. How can I make it better?”

Explanation

Advise others what you are doing, how procedures work and whom to contact if they need assistance. Narrate the steps and communicate the specifics. Make sure patients and guests understand what is taking place and what they can do. Make words work. Talk, listen and learn. Make time to help. Ask, “Is there anything else I can do for you?”

“The test has three components. First, I will provide an ultrasound of the area which will help the doctor pinpoint the placement. Then the doctor will conduct a needle biopsy of tissue. We’ll numb the area first — so the most you should feel is a pinch. We’ll conclude by bandaging the area and providing you with an ice pack and home care instructions. We’ll talk you through everything. Do you have any questions?”

“Here are your evening medications. I’ve placed the water, your phone and call light within reach. Would you like your light on or off? Is there anything else I can do for you? I have the time.”

Thank you

At Sharp we foster an attitude of gratitude and our thanks is manifested in many different ways. With every encounter, take time to say thank you for choosing Sharp. To leave a lasting impression, send a hand-written thank you note to the home of a patient or to a colleague who has gone above and beyond. For colleagues, there are many ways to reward and recognize great work — from e-cards to award nominations.

“Thank you for entrusting us with your care. We were honored to serve you and wish you good health.”

“Your hard work and dedication made all the difference. Thank you for your gracious assistance with the project.”

Section 3:

The Sharp HealthCare System

Sharp Hospitals

Sharp Chula Vista Medical Center

As the leading provider of health care services in the South Bay, Sharp Chula Vista Medical Center delivers high-quality care designed to meet the needs of the community. Home to the region's most comprehensive heart program, it also has the area's only radiation oncology center and certified community hospital cancer program. The hospital has San Diego County's only comprehensive Bloodless Medicine and Surgery Center, which serves patients who wish to avoid blood transfusions for personal or religious reasons.

Sharp Chula Vista is currently doubling the size of its Emergency Department and building a new Cancer Center, a unique healing environment with the most advanced medical technology available for cancer treatment.

Sharp Coronado Hospital

From emergency services to a nationally recognized total joint replacement program, Sharp Coronado Hospital has a long tradition of providing top-quality, comprehensive health care.

Sharp Coronado incorporates many personalized aspects into its care philosophy — including patient empowerment, patient and family education, and a physical environment that promotes healing through complementary therapies such as clinical aromatherapy, massage and Healing Touch. Sharp Coronado Hospital is one of the first five hospitals nationally — and the only one in California — to be designated as a Patient-Centered Hospital by Planetree, an organization committed to personalizing, humanizing, and demystifying the hospital experience for patients and their families.

Sharp Grossmont Hospital

Sharp Grossmont Hospital is the largest not-for-profit, full-service acute care hospital in the region. The hospital has outstanding programs in heart care, orthopedics, rehabilitation, robotic surgery, stroke care and women's health. In addition, the hospital's Emergency and Critical Care Center is one of the most technologically advanced emergency and intensive care facilities in the nation.

Sharp Grossmont Hospital is nationally recognized as a MAGNET®-designated hospital for patient care and nursing practices. This designation is the “gold standard” for patient care and nursing excellence and is the highest honor awarded by the American Nurses Credentialing Center.

Sharp Mary Birch Hospital for Women & Newborns

As San Diego's only hospital dedicated exclusively to caring for women and newborns, Sharp Mary Birch offers a full range of medical and surgical services for all stages of life — from pregnancy to menopause to healthy aging.

Nearly 8,500 babies are born at Sharp Mary Birch Hospital each year, more than any other hospital in California. The hospital's Level III Neonatal Intensive Care Unit is the largest of its kind in San Diego and cares for more than 1,100 babies annually. Sharp Mary Birch also provides the latest options in minimally invasive gynecologic surgery, including robotic surgery for gynecologic cancer, uterine fibroids, infertility and hysterectomies.

Sharp Memorial Hospital

Sharp Memorial Hospital — the first hospital in San Diego with all private patient rooms — is dedicated to providing the highest-quality, patient-centered care. Designed to promote comfort and healing with the use of natural light and soothing colors, the hospital offers the latest medical technology and is home to San Diego's largest, most modern Emergency and Trauma Center.

Sharp Memorial is known for outstanding programs in cardiac and vascular care, cancer treatment, orthopedic and neurological services, rehabilitation, robotic surgery and multiorgan transplantation, and has been recognized as a MAGNET®-designated hospital for nursing excellence.

Sharp Memorial Outpatient Pavilion, located next to Sharp Memorial Hospital, offers a wide array of services including cancer treatment, laser vision correction, general and women's imaging, outpatient surgery, endoscopy, diabetes education, and a community conference center and health library. At the heart of the Pavilion is the Cushman Wellness Center — providing comprehensive health evaluations tailored to an individual's age and lifestyle, and integrative therapies to enhance physical, mental and spiritual health.

Sharp Mesa Vista Hospital and Sharp McDonald Center

As the largest behavioral health care provider in San Diego, Sharp Mesa Vista Hospital provides a full range of programs to people of all ages including children, adolescents, adults and seniors challenged by depression, substance abuse or serious mental illness. The hospital's robust Clinical Research Program has conducted more than 250 clinical trials of investigational medications since its inception in 1963, providing new options and hope for people with mental illness.

Offering the only medically supervised substance abuse recovery facility in San Diego County, the Sharp McDonald Center provides patients an individually tailored approach to drug and alcohol detoxification and rehabilitation in a supportive, structured, homelike setting.

Both Sharp Mesa Vista and Sharp McDonald Center provide inpatient care and offer outpatient programs throughout the community.

Other Specialized Services

Sharp Home Care

With a focus on maximizing recovery, independence and long-term wellness, Sharp Home Care provides diabetes care instruction, specialty nursing, rehabilitation, and senior behavioral health services to individuals throughout San Diego County.

Sharp Home Infusion Services

Sharp Home Infusion employs pharmacists who provide clinical evaluation and management, pharmacy technicians who prepare and package infusion products, a dietitian for nutritional consultations, as well as specially trained home-infusion nurses, all who coordinate care for patients in their homes.

Sharp HospiceCare

Sharp HospiceCare is dedicated to providing comprehensive care and compassionate support to individuals facing life-limiting illnesses, along with their families and friends. Services range from relief of physical discomfort to emotional and spiritual support.

Sharp HospiceCare provides in-home services and also provides the region's first freestanding hospice homes, LakeView Home in La Mesa and ParkView Home in Del Cerro, which offer end-of-life patients an alternative to nursing-home placement. The homes — staffed 24 hours a day by licensed nurses — offer a comfortable and supportive environment for up to four patients at one time in each home.

Sharp System Services

Sharp System Services — Ruffin, SOC and Spectrum office locations — provides centralized support services to the operating entities within Sharp HealthCare. These include: Clinical Effectiveness, Contracts, Corporate Compliance, Facilities Development, Finance, Human Resources, Information Systems, Information Technology, Internal Audit, Marketing and Communications, Legal, Risk Management and Insurance, Strategic Planning and Business Development, System Supply Chain Services, and The Sharp Experience and Sharp University.

Sharp-Affiliated Medical Groups

Sharp Community Medical Group

Sharp Community Medical Group, San Diego's largest group of private-practice physicians, is dedicated to providing high-quality, affordable medical care. The Sharp Community network includes more than 200 primary-care physicians and 500 specialists who practice independently in offices that are conveniently located throughout San Diego County to serve families in all communities.

Sharp Community doctors admit to all Sharp hospitals and Rady Children's Hospital. In addition, Sharp Community patients have access to urgent care centers throughout the county.

Sharp Rees-Stealy Medical Group

With 400 primary and specialty care physicians providing care at 19 facilities throughout the region, Sharp Rees-Stealy Medical Group is one of the largest, most comprehensive medical groups in San Diego County, and is recognized for excellence in patient satisfaction and clinical care. For patient convenience and improved coordination of care, Sharp Rees-Stealy offers services like laboratory, radiology, physical therapy and urgent care within each clinic or nearby.

In 2012, Sharp Rees-Stealy will be opening a remarkable state-of-the-art medical office building in Downtown San Diego that will provide the community with leading edge care for decades to come. This new structure will replace the existing Downtown facility that has served the community for more than 80 years.

The Foundations of Sharp HealthCare

As a not-for-profit organization, Sharp HealthCare relies on philanthropic support to further improve the health care experience for patients and their families. Through its three foundations — Coronado Hospital Foundation, Grossmont Hospital Foundation and Sharp HealthCare Foundation — Sharp is able to fund essential capital improvements, advanced medical equipment, clinical research to enhance patient care, education for patients and health care providers, and community-wide outreach programs. Employee donors play a critical role in the financial support of Sharp, and can make tax-deductible donations through automatic payroll deduction, unused paid time off hours or a one-time donation.

Sharp Health Plan

Sharp Health Plan is San Diego's largest locally based commercial health plan. With a personal approach and a network of medical groups and physicians, Sharp Health Plan advocates for its members by providing unparalleled quality and access to health care services. It operates as a not-for-profit health plan, committed to delivering the best health care for the best value.

As the top-rated health plan in California*, Sharp Health Plan serves a growing number of companies, large and small, in San Diego and southern Riverside counties.

* Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey, 2010

Section 4:

Sharp HealthCare Employee Relations and Operations

Employee Relations

Employee Handbook

The Sharp HealthCare Employee Handbook is provided to employees to assist in awareness and understanding of the general policies and practices of the organization. It is not a contract of employment.

Notwithstanding any other provision of this handbook, no one is employed for a specified term. Sharp HealthCare is an at-will employer. The employer or employee may terminate the employment relationship with or without cause. This at-will* employment status may be changed only if there is a written agreement to the contrary, signed by the employee and also by an officer of Sharp HealthCare.

This handbook supersedes all other previously distributed handbooks. Although every effort has been made to make this handbook as comprehensive as possible, it cannot answer every question or anticipate every situation. In order to retain necessary flexibility in the administration of policies and procedures, Sharp HealthCare

*No oral agreement of any kind can alter the at-will status (see Labor Agreement section).

reserves the right to modify, rescind, delete or add to the provisions of this handbook periodically at the sole discretion of management, provided that no modification can be made that would alter the at-will nature of employment by Sharp HealthCare.

If any section of this handbook requires clarification, the employee should contact his or her local Human Resources Department or discuss concerns with management. Human Resources and benefit information is accessible via SharpNET, Sharp's Intranet.

Employee Relations

The best and most rewarding partnership between employees and management is the result of open, direct and honest communication.

Personnel policies and practices have been designed to resolve problems that may arise. The organization continually works toward improving policies, staff communications, employee benefit programs and working conditions.

The term "management" will be used throughout the handbook as a collective term to mean any level of administrative or supervisory personnel coordinating or directing staff positions or representing

Sharp HealthCare in an administrative capacity.

Labor Agreement

As of May 31, 1998, Sharp Professional Nurses Network (SPNN), an affiliate of United Nurses Association of California (UNAC), became the representative of the bargaining unit (BU) for specific classifications of registered nurses employed by the hospital care division of Sharp HealthCare. Generally speaking, bargaining unit employees are subject to the guidelines in this handbook. If there is a contradiction between this handbook and a labor agreement between Sharp HealthCare and SPNN/UNAC, the labor agreement will take precedence.

Employees should contact their manager or the Human Resources Department for clarifications on BU rules and employee responsibilities. A copy of the Collective Bargaining Agreement is available at your local Human Resources Department or by writing SPNN/UNAC.

SPNN/UNAC
10405 San Diego Mission Road
Suite 106
San Diego, CA 92108-2173

Management Sponsored Meetings

It is the practice of Sharp HealthCare to limit the participation at employee

meetings to members of management. Third party, non-Sharp participants are not given access to meetings of any kind unless specifically retained by Sharp HealthCare. If you require additional support in the meeting, contact your local Human Resources Department. Registered Nurses, represented by SPNN/UNAC, may have Union Representation in an investigative meeting.

Employee Operations

Introductory Period: The First 90 Days

The introductory period is the first 90 calendar days of continuous new employment with Sharp HealthCare, or any new position obtained by transfer, promotion, demotion or reinstatement at Sharp. This is a *working trial* period for mutual evaluation of an employee's job satisfaction and job suitability. The introductory period may be extended up to an additional 30 days if there is a need to further evaluate suitability for regular status.

Successful completion of the 90-day introductory period does not guarantee continued employment. In addition, it does not, in any way change or create an exception to the at-will nature of employment described earlier in this handbook. On the first of the month, after 30 days of employment, and if otherwise eligible, the employee is entitled to receive certain employee benefits according to the benefits schedule.

Employment Categories

Employees are hired into one of the following categories. These categories allow flexibility for both the employee and the department in providing appropriate levels of service in a cost-efficient manner.

Introductory Employee

An employee who has not completed 90 calendar days of continuous new employment with Sharp HealthCare or any new position obtained by transfer, promotion, demotion or reinstatement.

Full-time Employee

An employee assigned to work 72 hours or more per pay period (two weeks or 14 days). Full-time employees are eligible for all benefit plans and paid leave accruals. For the purpose of benefit eligibility only, a regular employee assigned to 64 hours or more per pay period will be eligible for all benefit plans and paid leave accruals.

Part-time Employee

An employee assigned to work less than 72 hours per pay period. Part-time employees will be eligible for the same benefits at higher premiums, and paid leave accruals depending on assigned hours.

Per Diem Employee

An employee who is available to work to supplement staffing needs. Availability requirements will be established according to business necessity, by job class or classification and/or by departments, units or divisions.

They will include the number and types of shifts, weekends and holidays. Per Diem employees are not eligible for most Sharp HealthCare benefits; however, they are eligible for Sharp \$aver tax-deferred annuities and credit union membership.

Regular Employee

A full-time or part-time employee who has successfully completed the introductory period.

Temporary Employee

An employee whose service is intended to be of limited duration; and who will be terminated on a specific date or upon completion of a specific assignment. Temporary employees are not eligible for benefits.

Business Hours

Sharp HealthCare hospitals are open for patient care 24 hours a day, 365 days a year. The business hours at outpatient locations vary depending on the site.

Workday

A workday is a specific 24-hour period that does not fluctuate. The workday is generally designed to accommodate the type of shifts worked in an entirety, such as the 7 p.m. to 7 a.m. shift in a hospital. Each employee will typically work a shift within the workday, such as a 12-hour, 10-hour or 8-hour shift.

Sharp HealthCare has two defined workdays. Generally, for entities that operate 24 hours per day, 365 days per year, the workday begins at

7 a.m. and ends at 6:59 a.m. For all other entities, the workday begins at 12 a.m. and ends at 11:59 p.m. There are some exceptions. Employees are encouraged to check with their supervisors for their exact workday.

Work Week

Under California Industrial Welfare Commission Wage order 5-2001, effective January 1, 2002, as amended, the normal work week for San Diego Corporate locations, Sharp Rees-Stealy, and Sharp Health Plan employees consists of seven calendar days, beginning at 0001 hours Sunday through 2400 hours (midnight) Saturday.

Under California Industrial Welfare Commission Wage order 5-2001, effective January 1, 2002, as

amended, the work week for Institutional Care Divisions: Sharp Chula Vista Medical Center, Sharp Coronado Hospital, Sharp Grossmont Hospital, Sharp Mary Birch Hospital for Women & Newborns, Sharp McDonald Center, Sharp Memorial Hospital, Sharp Memorial Outpatient Pavilion and Sharp Mesa Vista Hospital; consists of 14 calendar days, beginning at 0001 hours Sunday through 2400 hours (midnight) Saturday.

Meal Periods

Meal breaks will be 30 minutes or an hour, depending upon the department and scheduled shift. Employees working a standard eight-hour shift must begin their meal period before the beginning of the fifth hour of the employee's

shift. Employees working an alternative workweek schedule of more than 10 hours may waive one of their two meal periods. Employees working more than 10 hours but less than 12 hours may also waive their second meal period.

Rest Periods

During an eight-hour shift, employees are entitled to two 10-minute rest periods, one during the first four hours of their shift and one during the second four hours. Employees working a shift of more than 10 hours are entitled to a third 10-minute rest period. Employees cannot combine a rest period with a meal period or use a rest period to end their shift early.

Section 5:

Sharp HealthCare Employment Policies and Procedures

Communication and Technology

Cell Phone Use

In some departments, employees' use of cell phones is limited or prohibited during work hours. The use of cell phone applications is prohibited in patient care areas and areas with confidential or sensitive information. Text messaging is prohibited during the workday unless authorized by supervisory

personnel. Employees may use personal cell phones during lunch or break periods.

Computer Software Use

Sharp HealthCare licenses the use of computer software from a variety of outside companies. Sharp HealthCare does not own its software and, unless authorized by the software developer, does not have the right to reproduce it. Sharp HealthCare expects employees to comply with the

terms and conditions in the license agreements of all computer software. Employees who make, acquire, or use unauthorized copies of computer software are subject to corrective action, up to and including termination. All data stored in local drives or hard drives may not contain pornographic materials. Sharp management will determine the nature of the materials and make subsequent employment decisions ranging from corrective action up to termination.

Electronic Communication

The company maintains voicemail and electronic communication systems as part of its technology platform. These systems are provided to assist in the conducting of Sharp HealthCare business. For any reason, access to any and all Sharp HealthCare devices may be suspended at the direction of management.

Voicemail, all computers and the data stored on them are and remain at all times, the property of Sharp HealthCare. As such, all voicemail and electronic mail messages created, sent and/or received are and remain the property of Sharp HealthCare.

Sharp HealthCare reserves the right to retrieve and read any message composed, sent or received. Please note that even when a message is deleted or erased, it is still possible to recreate the message; therefore, ultimate privacy of messages cannot be guaranteed to anyone.

Messages should be limited to the conduct of business of Sharp HealthCare. Voicemail and electronic mail may not be used for the conduct of personal business. Because Sharp HealthCare's voicemail, electronic communication systems, computers, etc. are provided to conduct Sharp HealthCare business, any employee who uses them cannot expect that messages or other data will remain private. Sharp HealthCare may retrieve any or all voicemail, electronic communications, data or

any other material sent, received and/or viewed on Sharp HealthCare property. Upon leaving Sharp HealthCare, all data is considered Sharp property and inaccessible.

While voicemail and electronic mail may accommodate the use of passwords for security, the reliability of such for maintaining confidentiality cannot be guaranteed. Assume that any and all messages may be read by someone other than the intended or designated recipient. ***In addition, all passwords must be made known to the company. Passwords unknown to the company may not be used, because when an employee is absent, management may need to access his or her system computer.***

Voicemail and electronic mail messages may not contain content that is considered offensive or disruptive to any employee. Offensive content would include, but would not be limited to; sexual comments or images, racial slurs, derogatory gender-specific comments and/or any comments that would offend someone on the basis of his or her age, sexual orientation, religious beliefs, political beliefs, national origin or disability.

Internet Use

Employees are expected to appropriately access the Internet as required by their job duties. Unauthorized use of the Internet, during work hours, may result in an employee being placed in corrective action. Employees may access the

Internet during breaks or lunch periods, provided the Internet sites are not of an illicit nature or inappropriate as determined by management. Accessing sites of an illicit nature could result in termination of employment.

Inventions, Patents and Copyrights

Sharp HealthCare encourages its employees to exercise their creative potential in the development of new devices that will assist in patient care, and in the creation of ideas and written material, including computer software that will make delivery of health care more convenient, efficient and cost effective.

It is Sharp HealthCare's policy that any invention or writing developed during working time or developed using the facilities, equipment or other property of Sharp HealthCare is the sole property of Sharp HealthCare. This policy pertains to any patents or copyrights that may result from the creative process.

Photography and Video Restrictions

In all patient care areas, employees are prohibited from taking, viewing (including posting to social media sites) and transmitting pictures using camera phones, camera video, digital cameras and photo-equipped personal digital assistants (PDAs).

Sharp Telephone Systems

The use of Sharp HealthCare telephones should be limited to official business. Sharp HealthCare

discourages using the organization's telephone system for personal phone calls during the workday. Personal calls should be made on an employee's own time and employees should discourage friends and relatives from calling, unless there is an emergency. Under no circumstances should an employee make, charge or accept a personal long distance call to or from Sharp HealthCare.

Personal conversations on Sharp telephone systems may not be private and confidential. With notice, telephone conversations may be electronically monitored for quality customer service and appropriate use of company equipment.

Social Media

Employees who access social media and external websites while at work, or on the Sharp network, must comply with Sharp's Social Media Policy and departmental guidelines. If you observe or become aware of any inappropriate use of any social media and/or networking websites by people representing or claiming to represent Sharp, or by people using accounts or equipment associated with Sharp, it is your responsibility to report such use to your entity Compliance Liaison, Corporate Compliance, the Compliance Connection Hotline or Human Resources.

Corrective Action Process

Work Behavior and Performance

All Sharp HealthCare employees are expected to meet and/or exceed standards in work behavior and performance. Management will be responsible to communicate performance expectations and below standard performance and take the appropriate steps to provide the employee an opportunity to improve.

Employees will be held personally responsible for being aware of and understanding appropriate Sharp HealthCare policies, rules, regulations and standards. These policies can be changed or modified at any time. Employees will receive notice of these changes. Employees may obtain this type of information from management or Human Resources.

When an employee violates a policy or regulation, or fails to meet performance expectations, corrective action up to and including termination from employment may be appropriate. Corrective action, other than termination, may be taken in an attempt to correct the performance of an employee, or to help him or her meet the standards expected for continued employment with Sharp HealthCare. Termination may be appropriate, depending upon the circumstances involved, at any time during employment with or without any prior corrective action.

Management will practice consistent corrective action by taking appropriate action when employees fail to comply with established policies or meet behavior or performance standards. Corrective action taken by management will be administered without favoritism or discrimination.

It is the expectation of Sharp HealthCare that employees who receive corrective action, short of termination from employment, will improve their below-standard performance. Employees who fail to improve their performance to meet standards may be terminated from employment with Sharp HealthCare.

The following guidelines have been developed to illustrate different types of corrective action measures that may be taken. The guidelines are provided for management to consult but do not constitute a mandatory step-by-step procedure that must be followed in all cases. Depending upon the nature of the performance issue, it may be appropriate to move directly to a final written warning or termination from employment. Human Resources should be consulted at the onset of corrective action and included in any administrative leaves or terminations from employment.

All Sharp HealthCare policies and regulations are treated as "overall performance" e.g., poor attendance and poor performance are considered the same and can be used in combination to advance in the corrective action process.

Management should document all corrective action (informal and formal).

Informal Corrective Action

Verbal Clarification of Expectation

Verbal clarification is part of the informal corrective action process. Verbal clarification of expectation should offer clear methods, benchmarks for improvement, training or job duty clarification for the employee in a joint effort to solve performance or communication issues. ***Verbal clarification of expectation should allow the employee the opportunity to discuss work performance and collaborate on plans for improvement.***

Written Clarification of Expectations for Performance

The written clarification of expectations must indicate the employee's specific performance issues, in addition to areas where improvement is necessary. This document may include an action plan, providing the employee assistance with meeting performance goals. The employee's progress should be supported by management to ensure the employee is meeting the standards and goals identified in the written clarification. Employees will be informed if improvement is not demonstrated, and the employee may be subject to the formal corrective action process. Written clarification documentation includes the previous performance area verbal clarification; however, it is

not included in the employee's personnel record. If the corrective action process progresses from informal to formal, the written clarification of expectations, along with pertinent formal documentation, may be included in the employee's personnel record.

Formal Corrective Action

Written Warning

A written warning is used for more serious or repeated cases of rule infractions or continuing unacceptable performance. This step in the corrective action process will describe the unacceptable performance and specify the improvement and actions required within a designated time frame. A written warning will include cumulative below-standard performance in the time period designated for improvement and will be placed in the employee's file.

Final Written Warning

As with the written warning, the final written warning may make reference to any previous warnings the employee has received. A final warning will indicate that any repetition of the cited behavior or any other below-standard performance may result in termination from employment.

Administrative Leave of Absence

Administrative leave of absence from work may be used to investigate a work-related issue when management determines that the employee should not be at work during the investigation.

In most cases, administrative leave will be utilized prior to a termination from employment in order to thoroughly investigate the situation and supporting documentation. Management will provide a written notification to the employee when placed on administrative leave. The investigation will include a review of all relevant information, including documentation and past performance evaluations. Employees completely exonerated from all issues related to the administrative leave will be retroactively compensated at their regular rate for the administrative leave of absence.

Termination of Employment

Termination of employment may occur at the conclusion of corrective action and is generally the last step in what has been a series of interventions on the part of management.

The termination document should summarize the steps taken to remedy the behavior and/or performance issue(s) and explain the termination as a result of continued, unacceptable and/or unresolved below-standards performance, including below-standards in behavior. The corrective action process does not replace the employer's at-will status and does not create a contract with employees to use a progressive corrective action process.

At the time of voluntary or involuntary termination, pursuant to the Unemployment Insurance Code

Section 1089, the employee will be provided with a change of status notice that includes the following information:

- Name of the employer
- Nature of the action in general terms (termination, position elimination, leave of absence or change in status from employee to independent contractor)
- Date of action

Employee Appeal Process

In keeping with our desire to provide for fair, consistent, and non-discriminatory application of Sharp HealthCare policies, Sharp HealthCare has established an employee appeal process; employees are encouraged to bring their concerns to management for quick resolution. If this is not possible or does not result in satisfactory conclusion, they may institute a formal complaint through the Human Resources Operations Department. Human Resources will provide employees with a guide for submitting their issues through the appeals process. We encourage employees to use this process whenever appropriate. An employee can contact Human Resources for more information on this process.

Disability Insurance

Social Security

As required by federal law, employees are protected under the Social Security program. In addition to the deduction from the paycheck

that is mandated by the federal government, Sharp HealthCare also contributes to the Social Security account.

Social Security is designed as a retirement benefit; however, employees may also be eligible for Social Security benefit payments if they become disabled. Details about contributions, and benefits under the Social Security program, are available at your local Human Resources department.

State Disability Insurance

If an employee is disabled (e.g., pregnancy disability) and unable to work for an extended length of time because of a non-occupational injury or illness, the State of California may pay disability benefits. To be eligible to receive benefits, a claim form must be filed with the State. Claim forms and additional information are available at your local Human Resources Department. Employees are eligible for State Disability benefits beginning on the eighth consecutive day of disability.

Unemployment Insurance

If an employee becomes unemployed for reasons other than misconduct, he or she may be entitled to unemployment benefits. Should such a situation arise, inquire about unemployment benefits at the time of employment separation. To be eligible to receive benefits, file a claim with the State by calling the California Employment Development Department.

Sharp HealthCare pays all costs for this program. Employees do not make any payments or payroll deductions for this protection.

Employee Assistance Program

The Employee Assistance Program (EAP) is a free service provided by Sharp HealthCare to all employees, whether or not they have *SharpChoice* benefits. The EAP provides professional and confidential short-term counseling (eight visits per calendar year) and can help with referrals to various community resources.

EAP counselors are California-licensed mental health professionals with certification in Employee Assistance. *All counseling and contact with the EAP are completely confidential.*

To make an appointment or contact a counselor, call (619) 681-0022, Monday through Friday, 8:30 a.m. to 5:30 p.m.

EAP office location:

2650 Camino Del Rio North
Suite 300
San Diego, CA 92108

EAP Services

- *Personal issues:* Life problems, personal concerns, anxiety and depression can affect anyone. The EAP helps employees resolve issues so that they can be effective at work and at home.

- *Family life:* Spouses, partners, children and aging parents can be a joy and a challenge. The EAP is a source for support, resources and counseling to enrich family life.
- *Couples' issues:* From time to time, couples experience problems in their relationships. The employee, with his or her partner or spouse, can benefit from brief counseling to enhance communication and learn new relationship skills.
- *Substance abuse:* Alcoholism and drug abuse are serious problems that threaten health, family and work. If an employee has a problem, or has concerns about a family member, the EAP will provide confidential help and support.
- *Change:* Change is the only constant in life and sometimes new demands are overwhelming. Learning new coping strategies and problem-solving skills can help you make the most of changes that occur at home and at work.
- *Information and referrals:* The EAP has an extensive database of community resources. EAP staff can help with referrals for child and elder care, financial and legal problems, and other resource needs.

Employee Compensation

At Sharp HealthCare, every effort is made to offer salaries that are competitive in the marketplace. The compensation plan is based on a

number of factors including, but not limited to, marketplace indicators and internal equity.

Each job classification or position has been assigned a salary range. These salary ranges provide minimum and maximum rates of pay based on a careful analysis of duties, responsibilities and relationships to other job classifications. The wage rate for Sharp Registered Nurses covered by the SPNN/UNAC collective bargaining agreement is determined in accordance with the applicable collective bargaining agreement(s).

To evaluate salary levels, Sharp HealthCare conducts ongoing salary surveys that compare specific jobs of similar responsibilities, skills, knowledge and training. As necessary, salary ranges are adjusted based on changes in the labor market, pay data and other internal and external factors.

As with all policies, procedures, and practices, Sharp HealthCare compensation practices may change from time to time. Any necessary changes will be communicated to employees as soon as possible. More information about how pay is determined is available through management or the Human Resources Operations Department.

Acting Capacity

A non-exempt employee relieving an employee who occupies a higher classification for 30 days or more and assumes 100 percent of the job responsibilities, will be paid

at least equal to the minimum of the salary range of the temporary position, or five to 10 percent above the current pay rate, whichever is higher. The range of the increase depends on the level of the position being replaced. When an employee is reassigned to his or her original position, compensation will be returned to the former amount.

Cancellation of Hours

To meet the company's needs and objectives, Sharp HealthCare may implement a reduction in hours or days of work for all job classifications. Cancellation of hours is a process which employee reduces on a shift-by-shift basis, or during the shift as determined by business necessity (Sharp Policy #04504: Cancellation of Scheduled Hours).

Such reductions, in compliance with wage and hour law, will be administered to maximize productivity and efficiency and can be made temporary, indefinite or permanent. An employee's scheduled shift may be reduced in increments of hours. In this instance, an employee may be asked to delay arriving to a scheduled shift or asked to leave early if he or she is not needed for the full scheduled shift.

Once an employee has been placed in a new assignment due to a cancellation or reduction in hours, the employee cannot leave the new assignment unless it is determined by the new assignment management to meet business necessity.

Consecutive Hours Worked

Consecutive hours worked are hours worked without interruption from one workday to another. All Sharp HealthCare departments that operate 24 hours a day will define the workday beginning at 7 a.m. and ending at 6:59 a.m. All Sharp HealthCare departments which do not operate 24 hours a day will define the work day beginning at 12 a.m. and ending at 11:59 p.m.

Sharp HealthCare will pay overtime and/or double-time as required by law. Accordingly, employees who are temporarily assigned to work in a unit covered by a valid Alternative Workweek Schedule (AWS) shall be subject to the same overtime standards as employees of the AWS unit. Non-productive hours such as vacation, sick, holiday time and jury duty do not count towards hours for overtime pay.

Demotions

When an employee moves into a position, which is assigned a lower salary grade, his or her pay may be decreased.

Garnishments

Garnishment of wages is the withholding of an employee's earnings to collect an employee's personal debt. Sharp HealthCare follows state and federal regulations when pursuing garnishment of an employee's earnings.

On-Call and Callback Pay

On-call pay begins at the scheduled time the employee is required to be available by phone to work.

When an employee is canceled from a scheduled shift and placed on call for a specific duration of time, a request to report to work at the original start of shift or during the on-call period will be paid at time and a half of the employee's regular rate of pay.

Callback pay begins at the time the employee arrives at the work location. Callback pay does not begin at the time the employee is notified. Travel time is not compensated or included in callback hours.

An employee cannot be paid for both on-call and callback pay for the same hour. Contact your local Human Resources Department or your supervisor for specific questions.

Paydays and Pay Periods

Sharp HealthCare's paydays are biweekly. Paychecks will be distributed on the sixth working day following the close of the pay period. Normally there are 26 pay periods each year; the schedule of pay periods is established each year by the Payroll Department. Human Resources Operations will post pay periods on employee bulletin boards annually.

Payroll Deductions

Various federal and state laws require Sharp HealthCare to make the following deductions from employees' paychecks:

1. **Federal Income Tax:** Salary, marital status and the number of allowances claimed on the W-4

withholding form establish the amount withheld.

2. **California State Income Tax:**

Salary, marital status and the number of allowances claimed on the DE-4 withholding form establish the amount withheld.

3. **Social Security Tax (OASDI & Medicare Tax Deduction):**

The amount paid depends upon the current tax rate established by Federal legislation. Sharp HealthCare also contributes an equal amount based on the employee's deduction toward retirement, disability income, and Medicare Insurance and death benefits available through Social Security.

4. **California State Disability**

(SDI Tax): The state legislature sets the current SDI tax deducted from employee's wages. The employer deduction provides weekly income in the event of a non job-related injury. Employers withhold a percentage for SDI on the first \$93,316 in wages paid to each employee in a calendar year.

5. **Unemployment Insurance**

Sharp HealthCare pays into the State unemployment insurance funds, which provide benefits for employees in the event of a layoff or termination through no fault of their own. In addition, Sharp Health Plan pays into the federal and state unemployment insurance funds, which provide benefits for employees in the event of a layoff or termination through no fault of their own.

Benefits are determined by the California Employee Development Department.

Shift Differential

Sharp HealthCare will pay shift differentials consistently for all evening (PM: 3 p.m. to 11 p.m.) and night (NOC: 11 p.m. to 7 a.m.) shifts:

- Employees will receive the appropriate shift differential premium for the entire shift when one half or more of the shift, and at least four hours, are scheduled and worked in a PM and/or NOC shift.
- When employees work a shift which hours fall into both PM and NOC shifts, the entire shift will be paid according to the differential premium for the shift in which the majority of hours are worked. If the hours are evenly split and there is no majority, the entire shift will be paid at the highest shift differential rate.
- An employee who is *scheduled* for a shift that qualifies for shift differential premium, who is sent home early *due to lack of work* and has worked less than four hours, will receive the appropriate shift differential for the actual hours worked or half the scheduled hours up to four hours, whichever is greater.
- An employee, who is *scheduled* for a shift that qualifies for shift differential premium, and is sent home early *due to illness or injury*, will receive the appropriate shift differential premium for hours actually worked regardless of shift differential minimum requirements.

- Shift differential will be paid on worked callback hours providing the employee is called back to work from on-call status and works a *minimum of four hours of callback on an evening night shift*. The employee will receive the applicable shift differential premium where the majority of hours fall for all hours worked on callback status. Shift differential does not apply to on-call/stand-by hours or non-worked guaranteed hours.

Employment Policies

Appearance

Employees of Sharp HealthCare are expected to project a professional image at all times. Clothing and uniforms should be clean, pressed and in good condition. Jewelry must be conservative in style and not present a potential safety hazard when working with patients or equipment.

Some sites permit “casual Friday” attire; however, clothing must still be work-appropriate (i.e., not too tight fitting or loose fitting). In addition, footwear must be work-appropriate (i.e., no flip flops or slippers).

Out of courtesy to your coworkers, who may be sensitive to perfumes and colognes, please minimize their use in the workplace.

Identification badges issued by Sharp HealthCare must be worn at all times while at work.

Bulletin Boards

Bulletin boards are located throughout Sharp HealthCare facilities and are intended to enhance communication within the organization.

Management will post current information on policies and practices, human resources announcements, state and federal laws related to employment, and general information that may be of interest to employees.

Labor Relations information must be posted on designated bulletin boards only.

Specific bulletin boards are in place for non-work related information. Employees may use these areas for announcements. Information may be posted on the bulletin boards, with prior approval from Human Resource Operations and management. Information which presents religious, political or negative information related to the operations of Sharp HealthCare cannot be posted and will be removed.

Lactation Accommodation

In accordance with state and federal legislation, Sharp HealthCare provides employees with a private space for lactation purposes. Employees are encouraged to use their break time and meal periods for this purpose. Contact your supervisor or local Human Resources Department for additional accommodation information.

Personal Visits

Visits by friends or relatives during work hours should be scheduled with management. At no time should friends, relatives or children visit or wait in patient areas, work areas or employee lounges while employees are on duty. These situations present significant issues of safety and liability for Sharp HealthCare.

Please remember that it is in the best interest of our patients, employees and affiliated physicians that personal visits not interfere with or disrupt the operations of Sharp HealthCare.

Solicitation and Distribution of Literature

To avoid disruption of Sharp HealthCare and to maintain our professional image, the following rules have been established regarding the solicitation and distribution of material or literature on Sharp HealthCare grounds:

- Persons who are not employed by Sharp HealthCare may not solicit or distribute literature on Sharp HealthCare property at any time or for any purpose.
- Employees of Sharp HealthCare may not solicit or distribute literature during working hours. Working hours include the working time of both the employee soliciting or distributing and the employee to whom the soliciting or distributing is directed.
- Employees may not solicit or distribute literature at any time in

patient care areas or in any place which may cause a disruption of health care operations or which might cause a disturbance to patients or visitors. Furthermore, employees may not distribute literature at any time for any reason in any work areas or areas open to the public.

If you have any questions about the meaning of working time, working areas or patient care areas, contact management or Human Resources.

For the purposes of this policy, employees include all persons actively employed by Sharp HealthCare, in any classification, and all persons connected to Sharp HealthCare through student, advisory, auxiliary or other status.

Fire Safety, Injury Prevention and Security

Fire Safety

It is your responsibility to know what to do in the event of a fire or other disaster. You should be knowledgeable of your responsibilities during a disaster. Information on staff responsibilities during a disaster can be obtained from your department or unit's Fire and Disaster Manual.

It is essential that you understand and follow the procedures as detailed in Sharp HealthCare's Fire Plan (accessible via SharpNET) so that loss of lives and property can be averted. Employees should make it a point to know the location of the

nearest fire alarm pull station, fire extinguisher, evacuation routes and exits from their working area.

You can do your part in providing a safe environment by:

- Knowing the location of fire alarm boxes, fire extinguishers, evacuation routes and exits from your work area
- Knowing your responsibilities during various emergency situations (various codes)
- Knowing the fire response plan Rescue, Alarm, Contain, Evacuate or Extinguish (R.A.C.E.), if trained
- Keeping corridors and exits clear of equipment
- Never obstructing fire equipment
- Maintaining 18" clearance on all sides of fire sprinklers

Injury Prevention

It is in everyone's best interest to work safely and maintain a safe working environment. You should familiarize yourself with emergency procedures, the location of first aid supplies and fire extinguishers.

Safety is everyone's responsibility. Sharp HealthCare makes every effort to prevent accidents by establishing safe procedures and by providing proper equipment, instruction and safe guards. You have an obligation to your patients, visitors, fellow employees and yourself to do all you can to prevent accidents.

Sharp HealthCare is committed to providing employees with a safe work environment. The following are examples of steps that have

been taken to actualize this goal: an active Injury and Illness Prevention Program; hospital specific and system-wide safety committees; a system employees can use to report hazardous or unhealthy work conditions without fear of reprisal; procedures for investigating and addressing accidents and unsafe conditions; injury prevention specialists' consultation services; and training in healthful/safe work practices. We count on employees to actively participate in our safety programs and training sessions. You are responsible for using all equipment and chemicals safely, following safety procedures and reporting any conditions that may be unsafe.

The safety committees are very active and meet regularly to review the safety of your work environment. You can do your part in promoting safety and preventing accidents by observing the following practices:

Work safely. Adhere to established work practices.

- Use proper body mechanics, stretch regularly and use lift equipment or other mobilization aids to assist with patient mobilization
- Use safety devices when available
- Wear appropriate personal protective equipment
- Follow computer ergonomic workstation safety guidelines
- Take immediate actions to correct identified safety hazards and/or report those hazards

you cannot correct to your supervisor or Safety Officer

- Submit work order for hazards that can be corrected quickly
- Only operate equipment for which you have received training
- Properly segregate waste
- Use chemicals appropriately

Security

The cooperation of all employees is imperative if the problem of theft is to be minimized. Supplies and equipment should be stored in approved areas and security measures must be observed. Do not bring an excessive amount of money or valuables to work, as Sharp HealthCare is not responsible for the loss or theft of personal property. Immediately report stolen or missing articles. Do not leave valuable personal property in your vehicle in plain sight. Written authorization from management is required to remove Sharp HealthCare articles or property from the premises. You may be required to leave personal items outside of meetings.

Security Inspections

Sharp HealthCare is committed to maintaining a work place free of illegal drugs, alcohol, weapons or other improper materials. To this end, the possession, sale and use of such materials or substances on all Sharp HealthCare premises is prohibited.

Desks, lockers or other storage devices may be provided for employee convenience, but remain the sole property of Sharp HealthCare. Accordingly, they, as

well as their contents, are subject to periodic inspection for security or other purposes at any time without prior notice. Employees should not place any other lock on a locker or storage container. Employees who fail to cooperate in any inspection will be subject to corrective action up to and including termination. Sharp HealthCare is not responsible for any lost, stolen, or damaged articles placed in a locker, desk or storage container (see Gross Misconduct for additional information).

Sharp Property

If you are issued Sharp HealthCare property (tools, clothing, keys, equipment and badges) you are responsible for keeping such property in good working condition. Should the property become damaged or worn, report it immediately to your supervisor. Equipment, clothing and tools may not be removed from the premises without written approval from the department manager.

Depending on your role, you may be assigned keys for use in your work assignments. Sharp HealthCare policy prohibits the unauthorized possession, use or duplication of Sharp HealthCare keys. Violation of this policy may result in corrective action, not excluding dismissal even for a first offense. If you are issued one or more keys, their continued possession and use become your responsibility. If during the course of employment you no longer have use for a key, return it to your supervisor.

Identification Badges

For purposes of identification and security, all Sharp employees must wear their name badge at all times while on Sharp premises. Contact your local Human Resources Department for information on how to order an identification badge or temporary identification badge.

If you lose your badge, notify Security so your badge can be deactivated. If you find it, call Security so we can reactivate it. Contact your local Human Resources Department to order an additional identification badge.

Lost and Found

If personal property is lost, you should report the loss to Security. Articles found should be brought to management.

Parking

Parking facilities are available to employees, physicians and others who visit Sharp HealthCare. Employees are to park only in lots and parking stalls specifically designated for employee parking. Some Sharp entities may require a car identification card or decal to authorize employees to park in designated lots. ***Please park within the allotted space; otherwise your car may be towed.*** Contact supervisory personnel or Human Resources for more detailed information on parking procedures at specific sites.

Observe parking regulations and be considerate of others when driving or parking on Sharp HealthCare property. Never park in disabled

(unless you have the appropriate placard) or ambulance parking, fire lanes or loading docks/areas. The parking lot speed limit is five miles per hour.

Personal Packages, Lockers, Desks and Inspections

Sharp HealthCare provides desks, lockers and other storage containers for the convenience and use of its employees. Accordingly, employees should not place any other lock on a locker or storage container.

Sharp HealthCare reserves the right to inspect lockers and desks, as well as any contents, effects or articles that are in lockers, desks or other storage containers. Such an inspection can occur at any time, for any reason, with or without advance notice. Such an inspection may be conducted before or after working hours by management or other person designated by Sharp HealthCare.

If requested, employees who fail to cooperate in any inspection will be subject to corrective action, including possible suspension or termination. Sharp HealthCare will not be responsible for any articles placed in a locker, desk or storage container that are lost, stolen, damaged or destroyed.

Employees may be stopped while leaving Sharp HealthCare premises with packages or articles. Any management or other person designated by Sharp HealthCare has the authority to inspect packages or other articles leaving the premises

in the possession of any employee. If employees desire to avoid such inspections, they should refrain from bringing packages or other articles onto Sharp HealthCare premises.

Reporting Incidents

Anything unusual that happens in relation to Sharp HealthCare or its patients should be reported to the immediate supervisory personnel without delay. Prompt reporting will ensure the well-being of the patient as well as employee safety and protection. Special written forms for reporting incidents must be completed at the request of supervisory personnel. Failure to do so may result in corrective action. Incident forms are available through your supervisor.

Think safety first, eliminate a hazard that may cause an accident, report unsafe conditions, and be alert and careful.

Smoking

For the health and safety of our staff and patients smoking is prohibited in Sharp HealthCare facilities and on Sharp HealthCare grounds (exceptions exist for some patients, but is limited to designated areas only).

Holidays

Sharp-Recognized Holidays

All holidays are included in the paid leave plan accrual or Paid Time Off (PTO). The total PTO accrual is published in the Paid Leave Plan brochure. The PTO accrual is comprised of vacation time and

holiday time. As an example, as of 2008, an employee with 20 years of service will accrue 36 days of Paid Time Off per year; of the 36 days, eight days are holidays. Holiday pay is automatically deducted from your PTO accrual.

Sharp HealthCare recognizes six holidays and two floating holidays:

- New Year's Day
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving
- Christmas Day
- Non-overtime: Two floating holidays (used at the employee's discretion)

Working on a Holiday

Non-exempt employees required to work on any of the six recognized holidays noted above, excluding the floating holidays, receive time and one half for one shift per holiday ***except for Christmas and New Year's Eves and Christmas and New Year's Days; on these holidays the employee may receive overtime pay for two shifts in the designated holiday periods.***

Christmas and New Year's Eves

Non-exempt employees who work a majority of their shift between 5 p.m. the night before a holiday and 7 a.m. the morning after the holiday are eligible for holiday premium pay for their entire shift. Employees are eligible for two shifts of holiday pay within the designated holiday period for Christmas Eve and New Year's Eve.

All other paid holidays

Non-exempt employees who work a majority of their shift between 11 p.m. the night before the holiday and 7 a.m. the morning after the holiday are eligible for holiday pay for their entire shift. Employees are eligible for one shift of holiday pay per designated holiday.

Leave of Absence

Sharp HealthCare follows state and federal laws when determining and administering Leave of Absence (LOA) policies and procedures.

Sharp HealthCare's policy provides LOA to all eligible employees on a non-discriminatory basis. If there is ambiguity or a contradiction between Sharp HealthCare's policy and procedures and state or federal laws, the conflict will be resolved by Sharp HealthCare following the content of the law.

Sharp HealthCare considers approval of LOA requests based on the criteria set forth in the federal Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA) (see Appendix for more information). There are various categories of LOAs including paid family leave, catastrophic leave, intermittent leave and administrative leave. A LOA may be provided for pregnancy, organ and bone marrow donation, child care, civic duty (jury duty and voting), military service, religious practices, firefighter obligations or personal time.

Contact your local Human Resources Department for further information on the various LOA categories and the criteria for requesting your individual LOA.

Paid Leave

Contact your local Human Resources Department for further information on Sharp HealthCare's Paid Leave Plan or reference Sharp Policy #04002: Paid Leave. A paid leave brochure is also accessible on SharpNET.

Paid Time Off and Extended Sick Insurance

Sharp HealthCare's Paid Leave Plan is an important part of the overall employee benefits package. It provides replacement income while you take time off for rest and relaxation or while you or a family member are recovering from a temporary illness or injury.

Paid Time Off (PTO) is used for scheduled time off such as vacation, holiday and personal days. It is also used for the first day of an illness or injury if you have less than 100 hours in your Extended Sick Insurance (ESI) bank. ESI is used for illnesses or injuries that last two or more days. Both PTO and ESI can be used as they are accrued. Your accrual rates for PTO and ESI are based on your assigned hours.

Eligibility

Full-time and part-time employees accrue PTO and ESI based on assigned hours. ***Part-time***

employees accrue on a prorated basis. (Management may change accrual rates. See current accrual plan for PTO and ESI accruals.)

Insurance Premiums on Paid Leave

While on a leave of absence, the employer's share of insurance premiums will continue to be paid, by Sharp, for a specified time period, so long as the employee continues to pay his or her share of premiums. ***Non-payment of the employee's share of premiums will result in discontinuation of coverage.*** See your local Human Resources Department for determination of the specific time period the employer share of insurance premiums will be paid.

Consolidated Omnibus Budget Reconciliation Act

Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits are available to employees who do not return from a leave of absence, resign from the organization or are released from the organization. Sharp HealthCare COBRA benefits are administered by Igoe Administrative Services. Respond immediately to any communication from Igoe.

Contact your local Human Resources Department for information and assistance on transitioning to COBRA coverage.

Performance Evaluations

The job description is the basis for the annual performance evaluation. It contains a list of job responsibilities, competencies and the standards of performance that are expected of employees. It is the evaluator's responsibility to provide this information to employees when they begin work at Sharp HealthCare or transfer to a new department. It is the employee's responsibility to ask questions if he or she is uncertain about any part of the job description.

In most circumstances, new employees or transferred employees will receive a 90-day evaluation for the review of performance in the first 90 days of employment or in a new position. The 90-day evaluation does not imply a contract for continued employment or permanent employment.

All full-time, part-time and Per Diem staff employees are to receive an annual performance evaluation from the lead, supervisor or manager as designated by management within 60 days of the employee's evaluation date. Staff evaluations occur December 15 annually. Evaluations for leads, managers and above are due on November 1 annually.

Upon completion of the evaluation, the employee will be provided a copy of the evaluation and the original will be sent to Human

Resources for inclusion in the personnel file.

As a part of continuing performance development, performance appraisals may be provided at other times. This review provides an opportunity for the employee and the evaluator to honestly and openly discuss an employee's performance and accomplishments. It is extremely important to utilize this period to candidly discuss any expectations or problems he or she may have.

Promotions

When an employee moves into a position with greater responsibility and a higher salary grade, he or she may receive a percent-of-pay increase, or an adjustment to the minimum of the new salary range, depending on experience, qualifications, and appropriate equity within the new job classification.

Merit Increases

At the beginning of each year, evaluators receive merit increase guidelines to use in determining merit increases for the fiscal year. The merit increase guidelines are developed as part of the fiscal year salary budget. The merit increase guidelines include specific percentage increase amounts for different performance evaluation values (see New Employee packet for example).

Registered nurses (R.N.s) covered by the Collective Bargaining Agreement (CBA) are evaluated

each year, they are not participants in the pay for performance (merit) program. Increases in pay are subject to negotiation.

Privacy and Confidentiality

It is the obligation of every Sharp HealthCare employee and contracted personnel to protect and respect the confidentiality of information relating to the internal and external customers of Sharp. This obligation extends to information acquired from any source such as patients, internal and external customers, health care practitioners, and internal or external computerized databases. Violating the privacy of a patient is serious and may result in the termination of employment.

In a patient-centered environment, certain activities and procedures are accepted as routine. Care shall be taken at all times to ensure that the patient's physical privacy shall always be protected by appropriate draping and consideration given to the patient's rights as an individual.

Federal Privacy Laws

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) governs the use and disclosure of protected health information. Any access to a patient's protected health information must be intended for treatment, payment or health care operations. ***Unauthorized access of protected information is a violation of both federal law and***

Sharp policy and may result in the termination of employment.

California Privacy Laws

In addition to the federal HIPAA laws, California has adopted two state-specific privacy statutes: AB211 and SB541. These laws were created to increase privacy protection and prevent unauthorized access to patients' medical information and enable the State to assess and enforce fines of up to \$250,000 against facilities and individuals who inappropriately obtain, access, use, or disclose protected medical information.

Confidentiality of Employee Information

Sharp HealthCare is committed to protecting employees' confidentiality. ***Management and staff are not authorized to provide employment information to parties outside of Sharp HealthCare,*** unless an employee provides written authorization or the release of information is mandated by law. If there is a demonstrated business need, Human Resources may approve management's request to review an employee's personnel file. (An example of this is when an employee wishes to transfer positions within Sharp HealthCare. Management may receive approval to review the employee's personnel file.)

Medical Records

Any information, whether on the computer monitor or on a printed document, is owned by

Sharp HealthCare and its use is governed by Sharp HealthCare. This information may not be disseminated, reproduced, used, disclosed, removed or personally maintained by any individual except as necessary to perform services on behalf of the corporation and/or its customers.

Except when otherwise required by law, any record that contains clinical, social, financial or other data on Sharp's internal and external customers is treated as strictly confidential and is protected from loss, tampering, alteration, destruction and unauthorized inadvertent disclosure. Specific guidelines and/or laws relating to a functional component of the organization shall be retained in the department responsible for that component and shall be updated accordingly.

If an employee receives a request for information from any party other than an appropriate member of the medical staff, the inquiry should be referred to management.

Recruitment

Equal Employment Opportunity

As an Equal Employment Opportunity (EEO) employer, Sharp HealthCare follows all state and federal anti-discrimination employment laws. The determining factor regarding the employment decision is the individual's qualifications relative to the available position.

Sharp HealthCare provides equal employment opportunity to all employees and applicants without regard to race, color, creed, religion, sex, age, national origin, marital status, sexual orientation, physical or mental disability, gender identity and expression, familial or parental status, genetic information, veteran status, or any other legally protected classification. This policy applies to all terms and conditions of employment.

Management shall take affirmative action to seek to ensure that qualified minority group individuals, females, protected veterans and qualified persons with a disability are considered for employment and promotions on a non-discriminatory basis.

Application Process

To be considered for a position at Sharp HealthCare, candidates must go to www.sharp.com/jobs and complete an online application. Applicants may be asked to answer job related questions, online, during the application process. All information must be complete in order to be considered for employment. Information provided on Sharp's online application must be accurate. Falsification, misrepresentation or deliberate omissions on application materials may result in the rejection of an application or termination of employment.

For further information, contact a recruiter at (858) 499-5285 or email sharpjob@sharp.com.

Transfer Applications

To apply for open positions, current employees must complete an online transfer application. The application is accessible on www.sharp.com/jobs or SharpNET. When requesting a transfer, employees must possess the minimum qualifications for an open position.

Employees must complete 90 days of employment prior to transfer to another position. See Sharp Policy #04501.01: Transfers, Interdepartment and Interfacility.

Employee Referral Program

Employees who refer hired individuals are eligible for regularly scheduled prize drawings. Current employees must complete and submit the employee referral form (available in the Recruitment section on SharpNET) to be entered in the employee referral prize drawing.

Selected positions may be eligible for an employee referral bonus. To find positions eligible for the Employee Referral Program, visit www.sharp.com/jobs, select *Search*, and enter "employee eligible for referral bonus." The person referred must apply for an open, eligible position and be hired into that role.

SharpChoice Benefits

Benefits Overview

Full-time or part-time employees, assigned and working 40 or more hours per pay period, are eligible

to participate in Sharp HealthCare's benefit program, *SharpChoice*. New employees benefit coverage becomes effective on the first day of the month, coinciding with, or following 30 days of continuous employment. An Open Enrollment period for *SharpChoice* benefits occurs annually.

Detailed information on the following benefits is available in the Employee Benefits Guide (distributed at New Employee Orientation) or by accessing the Benefits section on SharpNET.

SharpChoice benefits include the following:

- Medical (includes vision)
- Dental
- Retiree Medical Continuation Coverage
- Employee Assistance Program
- Flexible Spending Accounts
- Life and Accidental Death and Dismemberment Insurance
- Personal Accident Insurance
- Dependent Life Insurance
- Long Term Disability Insurance
- Retirement Savings Plan (Sharp \$aver)
- Tax Deferred Retirement Plan
- Long Term Care Insurance
- Group Legal Plan
- College Savings Plan
- Paid Leave Plan
- Education Reimbursement
- Critical Illness Insurance
- Auto and Home Insurance
- Pet Insurance
- Retirement Planning Education
- Sharp Best Health Wellness Program

Direct Deposit

Paychecks may be directly deposited into your checking or savings account. Contact your local Human Resources Department for direct deposit guidelines. Forms are available on the Payroll section of SharpNET.

Credit Unions

Sharp HealthCare employees are eligible to join a variety of local credit unions, including the Sharp Division of Cabrillo Credit Union. Further information on joining Cabrillo Credit Union is available on SharpNET or by contacting the Credit Union directly at (858) 547-7400.

Standards of Employee Conduct

To uphold the standards of excellence in patient care and services promised to the community, there are certain standards of conduct which must be met by all employees at all times. An employee who fails to maintain proper standards of conduct or whose behavior interferes with safe, orderly or efficient operations will be subject to corrective action, up to and including termination.

It is our expectation that employees will conduct themselves on the job in a professional manner, extending courtesy, consideration and cooperation to patients, visitors and other employees. We take pride in the excellent reputation of our employees and the services they deliver.

The circumstances of the situation and an employee's overall work record are considered before deciding on a course of corrective action. Appropriate corrective action includes verbal clarification, developmental plans, clarification of expectations, written warnings, suspensions and terminations from employment.

While it is not possible to anticipate every situation, the following are offered as examples of unacceptable behavior:

Breach of Confidentiality – unauthorized access or use of confidential medical, employment related or personal information. A misuse of the materials mentioned above (or anything held similar to the information mentioned above).

Code of Conduct – a statement of behavior created, and approved, by the Sharp HealthCare Board of Directors. The code of conduct requires compliance of all employees, independent contractors and affiliated physicians to Sharp's ethical and legal standards. The Corporate Compliance Program has been established to monitor legal and regulatory areas for potential fraud and abuse.

Conflict of Interest - includes anything that divides the employee's professional obligation between the interests of Sharp HealthCare and a competitor. Examples of a division of professional obligation could be; personal financial gain, personal relationships, or any other personal benefits.

Employees must notify management immediately when an actual or potential conflict of interest arises.

Dishonesty – such as falsification of company records, theft or misappropriation of Sharp HealthCare money, supplies, materials or equipment, or the use of same for personal reasons or gain; engaging in illegal acts.

Failure to Cooperate – such as failure to actively collaborate or participate with management, coworkers, physicians and vendors in matters relating to the performance of duties, activities and operation of the facility or the care of patients.

Gifts and Gratuities – patients are entitled to receive the finest care that Sharp HealthCare is capable of giving them. Employees are not permitted to receive gifts, bequests, favors, or entertainment of excessive value, or money, including tips and gratuities, of any amount.

Gross Misconduct – such as verbal abuse, physical abuse or physical altercation between employees, management, vendors, patients or visitors; defacing, damaging or destroying Sharp HealthCare property; making public statements slanderous about Sharp HealthCare, its management or its trustees. Further gross misconduct would include a conviction for a felony; possession of firearms or other articles that could be considered a weapon on Sharp HealthCare property; possession or sale of illegal or controlled substances;

traffic safety violations when related to job duties; sale or disclosure of proprietary information or products of Sharp HealthCare. Arrests of employees for alleged criminal performance will be evaluated on a case-by-case basis for appropriate action.

Insubordination – actions or behaviors that are disrespectful, undermining, and/or non-supportive of the mission and goals of the department or organization. Additional examples are, but not limited to: willful failure to follow instructions given by management, or other person given in-charge responsibility; violation of company rules, regulations or policies; failure to report work related illness or injury; solicitation on Sharp HealthCare property.

Substance Abuse – such as possession, use of alcohol, illegal drugs or any chemical agents while on duty or on Sharp HealthCare premises (includes felony conviction of drug sales and/or transport).

Supervisor/Subordinate Relationships – such as romantic relationships between supervisors and direct subordinates are highly discouraged. In cases where this does occur, parties must disclose this information to management or Human Resources. One of the involved parties will be required to transfer to another department, or entity, through coordination with Human Resources. In cases where the organization discovers the relationship, options for transfer may not be available.

Threats – any statement, written, verbal or physical, that directly or indirectly threatens harm to any person or property will be taken seriously and will result in immediate suspension from employment and possible termination. Sharp HealthCare will determine whether criminal complaints will be filed against any person who makes such threats.

Unethical Behavior – such as engaging in inappropriate behaviors on Sharp HealthCare premises, or engaging in behaviors that may damage Sharp HealthCare's image (or reputation) in the community.

Unlawful Harassment – behavior which is directed at a person because of gender, race, color, ancestry, religion, national origin, disability, medical condition, age, marital status, sexual orientation, genetics, veteran status or any other characteristic, status or condition protected by law, and which has the purpose or effect of substantially interfering with an individual's work performance, or creating an intimidating, hostile or offensive work environment. This includes verbal or physical harassment.

Unsatisfactory Attendance – such as excessive absenteeism and tardiness, failure to give adequate notice of absence, or failure to report for scheduled shift. Ten absence occurrences may be subject to corrective action up to, and including, termination of employment.

Terms and Conditions of Employment

Employment Record

It is important that employees keep management and Human Resources informed of any changes in address, phone number or marital status. An employee's present address and phone number are essential for many purposes, including mailings from Sharp to an employee's home. If an employee's marital status or number of dependents changes, the employee may have to change the number of exemptions claimed for income tax withholding purposes and add on, or delete, family members from various benefit plans.

An employee can review various documents included in their Sharp HealthCare personnel file by making an appointment, with a minimum of 24 hours advanced notice, with Human Resources. A Human Resources representative will assist the employee with this process.

Service Credit

The length of *uninterrupted employment in full-time or part-time status with Sharp HealthCare*, used to determine eligibility for benefits, such as accrual rates of paid leave benefits, vesting in pension plans, service awards, and other benefits and policies based on length of employment.

A Change in Employment Status

A change in employment status from a part-time or full-time status **to per diem status** lasting greater than 365 consecutive days, will affect your service credit date. The **adjusted service credit date** will start at your return to a part-time or full-time status for purposes of accrual rates of paid leave benefits, vesting in pension plans, service awards, and other benefits and policies based on length of employment.

When you return to a full-time or part-time status from a per diem status of more than 365 consecutive days, the service credit is changed to the date you returned to a status position (full or part time). The adjusted service credit date may decrease your paid leave accruals (PTO) and/or impact other benefits (see Service Credit). It will not impact your seniority for open position selection.

Employment Break In Service

Any former regular status employee (full time or part time) who resigned from Sharp HealthCare voluntarily, and in good standing, may have their ESI and Service date reinstated if selected for a new position with Sharp HealthCare, within 365 days of termination.

Employment of Relatives

The definition of “relative” applicable to this handbook* is: spouse, domestic partner, child, parent, grandparent, grandchild, brother, sister, niece, nephew, aunt, uncle, cousin, in-laws, step relationships and persons who have a “significant personal relationship” to management staff members. Sharp HealthCare is careful to avoid employment of relatives in positions that could lead to potential problems of supervision, safety, security, morale or conflict of interest.

If two employees marry, become domestic partners, become related, or enter into a significant personal relationship, and the potential problems noted above exist, only one of the employees will be permitted to stay within the same work unit. The decision as to who will remain within the work unit and/or Sharp HealthCare must be made by the two employees within 90 days. If no decision has been made during this time, Sharp HealthCare will terminate or transfer one of the employees.

Employment Outside of Sharp HealthCare

Sharp HealthCare has no objection to employees holding another job so long as that job does not interfere with their performance. Employees

should familiarize themselves with the Standards of Conduct section in this handbook to ensure proper compliance when employed outside of Sharp HealthCare. Employees should carefully evaluate their ability to maintain their effectiveness if they are considering additional employment. Management cannot make allowances in scheduling or in performance requirements for additional employment.

Other Terms and Conditions of Employment

Employees may have their hours reduced or job responsibilities changed or may be terminated for non-corrective action as well as for corrective action reasons. Non-corrective action reasons include, but are not limited to, reorganization of the workforce, the close or sale of a facility, general reductions in the work force or other actions necessitated by economic conditions or the operational needs of Sharp HealthCare.

Resignation and Termination

It is recommended that notices of voluntary resignation be submitted in writing to management at least two weeks prior to the last expected day of work. Employees are sent exit interview forms but may schedule an exit interview with Human Resources Operations before their last day of work. If an employee rescinds his or her resignation notice, management may or may not approve the rescinded

*The definition of “relative” may differ depending on state and federal requirements, as in the case of leave of absences and benefits. Please reference these handbook sections for specific definitions.

voluntary resignation notice. Verbal resignation will be acknowledged similar to written resignation.

There is a resignation clearance process which allows employees to return any Sharp HealthCare property they may have in their possession, clear open accounts and receive any compensation due or information concerning benefits continuation. Human Resources Operation Departments can assist with this procedure.

Transfer of Personnel

Sharp HealthCare reserves the right to transfer employees based on the requirements of staffing, patient volume, the elimination of a job, the decreased demand for service or other factors affecting business operations.

Time and Attendance (API)

Meal Periods

Accurately recording time worked is the responsibility of every employee. Federal and state laws require Sharp HealthCare to keep an accurate record of the time employees work and take meal breaks. Hourly employees are required to enter their work time at a badge reader or computer, at the beginning and end of their shifts, and when beginning and ending their meal periods. ***If you have questions regarding time keeping, contact Human Resources or management for assistance.***

Hourly employees are responsible for documenting or correcting missed meals or breaks in their API electronic time record. *Time worked* is the time actually spent on the job performing assigned duties. Hourly employees should also enter the beginning and ending time of any split shift or departure from work for personal reasons. *Hourly and exempt employees* must enter their Paid Time Off (PTO), Extended Sick Insurance (ESI) and leave time in their API electronic time record.

Employees who fail to properly and accurately record their time worked, or the beginning and end of their meal periods, may be subject to corrective action. Tampering, altering or falsifying time and attendance tracking or recording time on another employee's record may result in corrective action, including termination.

Attendance and Tardiness

If an employee is unable to work because of illness or other reason, it is his or her responsibility to notify management according to department guidelines. It is not sufficient to leave a message with coworkers; employees must notify appropriate management. For questions regarding the reporting of an absence in the department, employees must discuss the matter with management. In the event that a medical absence is greater than seven days, an employee must apply for a medical leave of absence. Management may require additional physician notes depending on the current absences.

Unauthorized or unreported absences or unsatisfactory attendance may result in corrective action, up to and including termination. If an employee expects to be late for work, it is his or her responsibility to notify the appropriate management. Failure to notify appropriate management may also result in corrective action. ***Tardiness is considered an "occurrence" of absence, and counted toward the maximum of 10 excusable absences in a rolling 12-month period.***

Unlawful Harassment and Sexual Harassment

It is the goal of Sharp HealthCare to be proactive in the prevention of sexual harassment and all unlawful harassment or discrimination. Unlawful harassment is any negative behavior which is directed at a person because of gender, race, color, ancestry, religion, national origin, disability, medical condition, age, marital status, sexual orientation, or any other characteristic, status or condition protected by law, and which has the purpose or effect of substantially interfering with an individual's work performance, or creating an intimidating, hostile or offensive work environment. This includes verbal, visual or physical harassment. The harassment will be taken seriously even if there is a perception of harassment; regardless of the intent of the behavior.

The definition of “sexual harassment” includes, but is not limited to, unwanted sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature which is a condition of employment, the basis for employment decisions, or which creates a hostile, intimidating or offensive environment.

Management must report all incidents of unlawful/sexual harassment or retaliation to Human Resources immediately. A member of management who learns of unlawful/sexual harassment or retaliation and does not report the incident may be subject to disciplinary action up to and including termination of employment.

An example of an offensive/hostile work environment is the presence of any visual materials that are offensive or degrading of either sex. Another example is “language” or verbal exchanges that are profane and/or describe explicit or implied sexual situations.

Any employee who believes he or she has been unlawfully harassed or discriminated against in the work place is required to report the facts of the incident, and names of persons involved, immediately to his or her manager or local Human Resources Department.

Employee complaints are taken seriously. Additionally, the law protects the employee or anyone participating in the investigation of

a complaint of unlawful harassment or discrimination from any form of retaliation. The state and federal agencies administering the laws prohibiting unlawful harassment and discrimination are the California Department of Fair Employment and Housing (DFEH), and the federal Equal Employment Opportunity Commission (EEOC). Employees may also use these agencies to file a sexual harassment or discrimination complaint, or complaint based on any other form of unlawful harassment or discrimination. Every Sharp facility will provide an information poster from these agencies with their addresses and procedures for filing complaints. The agency to contact is the Department of Fair Employment and Housing. Their toll free number is 1-800-884-1684.

Work-sponsored parties must uphold Sharp HealthCare Behavior Standards. Activity that promotes conditions that could be perceived as sexual harassment or misconduct must not occur.

Steps to Resolving Complaints

Management and/or Sharp Human Resources will be responsible for responding to any questions concerning this policy or hearing complaints and for investigations of complaints. Reported incidents of verbal or physical harassment are promptly investigated. Misconduct will result in the corrective action process, up to and including termination. All matters relating to sexual harassment or discrimination,

or any other form of unlawful harassment or discrimination are kept confidential by Sharp HealthCare unless law requires disclosure.

Workers’ Compensation

Injuries on the Job

After an initial exam at the locations below, injured employees requiring follow-up care may elect to see a doctor from the Medical Provider Network — a list of these doctors is mailed to the employee after the injury is reported. An employee’s personal physician may treat him or her if the employee has pre-designated his or her doctor prior to reporting an injury. Each new employee is provided a pre-designation form in his or her new hire packet. Existing employees may contact their local Human Resources Department for a copy of this form.

Employees may jeopardize their rights to treatment and benefits, under the Workers’ Compensation program if they fail to notify their supervisor immediately of an occupational injury or illness.

Employees Sustaining Occupational Injury

Sharp System Services and Hospitals
(exceptions indicated below)

Injured employees are to go to the nearest Employee and Occupational Health Department (EOHD) for all non-emergent occupational injuries; including body fluid exposures.

After hours and on weekends, injured employees are to go to the nearest Sharp Emergency Department.

- **Sharp Rees-Stealy Medical Centers:**

Sharp Rees-Stealy (SRS) employees are to go to the nearest EOHD for body fluid and communicable disease exposures. All other SRS occupationally injured employees are to go to SRS Occupational Medicine. After hours and weekends, SRS injured employees are to go to SRS Urgent Care.

- **Sharp Coronado Hospital:**

Sharp Coronado Hospital employees, sustaining occupational injury or illness, are to go the Sharp Coronado Emergency Department. Tuberculosis (TB) screens for occupational exposure to TB are conducted at Sharp Coronado's Employee Health Department.

Reporting Occupational Injuries

Employees are responsible for reporting any occupational injury or illness to their supervisor. Management is responsible for reporting the incident and for providing the employee with the Workers' Compensation Claim Form immediately following knowledge of the incident. Some Workers' Compensation benefits do not begin until the form is completed and returned. Management should encourage the employee to complete the form, even for "record purposes only," in case an injury progresses into one that requires medical treatment.

Workers' Compensation Benefits

Effective the date of employment, employees are covered by a Workers' Compensation program for any work related injury or illness (as defined by California law). Sharp HealthCare pays all costs for this protection.

Workers' Compensation benefits may include medical care, payment for loss of wages and for permanent disability. If a work-related injury or illness disables an employee, he or she may receive payments while unable to work. For further information, contact your local Human Resources Department.

If an employee is injured or incurs an occupational illness, he or she must report it to management immediately, in order to protect his or her rights to treatment and/or compensation as a result of the injury or illness.

Section 6:

Appendix

EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- for incapacity due to pregnancy, prenatal medical care or child birth;
- to care for the employee's child after birth, or placement for adoption or foster care;
- to care for the employee's spouse, son, daughter or parent, who has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

***The FMLA definitions of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition".**

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

***Special hours of service eligibility requirements apply to airline flight crew employees.**

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and

a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulation 29 C.F.R. § 825.300(a) may require additional disclosures.



For additional information:
1-866-4US-WAGE (1-866-487-9243) TTY: 1-877-889-5627
WWW.WAGEHOUR.DOL.GOV

U.S. Department of Labor | Wage and Hour Division



WHD Publication 1420 - Revised February 2013

**“NOTICE B”****FAMILY CARE AND MEDICAL LEAVE AND PREGNANCY DISABILITY LEAVE**

- Under the California Family Rights Act of 1993 (CFRA), if you have more than 12 months of service with your employer and have worked at least 1,250 hours in the 12-month period before the date you want to begin your leave, you may have a right to an unpaid family care or medical leave (CFRA leave). This leave may be up to 12 workweeks in a 12-month period for the birth, adoption, or foster care placement of your child or for your own serious health condition or that of your child, parent or spouse.
- Even if you are not eligible for CFRA leave, if disabled by pregnancy, childbirth or related medical conditions, you are entitled to take pregnancy disability leave (PDL) of up to four months, or the working days in one-third of a year or 17½ weeks, depending on your period(s) of actual disability. Time off needed for prenatal or postnatal care; doctor-ordered bed rest; gestational diabetes; pregnancy-induced hypertension; preeclampsia; childbirth; postpartum depression; loss or end of pregnancy; or recovery from childbirth or loss or end of pregnancy would all be covered by your PDL.
- Your employer also has an obligation to reasonably accommodate your medical needs (such as allowing more frequent breaks) and to transfer you to a less strenuous or hazardous position if it is medically advisable because of your pregnancy.
- If you are CFRA-eligible, you have certain rights to take BOTH PDL and a separate CFRA leave for reason of the birth of your child. Both leaves guarantee reinstatement to the same or a comparable position at the end of the leave, subject to any defense allowed under the law. If possible, you must provide at least 30 days advance notice for foreseeable events (such as the expected birth of a child or a planned medical treatment for yourself or a family member). For events that are unforeseeable, you must to notify your employer, at least verbally, as soon as you learn of the need for the leave.
- Failure to comply with these notice rules is grounds for, and may result in, deferral of the requested leave until you comply with this notice policy.
- Your employer may require medical certification from your health care provider before allowing you a leave for:
 - your pregnancy;
 - your own serious health condition; or
 - to care for your child, parent, or spouse who has a serious health condition.

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- See your employer for a copy of a medical certification form to give to your health care provider to complete.
- When medically necessary, leave may be taken on an intermittent or a reduced work schedule. If you are taking a leave for the birth, adoption or foster care placement of a child, the basic minimum duration of the leave is two weeks and you must conclude the leave within one year of the birth or placement for adoption or foster care.
- Taking a family care or pregnancy disability leave may impact certain of your benefits and your seniority date. Contact your employer for more information regarding your eligibility for a leave and/or the impact of the leave on your seniority and benefits.

This notice is a summary of your rights and obligations under the Fair Employment and Housing Act (FEHA). The FEHA prohibits employers from denying, interfering with, or restraining your exercise of these rights. For more information about your rights and obligations, contact your employer, visit the Department of Fair Employment and Housing's Web site at www.dfeh.ca.gov, or contact the Department at (800) 884-1684. The text of the FEHA and the regulations interpreting it are available on the Department's Web site.

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EMPLOYEE HANDBOOK
ACKNOWLEDGEMENT OF RECEIPT

By my signature below, I acknowledge that I have received a copy of the Sharp HealthCare Employee Handbook. I also understand that it contains information on general Human Resources policies and on some of the current benefits and obligations of being an employee of Sharp HealthCare. I will familiarize myself with the information contained in this handbook; however, I realize that, from time to time, the provisions of the Employee Handbook may be amended or modified by Sharp HealthCare and that the Sharp HealthCare Human Resources Policy Manual will take precedence over any contrary provisions in the Employee Handbook.

I understand that the policies and programs described in the Employee Handbook, the Human Resources Policy Manual and any other Sharp HealthCare form or document do not establish any type of contractual agreement whatsoever between Sharp HealthCare and its employees. I further understand that my employment by Sharp HealthCare is at-will, meaning it is not for a specified period of time and can be terminated at any time for any or no reason, with or without cause or notice, by me or by Sharp HealthCare. I also understand that no modification to the Employee Handbook, Human Resources Policy Manual, or any statement made in any Sharp form or document or by any Sharp HealthCare representative, either verbally or in writing, can in any way modify the at-will nature of my employment by Sharp HealthCare. By my signature below, I acknowledge the at-will nature of my employment by Sharp and that my at-will employment status will continue throughout my employment by Sharp HealthCare.

Please print your name, sign and date in the space provided and return to Human Resources. THIS FORM MUST BE COMPLETED IN ITS ENTIRETY.

Name: _____

Signature: _____

Date: _____

Human Resources Copy

Sharp HealthCare Human Resources, Revised 2011

Human Resources Operations Departments

Sharp Chula Vista Medical Center
(619) 502-3611

Sharp Coronado Hospital
(619) 522-3742

Sharp Grossmont Hospital
Including Sharp HospiceCare
(619) 740-4210

Sharp Metropolitan Medical Campus
Including Sharp Home Care, Sharp Mary Birch Hospital for Women & Newborns,
Sharp McDonald Center, Sharp Memorial Hospital, Sharp Memorial Outpatient
Pavilion, Sharp Mesa Vista Hospital and Sharp Senior Health Center
(858) 939-3456

Sharp Rees-Stealy Medical Centers
(619) 446-1849

Sharp System Services
Including Ruffin, Sharp Community Medical Group, Sharp Health Plan,
SOC and Spectrum
(858) 499-5339

Sharp HealthCare Recruitment
(858) 499-5460

