



Physician Assistant Surgical Associates, LLC Company Handbook

TO PHYSICIAN ASSISTANT SURGICAL ASSOCIATES, LLC EMPLOYEES:

This is our new Company Handbook. Please review it and sign the Physician Assistant Surgical Associates, LLC Company Handbook signature form.

This Company Handbook (the “Handbook”) was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the Handbook as soon as possible, for it will answer many questions about employment with Physician Assistant Surgical Associates, LLC.

MISSION STATEMENT:

Physician Assistant Surgical Associates is committed to providing hospitals and their patients with physician extenders who possess superior clinical knowledge and technical ability in the area of Cardiothoracic Surgery. Our team members are dedicated and reliable, professional and courteous, and most importantly, caring. PASA and its healthcare providers continually strive to improve hospital cost, program efficiency, and patient care delivery and outcomes while maintaining the highest quality standards.

INTRODUCTORY STATEMENT

This Handbook is designed to acquaint you with Physician Assistant Surgical Associates, LLC and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. This Handbook is not a contract and is not intended to create any contractual or legal obligations. You should read, understand, and comply with all provisions of the Handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Physician Assistant Surgical Associates, LLC to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No Handbook can anticipate every circumstance or question about policy. As Physician Assistant Surgical Associates, LLC continues to grow, the need may arise and Physician Assistant Surgical Associates, LLC reserves the right to revise, supplement, or rescind any policies or portion of the Handbook from time to time as it deems appropriate, in its sole and absolute discretion. The only exception is our employment-at-will policy permitting you or Physician Assistant Surgical Associates, LLC to end our relationship for any reason at any time. The employment-at-will policy cannot be changed except in a written agreement signed by both you and the Chief Executive Office of the Company. Employees will, of course, be notified of such changes to the Handbook as they occur.

Clients and their patients are among our organization's most valuable assets. Every employee represents Physician Assistant Surgical Associates, LLC to our clients, our client's patients, and the public. The way we do our jobs presents an image of our entire organization. Clients and patients judge all of us by how they are treated with each employee contact. Therefore, one of our first business priorities is to assist any client or potential client. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

Physician Assistant Surgical Associates, LLC will provide customer relations and services training to all employees. Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves, but also of the professionalism of Physician Assistant Surgical Associates, LLC. Positive customer relations not only enhance the public's perception or image of Physician Assistant Surgical Associates, LLC, but also pay off in greater customer loyalty.

Nature of Employment

Employment with Physician Assistant Surgical Associates, LLC is voluntarily entered into and is "at-will," which means that the employee is free to resign at will at any time, with or without notice or cause. Similarly, Physician Assistant Surgical Associates, LLC may terminate the employment relationship at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law. No one has the authority to make verbal statements that change the at-will nature of employment, and the at-will relationship cannot be changed or

modified for any employee except in a written agreement signed by that employee and the Chief Executive Office of Physician Assistant Surgical Associates, LLC.

Policies set forth in this Handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Physician Assistant Surgical Associates, LLC and any of its employees. The provisions of the Handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or cancelled at any time, at Physician Assistant Surgical Associates, LLC's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the Chief Executive Officer of Physician Assistant Surgical Associates, LLC.

Employee Relations

Physician Assistant Surgical Associates, LLC believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to the management.

Our experience has shown that when employees deal openly and directly with management, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Physician Assistant Surgical Associates, LLC amply demonstrates its commitment to employees by responding effectively to employee concerns.

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Physician Assistant Surgical Associates, LLC will be based on merit, qualifications, and the needs of the company. Physician Assistant Surgical Associates, LLC does not unlawfully discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, ancestry, medical conditions, family care status, sexual orientation, or any other basis prohibited by law.

Physician Assistant Surgical Associates, LLC will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship to the extent required by law. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employee with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of the Chief Executive Officer. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Business Ethics and Conduct

The successful business operation and reputation of Physician Assistant Surgical Associates, LLC are built upon the principles of fair dealing and ethical conduct of our employees. Our

reputation for integrity and excellence requires careful observance of the spirit and the letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Physician Assistant Surgical Associates, LLC is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Physician Assistant Surgical Associates, LLC, its clients, and its shareholders to act in a way that will merit the continued trust and confidence of the public.

Physician Assistant Surgical Associates, LLC will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with the Chief Executive Officer for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Physician Assistant Surgical Associates, LLC employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

Personal Relationships in the Workplace

The employment of relatives or individuals involved in a dating relationship in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, relatives are any persons who are related to each other by blood or marriage or whose relationship is similar to that of persons who are related by blood or marriage. A dating relationship is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" or sexual relationship. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

Relatives of current employees may not occupy a position that will be working directly for or supervising their relative except as required by law. Individuals involved in a dating relationship with a current employee may also not occupy a position that will be working directly for or supervising the employee with whom they are involved in a dating relationship. Physician Assistant Surgical Associates, LLC also reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of employment decisions.

If a relative relationship or dating relationship is established after employment between employees who are in a reporting situation described above, it is the responsibility and obligation

of the supervisor involved in the relationship to disclose the existence of the relationship to management.

In other cases where a conflict or the potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

Immigration Law Compliance

Physician Assistant Surgical Associates, LLC is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Physician Assistant Surgical Associates, LLC within the past three years or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Chief Executive Officer. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

Conflicts of Interest

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Physician Assistant Surgical Associates, LLC wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Chief Executive Officer for more information or questions about conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of Physician Assistant Surgical Associates, LLC business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of Physician Assistant Surgical Associates, LLC as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which Physician Assistant Surgical Associates, LLC does business, but

also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving Physician Assistant Surgical Associates, LLC.

Non-Disclosure

The protection of confidential business information and trade secrets is vital to the interests and the success of Physician Assistant Surgical Associates, LLC. Such confidential information includes, but is not limited to, the following examples:

- acquisitions
- compensation data
- computer processes
- computer programs and codes
- customer lists
- customer preferences
- financial information
- investments
- labor relations strategies
- marketing strategies
- new materials research
- partnerships
- pending projects and proposals
- proprietary production processes
- research and development strategies
- scientific data
- scientific formulae
- scientific prototypes
- technological data
- technological prototypes

All employees may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business

information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

Disability Accommodation

Physician Assistant Surgical Associates, LLC is committed to complying fully with applicable disability laws and ensuring equal opportunity in employment for qualified persons with disabilities.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made regarding only an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions to the extent required by law. All employment decisions are based on the merits of the situation and the needs of the company, not the disability of the individual.

Physician Assistant Surgical Associates, LLC is also committed to not unlawfully discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability.

This policy is neither exhaustive nor exclusive. Physician Assistant Surgical Associates, LLC is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

Employment Categories

It is the intent of Physician Assistant Surgical Associates, LLC to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and Physician Assistant Surgical Associates, LLC.

Each employee is designated as either NON-EXEMPT or EXEMPT from federal and state wage and hour laws. NON-EXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NON-EXEMPT classification may be changed only upon written notification by Physician Assistant Surgical Associates, LLC management.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME employees are those who are not in a temporary or introductory status and who are regularly scheduled to work Physician Assistant Surgical Associates, LLC's full-time schedule. Generally, they are eligible for Physician Assistant Surgical Associates, LLC benefit package, subject to the terms, conditions, and limitations of each benefit program.

INTRODUCTORY employees are those whose performance is being evaluated to determine whether further employment in a specific position or with Physician Assistant Surgical Associates, LLC is appropriate. Employees who satisfactorily complete the introductory period will be notified of their new employment classification.

PER DIEM employees are those who are hired to supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category may be of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Per Diem employees retain that status unless and until notified of a change. While per diem employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for health insurance, life insurance, short-term and long-term disability insurance, CME reimbursement, and paid vacation time off benefit programs.

Access to Personnel Files

Physician Assistant Surgical Associates, LLC maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, résumé, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of Physician Assistant Surgical Associates, LLC and access to the information they contain is restricted. Generally, only management personnel of Physician Assistant Surgical Associates, LLC who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact the Chief Executive Officer. With reasonable advance notice, employees may review their own personnel files at a mutually agreed upon location and in the presence of an individual appointed by Physician Assistant Surgical Associates, LLC to maintain the files.

Personal Data Changes

It is the responsibility of each employee to promptly notify Physician Assistant Surgical Associates, LLC of any changes in personal data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. If any personal data has changed, notify the practice manager and/or the Chief Executive Officer.

Introductory Period

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Physician Assistant Surgical Associates, LLC uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Physician Assistant Surgical Associates, LLC may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Any significant absence will automatically extend an introductory period by the length of the absence. If Physician Assistant Surgical Associates, LLC determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

Employment Applications

Physician Assistant Surgical Associates, LLC relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

In processing employment applications, Physician Assistant Surgical Associates, LLC may obtain a consumer credit report or background check for employment. If Physician Assistant Surgical Associates, LLC takes an adverse employment action based in whole or in part on any report caused by the Fair Credit Reporting Act, a copy of the report and a summary of your rights under the Fair Credit Reporting Act will be provided as well as any other documents required by law.

Performance Evaluation

Management and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted following an employee's introductory period. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. The standard is to do this on an annual basis.

Job Descriptions

Physician Assistant Surgical Associates, LLC maintains job descriptions to aid in orienting new employees to their jobs, identifying the requirements of each position, establishing hiring criteria, setting standards for employee performance evaluations, and establishing a basis for making reasonable accommodations for individuals with disabilities.

The Chief Executive Officer prepares job descriptions when new positions are created. Existing job descriptions are also reviewed and revised in order to ensure that they are up to date. Job descriptions may also be rewritten periodically to reflect any changes in position duties and responsibilities. All employees will be expected to help ensure that their job descriptions are accurate and current, reflecting the work being done.

Employees should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional responsibilities may be assigned as necessary. Contact the Chief Executive Officer if you have any questions or concerns about your job description.

Employee Benefits

Eligible employees at Physician Assistant Surgical Associates, LLC are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. The Chief Executive Officer can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the Handbook or in the PASA Benefits Summary.

The following benefit programs are available to eligible employees:

- Vacation/Paid Time Off
- Bereavement Leave
- Time Off To Vote
- Time Off For Jury Duty
- Health Insurance including Vision and Prescription Plans
- Benefits Continuation (COBRA)
- Group Term Life Insurance
- Short Term and Long Term Disability Insurance
- Matching 401(k) Plan
- CME Allowance
- Workers' Compensation Insurance
- Professional Liability (Malpractice) Insurance
- General Liability Insurance
- Non-owned Auto Insurance
- Commercial Crime Coverage (Bonding)
- Corporate Insurance Policy
- Flexible Schedule

All benefit programs are fully paid for by Physician Assistant Surgical Associates, LLC. Many benefits are described in separate Summary Plan Descriptions, or Plans, which may change from time to time. The Summary Plan Description will have control over any policy in this Handbook. You will receive a copy of each Summary Plan Description applicable to you. Contact the Chief Executive Officer if you need a Summary Plan Description or have any questions.

Vacation Benefits/Paid Time Off

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

Regular full-time employees

- Upon initial eligibility, the employee is entitled to 3 weeks each year and accrues hours based on the agreed upon minimum contractual bi-weekly worked hours.
- After five years of eligible service, the employee is entitled to 4 weeks each year.

The length of eligible service is calculated on the basis of a “benefit year.” This is the 12-month period that begins when the employee starts to earn vacation time. An employee’s benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Once employees enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. They can request use of vacation time after it is earned.

Paid vacation time can be used in minimum increments of one day. To take vacation, employees should request advance approval from the management. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the employee’s base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

As stated above, employees are encouraged to use available paid vacation time for rest, relaxation, and personal pursuits. In the event that available vacation is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year. If the total amount of unused vacation time reaches a “cap” equal to two times the annual vacation amount, further vacation accrual will stop. When the employee uses paid vacation time and brings the available amount below the cap, vacation accrual will begin again. Any hours above two times the annual earned amount will be bought back at a rate of 80% of the employee’s hourly rate.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work.

Bereavement Leave

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately.

Up to three days of paid bereavement leave will be provided to eligible employees in the following classification(s):

Regular full-time employees

Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with management's approval, use any available paid leave for additional time off as necessary.

Physician Assistant Surgical Associates, LLC defines "immediate family" as the employee's spouse, parent, child, or sibling.

Time Off to Vote

Physician Assistant Surgical Associates, LLC encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their nonworking hours, Physician Assistant Surgical Associates, LLC will grant up to two hours of unpaid time off to vote.

Employees should request time off to vote from management at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever causes less disruption to the normal work schedule.

Jury Duty

Physician Assistant Surgical Associates, LLC encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request unpaid jury duty leave for the length of absence. If desired, employees may use any available paid time off (for example, vacation benefits).

Employees must show the jury duty summons to management as soon as possible so that arrangements may be made to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either Physician Assistant Surgical Associates, LLC or the employee may request an excuse from jury duty if, in Physician Assistant Surgical Associates, LLC judgment, the employee's absence would create serious operational difficulties.

Physician Assistant Surgical Associates, LLC will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation benefits will continue to accrue during unpaid jury duty leave.

Health Insurance

Physician Assistant Surgical Associates, LLC health insurance plan provides employees access to medical, vision, and prescription insurance benefits. Employees in the following employment classification(s) are eligible to participate in the health insurance plan:

Regular full-time employees

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between Physician Assistant Surgical Associates, LLC and the insurance carrier.

A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the “Benefits Continuation (COBRA)” policy section for more information.

Details of the health insurance plan are described in the Summary Plan Description (SPD). A SPD will be provided in advance of enrollment to eligible employees. Cost of the health insurance plan is paid for by Physician Assistant Surgical Associates, LLC. Contact management for more information about health insurance benefits.

Benefits Continuation (COBRA)

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Physician Assistant Surgical Associates, LLC’s health plan when a “qualifying event” would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee’s hours or a leave of absence; an employee’s divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Physician Assistant Surgical Associates, LLC group rates plus an administration fee. Physician Assistant Surgical Associates, LLC provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Physician Assistant Surgical Associates, LLC health insurance plan. The notice contains important information about the employee’s rights and obligations. Contact the Chief Executive Office for more information about COBRA.

Group Term Life Insurance

Physician Assistant Surgical Associates, LLC provides and pays for the cost of group term life insurance for all *regular full-time employees*. Details are provided in the benefits summary.

Short Term and Long Term Disability Insurance

Physician Assistant Surgical Associates, LLC provides and pays for the cost of short term and long term disability insurance for all *regular full-time employees*. Details are provided in the benefits summary.

Matching 401(k)

Physician Assistant Surgical Associates, LLC supports saving for retirement. Physician Assistant Surgical Associates, LLC will match associate contributions in amount equal to your elective deferrals that does not exceed 3% of your compensation for the plan year, plus 50% of your

elective deferrals that exceeds 3% of your compensation for the plan year but does not exceed 5% of your compensation for the plan year. This benefit is available for all employees.

CME

All active *regular full-time employees* of Physician Assistant Surgical Associates, LLC will be reimbursed up to \$1,000 per year to be used in continuing education, including and not limited to conferences, loupes, books, journals, professional membership fees, licensure fees, etc. Employees need to pay the upfront costs and will be reimbursed in a timely manner after submission of the original receipt or the product or activity. The benefit year starts with date of hire and renews each anniversary date.

Workers' Compensation Insurance

Physician Assistant Surgical Associates, LLC provides a comprehensive workers' compensation insurance program at no cost to employees, pursuant to law. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform management immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

Professional Liability (Malpractice) Insurance

Physician Assistant Surgical Associates, LLC maintains and pays for a claims made \$1,000,000/\$3,000,000 umbrella policy covering all active employees. Any employee not working for the previous 12 months will be dropped from the umbrella coverage. The umbrella coverage is in effect only at hospitals contracted with Physician Assistant Surgical Associates, LLC and covers employees only when they are working for Physician Assistant Surgical Associates, LLC.

General Liability Insurance

Physician Assistant Surgical Associates, LLC maintains a \$1,000,000/\$3,000,000 general liability coverage protecting the company from general liability claims.

Non-owned Auto Insurance

Physician Assistant Surgical Associates, LLC recognizes there may be some instances where employees travel from one work-site to another in the middle of working hours. For that purpose a non-owned auto insurance policy to cover loss during working hours. Routine commute to and from work is not covered under this policy.

Commercial Crime Coverage

All Physician Assistant Surgical Associates, LLC employees are bonded to a value of \$5,000.

Corporate Insurance Policy

To safeguard the organization's future from loss and to instill confidence in our employees and clients, Physician Assistant Surgical Associates, LLC maintains a directors and officers liability insurance, private company liability insurance, employment practice insurance, and fiduciary liability insurance.

Flexible Schedule

Employees will only be eligible for full benefits if they average 36 regular working hours (excluding on-call hours) or more per week. Work schedules for employees vary throughout our organization. Management will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. We have a large pool of per-diem and part-time employees that allow us to create flexible and creative schedules for our full-time associates. We also work very closely with our part-time and per-diem employees to create schedules that support a variety of lifestyles.

Timesheets

All employees are expected to submit their timesheets via the SpringAhead website by 5 p.m. at the latest on the Monday of each week that is a payday. The link is: <http://my.springahead.com/go/Account/LogOn/PASA>. Occasionally, usually due to a bank holiday schedule, it will be necessary to submit them earlier than the normal time. In that event the practice manager will send an email message to all employees giving ample notice. If timesheets are not received by the expected deadline, pay will be delayed to the next pay period.

Paydays

All employees are paid bi-weekly on a Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

All payments are direct deposited to the bank/banks specified in the employee's application/enrollment information. Paystubs are available via ViewMyPaycheck. The link is: <https://paychecks.intuit.com>. Information to register at the time of the employee's first pay period will be given to the employee at that time. All employees are encouraged to check their pay statement each pay period and report any discrepancies immediately to the practice manager.

Administrative Pay Corrections

Physician Assistant Surgical Associates, LLC takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of management so that corrections can be made as quickly as possible.

Pay Deductions

The law requires that Physician Assistant Surgical Associates, LLC make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Physician Assistant Surgical Associates, LLC also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." Physician Assistant Surgical Associates, LLC matches the amount of Social Security taxes paid by each employee.

Annual Education

All employees are required to complete annual education. The details of how this will be completed will be communicated to all employees by management at a specified time each year. Continued employment with Physician Assistant Surgical Associates, LLC is contingent upon the timely completion of this mandatory education every year.

Safety

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Physician Assistant Surgical Associates, LLC has established a workplace safety program. This program is a top priority for Physician Assistant Surgical Associates, LLC. The Chief Executive Officer and practice manager have responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

Employees should be alert to situations and events that cause or could cause injury, loss or damage. Employees should:

- Learn about the Facility safety and security programs at the facility where they are assigned.
- Know the safety rules that apply to his/her job.
- Memorize fire safety evacuation routes.
- Be alert for any hazards that could harm patients, visitors or other staff. This includes physical hazards (such as a slippery floor or frayed wire), malfunctioning equipment and unsafe practices by other employees.
- Promptly report any hazards to a supervisor or the safety director at the facility where they are working.
- Prevent loss and damage by protecting personal belongings and patient belongings. Lock up valuables.

Physician Assistant Surgical Associates, LLC provides information to employees about workplace safety and health issues through regular internal communication channels such as management-employee meetings, e-mail, memos, or other written communications.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with management or bring them to the attention of the Chief Executive Officer. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate manager. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the Chief Executive Officer or the practice manager. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

Use of Phone and Mail Systems

Personal use of the telephone for long-distance and toll calls is not permitted. Employees should practice discretion when making local personal calls. To ensure effective telephone communications, employees should always use the approved greeting ("Good Morning, Physician Assistant Surgical Associates," or "Good Afternoon, PA Surgical," as applicable) and speak in a courteous and professional manner. Please confirm information received from the caller and hang up only after the caller has done so.

The mail system is reserved for business purposes only. Employees should refrain from sending or receiving personal mail at the workplace. The e-mail system is the property of Physician Assistant Surgical Associates, LLC. Occasional use of the e-mail system for personal messages is permitted, within reasonable limits. Physician Assistant Surgical Associates, LLC will not guarantee the privacy of the e-mail system except to the extent required by law.

Smoking

Smoking is prohibited throughout the workplace, as required by law. This policy applies equally to all employees, customers, and visitors. Employees contracted out to work at satellite facilities such as hospitals or surgery centers must read and strictly adhere to the smoking policy at that site.

Rest and Meal Periods

All employees are provided with one one-hour meal period each workday. Employees should be mindful of when they use this break so that patient care is not compromised. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time. Brief rest periods will be allowed, as required by law.

Emergency Closings

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility.

In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off. Patient care does not cease during inclement weather or emergencies, therefore, employees are required to make every reasonable attempt to arrive at work safely. Employees may request available paid leave time such as unused vacation benefits.

Visitors in the Workplace

To provide for the safety and security of employees and the facilities at Physician Assistant Surgical Associates, LLC and the facilities that we work at, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances. All visitors should enter at the main facility entrance. Authorized visitors will be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on Physician Assistant Surgical Associates, LLC premises or at any of the facilities that we work at, employees should immediately notify management or, if necessary, direct the individual to the main entrance.

Computer and E-mail Usage

Computers, computer files, the e-mail system, and software furnished to employees are Physician Assistant Surgical Associates, LLC property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization.

Physician Assistant Surgical Associates, LLC strives to maintain a workplace free of harassment and is sensitive to the diversity of its employees. Therefore, Physician Assistant Surgical Associates, LLC prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others. Employees should notify the Chief Executive Officer or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Internet Usage

Internet access to global electronic information resources on the World Wide Web is provided by Physician Assistant Surgical Associates, LLC and the facilities that we work at to assist employees in obtaining work-related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage. While Internet usage is

intended for job-related activities, incidental and occasional brief personal use of e-mail and the Internet is permitted within reasonable limits.

All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of Physician Assistant Surgical Associates, LLC and, as such, is subject to disclosure to law enforcement or other third parties. Employees should expect only the level of privacy that is warranted by existing law and no more. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful. Any questions regarding the legal effect of a message or transmission should be brought to the Chief Executive Officer.

Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited. As a general rule, if an employee did not create material, does not own the rights to it, or has not gotten authorization for its use, it should not be put on the Internet. Employees are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights. Any questions regarding the use of such information should be brought to the Chief Executive Officer.

Internet users should take the necessary anti-virus precautions before downloading or copying any file from the Internet. All downloaded files are to be checked for viruses; all compressed files are to be checked before and after decompression.

Abuse of the Internet access provided by Physician Assistant Surgical Associates, LLC in violation of the law or Physician Assistant Surgical Associates, LLC policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. The following behaviors are examples of previously stated or additional actions and activities that are prohibited and can result in disciplinary action:

- Sending or posting discriminatory, harassing, or threatening messages or images
- Using the organization's time and resources for personal gain
- Stealing, using, or disclosing someone else's code or password without authorization
- Copying, pirating, or downloading software and electronic files without permission
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization

- Violating copyright law
- Failing to observe licensing agreements
- Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- Sending or posting messages or material that could damage the organization's image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander other individuals
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with a security investigation
- Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
- Using the Internet for political causes or activities, religious activities, or any sort of gambling
- Jeopardizing the security of the organization's electronic communications systems
- Sending or posting messages that disparage another organization's products or services
- Passing off personal views as representing those of the organization
- Sending anonymous e-mail messages
- Engaging in any other illegal activities

Workplace Violence Prevention

Physician Assistant Surgical Associates, LLC is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, Physician Assistant Surgical Associates, LLC has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including management and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Physician Assistant Surgical Associates, LLC or any satellite location without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a client, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to the Chief Executive Officer or other member of management. This includes threats by employees, as well as threats by clients, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to management. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening. Physician Assistant Surgical Associates, LLC will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment.

Physician Assistant Surgical Associates, LLC encourages employees to bring their disputes or differences with other employees to the attention of the Chief Executive Officer before the situation escalates into potential violence. Physician Assistant Surgical Associates, LLC is eager to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

Medical Leave

Physician Assistant Surgical Associates, LLC provides medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability. For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility and continuing treatment by a health care provider.

Employees in the following employment classifications are eligible to request medical leave as described in this policy:

Regular full-time employees

Eligible employees should make requests for medical leave to the Chief Executive Officer at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

A health care provider's statement must be submitted verifying the need for medical leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to Physician Assistant Surgical Associates, LLC. Employees returning from medical leave must submit a health care provider's verification of their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of 12 weeks within any 12-month period. Any combination of medical leave and family leave may not exceed this maximum limit. If the initial period of approved absence proves insufficient, consideration will be given to a request for an extension.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of the disability, in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions, and limitations of the applicable plans, Physician Assistant Surgical Associates, LLC will continue to provide health insurance benefits for the full period of the approved medical leave.

Vacation benefit accrual will continue during the approved medical leave period.

So that an employee's return to work can be properly scheduled, an employee on medical leave is requested to provide Physician Assistant Surgical Associates, LLC with at least two weeks' advance notice of the date the employee intends to return to work. When a medical leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to return to work on the agreed-upon return date, Physician Assistant Surgical Associates, LLC will assume that the employee has resigned.

Family Leave

Physician Assistant Surgical Associates, LLC provides family leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child or to care for a child, spouse, or parent with a serious health condition. A "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment by a health care provider. Employees in the following employment classifications are eligible to request family leave as described in this policy:

Regular full-time employees

Eligible employees should make requests for family leave to the Chief Executive Officer at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

Employees requesting family leave related to the serious health condition of a child, spouse, or parent may be required to submit a health care provider's statement verifying the need for family leave to provide care, its beginning and expected ending dates, and the estimated time required.

Eligible employees may request up to a maximum of 12 weeks of family leave within any 12-month period. Any combination of family leave and medical leave may not exceed this maximum. Married employee couples may be restricted to a combined total of 12 weeks leave within any 12-month period for childbirth, adoption, or placement of a foster child or to care for a parent with a serious health condition.

Subject to the terms, conditions, and limitations of the applicable plans, Physician Assistant Surgical Associates, LLC will continue to provide health insurance benefits for the full period of the approved family leave. Vacation benefit accrual will continue during the approved family leave period.

So that an employee's return to work can be properly scheduled, an employee on family leave is requested to provide Physician Assistant Surgical Associates, LLC with at least two weeks'

advance notice of the date the employee intends to return to work. When a family leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified. If an employee fails to return to work on the agreed-upon return date, Physician Assistant Surgical Associates, LLC will assume that the employee has resigned.

Pregnancy Disability Leave

Physician Assistant Surgical Associates, LLC provides pregnancy disability leaves of absence without pay to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions. Any employee is eligible to request pregnancy disability leave as described in this policy. Employees should make requests for pregnancy disability leave to the Chief Executive Officer at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events. A health care provider's statement must be submitted verifying the need for pregnancy disability leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to Physician Assistant Surgical Associates, LLC. Employees returning from pregnancy disability leave must submit a health care provider's verification of their fitness to return to work.

Employees are normally granted unpaid leave for the period of the disability, up to a maximum of four months. Employees may substitute any accrued paid leave time for unpaid leave as part of the pregnancy disability leave period. Subject to the terms, conditions, and limitations of the applicable plans, Physician Assistant Surgical Associates, LLC will continue to provide health insurance benefits for the full period of the approved pregnancy disability leave. So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide Physician Assistant Surgical Associates, LLC with at least two weeks' advance notice of the date she intends to return to work.

When a pregnancy disability leave ends, the employee will be reinstated to the same position, unless either the employee would not otherwise have been employed for legitimate business reasons or each means of preserving the job would substantially undermine the ability to operate Physician Assistant Surgical Associates, LLC safely and efficiently. If the same position is not available, the employee will be offered a comparable position in terms of such issues as pay, location, job content, and promotional opportunities.

If an employee fails to report to work promptly at the end of the pregnancy disability leave, Physician Assistant Surgical Associates, LLC will assume that the employee has resigned.

Military Leave/Military Exigency Leave

Employees are entitled to military leave, reinstatement, and reemployment in accordance with state and federal laws, including the Uniformed Service Employment and Reemployment Rights Act of 1994 ("USERRA"). Any employee absent from employment due to service in the "uniformed services" is eligible for 12-week military leave and reinstatement. For purposes of this policy, "uniformed services" consist of the following: Army, Navy, Marine Corps, Air Force, Coast Guard, Army Reserve, Naval Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard, Air National Guard, Commissioned Corps of the Public Health Service, or any other category of persons designated by the President in a time of war or emergency.

Military leave is unpaid time off but if employees have accrued vacation/paid time off hours available, they may use them for compensation.

Eligible employees with a spouse, son, daughter, or parent on active duty or called to “covered active duty” may use their 12-week leave entitlement to address certain qualifying exigencies. “Covered active duty” means the deployment of a member of the regular Armed Forces to a foreign country and the order to active duty of a member of a reserve component of the Armed Forces or a member of the National Guard. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, emergent Parental Care, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

Employee Conduct and Work Rules

To ensure orderly operations and provide the best possible work environment, Physician Assistant Surgical Associates, LLC expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

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

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized disclosure of business “secrets” or confidential information

- Violation of personnel policies
- Unsatisfactory performance or conduct

Nothing in this policy is intended to change the company's at-will employment policy. Employment with Physician Assistant Surgical Associates, LLC is at the mutual consent of Physician Assistant Surgical Associates, LLC and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

Drug and Alcohol Use

It is Physician Assistant Surgical Associates, LLC's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

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

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with the Chief Executive Officer to receive assistance or referrals to appropriate resources in the community.

Employees with problems with alcohol and certain drugs that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through Physician Assistant Surgical Associates, LLC's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance and abides by all Physician Assistant Surgical Associates, LLC policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Physician Assistant Surgical Associates, LLC any undue hardship.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with the Chief Executive Officer without fear of reprisal.

Sexual and Other Unlawful Harassment

Physician Assistant Surgical Associates, LLC is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, sexual orientation, or any other legally protected characteristic will not be tolerated.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances
- Offering employment benefits in exchange for sexual favors
- Making or threatening reprisals after a negative response to sexual advances
- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons, or posters
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations
- Physical conduct that includes touching, assaulting, or impeding or blocking movements

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission to or rejection of the conduct is used as a basis for making employment decisions; or (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to the Chief Executive Officer. If the Chief Executive Officer is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any member of management who becomes aware of possible sexual or other unlawful harassment must immediately advise the Chief Executive Officer of the company so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful behavior will be subject to disciplinary action, up to and including termination of employment.

Attendance and Punctuality

To maintain a safe and productive work environment, Physician Assistant Surgical Associates, LLC expects employees to be reliable and to be punctual in reporting for scheduled work.

Absenteeism and tardiness place a burden on other employees and on Physician Assistant Surgical Associates, LLC. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify management and any supervisor of a satellite facility as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image that Physician Assistant Surgical Associates, LLC presents to the community.

During business hours or when representing Physician Assistant Surgical Associates, LLC, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards.

The Chief Executive Officer or management at any satellite locations is responsible for establishing a reasonable dress code appropriate to the job you perform. If management feels that your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstances, you will not be compensated for the time away from work. Consult management if you have questions as to what constitutes appropriate appearance. Where necessary, reasonable accommodation may be made to a person with a disability.

Return of Property

Employees are responsible for all Physician Assistant Surgical Associates, LLC property, materials, or written information issued to them or in their possession or control. Employees must return all Physician Assistant Surgical Associates, LLC property immediately upon request or upon termination of employment. Where permitted by applicable laws, Physician Assistant Surgical Associates, LLC may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Physician Assistant Surgical Associates, LLC may also take all action deemed appropriate to recover or protect its property.

Resignation

Resignation is a voluntary act initiated by the employee to terminate employment with Physician Assistant Surgical Associates, LLC. Although advance notice is not required, Physician Assistant Surgical Associates, LLC requests at least two weeks' written notice of resignation from non-exempt employees and two weeks' written notice of resignation from exempt employees.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

Security Inspections

Physician Assistant Surgical Associates, LLC wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Physician

Assistant Surgical Associates, LLC prohibits the possession, transfer, sale, or use of such materials on its premises or the premises of any contracted satellite facility. Physician Assistant Surgical Associates, LLC requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Physician Assistant Surgical Associates, LLC or the contracted satellite facility. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Physician Assistant Surgical Associates, LLC or the contracted satellite facility at any time, either with or without prior notice.

Solicitation

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

Physician Assistant Surgical Associates, LLC recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

Examples of impermissible forms of solicitation include:

- The collection of money, goods, or gifts for community groups
- The collection of money, goods, or gifts for religious groups
- The collection of money, goods, or gifts for political groups
- The collection of money, goods, or gifts for charitable groups
- The sale of goods, services, or subscriptions outside the scope of official organization business
- The circulation of petitions
- The distribution of literature in working areas at any time
- The solicitation of memberships, fees, or dues

In addition, the posting of written solicitations on company bulletin boards and solicitations by e-mail are restricted. Company bulletin boards display important information; employees should consult them frequently for:

- Affirmative Action statement
- Employee announcements
- Workers' compensation insurance information
- State disability insurance/unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the Chief Executive Officer for approval prior to posting.

Progressive Discipline

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

Physician Assistant Surgical Associates, LLC's own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Although employment with Physician Assistant Surgical Associates, LLC is based on mutual consent and both the employee and Physician Assistant Surgical Associates, LLC have the right to terminate employment at will, with or without cause or advance notice, Physician Assistant Surgical Associates, LLC may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps—verbal warning, written warning, suspension with or without pay, or termination of employment—depending on the severity of the problem and the number of occurrences.

Progressive discipline means that, with respect to many disciplinary problems, these four steps will normally be followed. However, there may be circumstances when one or more steps are bypassed.

Physician Assistant Surgical Associates, LLC recognizes that there are certain types of employee problems that are serious enough to justify either a suspension or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all necessarily serious offenses, but may be examples of unsatisfactory conduct that will trigger progressive discipline.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Physician Assistant Surgical Associates, LLC.

Problem Resolution

Physician Assistant Surgical Associates, LLC is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank

atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Physician Assistant Surgical Associates, LLC management.

Physician Assistant Surgical Associates, LLC strives to ensure fair and honest treatment of all employees. Management and employees are expected to treat each other with respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with Physician Assistant Surgical Associates, LLC in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The employee may discontinue the procedure at any step.

1. The employee presents the problem to the Chief Executive Officer after the incident occurs.
2. The Chief Executive Officer responds to the problem during discussion or after consulting with appropriate management, when necessary. The Chief Executive Officer or other member of management documents this discussion.
3. The Chief Executive Officer and/or management advise the employee, putting the problem and resolution in writing.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussing mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment.

Employment Termination

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

- resignation—voluntary employment termination initiated by an employee.
- discharge—involuntary employment termination initiated by the organization.
- layoff—involuntary employment termination initiated by the organization because of an organizational change.
- retirement—voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Physician Assistant Surgical Associates, LLC will generally schedule exit interviews for regular time employees at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, re-payment of outstanding debts to Physician Assistant Surgical Associates, LLC, or return of Physician

Assistant Surgical Associates, LLC-owned property. Suggestions, complaints, and questions can also be voiced.

Nothing in this policy is intended to change the company's at-will employment policy. Since employment with Physician Assistant Surgical Associates, LLC is based on mutual consent, both the employee and Physician Assistant Surgical Associates, LLC have the right to terminate employment at will, with or without cause, at any time. Employees will receive their final pay in accordance with applicable state law.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance. See the "Benefits Continuation (COBRA)" policy section.

Life-Threatening Illnesses in the Workplace

Employees with life-threatening illnesses, such as cancer, heart disease, and AIDS, often wish to continue their normal pursuits, including work, to the extent allowed by their condition. Physician Assistant Surgical Associates, LLC supports these endeavors as long as the employees are able to meet acceptable performance standards. As in the case of other disabilities, Physician Assistant Surgical Associates, LLC will make reasonable accommodations in accordance with all legal requirements, to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

Medical information on individual employees is treated confidentially. Physician Assistant Surgical Associates, LLC will take reasonable precautions to protect such information from inappropriate disclosure. Management and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone inappropriately disclosing such information is subject to disciplinary action, up to and including termination of employment.

Employees with questions or concerns about life-threatening illnesses are encouraged to contact the Chief Executive Officer for information and referral to appropriate services and resources.

Suggestions

As employees of Physician Assistant Surgical Associates, LLC, you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit Physician Assistant Surgical Associates, LLC by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making Physician Assistant Surgical Associates, LLC a better or safer place to work. All suggestions should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. Statements of problems without accompanying solutions or

recommendations concerning co-workers and management are not appropriate suggestions. If you have questions or need advice about your idea, contact the Chief Executive Officer for help.

Submit suggestions to the Chief Executive Officer. As soon as possible, you will be notified of the adoption or rejection of your suggestion. Special recognition and, optionally, a cash award will be given to employees who submit a suggestion that is implemented.

April 2014

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