



Pathways, Inc.

Code of Conduct

Dear Pathways Colleague:

At Pathways, Inc., we have always had a tradition of caring – for our individuals, our communities, and our colleagues. We strive to deliver services compassionately and to act with absolute integrity in the way we do our work and the way we live our lives. In the following pages, you will have the opportunity to review our Code of Conduct. It is our intention that its guiding principles will influence the way in which you perform your job at Pathways, Inc.

Our Code of Conduct, which reflects our tradition of caring, provides guidance to ensure our work is done in an ethical and legal manner. It emphasizes the shared common values and culture that guide our actions. It also contains resources to help resolve any questions about appropriate conduct in the work place. Please review it thoroughly. Your adherence to its spirit, as well as its specific provisions, is absolutely critical to our future.

If you have questions regarding this Code or encounter any situation that you believe violates provisions of this Code, you should immediately consult your supervisor, another member of management at your site, the Compliance Officer, or the President and CEO. You may also call the Compliance Hotline at 607-937-3280. You have our personal assurance there will be no retribution of asking questions or raising concerns about the Code or reporting possible improper conduct.

We have a rich heritage of ideals, which are reflected in our Mission, Vision, and Philosophy Statement and in this Code of Conduct. We are equally committed to assuring our actions consistently reflect our words. In this spirit, we want this organization to be a community of shared values, and we expect all of our colleagues' actions to reflect the high standards set forth in this Code of Conduct.

No Code of Conduct can substitute for our own internal sense of fairness, honesty, and integrity. Thus, in your daily life and work, if you encounter a situation or are considering a course of action which may be technically within the guidelines of the Code of Conduct, but you are worried the contemplated action simply "does not feel right," please discuss the situation with any of the resources listed above. In closing, we trust you as a valuable member of our team. We ask you to assist us and all of our colleagues in this organization in supporting the values and principles that are critical to continuing our tradition of caring.

Sincerely,

Joseph Cevette
President and Chief Executive Officer

Table of Contents

Mission, Vision, and Philosophy Statement

Purpose of our Code of Conduct

Leadership Responsibilities

Our Fundamental Commitment of Stakeholders

Relationships with our Partners

Individual

Third Party Payers

Legal and Regulatory Compliance

Dealing with Accrediting Bodies

Business Information and Information Systems

Accuracy, Retention, and Disposal of Documents and Records

Information Security and Confidentiality

Electronic Media

Financial Reporting and Records

Workplace Conduct and Employment Practices

Conflict of Interest

Controlled Substances

Copyrights

Diversity and Equal Employment Opportunity

Harassment and Workplace Violence

Health and Safety

Employees

License and Certification Renewals

Personal Use of Pathways Resources

Relationships Among Pathways Colleagues

Relationships with Subcontractors, Suppliers, and Educational Institutions

Substance Abuse and Mental Acuity

Marketing Practices

Antitrust

Gathering Information about Competitors

Marketing and Advertising

Environmental Compliance

Business Courtesies

Government Relations and Political Activities

Organizational Ethics and Compliance Program

Program Structure

Resources for Guidance

Personal Obligation to Report

Internal Investigation of Reports

Corrective Action

Discipline

Internal Auditing and Monitoring

Acknowledgement Process

Mission, Vision, Philosophy, and Values Statement

MISSION

Pathways provides children, adults, and families with Specialized programs and services in developmental disabilities, mental health, family support, traumatic brain injury, nursing home alternatives, home care services, and child care. We hold ourselves accountable for meeting the expressed needs of those we support and for offering them meaningful opportunities to develop their own capabilities.

VISION

We will be recognized for our compassion, skill, and creativity in supporting the needs of others, and for our strengths in developing and providing quality diverse services.

PHILOSOPHY

As part of the community, we believe that all people have the right to make choices about their own lives. Further, we believe that people can grow and change, and are entitled to respect, dignity, and personal fulfillment.

VALUES

We act on our mission and philosophy and seek to achieve our vision by embracing these values:

Quality
Communication
Creativity
Responsiveness
Education
Empowerment
Respect
Perseverance
Integrity
Collaboration

Purpose of Our Code of Conduct

Our Code of Conduct provides guidance to all Pathways' colleagues and assists us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with individuals, affiliated organizations, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another.

The Code is a critical component of our overall Ethics and Compliance Program. We have developed the Code to ensure we meet our ethical standards to comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject discussed has so much complexity that additional guidance is necessary for those directly involved with the particular area to have sufficient direction. To provide additional guidance, we have developed a comprehensive set of compliance policies and procedures. Those policies expand upon or supplement many of the principles articulated in this Code of Conduct.

Though we promote the concept of management autonomy at local facilities in order to meet local needs, the policies set forth in the Code are mandatory and must be followed.

Leadership Responsibilities

While all Pathways colleagues are obligated to follow our Code, we expect our leaders to set the example, to be in every respect a model. They must ensure that those on their team have sufficient information to comply with laws, regulations, and policies; as well as the resources to resolve ethical dilemmas. They must help to create a culture within Pathways that promotes the highest standard of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

Our Fundamental Commitment to Stakeholders*

We affirm the following commitments to Pathways stakeholders:

*The term "stakeholder" refers to those groups of individuals to whom an institution sees itself as having obligations.

To our Individuals: We are committed to providing person centered quality care that is sensitive, compassionate, promptly delivered, and cost-effective.

To our colleagues: We are committed to a work setting that treats all colleagues with fairness, dignity, and respect, and affords them an opportunity to grow, to develop professionally, and to work in a team environment in which all ideas are considered.

To our third-party payers: We are committed to dealing with our third-party payers in a way that demonstrates our commitment to contractual obligations and reflects our shared concern for quality services and bringing efficiency and cost effectiveness to service. We encourage our private third-party payers to adopt their own set of comparable ethical principles to explicitly recognize their obligations to individuals as well as the need for fairness in dealing with providers.

To our regulators: We are committed to an environment in which compliance with rules, regulations, and sound business practices is woven into the corporate culture. We accept the responsibility to aggressively self-govern and monitor adherence to the requirements of law and our Code of Conduct.

To the communities we serve: We are committed to understanding the particular needs of the communities we serve and providing these communities quality, cost-effective services. We realize as an organization that we have a responsibility to help those in need. We proudly support charitable contributions and events in the communities we serve in an effort to promote good will and further good causes.

To our suppliers: We are committed to fair competition among prospective suppliers and the sense of responsibility required of a good customer. We encourage our suppliers to adopt their own set of comparable ethical principles.

Third-Party Payers

Coding and Billing for Services

We will take great care to assure all billings to our government payers and customers are true and accurate and conform to all pertinent Federal and state laws and regulations. We prohibit any colleague or agent of Pathways from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious, or fraudulent.

We will operate oversight systems designed to verify claims are submitted only for services actually provided and services are billed as provided. These systems will emphasize the critical nature of complete and accurate documentation of services provided. As part of our documentation effort, we will maintain current and accurate records.

Any subcontractors engaged to perform billing services must have the necessary skills, quality control processes, systems, and appropriate procedures to ensure all billings for government payers are accurate and complete. Pathways prefers to contract with such entities that have adopted their own ethics and compliance programs. Third party billing entities, contractors, and preferred vendors under contract consideration must be approved consistent with the corporate policy on this subject.

Cost Reports

We are required to submit certain reports of our costs of operation. We will comply with all applicable Federal and state laws relating to all cost reports. These laws and regulations define what costs are

allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. Given their complexity, all issues related to the completion and settlement of cost reports must be communicated through, or coordinated with, our Business Office.

Legal and Regulatory Compliance

Pathways provides various human services in many locations. These services may be provided only pursuant to appropriate Federal, state, and local laws, regulations and conditions of participation. Such laws, regulations and conditions of participation may include subjects such as certificates of need, licenses, permits, accreditation, access to treatment, consent to treatment, record-keeping, access to individual records and confidentiality, individuals' rights, clinical privileges, and Medicaid program requirements. The organization is subject to numerous other laws in addition to these regulations and conditions of participation.

We will comply with all applicable laws and regulations. All colleagues, staff members, and contract service providers must be knowledgeable about and ensure compliance with all laws, regulations and conditions of participation; and should immediately report violations or suspected violations to a supervisor or member of management, Compliance Officer, or the President & CEO.

Pathways will be forthright in dealing with any billings inquiries. Requests for information will be answered with complete, factual, and accurate information. We will cooperate with and be courteous to all inspectors and surveyors and provide them with the information to which they are entitled during an inspection or survey.

During a survey or inspection, you must never conceal, destroy, or alter any documents; lie; or make misleading statements to the agency representative. You should not attempt to cause another colleague to fail to provide accurate information or obstruct, mislead, or delay to communication of information or records relating to a possible violation of law.

In order to ensure we fully meet all regulator obligations, Pathways colleagues must be informed about stated areas of potential compliance concern. The Department of Health and Human Services, and particularly its Inspector General, has routinely notified service providers of areas in which these government representatives believe insufficient attention is being accorded government regulations. We should be diligent in the face of such guidance about reviewing these elements of our system to ensure their correctness.

Pathways will provide its colleagues with the information and education they need to comply fully with all applicable laws, regulations and conditions of participation.

Dealing with Accrediting Bodies

Pathways will deal with all accrediting bodies in a direct, transparent and honest manner. No action should ever be taken in relationships with accrediting bodies that would mislead the accreditor or its survey teams, with directly or indirectly.

The scope of matters related to accreditation of various bodies is extremely significant and broader than can be explained in this Code of Conduct. The purpose of our Code of Conduct is to provide general guidance on subjects of wide interest within the organization.

Accrediting bodies may be focused on issues both of wide and somewhat more focused interest. In any case, where Pathways determines to seek any form of accreditation, obviously all standards of the accrediting group are important and must be followed.

Business Information and Information Systems

Accuracy, Retention, and Disposal of Documents and Records

Each Pathways colleague is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure records are available to support our business practices and actions. No one may alter or falsify information on any record or document.

Individual and business documents and records are retained in accordance with the law and our record retention policy. Individual and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records only according to our policy. You must not tamper with records, nor remove or destroy them prior to the specified date.

Information Security and Confidentiality

Confidential information about our organization's strategies and operations is a valuable asset. Although you may use confidential information to perform your job, it must not be shared with others unless the individuals have a legitimate need to know this information and have agreed to maintain the confidentiality of the information. Confidential information includes personnel data maintained by the organization; individual lists and clinical information; individual financial information; passwords; pricing and cost data; information pertaining to acquisitions, divestitures, affiliations and mergers; financial data; details regarding federal, state and local tax examinations of the organization or its joint venture partners; research data; strategic plans; marketing strategies and techniques; supplier and subcontractor information; and proprietary computer software. If your relationship with Pathways ends for any reason, you are still bound to maintain the confidentiality of information viewed during your employment.

Our service and business processes rely on timely access to accurate information from our computer systems. Your passwords act as individual keys to our network and to critical individual care and business

application, and they must be kept confidential. It is part of your job to learn about and practice the many ways you can help protect the confidentiality, integrity and availability of electronic information assets.

Electronic Media

All communication systems, including electronic mail, intranet, Internet access, and voice mail, are the property of the organization and are to be primarily used for business purposes. Highly limited reasonable personal use of Pathways' communications systems is permitted; however, you should assume these communications are not private. Individual or confidential information should not be sent through the intranet or Internet until such time that its confidentiality can be assured.

Pathways reserved the right to periodically access, monitor, and disclose the contents of e-mail, and voice mail messages. Access or disclosure of individual employee messages may only be done with the approval of Administration.

Colleagues may not use internal communication channels or access to the Internet at work to post, store, transmit, download, or distribute any threatening materials including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Additionally, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction; nor are they to be used to conduct an external job search or open misaddressed mail.

Colleagues who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

Pathways Inc. is committed to supporting a social media policy that is consistent with and adheres to basic requirements already outlined in the Employee Handbook regarding discrimination, harassment, retaliation and protection of Pathways Inc. confidential information and how these requirements interact with the use of social media. Employees should express only personal opinions online and should never represent themselves as a spokesperson for Pathways Inc. The policy applies to social media activity when on or off duty which refers to Pathways Inc., while using Pathways Inc. or personal electronic resources, and whether or not the employee posts anonymously or using a pseudonym.

Financial Reporting and Records

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

All financial information must reflect actual transactions and conform to generally accepted accounting principles. No disclosed or unrecorded funds or assets may be established. Pathways maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with

management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

Pathways, Inc. is committed to prompt, complete and accurate billing of all services provided to individuals. Pathways, Inc. and its employees, contractors and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager that result in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.

The False Claims Act (31 U.S.C. §§ 3729-3733)

The False Claims Act is a federal law designed to prevent and detect fraud, waste and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who "knowingly" submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of [\\$5,500](#) to [\\$11,000](#) for each false claim submitted.

The law was revised in 1986 to expand the definition of "knowingly" to include a person who:

- Has actual knowledge of falsity of information in the claim;
- Acts in deliberate ignorance of the truth or falsity of the information in the claim; and
- Acts in reckless disregard of the truth or falsity of the information in a claim.

False Claims suits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a false claim.

Some examples include:

- Knowingly making false statements;
- Falsifying records;
- Submitting claims for services never performed or items never furnished;
- Double-billing for items or services;
- Using false records or statements to avoid paying the Government;
- Falsifying time records used to bill Medicaid; or
- Otherwise causing a false claim to be submitted.

The Deficit Reduction Act is federal legislation that places more emphasis on fraud detection and protection. This law is expected to encourage individual states to enact "qui tam" or Whistleblower provisions for persons to report fraud and abuse. The law requires that protections are provided to Whistleblowers to prevent retaliation for reporting fraud.

The law also requires training and education of staff in the False Claims Act and Whistleblower provisions. All Pathways, Inc Employees will be aware as noted in the Employee Handbook & Code of Conduct that there can be criminal or civil prosecution for a wide range of conduct that leads to the submission of a false claim. They will need to know that there are ways to report false claims. Should an employee report, in good faith, knowledge of an alleged false claim, the employee is protected from retaliation or discrimination for making such a report. The agency has developed policies and procedures related to the False Claims

Act and the reporting of non-compliance. Pathways, Inc. strictly prohibits any form of retaliation against an employee who reports a possible false claim. Under this law, Pathways, Inc. can expect more enforcement of Medicaid laws and regulations at the federal and state level.

Workplace Conduct and Employment Practices

Conflict of Interest

A conflict of interest may occur if you're outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use Pathways' resources for other than Pathways' purposes. A conflict may exist if there is a personal relationship between any employee and an individual or family member who is receiving direct services from Pathways. Agency Administration reserves the right to determine if a conflict exists when personal relationships become known. Should it be determined that a conflict does exist, measures may be taken to eliminate the conflict utilizing disciplinary action up to and including termination of employment if necessary. It is your obligation to ensure you remain free of conflicts of interest in the performance of your responsibilities at Pathways. If you have any questions about whether an outside activity might constitute a conflict of interest, you must discuss this with your supervisor. Additionally, Individuals receiving services at the facility shall not carry out the duties of the employee, unless such tasks are described in his or her plan of service by the program planning team for the purpose of increasing the person's skills.

There shall be no personal financial transactions between employees, volunteers or family care providers and persons receiving services which may be construed as exploitation of that person or result in greater benefit to the employee, volunteer or family care provide than to the person.

Individual Information

Employees, volunteers and family care providers shall treat all information about the person being served as confidential and utilize such information in a professional manner at all times. To the extent employees, volunteers or family care providers obtain HIV-related information concerning a person; such information shall be maintained in confidence as required by 10NYCRR Part 63 and the provisions of section 633.19.

Controlled Substances

Some of our colleagues routinely have access to prescription drugs, controlled substances, and other medical supplies. Many of these substances are governed and monitored by specific regulatory organizations and must be administered by physician order only. It is extremely important these items be handled properly and only by authorized individuals to minimize risks to us and to individuals. If you become aware of the diversion of drugs from the organization, you should report the incident immediately. Any staff member possessing their own personal medication at the work site has an obligation to secure this medication at all times.

Copyrights

Pathways' colleagues may only use copyrighted materials pursuant to the organization's policy on such matters.

Diversity and Equal Employment Opportunity

Our colleagues provide us with a wide complement of talents that contribute greatly to our success. We are committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity, and respect. We will comply with all laws, regulations and policies related to non-discrimination in all of our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline, and promotions.

No one shall discriminate against any individual with a disability with respect to any offer, or term or condition, of employment. We will make reasonable accommodations to the known physical and mental limitations of otherwise qualified individuals with disabilities.

Harassment and Workplace Violence

Each Pathway's colleague has the right to work in an environment free of harassment and disruptive behavior. We will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other harassing conduct is not acceptable in our workplace.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment has no place at Pathways.

Harassment also includes incidents of workplace violence. Workplace violence acts are defined as, but not limited to, robbery and other commercial crimes, stalking cases, violence directed at the employer, terrorism, and hate crimes committed by current or former colleagues. We prohibit colleagues from possessing firearms, other weapons, explosive devices, or other dangerous materials on Pathways' premises at any time. Colleagues who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resource Department, a member of management, Compliance Officer, the President & CEO, or the compliance hotline at 607937-3280.

Health and Safety

All facilities must comply with all government regulations and rules, Pathways' policies, and required facility practices that promote the protection of workplace health and safety. Our policies have been developed to protect you from potential workplace hazards. You should become familiar with and understand how these policies apply to your specific job responsibilities and seek advice from your supervisor or the Safety Officer whenever you have a question or concern. It is important for you to advise your supervisor or the Safety Officer of any serious workplace injury or any situation presenting a danger of injury so timely corrective action may be taken to resolve the issue. Individual's receiving services at the facility shall not be subject to

inappropriate exposure to firearms or other weapons in or on the grounds of the facility. There shall be policies and procedures governing the presence and safe keeping of firearms or other weapons in the facility or on the grounds. Nothing in this provision shall preclude a person from pursuing the opportunity to receive certification of successful completion of a hunter safety course for a specific firearm or weapon, and the subsequent appropriate use of such firearm or other weapon.

License and Certification Renewals

Colleagues and individuals retained as independent contractors in positions which require professional licenses, certification, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and state requirements applicable to their respective disciplines. To assure compliance, Pathways requires evidence of the individual having a current license or credential status.

Pathways will not allow any colleague or independent contractor to work without valid, current licenses or credentials.

Personal Use of Pathways' Resources

It is the responsibility of each Pathways colleague to preserve our organization's assets including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business related purposes. As a general rule, the personal use of any asset without the prior approval of your supervisor is prohibited. The occasional use of items, such as copying facilities or telephones, where the cost to Pathways is insignificant, is permissible. Your supervisor must approve any community or charitable use of organization resources in advance. Any use of organization resources for personal financial gain unrelated to the organization's business is prohibited.

Relationships Among Pathways' Colleagues

In normal day-to-day functions of an organization like Pathways, there are issues that arise which relate to how people in the organization deal with each other. It is impossible to foresee all of these, and many do not require explicit treatment in a document like this. A few routinely arise, however. One involves gift giving among colleagues for certain occasions. While we wish to avoid any strict rules, no one should ever feel compelled to give a gift to anyone, and any gifts offered or received should be appropriate to the circumstances. A lavish gift to anyone in a supervisory role would clearly violate organization policy. Another situation, which routinely arises, is a fund-raising or similar effort, in which no one should ever be made to feel compelled to participate.

Relationships with Subcontractors and Suppliers

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers, and vendors will be made on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service, and maintenance of adequate sources of supply. Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. We will not communicate to a third-party

confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We will not disclose contract pricing and information to any outside parties.

Sanctioned Individuals

The organization has policies and procedures in place to ensure we do not contract with, employ or bill for services rendered by an individual or entity that is excluded, suspended, disbarred, or ineligible to participate in Federal or State reimbursement programs; or has been convicted of a criminal offense related to the provision of items or services and has not been reinstated in a Federal or State reimbursement programs after a period of exclusion, suspension, debarment, or ineligibility, provided that we are aware of such criminal offense. We routinely search the Office of Inspector General and General Services Administration's lists of such excluded and ineligible persons.

Substance Abuse and Mental Acuity

To protect the interests of our colleagues and individuals, we are committed to an alcohol and drug-free work environment. All colleagues must report for work free of the influence of alcohol and/or drugs. Reporting to work under the influence of any drug or alcohol; or using, possessing, or selling drugs while on Pathways' work time or property may result in immediate terminations. We may use drug testing as a means of enforcing this policy.

It is also recognized individuals may be taking prescription or over-the-counter drugs, which could impair judgment or other skills required in job performance. If you have questions about the effect of such medication on your performance or you observe an individual who appears to be impaired in the performance of his or her job, consult your supervisor.

Marketing Practices

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. These laws could be violated by discussing Pathways' business with a competitor, such as how our prices are set, disclosing the terms of supplier relationships, allocating markets among competitors, or agreeing with a competitor to refuse to deal with a supplier. Our competitors are other human service providers and facilities in markets where we operate.

At trade association meetings, be alert to potential situations where it may not be appropriate for you to participate in discussions regarding prohibited subjects with our competitors. Prohibited subjects include any aspect of pricing, our services in the market, key costs such as labor costs, and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting your objection be reflected in the meeting minutes and notify the Compliance Officer of the incident.

In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the approval of the President & CEO. You must also not provide any information in response to an oral or written inquiry concerning an antitrust matter without first consulting the President & CEO.

Gathering Information about Competitors

It is not unusual to obtain public information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published and spoken information. However, you should avoid seeking or receiving information about a competitor through other non-public means if you know or have reason to believe the information is proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

Marketing and Advertising

We may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of our services, and to recruit colleagues. We will present only truthful, fully informative, and non-deceptive information in these materials and announcements. All marketing materials will reflect services available and the level of licensure and certification.

Environmental Compliance

It is our policy to comply with all environmental laws and regulations as they relate to our organization's operations. We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We will diligently employ the proper procedures with respect to handling and disposal of hazardous and biohazardous waste, including but not limited to medical waste.

In helping Pathways comply with these laws and regulations, we must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert our supervisors to any situation regarding the discharge of hazardous substance, improper disposal of medical waste, or any situation which may be potentially damaging to the environment.

Business Courtesies

General

This part of the Code of Conduct should not be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. For clarity purposes, please note that these limitations govern activities with those outside of Pathways. This section does not pertain to actions between Pathways and its colleagues or actions among Pathways' colleagues themselves.

Pathways, Inc. prohibits staff from accepting gifts or favors of any kind from individuals or organizations who do business with or may wish to do business with Pathways, Inc.

Accepting gifts, gratuities, or favors of this nature creates a possible conflict of interest and may result in unethical business practices. If a staff member is offered a gift amounting to more than the value of a small promotional item, his or her supervisor should be notified.

Staff may accept a gift or favor from an individual or a member of their family, provided the value of the gift or favor does not exceed \$25.00. Perishable or consumable items given to a program site or group are not subject to these limitations. Departure from this \$25 guideline requires the review and approval of the program or site manager.

Except for small promotional items, staff may not solicit or accept, either for themselves or others, gifts, gratuities, favors, loans, or preferential treatment of any sort from organizations or individuals who do, or seek to do, business with Pathways, Inc. There are times when a current or potential business associate extends an invitation to a social event in order to further develop a business relationship. There are also times when Pathways, Inc. staff extends similar invitations to current or potential business associates. In either case, such invitations must be reasonable and appropriate and the cost for such an invitation should not exceed \$100. Departures from this \$100 guideline require the review and approval of the President and CEO.

U.S. Federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. Pathways' policy is to not provide any gifts, entertainment, meals, or anything else of value to any employee of the Executive Branch of the Federal government, except for minor refreshments in connection with business discussions or promotional items with the Pathways or facility logo valued at no more than \$10. With regard to gifts, meals, and other business courtesies involving any other category of government official or employee, you must determine the particular rules applying to any such person and carefully follow them.

Government Relations and Political Activities

The organization and its representatives will comply with all Federal, state and local laws governing participation in government relations and political activities. Additionally, Pathways' funds or resources will not be contributed to individual political campaigns, political parties or other organizations that intend to use the funds primarily for political campaign objectives. Organization resources include financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of Pathways' property for use in a political campaign. The conduct of any political action committee is to be consistent with relevant laws and regulations. In addition, political action committees associated with the organization will select candidates to support based on the overall ability of the candidate to render meaningful public service. The organization will not select candidates to support as a reflection or expected support of the candidate on any specific issue.

The organization will engage in public policy debate only in a limited number of instances where it has special expertise that can inform the public policy formulation process. When the organization is directly impacted by public policy decisions, it may provide relevant, factual information about the impact of such decisions on the private sector. In articulating positions, the organization will only take positions that it believes can be shown to be in the larger public interest. The organization will encourage trade associations with which it is associated to do the same.

It is important to separate personal and corporate political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. No use of corporate resources, including e-mail, is appropriate for personally engaging in political activity. You may, of

course, participate in the political process on your own time and at your own expense. While you are doing so, it is important not to give the impression you are speaking on behalf of or representing Pathway in these activities. You cannot seek to be reimbursed by Pathways for any personal contributions for such purposes.

At times, Pathways may ask colleagues to make personal contact with government officials or to write letters to present our position on specific issues. In addition, it is a part of the role of some Pathways management to interface on a regular basis with government officials. If you are making these communications on behalf of the organization, be certain that you are familiar with any regulatory constraints and observe them. Guidance is always available from the Compliance Officer or President and CEO.

The Corporate Ethics and Compliance Program

Program Structure

The Corporate Ethics and Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization in the highest standards of ethics and compliance. The elements of the program include setting standards (the Code and Policies and Procedures), communicating the standards, providing a mechanism for reporting potential exceptions, monitoring and auditing, and maintaining an organizational structure that supports the furtherance of the program.

The elements are supported at all levels of the organization. There is an oversight committee of the Board of Directors; a Compliance Officer; a Compliance Committee consisting of members of management; and the Board of Directors. Collectively, these groups and individuals are responsible for the development of the Ethics and Compliance Program, including the creation and distribution of ethics and compliance standards; the development and delivery of ethics and compliance training, auditing and monitoring compliance with laws, regulations, conditions of participation and policies; and providing a mechanism for reporting exceptions.

Resources for Guidance and Reporting Violations

To obtain guidance on an ethics or compliance issue or to report a suspected violation, you may choose from several options. We encourage the resolution of issues, including human resources-related issues (e.g., payroll, fair treatment and disciplinary issues), at a local level whenever possible. You may want to use the human resources related problem solving procedure at your facility to resolve such issues. It is an expected good practice, when you are comfortable with it and think it appropriate under the circumstances, to raise concerns first with your supervisor. If this is uncomfortable or inappropriate, another option is to discuss the situation with your manager or director or another member of management at your facility or in your organization.

Pathways will make every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports possible misconduct. There will be no retribution or discipline for anyone who reports a possible violation in good faith. Any colleague who deliberately makes a false accusation with the purpose of harming or retaliating against another colleague will be subject to discipline.

Personal Obligation to Report

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. Each colleague has an individual responsibility for reporting to the Compliance Officer any activity by any colleague, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this Code.

Internal Investigations of Reports

We are committed to investigating all reported concerns promptly and confidentially to the extent possible. The Compliance Officer will coordinate any findings from the investigations and immediately recommend corrective action or changes that need to be made. We expect all colleagues to cooperate with investigation efforts.

Corrective Action

Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action, including, as appropriate making prompt restitution of any overpayment amounts notifying the appropriate governmental agency, instituting whatever retraining or disciplinary action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future at any Pathways' facility.

Discipline

All violators of the Code will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any or all of the following disciplinary actions:

- ❖ Oral warning;
- ❖ Written warning;
- ❖ Written reprimand;
- ❖ Suspension;
- ❖ Termination;
- ❖ Restitution;

Internal Auditing and Other Monitoring

Pathways is committed to monitoring compliance with its policies. Much of this monitoring effort is provided by the Quality Assurance Department, which routinely conducts internal audits of issues that have regulatory or compliance implications. The organization also routinely seeks other means of ensuring and demonstrating compliance with laws, regulations, and Pathways' policies. Additionally, facilities regularly conduct self-audits pursuant to compliance policies and procedures, and responsible managers routinely undertake monitoring efforts in support of those policies and compliance in general.

Acknowledgment Progress

Pathways requires all colleagues to sign an acknowledgment confirming they have received the Code, understand it represents mandatory policies of Pathways and agree to abide by it. New colleagues will be

required to sign this acknowledgment as a condition of employment. Each colleague is also required to participate in annual Code of Conduct training, and records of such training must be retained by each facility.

Adherence to and support of Pathways' Code of Conduct and participation in related activities and training will be considered in decisions regarding hiring, promotion, and compensation for all candidates and colleagues. New colleagues must receive Compliance/Code of Conduct training within 30 days of employment.



I certify that I have received the Pathways' Code of Conduct, I hereby acknowledge that I have read and understand the Pathways Inc. Code of Conduct and understand it represents mandatory policies of the organization and agree to abide by it. I understand I will be responsible for obtaining all future amendments and modifications thereto which will be made available to me on the Automatic Data Processing (ADP) website. I further acknowledge that I have read and understand all of my obligations, duties, and responsibilities under each principle and provision of the Pathways, Inc. Code of Conduct and Policies and will read and understand all of my obligations, duties and responsibilities under all future amendments and modifications thereto. I understand that violations of the Code of Conduct or Pathways, Inc. Policies may result in disciplinary action including suspension without pay and/or discharge.

_____/_____/_____
Employee's Signature Date

Employee's Name (please print) _____