

MASONIC VILLAGES
CODE OF CONDUCT

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MASONIC VILLAGES CODE OF CONDUCT

I. OUR MISSION STATEMENT

The Mission Statement of Masonic Villages of the Grand Lodge of Pennsylvania (“Masonic Villages”) is to provide caring services, offer educational programs and preserve our heritage in order to assist individuals, families and children in realizing their potential and enjoying the highest possible quality of life through the benevolence of Freemasonry.

II. PURPOSE OF OUR CODE OF CONDUCT

Our Code of Conduct provides guidance and standards by which we will conduct ourselves in order to protect and promote integrity and to enhance our ability to achieve our mission. This Code will assist us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with our residents, physicians, third party payors, subcontractors, independent contractors, vendors, consultants, and one another.

This Code shall be distributed periodically to all employees and annually to directors, officers, selected employees, volunteers, vendors, and medical staff members having administrative or managerial responsibilities. Everyone is responsible to ensure that their behavior and activity is consistent with our Code.

This Code is a critical component of our Compliance Program and was developed to ensure that we meet our ethical standards and comply with applicable laws and regulations. The Code is neither exclusive nor complete. All individuals are required to comply with all applicable laws, whether or not specifically addressed in the Code or Masonic Villages’ policies. If you have questions regarding the existence of, interpretation or application of any law, you should immediately contact the Chief Human Resource & Compliance Officer, Assistant Human Resources Officer, or a member of the Compliance Committee. A list of all members of the Compliance Committee, with their phone numbers and e-mail addresses, is attached as Appendix I. This list will be updated periodically and distributed.

III. LEADERSHIP RESPONSIBILITIES

While all individuals 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 law, regulation and policy; as well as the resources to resolve ethical dilemmas. They must help create a culture within Masonic Villages which promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to raise concerns when they arise. We must never sacrifice ethical and compliant behavior in pursuit of business objectives.

IV. REGULATORY COMPLIANCE

Many of the services we provide must be provided in accordance with applicable federal, state, and local laws and regulations. This may include licenses, permits, accreditation, access to treatment, consent to treatment, medical record keeping, access to medical records and confidentiality, residents’ rights, terminal care decision making, 55 PA Code, Chapter 52, the MA Provider Agreement, and other Medicare and Medicaid regulations. The organization is

subject to numerous other laws in addition to these healthcare regulations, including, for example, those of the Occupational Safety and Health Administration, Department of Labor and Industry and the Internal Revenue Service.

We will comply with all applicable laws and regulations. All staff, physicians and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations, and should immediately report violations or suspected violations to a Supervisor or member of management, the Chief Human Resource & Compliance Officer or the Compliance Hotline.

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

In order to ensure that we fully meet all regulatory obligations, Masonic Villages' staff 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 healthcare providers of areas in which these government representatives believe that 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.

V. ACCREDITATION

Masonic Villages will work with all accrediting organizations in a direct, open and honest manner. No action should ever knowingly be taken in relationships with accrediting organizations that would mislead the accreditor or its survey teams, either directly or indirectly.

The scope of matters related to accreditation by various organizations is broader than the scope of this Code of Conduct. Accrediting organizations may be focused on issues both of wide and somewhat more focused interest. In any case, where Masonic Villages determines to seek any form of accreditation, all standards of the accrediting organization are important and must be followed.

VI. CONFIDENTIAL INFORMATION

Confidential information about Masonic Villages' strategies and operations is a valuable asset. Although we may use confidential information to perform our jobs, it must not be shared with others outside of Masonic Villages or our department unless the individuals have a legitimate need to know this information and have agreed to maintain the confidentiality of the information. Confidential information includes information about employees, physicians, residents, pricing, cost, finances, research, strategic plans, marketing strategies, supplier and subcontractor information, and proprietary computer software. This provision does not restrict the right of an individual to disclose, if he or she wishes, information about his or her own compensation, benefits, or terms and conditions of employment.

VII. RESIDENT CARE AND RIGHTS AND CLIENT SERVICES

Our mission is to provide quality healthcare and services to all of our residents. We treat all residents with respect and dignity and provide care that is both necessary and appropriate.

We make no distinction in the admission, transfer or discharge of residents/clients or in the care and services we provide based on race, religion, color, gender, national origin or other characteristics protected by applicable federal, state and local laws. Clinical care is based on identified resident healthcare needs, not on resident payment source or organization economics. We resolve denial-of-care issues to meet residents' ongoing care and discharge needs.

Upon admission, each resident is provided with a written statement of resident rights and facility charges. This statement includes the rights of the resident to make decisions regarding medical care and conforms to all applicable state and federal laws.

We assure residents' involvement in all aspects of their care and obtain consent for treatment. As applicable, each resident or resident representative is provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right to refuse or accept care, care decision dilemmas, advance directive options, organ donation, and explanations of the benefits, risks, and alternatives of each. Residents are informed of their right to make advance directives. Resident advance directives will be honored within the limits of the law and the organization's mission, philosophy, and capabilities.

A Power of Attorney may not be assumed for a resident by anyone from Masonic Villages including members of the governing body and employees. The exception to this is if the resident is the employee's family member.

Residents and their representatives will be accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, and pastoral counseling. Any restrictions on a resident's visitors, mail, telephone, or other communications must be evaluated for their therapeutic effectiveness and fully explained to and agreed upon by the resident or resident representative. Residents have the right to refuse to perform tasks in or for the facility.

Residents are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. All staff will receive training about resident rights in order to clearly understand their role in supporting them.

Compassion and care are part of our commitment to the community we serve. We strive to provide health education, health promotion, and illness-prevention programs as part of our efforts to improve the quality of life of our residents and our community.

VIII. PRIVACY AND SECURITY OF RESIDENT INFORMATION

We collect information about the resident's medical condition, history, medications, and family illnesses to provide the best possible care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality. We do not release or discuss resident-specific information with others unless it is necessary to serve the resident or required by law.

No one at Masonic Villages may ever disclose confidential information that violates the privacy rights of our residents. No staff, volunteer, vendor, physician, or other healthcare partner has a right to any resident information other than that necessary to perform his or her job.

Residents can expect that their privacy will be protected and that resident-specific information will be released only to persons authorized by law or by the resident's consent. When such information is requested by a health care facility or physician who is treating the resident, the resident's consent is not required, but the name of the facility and the person requesting the information must be verified. This should be done as a call back process.

The receipt, use and disclosure of protected health information is governed by regulations issued under the Health Insurance Portability and Accountability Act (commonly referred to as "HIPAA") and Masonic Villages has adopted policies to comply with HIPAA.

Employees of Masonic Villages will be informed of the responsibility to protect confidential data and of the consequences of a violation of this trust. Each employee should indicate understanding of this policy by a signed statement at the time of employment to be filed in the employee's personnel file. Employees receive HIPAA education upon hire and annually thereafter.

Students, volunteers, and contracted individuals will sign a confidentiality agreement acknowledging their ongoing responsibility for the resident's right to privacy as the need is indicated by their role.

IX. MEDICARE, MEDICAL ASSISTANCE AND THIRD-PARTY PAYORS

A. Coding and Billing for Services

We will take great care to assure that all billings to government and to private insurance payors reflect truth and accuracy and conform to all applicable federal and state laws and regulations and Masonic Villages' False Claims Prevention Compliance Policy. We prohibit any employee or agent of Masonic Villages from knowingly presenting or causing to be presented claims for payment or approval which are false, fictitious, or fraudulent.

We have implemented oversight systems designed to verify that claims are submitted only for services actually provided and that 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 medical records.

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

Masonic Villages will provide its staff with the information and education they need to comply fully with all applicable laws and regulations. Masonic Villages expects our employees to refrain from conduct which may violate the fraud and abuse laws. These laws prohibit (1) direct, indirect or disguised payments in exchange for the referral of residents; (2) the submission of false, fraudulent or misleading claims to any government entity or third party payer, including claims for services not rendered, claims which characterize the service differently than the service actually rendered, or claims which do not otherwise comply with applicable program or contractual requirements; and (3) making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service.

B. Cost Reports

Our business involves reimbursement under government programs which require the submission of certain reports of our costs of operation. We will comply with 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 Finance Department.

X. REFERRALS

In order to ethically and legally meet all standards regarding referrals and admissions involving government programs, we will adhere strictly to two primary rules:

1. We do not pay for referrals. We accept resident referrals and admissions based solely on our admissions criteria, the resident's clinical needs and our ability to provide the needed services. We do not pay or offer to pay anyone – colleagues, physicians, or other persons – for referral of residents. Violation of this policy may have grave consequences for the organization and the individuals involved, including civil and criminal penalties, and possible exclusion from participation in federally funded healthcare programs.

2. We do not accept payments for referrals that we make. No person acting on behalf of Masonic Villages is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of residents or services that we purchase. Similarly, when making resident referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

XI. DOCUMENT ACCURACY, RETENTION, AND DISPOSAL

Each individual 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 that records are available to defend our business practices and actions. No one may alter or falsify information on any record or document.

Medical and business documents and records are retained in accordance with the law and our record retention policy. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, electronic health records and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records appropriately in accordance with our policy. We must not tamper with records, or remove or destroy them prior to the specified date.

XII. ELECTRONIC MEDIA AND SECURITY REQUIREMENTS

Masonic Villages electronic communication systems includes but is not limited to computer-owned or leased equipment, electronic devices, email, internet, intranet, voicemail, telephone, company cell phone, multi-function devices, paging systems, video recording, etc., and are the property of the Masonic Villages and are intended for business purposes.

Masonic Villages reserves the right to periodically review, access, audit, monitor and disclose the contents of the system information, email, audit logs, voice messages, video surveillance, etc., for business reasons, conducting reviews for quality control purposes, investigation of specific workplace incidences and to meet regulatory requirements. Individuals should have no expectation of privacy of electronic communication systems.

No one may use internal communication systems to access, post, store, transmit, download or distribute any threatening, knowingly, recklessly, or maliciously false or obscene materials including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. The communication systems may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction, conduct a job search or open misaddressed mail.

No electronic confidential information or protected health information should be sent outside Masonic Villages through email, internet, etc., unless the information is encrypted or another secured method is utilized.

Each individual is responsible to protect and safe guard their credentials for accessing communication systems and computer equipment. Precautions must be taken by the individual to safe guard computer equipment against theft, loss or unauthorized access. Any suspected tampering, loss or theft of computer equipment must be immediately reported to your supervisor and the IT department for appropriate action.

No individual should access his/her own, family or friends electronic protected health information or confidential information, unless required to perform his or her job duties. Masonic Villages systems approved for employees to access his/her personal information is excluded from the above statement.

Please refer to other Masonic Villages IT department policies for additional information regarding security, safe guards and regulations to maintain confidentiality, integrity and availability of information.

Anyone who violates Masonic Villages information technology security policies may be subject to corrective action, up to and including termination.

XIII. SOCIAL MEDIA

At Masonic Villages, we understand that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. Use of social media can pose risks to Masonic Villages' confidential and proprietary information, confidential resident information, confidential health care information, reputation, and can expose Masonic Villages to discrimination and harassment claims and can jeopardize compliance with business rules and laws. To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media. This applies to all employees who work for Masonic Villages or one of its affiliate companies.

This is not intended to restrict or dissuade discussions among employees about wages, hours, and terms and conditions of employment or other legally protected or required activities.

In the rapidly expanding world of electronic communication, *social media* can mean many things. *Social media* includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with Masonic Villages, as well as any other form of electronic communication. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects residents, suppliers, people who work on behalf of Masonic Villages or Masonic Villages' business interests may result in corrective action up to and including termination from employment.

A. Know and Follow the Rules

Inappropriate postings such as discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct as well as disclosing proprietary or trade secret information, or criticizing Masonic Villages' services to residents or clients will not be tolerated and may subject you to corrective action up to and including termination from employment.

B. Be Respectful

Always be fair and courteous to fellow associates, customers, members, suppliers or people who work on behalf of Masonic Villages. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our Open Door policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage residents, clients, members, suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts known to be false and meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion, age, national origin, color, veteran's status or any other status protected by law or company policy.

C. Be Honest and Accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet retains almost everything; therefore, even deleted postings can be retrieved. Never post any information or rumors that you know to be false about Masonic Villages, fellow associates, residents, members, clients, suppliers, and people working on behalf of Masonic Villages or competitors.

D. Post Only Appropriate Content

1. Maintain the confidentiality of residents of Masonic Villages and its trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, services, processes, products, know-how and technology. Do not post internal reports, business policies, procedures or other internal business-related confidential communications.

2. Respect financial disclosure laws. It is illegal to communicate or give a “tip” on inside information to others so that they may buy or sell stocks or securities. Such online conduct may also violate the Insider Trading Policy.

3. Express only your personal opinions. Never represent yourself as a spokesperson for Masonic Villages. If Masonic Villages is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of Masonic Villages, fellow associates, residents, members, clients, suppliers or people working on behalf of Masonic Villages. If you do publish a blog or post online related to the work you do or subjects associated with Masonic Villages, make it clear that you are not speaking on behalf of Masonic Villages. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of Masonic Villages.”

4. Do not criticize or offensively describe Masonic Villages’ services to residents or clients. Understand that, if people do not want to do business with Masonic Villages, the need for employees to perform the services diminishes or is eliminated.

E. Using Social Media at Work

Refrain from using social media while on work time or on equipment we provide, unless it is work-related and as authorized by your manager. Do not use Masonic Villages e-mail addresses to register on social networks, blogs or other online tools utilized for personal use.

F. Personal Use of Masonic Villages’ Resources

It is the responsibility of each individual 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. Any community or charitable use of organization resources must be approved in advance by your Supervisor. Any use of organization resources for personal financial gain unrelated to Masonic Villages’ business is prohibited.

G. Media Contacts

Associates should not speak to the media on Masonic Villages’ behalf without contacting the Director of Public Relations. All media inquiries should be directed to that office.

XIV. WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

A. Conflict of Interest

A conflict of interest may occur if outside activities or personal interests influence or appear to influence our ability to make objective decisions in the course of our job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract us from the performance of our job or cause us to use Masonic Villages’ resources for other than Masonic Villages’ purposes. It is our obligation to ensure that we remain free of conflicts of interest in the performance of our responsibilities at Masonic Villages. If you have any question about whether an outside activity might constitute a conflict of interest, you must obtain the approval of your Supervisor before pursuing the activity.

B. 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 that these items be handled properly and only by authorized individuals to minimize risks to us and to residents. If you become aware of the diversion of drugs from the organization you should report the incident immediately.

C. Substance Abuse and Mental Acuity

To protect the interest of our colleagues and residents, we are committed to an alcohol and drug-free work environment. All individuals must report for work free of the influence of alcohol and illegal drugs. Reporting to work with any detectable levels of any illegal drug or alcohol in your system, being considered unfit for duty as a result of abuse of prescription drugs, or using, possession, or selling illegal drugs while on Masonic Villages work time or property may result in immediate termination. We may use drug testing as a means of enforcing this policy.

It is also recognized that individuals may be taking prescription 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, consult with you Supervisor.

D. Diversity and Equal Employment Opportunity

Our staff provides us with a wide complement of talents which 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 applicable laws, regulations, and policies related to non-discrimination in all our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline, and promotions. Our employment policy is based on the employee's own ability, achievement, experience and conduct without regard to race, color, religion, gender, ethnic origin, age (40 and older), disability, or any other applicable classification prohibited by law.

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.

E. Harassment and Workplace Violence

Everyone has the right to work in an environment free of harassment. 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, intimidations, 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 Masonic Villages.

Harassment also includes incidents of workplace violence. Workplace violence includes robbery and other commercial crimes, stalking cases, violence directed at the employer, terrorism, and hate crimes committed by current or former colleagues. As part of our commitment to a safe workplace for our colleagues, we prohibit colleagues from possessing firearms, other weapons, explosive devices, or other harmful instruments at the workplace. In accordance with our Lethal Weapons Policy, certain weapons are permitted for hunting and recreational use with appropriate permits. If you experience any form of harassment or violence you should report the incident to your Supervisor, a member of management, the Chief Human Resource & Compliance Officer, or the Compliance Hot Line.

No form of harassment, bullying or discrimination on the basis of gender, race, color, disability, age (40 and older), religion or ethnic origin, disability or any other applicable classification prohibited by law will be permitted. Each allegation of harassment, bullying or discrimination will be promptly investigated in accordance with applicable human resource policies.

F. Retaliation is Prohibited

Masonic Villages prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to corrective action, up to and including termination.

G. Health and Safety

Everyone must comply with all government regulations and rules and with Masonic Villages' policies that promote the protection of workplace health and safety. Our policies have been developed to protect you from potential workplace hazards. Everyone should become familiar with and understand how these policies apply to their specific job responsibilities and seek advice from their Supervisor whenever they have a question or concern. It is important for you to advise your Supervisor whenever you have a question or concern. It is important for you to advise your Supervisor of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

H. License and Certification Renewals

Employees or individuals retained as independent contractors in positions which require professional licenses, certifications, 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, Masonic Villages will require evidence of the individual having a current license or credential status. Masonic Villages will not knowingly allow any employee or independent contractors to work without valid, current licenses or credentials.

I. Relationships Among Colleagues

In the normal day-to-day functions of an organization like Masonic Villages, there are issues that arise which relate to how people in the organization deal with one another. It is impossible to foresee all of these, and many do not require explicit treatment in a document like this; however, a few routinely arise. 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.

J. Relationships with Subcontractors, Suppliers, and Vendors

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.

XV. MARKETING PRACTICES

A. Antitrust

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. All employees must comply with applicable antitrust and similar laws which regulate competition. These laws could be violated by discussing Masonic Villages' 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 long term care and continuing care retirement facilities and health systems and facilities in the market 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. Other examples of conduct prohibited by the laws include: (1) agreements to fix prices, bid rigging, collusion (including price sharing) with competitors; (2) boycotts, certain exclusive dealing and price discrimination agreements; and (3) unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes and notify the Chief Human Resource & Compliance Officer of the incident.

In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the advice of our attorneys. You must also not provide any information in response to oral or written inquiry concerning an antitrust matter without first consulting the Chief Human Resource & Compliance Officer.

B. Gathering Information about Competitors

It is not unusual to obtain information about other organizations, including our competitors, through legal and ethical means such as public documents, public representations, journal and magazine articles, and other published and spoken information. However, it is not acceptable for you to obtain proprietary or confidential information about a competitor through illegal means. It is also not acceptable to seek proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

C. 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 staff. 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.

XVI. 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 with the necessary permits, approvals, and controls. We will diligently employ the proper procedures with respect to handling and disposal of hazardous and bio-hazardous waste, including but not limited to medical waste.

In helping Masonic Villages 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 your Supervisor to any situation regarding the discharge of a hazardous substance, improper disposal of medical waste, or any situation which may be potentially damaging to the environment.

XVII. BUSINESS COURTESIES AND GIFTS

A. General

Nothing in this part of the Code of Conduct should 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 Masonic Villages. This section does not pertain to actions between the organization and its colleagues or actions among staff themselves.

B. Receiving Business Courtesies

We recognize that there will be times when you may wish to accept from a current or potential business associate an invitation to attend a social event in order to further develop your business relationship. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host company) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$100.00 per person.

Sometimes a business associate will extend training and educational opportunities that include travel and overnight accommodations at no cost to you or Masonic Villages. Similarly, there are some circumstances where you are invited to an event at a vendor's expense to receive information about new products or services. Prior to accepting any such invitation, you must receive approval to do so consistent with Masonic Villages' policy on this subject.

Employees of Masonic Villages may accept gifts with a total of \$100.00 or less in any one year from any individual or organization who has a business relationship with Masonic Villages. Perishable or consumable gifts given to a department or group are not subject to any specific limitation. You may never accept cash or cash equivalents, such as gift certificates. Finally, under no circumstance may you solicit a gift.

C. Receiving Gifts and Gratuities from Residents

We are committed to assuring each resident receives the same high level of care, regardless of financial position. One way we honor this commitment is to prohibit employees of Masonic Villages from soliciting or accepting gratuities and/or tips from residents, visitors or the general public.

We recognize that friendships between residents and employees will naturally develop as an outgrowth of the work relationship and, from time to time, residents or their families may wish to express a special thanks for services provided. Employees may not accept individual gifts, including estate gifts. The exception to this is if the resident is the employee's family member or if the gift is provided to all eligible employees by the Masonic Village's Resident Association. Employees must report to their supervisors or department director any offer of an individual gift from a resident, visitor or resident's family. Gifts, such as cookies, candy, etc., which are provided by residents or family members to a group of staff, will still be permitted.

D. Extending Business Courtesies to Non-referral Sources

No portion of this section, "Extending Business Courtesies to Non-referral Sources," applies to any individual who makes, or is in a position to make, referrals to Masonic Villages.

There may be times when we may wish to extend to a current or potential business associate (other than someone who may be in a position to make a resident referral) an invitation to attend a social event in order to further or develop our business relationship. The purpose of the entertainment must never be to induce any favorable business action. During these events, topics of a business nature must not be discussed and the host must be present. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host entity) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$100.00 per

person. Moreover, such business entertainment with respect to any particular individual must be infrequent, which, as a general rule, means not more than quarterly, and preferably less often.

With regard to the \$100.00 guideline, if circumstances arise where an entertainment event was contemplated prior to the event to meet the guideline, but unforeseeably exceeded it, a report to that effect with the relevant details must be filed consistent with the policy on this subject. If you anticipate an event will exceed the \$100.00 guideline, you must obtain advance approval as required by policy. That policy requires a showing as to the business necessity and appropriateness of the proposed entertainment. The organization will under no circumstances sanction participation in any business entertainment that might be considered lavish. Departures from the \$100.00 guideline are highly discouraged.

Also, Masonic Villages may sponsor events with a legitimate business purpose. Reasonable and appropriate meals and entertainment may be offered, provided that such events are for business purposes. In addition, transportation and lodging can be paid. However, all elements of such events, including these courtesy elements, must be consistent with the policy on such events.

It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with Masonic Villages. We will never use gifts or other incentives to improperly influence relationships or business outcomes. Gifts to business associates who are not government employees must not exceed \$100.00 per year per recipient. We may never give cash or cash equivalents, such as gift certificates. The policy on business courtesies may from time to time provide modest flexibility in order to permit appropriate recognition of the efforts of those who have spent meaningful amounts of volunteer time on behalf of Masonic Villages.

The federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. Masonic Villages' 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 Masonic Villages logo valued at no more than \$10.00. 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.

Any entertainment or gift involving persons who are in a position to refer residents to our healthcare operations is prohibited.

XVIII. BUSINESS ARRANGEMENTS WITH PHYSICIANS

Any business arrangement with a physician must be structured to ensure precise compliance with legal requirements. Such arrangements must be in writing and approved by Masonic Villages' Compliance Committee.

XIX. FINANCIAL REPORTING AND RECORDS

As a nonprofit charitable organization, Masonic Villages has a legal and ethical obligation to act in compliance with applicable laws, to engage in activities in furtherance of its charitable purpose, and to ensure that its resources are used in a manner which furthers the public

good rather than the private or personal interests of any individual. We will avoid activities that may result in private inurement or the imposition of intermediate sanctions under the rules and regulations of the Internal Revenue Service.

We have established and maintained 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 residents, colleagues, suppliers, third party payors, and others. They are also necessary for compliance with tax and financial reporting requirements. Our policy requires that we accurately report payments to appropriate taxing authorities, and that we file all tax and information returns in a manner consistent with applicable laws.

All financial information must reflect actual transactions and conform to generally accepted accounting principles. No undisclosed or unrecorded funds or assets may be established. Masonic Villages maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with the Committee on Masonic Homes' authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets. We will not enter into compensation arrangements in excess of fair market value.

XX. POLITICAL ACTIVITIES AND CONTRIBUTIONS

The organization's political participation is limited by law. Masonic Villages' funds or resources may not be used to contribute to political campaigns or for gifts or payments to any political party or any of their affiliated organizations. 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 Masonic Villages property for use in the political campaign. The conduct of any political action committee is to be consistent with relevant laws and regulations.

It is important to separate personal and Masonic Villages' political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. 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 that you are speaking on behalf of or representing Masonic Villages in these activities. You cannot seek to be reimbursed by Masonic Villages for any personal contributions for such purposes.

At times, Masonic Villages 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 of Masonic Villages' 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 Masonic Villages' Chief Human Resource & Compliance Officer as necessary.

XXI. MASONIC VILLAGES ETHICS AND COMPLIANCE PROGRAMS

A. Program Structure

Masonic Villages Ethics and Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethics and compliance. That commitment permeates all levels of the organization. There is the Committee on Masonic Homes; a Compliance Committee, the Chief Human Resource & Compliance Officer; and an anonymous Compliance Hotline. All of these individuals or groups are prepared to support you in meeting the standards set forth in this Code. A list of these individuals with their phone number and e-mail address is attached as Appendix I. This list will be updated periodically and distributed.

1. Training and Education.

The proper education and training of corporate officers, managers, employees, physicians and other health care professionals, and the continual retraining of current personnel at all levels, are significant elements of an effective compliance program. As part of our compliance program, personnel shall be required to attend specific training on a periodic basis, including appropriate training in Federal and State statutes, regulations and guidelines, and the policies of private payors, and training in corporate ethics, which emphasizes our commitment to compliance with these legal requirements and policies.

Attendance and participation in such training programs shall be a condition of continued employment and failure to comply with training requirements shall result in corrective action, including possible termination, when such failure is serious. Adherence to the provisions of the compliance program shall be a factor in the annual evaluation of each employee.

B. 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. 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 another member of management. You are always free to contact the Chief Human Resource & Compliance Officer, or a member of the Compliance Committee.

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

C. 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 person has an individual responsibility for reporting any activity by any colleague, physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this Code.

Employees are required to assist in identifying suspected child abuse in compliance with the Pennsylvania Child Protective Services Law and Masonic Villages Reporting Suspected Child Abuse Policy.

This obligation also applies to reporting reasonable suspicion of a crime under the Elder Justice Act. Masonic Villages Administrative Policy Manual and notices posted on employee bulletin boards may be referenced for additional details regarding your responsibilities and rights under the federal law.

D. Internal Investigation of Reports

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

E. 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 corrective action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future.

F. Actions

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

- Written warning
- Suspension
- Termination with restitution

G. Internal Audit and Other Monitoring

Masonic Villages is committed to the aggressive monitoring of compliance with its policies. Much of this monitoring effort is reported through the Compliance Committee, which routinely conducts internal audits of issues that have regulatory or compliance implications. Masonic Villages also routinely seeks other means of ensuring and demonstrating compliance with laws, regulations, and Masonic Villages' policy.

H. Acknowledgment Process

Masonic Villages requires all individuals to sign an acknowledgment confirming they have received the Code and understand it represents mandatory policies of Masonic Villages. New employees will be required to sign this acknowledgment as a condition of employment.

Adherence to and support of Masonic Villages Code of Conduct, including completion of an annual attestation form and participation in related activities and training will be considered in decisions regarding hiring, promotion, compensation and continued employment for all candidates and colleagues.

I. Fair Housing Statement

Masonic Villages is pledged to the letter and spirit of U.S. laws for the achievement of equal housing opportunity under the Fair Housing Act.

APPENDIX ONE

Anonymous Hotline Services: 844-600-0095

Lighthouse Services, Inc.

Website: www.lighthouse-services.com/masonicvillages

Email: reports@lighthouse-services.com (must include company name with report)

Fax: 215-689-3885 (must include company name with report)

CORPORATE COMPLIANCE COMMITTEE:

Beth Bossert	717-367-1121 extension 33528	bbossert@masonicvillages.org
Debra Brockman	717-367-1121 extension 33082	dbrockma@masonicvillages.org
J Kenneth Brubaker	717-377-1121	jkbrubak@masonicvillages.org
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Len Weiser	609-239-3919	lweiser@njmasonic.org