Code of Conduct and Corporate Compliance
Introduction

A Message from the President and CEO

Stormont-Vail HealthCare has a mission and community commitment of "Working together to improve the health of our community." An important part of that commitment is our pride in fair and honest dealings with the public, including patients, payers and suppliers, all of whom are important to our success. It is with this in mind that we have put in place a corporate compliance program and "Code of Conduct" that describes the standards by which we will do business.

I encourage you to read this booklet and ask questions regarding the information it contains. I also ask that you work closely with the administrative staff to help us identify and bring to our attention areas where we may not be in compliance with the rules, regulations and ethical standards.

Thank you for doing a great job in serving the northeast Kansas community.

Best regards,

s/ Maynard F. Oliverius

A Message from the Corporate Compliance Officer

The Board of Directors of Stormont-Vail Health*Care*, Inc. has named the Director of Compliance and Corporate Finance as the Corporate Compliance Officer. The Corporate Compliance Officer is responsible for requiring that training in the Code of Conduct takes place, that employees and those with whom Stormont-Vail does business have a means of communicating known or suspected violations of the Code, and for investigating, together with legal counsel, reports of violations.

This Code of Conduct applies to all employees of Stormont-Vail Health*Care*, Inc., and its subsidiaries (hereafter referred to collectively as "Stormont-Vail"), and each employee is personally responsible for his or her own conduct in complying with this Code.

This Code will be distributed and explained to all employees. Any employee shall report a known or suspected violation of the Code of Conduct using one of the following methods:

1. By reporting it to the employee's supervisor or to a manager, director or any officer of Stormont-Vail.
2. By reporting it in writing to the Corporate Compliance Officer, addressed to: Kenneth L. Stone, Director of Corporate Compliance and Finance, Stormont-Vail Health*Care*, Inc., 1500 S.W. 10th, Topeka, KS 66604-1353.
3. By calling Ken Stone at (785) 354-5623 or email kstone@stormontvail.org.
4. By calling "It's Your Call" at (877) 217-4767, an independent service receiving anonymous reports which transmits summary reports to the Corporate Compliance Officer for follow-up.

Retaliation against an employee for reporting a violation or suspected violation is strictly prohibited; anyone engaging in such retaliation will be subject to discipline up to and including termination.

s/ Kenneth L. Stone

Code of Conduct

This Corporate Code of Conduct of Stormont-Vail was prepared to provide officers, directors and employees, as well as those with whom we do business and the general public, with a formal statement of Stormont-Vail's commitment to the standards and rules of ethical business conduct spelled out in this Code.

It is imperative that Stormont-Vail employees comply with the standards contained in the Code, immediately report any alleged violations and assist any other compliance personnel in investigating any allegation of wrongdoing. It is the policy of Stormont-Vail to prevent the occurrence of unethical or unlawful behavior, to halt such behavior as soon as reasonably possible after its discovery and to discipline its personnel who violate the standards contained in the Code. No code of conduct can cover all circum-stances or anticipate every situation.

Consequently, employees en-countering situations not addressed specifically by this Code should apply the overall philosophy and concepts of this Code to the situation, along with the highest ethical standards observed by honorable people everywhere. If a question still exists in your mind after so doing, the particular circumstances should be reviewed with your supervisor, a manager, director or officer of Stormont-Vail, or the Corporate Compliance Officer.

This Code is not intended to create a contract between Stormont-Vail and any person or to give any person any rights against Stormont-Vail. This Code may be modified at any time at the discretion of Stormont-Vail.

A. The Powers and Fiduciary Duties of the Board of Directors and of Officers

Stormont-Vail acts through agents. The Board of Directors makes policy decisions through adopting provisions in the bylaws or through resolutions at Board of Directors' meetings, such as the adoption of this Code. The directors do not carry out the day-to-day management of Stormont-Vail; that function is left to the officers and by delegation to other employees.

Directors and officers occupy a fiduciary relation to Stormont-Vail. The directors and officers are required to exercise the utmost good faith and to exercise their powers solely in the interests of Stormont-Vail. When an individual accepts the position of director or officer, he or she contracts to give diligent attention to its concerns and to be faithful and honest in the discharge of the duties which the position imposes. A director or officer is not supposed to be infallible, but should act with an honest belief and in good faith that he or she has carried out his or her fiduciary obligations to Stormont-Vail.

The Board of Directors has the primary functions of selecting top management and determining its compensation, reviewing and approving Stormont-Vail policies, financial objectives, major strategies and plans, providing advice and counsel to top management, selecting and recommending candidates for the Board of Directors, evaluating Board processes and performance, and instituting policies and procedures to further the goals of Stormont-Vail. In order to carry out its primary functions, the Board is charged with obligations and duties in overseeing the business conduct and ethical standards of Stormont-Vail.

The officers of Stormont-Vail also have the fiduciary responsibility to act on behalf of Stormont-Vail and not to act individually. The management of Stormont-Vail will be conducted by or under the supervision of senior officers as designated by the Board. The bylaws outline the duties, activities and obligations of the officers. The authority and duties of the senior officers are those that are delegated from the Board of Directors, and the management function will be vested in the principal senior officers.

In performing their management function, the officers are obligated to act in a manner consistent with the standards of Stormont-Vail, to execute specific plans, policies or directions of the Board, and to work with and on behalf of the Board to require that every director, officer and employee complies with this Code and the Corporate Compliance Program.

B. Ethics

The long-standing policy of Stormont-Vail is to observe all laws applicable to its business. This commitment does not stop here. Even when the law is permissive, Stormont-Vail chooses the course of integrity. Local customs, traditions and mores differ from place to place, and this must be recognized. Honesty, however, is not subject to criticism in any culture. Shades of dishonesty simply invite demoralizing and reprehensible judgments. A well-founded reputation for scrupulous dealing is itself a priceless asset.

All Stormont-Vail personnel must understand that we do care how results are obtained, not just that they are obtained. Personnel must be encouraged to tell management all that they are doing, to record all transactions accurately in their books and records, and to be honest and forthcoming with internal and external auditors.

Equally important, we expect candor from managers at all levels and compliance with Stormont-Vail's policies, accounting rules and controls. One harm that results when personnel or managers conceal information from senior management or the Corporate Compliance Officer is that subordinates within the organization are being given a signal that policies and rules can be ignored when they are inconvenient. This can result in corruption and demoralization of an organization. Our organization will not function without honesty, including honest bookkeeping, honest budget proposals and honest economic evaluation of projects.

C. Conflict of Interest

Stormont-Vail personnel must avoid situations in which their personal interests could conflict, or reasonably appear to conflict, with the interests of Stormont-Vail. An example of conflict of interest is any opportunity for personal gain apart from the normal compensation provided through employment. In that regard, here are some guidelines:

- **Personal Financial Gain**

Personnel should avoid any outside financial interest that might influence their corporate decisions or actions. Such interests might include, among other things: A personal or family interest in an enterprise that has business relations with Stormont-Vail. (This restriction does not apply to minimal holdings of stock or other securities of a corporation whose shares are publicly traded and that may incidentally do business with Stormont-Vail).

An investment in another business that competes directly with Stormont-Vail. (This does not apply if the investment is not a significant part of your or your family's income or net worth, or the area of competition has minimal effect on Stormont-Vail.)

- **Outside Activities**

Personnel should avoid outside employment or activities that would have a negative impact on the performance of their job or conflict with their obligation to Stormont-Vail or in any way negatively impact Stormont-Vail's reputation in the community.

If you feel you may have a conflict of interest due to your investments or outside activities, you should consult with the Corporate Compliance Officer.

- **Use of Stormont-Vail Funds and Assets**

Stormont-Vail assets are to be used solely for the benefit of the Corporation. Personnel are responsible for assuring that corporate assets are used only for valid corporate purposes Stormont-Vail assets are much more than our equipment,

inventory, corporate funds or office supplies. They include concepts, business strategies and plans, financial data, intellectual property rights and other information about our business. These assets may not be improperly used to provide personal gain for one's self or for others. Personnel may not transfer any Stormont-Vail assets to other persons or entities, except in the ordinary course of business. On occasion, some assets of the company no longer needed in the business may be sold to employees. Such sales must be supported by properly approved documentation signed by an appropriate authority other than the employee.

•Proper Accounting

Stormont-Vail maintains a system of internal controls that provide reasonable assurance that transactions are executed in accordance with management's authorization and are properly recorded. The system is characterized by a control-oriented environment that includes written policies and procedures and examination by auditors and internal staff. All personnel are expected to adhere strictly to these policies.

No secret or unrecorded fund or assets may be created or maintained for any purpose. In addition, the making of false or fictitious entries in the books with respect to Stormont-Vail transactions or the disposition of corporate assets is prohibited, and no personnel may engage in any transaction that requires or contemplates the making of false or fictitious en-tries.

•Non-Profit Tax Exempt Status

Employees shall not engage in any activity that involves the use of Stormont-Vail resources or property for any private use or benefit. Transactions entered into must be in the best interest of Stormont-Vail and negotiated at arms-length for fair market value. Employees faced with situations that appear questionable should consult with their supervisors for guidance. Employees who suspect a violation of tax-exemption requirements should disclose the situation to the Corporate Compliance Officer.

•Trade Secrets and Confidential Information

It is very important for all personnel to appropriately safeguard Stormont-Vail's trade secrets and confidential information, and to refuse any improper access to trade secret and confidential information of any other company, including our competitors.

In terms of our own trade secret and confidential information, our basic guidelines are:

1. Any proprietary information to which Stormont-Vail personnel may have access should be discussed with others only on a need-to-know basis.

2. Any disclosure of proprietary information to any outside persons should be done only in conjunction with appropriate written trade secret or confidential information disclosure agreements.

3. All personnel must be alert to inadvertent disclosures that may arise in either social conversations or in normal business relations with our suppliers and customers.

Confidential or proprietary information includes any information that is not generally disclosed and that is useful or helpful to Stormont-Vail or would be useful or helpful to competitors. Examples include financial data, projections for individual projects or groups of projects, planned new projects or planned advertising programs, areas in which Stormont-Vail intends to expand, lists of suppliers, lists of customers, wage and salary data, capital investment plans, projected earnings, changes in management or policies of the company, testing data, manufacturing methods, suppliers' prices or any plans for improving any of our services.

D. Patient's Rights

Employees must at all times treat patients with care, concern and respect. Care should be provided economically in a

manner consistent with maintaining quality. Patients are entitled to complete disclosure of all charges.

Patients must be informed of their right of self-determination. This right refers to the ability of competent adults to participate in and make their own health care decisions after receiving from the physicians appropriate disclosure of their diagnosis, prognosis and treatment alternatives. A patient has the right to accept medical care or to refuse treatment to the extent permitted by law and to be informed of the medical consequences of such refusal.

Treatment of patients shall be consistent with appropriate informed consent as determined by Kansas law. Questions concerning a patient's competence or the right of another person to act on a patient's behalf should be handled in accordance with Stormont-Vail policy.

Employees must not discriminate against patients based on whether they exercise their right to self-determination or on the substance of their specific health care decisions. Employees must protect a patient's personal privacy and preserve the confidentiality of a patient's medical treatment program, including the patient's medical records. Employees must observe the highest standards of ethical and legal conduct with respect to such confidential information.

E. Dealing with Suppliers

We obtain and keep our business because of the quality and value of our services and the respect and confidence we instill in our patients. Conducting business with suppliers, including physicians, can pose ethical or even legal problems. The following guidelines are intended to help all personnel to make the "ethical" decision in potentially difficult situations:

•Kickbacks and Rebates

Purchase or sales of goods and services must not lead to personnel or their families receiving personal kickbacks or rebates. Kickbacks or rebates can take many forms and are not limited to direct cash payments or credits. In general, if you or your family stand to gain personally through the transaction, it is prohibited. Such practices are not only unethical but are in many cases illegal.

•Reciprocity

In many instances, Stormont-Vail purchases goods or services from a supplier who also contracts with us for services. This practice is normal and acceptable, but any form of pressure for reciprocity with that supplier is not. Suppliers must not be asked to contract for services in order to become or continue to be a supplier to Stormont-Vail.

•Gifts or Gratuities

Personnel may not accept gifts of money under any circumstances nor may they solicit non-monetary gifts, gratuities or any other personal benefit or favor of any kind from suppliers or patients. Personnel and members of their immediate families may accept unsolicited, non-monetary gifts from a business firm or individual doing or seeking to do business with Stormont-Vail only if the gift is of nominal value or the gift is primarily of an advertising or promotional nature.

•Transportation and Lodging

Some suppliers with whom we do business offer transportation to and lodging at their business locations during the course of solicitation or in other circumstances. Such travel and lodging should ordinarily be refused except in exceptional cases for which the prior approval of the Corporate Compliance Officer must be obtained.

•Entertainment

Personnel may not encourage or solicit entertainment from any individual or company with whom Stormont-Vail does business. From time to time, personnel may offer or accept entertainment, but only if the entertainment is reasonable, occurs infrequently and does not involve lavish expenditures. Offering or accepting entertainment that is not a reasonable adjunct to a business relationship, but is primarily in-tended to gain favor or influence, should be avoided.

•Payments to Agents, Representatives, Physicians and Consultants

Agreements with agents, sales representatives, physicians or consultants must be in writing in corporate standard format, and must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. Any such payments must be reasonable in amount, not excessive in light of the practice in the trade, commensurate with the value of the services rendered and supported by appropriate documentation. The agent, sales representative, physician or consultant must be advised that the agreement may be publicly disclosed and must agree to such public disclosure. Services should not be billed at prices that exceed Stormont-Vail's normal prices for the service to avoid questions of overbilling and possible rebates.
No inducement in exchange for referral of patients shall be offered to any physician.

•Payments to Government Employees

No payments of money, gifts, services, entertainment or anything of value may be offered or made available in any amount, directly or indirectly, to any federal government official or employee or to any state official who regulates the business of Stormont-Vail. If in doubt, consult the Corporate Compliance Officer.

•Other Improper Payments

No extra-contractual payments or offer of benefit of any kind may be made to suppliers or physicians as an inducement for them to contract with Stormont-Vail. The use of Stormont-Vail funds or assets for any unlawful or unethical purpose is prohibited. The making of any payment to a third party for any purpose other than that disclosed on the payment documentation is prohibited.

F. Books and Records

•Falsification of Records

Federal law requires Stormont-Vail to maintain books and records that accurately reflect the true nature of the transactions represented. Therefore, in all of our operations, it is against Stormont-Vail policy, and possibly illegal, for any personnel to cause our books and records to be inaccurate. Examples would include making the records appear as though payments were made to one person when, in fact, they were made to another; submitting expense accounts that did not accurately reflect the true nature of the expense; and the creation of any other records that did not accurately reflect the true nature of the transaction.

False or artificial entries must never be made in any Stormont-Vail books or records nor in any public record for any reason, nor should permanent entries in Stormont-Vail's records be altered in any way. No payment or receipt on behalf of Stormont-Vail may be approved or made with the intention or understanding that any part of the payment or receipt is to be used for a purpose other than that described in the documents supporting the transaction. "Slush funds" or similar off-book accounts, where there is no ac-counting of receipts or expenditures on corporate books, are strictly prohibited. It is very important that personnel not create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

These same considerations apply to medical records. Physicians and Stormont-Vail personnel with authority to make

entries on patient charts are responsible for timely and accurately documenting all patient care services and complying with all Stormont-Vail policies and procedures with regard to medical records.

•Retention of Records

Disposal or destruction of Stormont-Vail's records and files is not discretionary. Legal and regulatory practice require the retention of certain records for various periods of time, particularly in the patient care, reimbursement, tax, personnel, health and safety, environmental, contract, and corporate areas.
In addition, when litigation or a government investigation or audit is pending, relevant records must not be destroyed until the matter is closed. Destruction of records to avoid disclosure in a legal proceeding may constitute a criminal offense. Refer to the Corporate Record Retention Policy for information on retention periods and restrictions.

G. Subsidiaries

This Business Code of Conduct applies to all subsidiaries of Stormont-Vail, upon agreement by the Boards of those subsidiaries.

H. Political Activity and Contributions

Stormont-Vail encourages all personnel to vote and be active in the political process. However, federal laws restrict the use of corporate funds in connection with federal elections. Accordingly, it is against Stormont-Vail policy, and may also be illegal, for personnel to:

•Include, directly or indirectly, any political contribution that you may desire to make on your expense account or in any other way that causes Stormont-Vail to reimburse you for that expense. In general, the cost of fundraising tickets for political functions are considered political contributions. Therefore, including the cost of any such fund-raising dinner on an expense account, even if business is, in fact, discussed, is against Stormont-Vail policy and possibly illegal. To the extent corporate payments for such matters are permitted with respect to state elected officials, the President and CEO shall authorize any such payments.

•Use any Stormont-Vail property or facilities, or time of any of Stormont-Vail personnel, for any political activity. Examples of prohibited conduct would be using Stormont-Vail secretarial time to send invitations for political fund-raising events, using Stormont-Vail telephones to make politically motivated solicitations, allowing any candidate to use any Stormont-Vail facilities, such as meeting rooms, for political purposes, or to loan any Stormont-Vail property to anyone for use in connection with a political campaign. The political process has become highly regulated, and any one who has any question about what is or is not proper should consult with the Corporate Compliance Officer before agreeing to do anything that could be construed as involving the Stormont-Vail in any political activity at either the federal, state or local level, or in any foreign country.

I. Safety, Health and Environment

Stormont-Vail is committed to providing a safe and healthy work place for our employees and patients and for visitors to our premises. We are equally committed to preventing deterioration of the environment and minimizing the impact of our operations on the land, air and water. These commitments can only be met through the awareness and cooperation of all personnel. We each have a responsibility to abide by safe operating procedures, to guard our own and our fellow employees' health, and to maintain and utilize pollution control systems.

In the United States, regulatory agencies exist under federal, state or local jurisdiction to ensure compliance with laws and regulations affecting safety, health and environmental protection. It is Stormont-Vail's policy to comply with both the letter and the spirit of the laws and regulations imposed by these agencies and to attempt to develop a cooperative attitude with inspection and enforcement personnel from the agencies. In keeping with this spirit, personnel are encouraged to report

conditions that they perceive to be unsafe, unhealthy or hazardous to the environment.

J. Employee Relations

It is the policy of Stormont-Vail to provide equal employment opportunity to individuals who are qualified to perform job requirements, regardless of their race, sex, religion, national origin, age or disability. Equal opportunity shall be provided in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, wage and salary administration, and selection for training.

Every employee has a right to a work environment free of harassment or discrimination because of race, sex, religion, national origin, age or disability. These commitments can only be met if all employees treat each other with courtesy and fairness and have respect for the dignity of the other person. Please call the Human Resources Department about suspected violations of the employee relations policies.

K. Drugs and Alcohol

Stormont-Vail's policy precludes the use or possession of any illegal drugs, any drug abuse or any alcohol on Stormont-Vail property, except that the Chief Executive Officer may authorize the serving of limited quantities of alcohol in conjunction with a meeting or event held on Stormont-Vail premises.

The Corporate Code of Conduct
has been approved by the Board of Directors

s/ S. Kenneth Alexander III 4/22/97***

Chairman Date

***Edited regarding appointment of successor Corporate Compliance Officer, effective May 1, 2010.

Stormont-Vail Health*Care*, Inc. ("Stormont-Vail"), always has been, and continues to be, committed to conducting its business with integrity and in accordance with all federal, state and local laws to which its operations are subject. It is the long-standing policy of Stormont-Vail to prevent the occurrence of unethical or unlawful behavior, to halt such behavior as soon as reasonably possible after its discovery, to discipline personnel who violate Stormont-Vail policies, including individuals responsible for the failure to report a violation, and to implement any changes in policy and procedure necessary to prevent recurrences of a violation. Stormont-Vail has instituted a Corporate Code of Conduct (Code), which is incorporated as a part of this program and other related policies to reflect these commitments.

The Code and related policies and procedures are not statements of ideals intended to impress others. They are statements of policy with which all personnel must comply. This Corporate Compliance Program (Compliance Program or Program) sets forth the means by which the Code and related policies are to be implemented and monitored. The Board of Directors of Stormont-Vail Health*Care*, Inc. has authorized the establishment of this Compliance Program and approved the program and the Code. The purpose of this Compliance Program is threefold. First, it provides a mechanism to enforce Stormont-Vail's Code of Conduct. Second, the program complies with the United States Sentencing Guidelines for corporations. These Guidelines are incorporated by reference. However, the commitment of Stormont-Vail by a combined Code of Conduct and Compliance Program is to encourage ethical conduct in a corporate culture that exceeds this minimum due diligence standard. Third, and perhaps in that regard the most important, the Compliance Program coupled with the Code of Conduct sets an ethical tone for conducting business and creates a corporate culture that enhances the reputation of the institution.

The hallmark of an effective compliance program is "due diligence." This is a program designed to promote due diligence in everything from the hiring of employees to the auditing of records. It is a mechanism to ensure that Stormont-Vail diligently strives to prevent and detect misconduct and criminal activity.

Stormont-Vail intends to utilize a variety of tools to implement the Compliance Program such as training and education, employee performance evaluations, an employee reporting system and internal audits. Stormont-Vail intends to monitor this program to verify compliance with its published standards.

Stormont-Vail encourages all personnel to internally report all potential non-compliance with the Code or Compliance Program. No individual's position or influence is considered to be more important than the goal of institutional integrity. Those who honestly report wrongdoing will be protected from retaliation.

Stormont-Vail intends that this Program qualify as a peer review process, that the Corporate Compliance Officer be a Peer Review Officer and that the Compliance Committee be a Peer Review Committee, all within the meaning of K.S.A. 65-4915.

A. Corporate Compliance Officer

The Board of Directors hereby appoints the Director of Corporate Compliance and Finance as the Corporate Compliance Officer. The designation of a Corporate Compliance Officer in no way diminishes or vitiates the responsibility of all personnel to comply with all Stormont-Vail policies and procedures, nor does it diminish every supervisor's responsibility to require that those personnel for which he or she has responsibility comply with the Code, the Compliance Program and related policies.

The Corporate Compliance Officer will have responsibility for overseeing compliance with all applicable laws, the Code of Conduct, and all related Stormont-Vail policies and procedures. The Corporate Compliance Officer will be responsible for coordinating the annual review and updating of the Compliance Plan, the Code and related policies. The

Corporate Compliance Officer also will be responsible for reporting to the Board of Directors, the Audit Committee of the Board and the Chief Executive Officer as to the implementation and enforcement of the Compliance Program and providing periodic updates of the Compliance Program.

In addition to these responsibilities, the Corporate Compliance Officer is responsible for the overall effectiveness of the program. In executing this responsibility, the Corporate Compliance Officer must perform a wide variety of tasks to implement the Compliance Program. Such duties are incorporated by reference.

B. Compliance Committee

Stormont-Vail's Board of Directors has established a Compliance Committee responsible for evaluating and taking action upon matters that may be brought to its attention, including obligations to report criminal conduct or violations of Stormont-Vail policy. The Committee shall hold regular quarterly meetings and shall hold special meetings as may be necessary. The membership of the Committee shall consist of the Corporate Compliance Officer, Stormont-Vail's Chief Executive Officer, a member of the Board of Directors appointed by the chairman of the Board, the Director of Clinic Third-Party Compliance, the Director of Corporate Risk Management, the Director of Corporate Third-Party Reimbursement, the MSD Medical Director, the Director of Health Information Management and legal counsel.

C. Dissemination of Information

A critical aspect of a compliance program is the effective communication of the Program, the Code and related policies to every employee. The Corporate Compliance Officer is responsible for establishing procedures to make every employee familiar with the Program and the Code and to abide by them. These procedures include the following:

1. Every newly hired employee will receive a copy of the Program and the Code and other policies relevant to his or her employment. Within 14 days of receiving the Program and the Code and related policies, the new employee must sign an acknowledgment stating that the employee has read and understands the Program and the Code and other relevant policies and agrees to abide by them.

2. Annually, all employees participate in the Program and each will be required to complete the Corporate Compliance section on the Health Learning Center competency assessment and training.

3. The Corporate Compliance Officer is responsible for retention of these certifications as a corporate record.

D. Training Programs

The Corporate Compliance Officer is responsible for overseeing and implementing ongoing training of employees to comply with the Program, the Code and related policies. Training procedures consist of the following:

1. All employees will receive, review and acknowledge their understanding of the Code and relevant related policies upon commencing employment with Stormont-Vail.

2. Each department director will be responsible for requiring that employees under his/her supervision receive training in the Program and the Code and relevant, related policies on an annual basis. The Corporate Compliance Officer may assist in the preparation and presentation of these training seminars.

3. The Corporate Compliance Officer is responsible for requiring mechanisms for maintaining documentation of attendance of employees at training sessions.

E. Reporting of Violations

Stormont-Vail is committed to the policy that every employee has an obligation to report any violation of the Code,

Program or related policies. Stormont-Vail also is committed to establishing an environment that encourages and allows employees to seek and receive prompt guidance before engaging in conduct that may violate the Code or related policies. Employees will not be subject to any reprisal for a good faith report of a suspected violation of the Code, Program or related policy.

To achieve these objectives, the Corporate Compliance Officer is responsible for implementation of the following practices and procedures and publicizing them in writing to all employees:

1. An employee may consult his or her immediate supervisor about any questions regarding the Code, Program or related policies. An employee also may consult a manager, director or corporate officer or, alternatively when appropriate, consult with the Corporate Compliance Officer. Any Stormont-Vail employee to whom any such question is directed should respond to the inquiry or refer the question to appropriate personnel within Stormont-Vail.

2. An employee may report to his or her supervisor any violation of the Code or related policy. An employee also may report a violation to a manager, director or corporate officer or, alternatively when appropriate, consult with the Corporate Compliance Officer. Reports of violations of the Code received from employees shall be forwarded to the Corporate Compliance Officer. Employees will not be subject to any reprisal for a good faith report of a suspected violation of the Code, Program or related policies.

3. The Corporate Compliance Officer is responsible for periodic review of all reports received of suspected violations of the Code or related policies. The Corporate Compliance Officer shall maintain the confidentiality of the identity of employees who submit reports of violations or suspected violations.

4. The Corporate Compliance Officer will establish and publicize a reporting system that permits anonymous reports of violations of the Code or related policies to the Corporate Compliance Officer or his designee. The reporting system also shall be available to answer questions regarding the Code or related policies.

F. Discipline for Violations

Stormont-Vail will document all reasons for disciplinary actions taken against its personnel for violations of the Program, Code and related policies. The determination of the appropriate discipline shall be made in accordance with Stormont-Vail policy. The following factors may be taken into account:

1. The nature of the violation and the ramifications of the violation to Stormont-Vail;
2. The disciplinary action imposed for similar violations;
3. The history of past violations;
4. Whether the violation was willful or unintentional;
5. Whether the individual was directly or indirectly involved in the violation;
6. Whether the violation represented an isolated occurrence or a pattern of conduct;
7. If the violation consisted of the failure to supervise another individual who violated the Code or related policies, the extent to which the circumstances reflect lack of diligence;
8. If the violation consisted of retaliation against another individual for reporting a violation or cooperating with an investigation, the nature of such retaliation;
9. Whether the individual in question reported the violation; and
10. The degree to which the individual cooperated with the investigation.

Stormont-Vail has instituted a comprehensive document retention policy that must be complied with by all employees throughout Stormont-Vail. Document retention and destruction must take place in accordance with established, written

policy. Each director shall monitor compliance with this policy within his or her department.

Preservation of Documents

The Corporate Compliance Officer will be responsible for establishing procedures to prevent the intentional or inadvertent destruction of documents that could lead to prosecution for obstruction of justice. Stormont-Vail must retain all potentially responsive documents if it has been served with a government subpoena or, if it has reason to believe that there is an impending government investigation, it must retain all documents that may pertain to that investigation.

If Stormont-Vail is served with a subpoena or has reason to believe a subpoena may be served, the Corporate Compliance Officer is responsible for assuring processes are in place directing employees to retain all documents that may be potentially responsive to the subpoena.

The Corporate Compliance Program
has been approved by the Board of Directors

s/ S. Kenneth Alexander III 4/22/97***

Chairman Date

***Edited regarding appointment of successor Corporate Compliance Officer, effective May 1, 2010.