I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or healthcare facility in which an Affiliate either manages or controls the day-to-day operations of the facility (each, a “Tenet Facility”) (collectively, “Tenet”) located in California and excluding employees at Corporate and Conifer locations.

II. PURPOSE:

Tenet’s mission is to improve the quality of life of every patient who enters our doors. Our success in achieving our mission depends on the work of our dedicated employees. Our “Commitment to People” guides us to provide competitive benefits for our employees, including paid time off programs for employees. We believe that employees need and deserve personal time to achieve a healthy work and life balance.

Tenet has two paid time off programs in which eligible employees participate in based on their role with the company. Management staff typically participates in Tenet’s Manager’s Time Off (MTO) plan, whereby non-management staff participate in Tenet’s Paid Time Off (PTO) plan. Both plans enable eligible employees to take approved time off from scheduled work. Participants are not eligible to participate in both programs at the same time.

The California (MTO) Plan (the “Plan”) allows employees who are participants in the Plan paid time off from work due to vacation, personal, or sick time that qualifies as a leave of absence. Plan participants are not eligible to participate in Tenet’s PTO Plan.

The provisions of the Plan, this policy, including accrual schedules, are subject to change and may be modified at any time by Tenet to the extent permitted by law.

III. POLICY:

A. Eligibility To Be A Participant

Employees on any executive payroll, who work in the state of California, are automatically participants in the Plan. Additional employees may be designated as participants in the sole discretion of Tenet’s Director, Human Resources Services and Projects at the Home Office or his or her designee based on their position. Such additional participants in the Plan shall be designated exclusively in writing. Generally, those management employees who regularly attend a department head meeting and have supervisory or budgetary responsibilities will be considered for written designation as participants.
B. MTO Accrual

Effective first full pay period that ends on or after January 1, 2013, participants of the Plan will need to confirm the applicable accrual rate with their local Human Resource Office.

The MTO accrual rate is based on anniversary date. The maximum number of hours a participant may accrue in his/her MTO bank at any time is 160 hours.

At the point the MTO limit is reached, accruals cease until the account balance is reduced below the limit. Accruals will be restarted in any pay period in which the account balance is below the cap.

C. Time Off

Participants are salaried exempt employees who are compensated not for the amount of time spent at work, but rather for the general value of services they perform. Nevertheless, Tenet recognizes the value and need for participants taking time off from work for rest, relaxation and other purposes and accordingly, participants are encouraged to take time off during the year.

A participant may take time off away from work, up to the amount of MTO accrued and not to exceed 20 days per calendar year without loss of salary with the prior approval from his/her immediate supervisor. The time off actually taken by any participant, however, may vary from year to year based upon the individual participant’s workload, responsibilities and duties and Tenet’s operating needs and staffing requirements. Efforts will be made to accommodate a participant’s time off request in the amount and at the time requested. However, no request for time off can be guaranteed even after initial approval has been made. Participants may only take time off in whole day increments not to exceed the number of days in their MTO balance.

Participants will need to submit MTO Absence Approval Request forms to their supervisors in order for their bank of MTO days to properly reflect the time that they take away from work. Approved forms should then be sent to Payroll for processing.

Participants may qualify for leave under the federal Family and Medical Leave Act (FMLA) or under the California Family Rights Act (CFRA). Participants may request payment for their leave time up to the amount stated in the above paragraph, unless otherwise provided by law.
D. **Holidays**

In addition to time off under the Plan, participants are provided paid holidays scheduled or approved for their facility as identified by Executive Leadership.

**IV. PROCEDURE:**

A. **Employees Transferring From Non-California MTO Plan to California MTO Plan**

Employees who are participating in a Tenet facility, not located in California, who are participants in the Non-California MTO plan and transfer to a facility covered under the California MTO Plan, will be credited with a beginning California MTO Plan balance equal to one year of the employee’s current MTO allowance at the time of transfer.

B. **Employees Transferring From California MTO Plan to Non-California MTO Plan**

Employees who are participating in the California MTO Plan and transfer to a facility not covered under the California MTO Plan will be paid out their MTO bank balance at the time of transfer. Time off after the date of transfer will be based on the provisions under the MTO plan of the non-California facility.

C. **Employees Transferring from Plan eligible position to a non-eligible Plan position.**

Employees who are no longer eligible for participation in the Plan, due to a change in position, will have MTO hours converted to PTO hours.

D. **Employees Previously Participating In PTO/ Vacation, Health and Sick or Extended Illness Plan**

Employees who become eligible to be a participant in the Plan will have any previously accrued PTO or Vacation, Health and Sick (VHS) time converted into MTO time up to a maximum of four weeks (20 days). Any balance in PTO/VHS in excess of 20 days for such participants will be cashed out at 100% of its value.

Any Tenet Extended Illness hours earned prior to the participant becoming eligible to participate in the Plan will be kept as an Extended Illness balance. The Extended Illness hours may be used in the event of a qualifying absence in whole day increments. Extended Illness hours may only be used after an employee has been absent for seven consecutive calendar days and is ill or disabled. An employee who is admitted to a hospital or undergoes an outpatient procedure may begin using Extended Illness hours immediately. Extended Illness is not payable to the participant at separation from employment with Tenet.
E. MTO Accrual During A Leave of Absence

During any pay period in which an employee is on Leave of Absence, paid or unpaid, and has no Scheduled Hours, he or she will not accrue MTO hours.

F. MTO Accrual During Severance Period

MTO hours do not accrue when an employee is receiving any type of severance pay.

G. Termination

When a participant separates from employment with Tenet, the participant will receive a lump sum termination payout of the Participant’s accrued MTO balance. Participants who receive severance will cease MTO accruals and receive a lump sum payout of their accrued MTO balance as of the pay period in which their severance begins.

H. Administration and Review

The Plan Administrator shall be Tenet’s Director, Human Resources Services and Projects at the Home Office or his or her designee. The Plan Administrator shall have the sole discretionary authority to determine eligibility or to construe the terms of this Plan and to decide any question arising in the administration, interpretation and application of this Plan.

I. Auditing and Monitoring

Audit Services will audit adherence to this policy as part of its full scope audits.

J. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

V. REFERENCES:

- Human Resources Policy HR.EHP.12 Rehire and Reinstatement
- California Manager’s Time-Off Plan Absence Approval Form