



QUALDERM
PARTNERS

CODE OF CONDUCT

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Welcome

The true foundation of QualDerm Partners, LLC and its partnered practices (collectively, “QDP”) has always been the commitment to provide patients the highest quality and cost-effective access to medical services. As part of this commitment, QDP strives to ensure an ethical and compassionate approach to health care delivery. QDP must demonstrate consistently that we act with absolute integrity in the way we do our work.



QDP fundamentally believes that the general public, our patients, our customers, our third-party payers, and our fellow employees have the right to expect that QDP will act within a framework of honesty and integrity with a ‘do the right thing’ mentality.

The QDP Code of Conduct is being provided to you because we all are essential to building and supporting an organization that demonstrates integrity, ethics and best practices. QDP and its partnered practices expect that each employee and agent of ours will act with the highest level of integrity and will assume responsibility for encouraging other employees to act in the same manner. The Code of Conduct incorporates our Ethics and Compliance plan and specific Compliance policies. Together, these documents emphasize the values that will guide our conduct and is very much of part of the practice culture of the dermatology clinics we seek out as partners.

If you have any questions regarding the Code of Conduct, the Compliance Plan or Policies, or you encounter any situation which you believe violates the law or our Code of Conduct, you should discuss your question or concern with your immediate supervisor. If, after discussion with your immediate supervisor, you do not feel that your concern has been resolved, please consult your Regional Vice President or our Ethics and Compliance Officer (“ECO”), Todd Falk, at 615-250-6727 or todd.falk@qualderm.com. QDP has an Audit, Compliance and Quality Committee (the “Audit Committee”). If you do not believe that the ECO has been responsive or that the ECO has engaged in improper conduct, the Chairman of the Audit Committee, Mr. Ralph Davis, may be contacted at rdavis@cresseyco.com. There will be no retribution for asking questions or for reporting possible improper conduct; however, we have established a Compliance Hotline for anonymous reporting for those that wish to report anonymously. To report a concern anonymously you may call 844-600-0089.

Please review, and become familiar with, the contents of our Code of Conduct. While no Code of Conduct can substitute for our own internal sense of fairness, honesty and integrity, this Code is our attempt to address the complex legal and business ethical issues we face every day and to provide guidance and overall principles for our business.

In closing, our patient population, as do we, trusts each of you as a valuable QDP Associate. QDP believes that our future depends not only on the skills, abilities and commitment of all employees and others working on our behalf, but also on our continued good judgment, self-discipline, common sense and integrity. We thank you for your contribution in making QDP an organization we can be proud of and that demonstrates the commitment to excellence to which QDP and its partnered practices adhere.

Bill Southwick
Chief Executive Officer

Our Mission and Values

Mission

To establish, serve and extend a quality-driven dermatology network through partnership with physician leaders.

Vision

To be the partner of choice for premier, patient-centric dermatology practices.

Values

Exceptional Integrity: We are authentic and credible. We approach those we serve and each other with humility and honesty. Communicating clearly, we are transparent, reliable and dependable.

True Partnership: We focus on creating high-functioning teams and, as management leaders, we respect the autonomy of our physician partners. We create value through shared culture, shared services and shared decision making.

Extraordinary Quality: We set great expectations. Our patient-centric approach, strategies, and operations exemplify extraordinary quality. This differentiates us in a definable way as we provide a high-value patient experience.

Passionate Leaders: We engage ourselves with energy and commitment. We focus ourselves with a clear and powerful strategic direction. Creating a culture of innovation, improvement and continuous learning, we are accountable to our patients, our partners and ourselves.

Purpose of Our Code of Conduct

The purpose of the QDP Code of Conduct is to provide officers, employees, contractors and affiliates of QDP (“QDP Associate” or “Associate”) with guidance for carrying out their day to day responsibilities in a legal and ethical manner.

While the Code of Conduct addresses many issues that are of ethical, legal, or practical relevance to QDP, it is not all-inclusive. There may be circumstances for which a QDP Associate could be responsible that may arise but are not covered in the Code of Conduct. QDP Associates are expected to contact their immediate supervisor when encountering a situation that is not clearly defined in this Code of Conduct, In the event that a QDP Associate cannot discuss the situation with their immediate supervisor, the Associate may contact their Regional Vice President, the Ethics and Compliance Officer, or the Compliance Hotline at (844) 600-0089.

QDP is committed to compliance with the federal anti-kickback statute, the Stark Law, the False Claims Act, the Health Insurance Portability and Accountability Act (“HIPAA”), Deficit Reduction Act, and other applicable federal, state, and local laws, rules, and regulations governing the healthcare industry. To ensure that QDP is in compliance with all state and federal laws, we provide ongoing training on the contents of this Code of Conduct. Each QDP Associate is required to participate in this training annually. Failure to participate in this training will result in disciplinary action, up to and including termination.

Quality of Care and Patient Safety

QDP is committed to clinical best practices and patient safety. We have established a quality program to address factors and continually improve the way in which care is delivered. With oversight from the Audit Committee, the goal of the quality program is to implement leading edge strategies and to measure performance against benchmarks to assess the quality and safety of patient care. Every QDP Associate is a vital part of the QDP quality program.

Ethics and Compliance Program Structure

Ethics and Compliance Plan

QDP and its affiliated practices are committed to conducting business in an ethical and law abiding manner. We have established an Ethics and Compliance Plan to comply with the numerous rules and regulations enforced by multiple federal, state and private agencies. The most up to date version of the plan can be accessed on the QDP intranet.

Compliance Officer and Regional Contacts

The QDP Board of Managers of QDP has appointed Todd Falk, QDP's Chief Operating Officer, as the Ethics and Compliance Officer ("ECO"). With support from the Audit Committee, the ECO oversees the programs and initiatives described in the Ethics and Compliance Plan. In addition, the Regional Vice President of each of QDP's geographic regions supports the ECO through their responsibility to oversee compliance initiatives in each region and act as a local contact for QDP Associates to report any concerns that they may have about compliance or ethics.

Reporting Suspected Compliance Violations

Non-Retaliation Policy

QDP does not tolerate retaliation for reporting a concern or potential violation of QDP's ethical standards and/or the laws and regulations applicable to QDP's business.

Compliance Hotline

A Compliance Hotline has been established for QDP Associates wishing to submit questions or report suspected violations anonymously. The Compliance Hotline can be reached by calling (844) 600-0089. To protect the identity of those wishing to report concerns without being identified, QDP has contracted with a third party to administer the hotline. This independent third party company has specialized expertise in the confidential and anonymous handling of compliance hotline services.

Confidentiality and Security

Protecting patient confidentiality has always been good medicine and good business. It is also a matter of federal law – the Health Insurance Portability and Accountability Act (HIPAA). HIPAA defines significant federal standards for the use, disclosure, transmission and security of health care information, in addition to the need for workforce sanctions for non-compliance. These standards are designed to formalize the manner in which confidential information is treated and stored; failure to do so carries significant civil and criminal penalties. As required by law, all QDP Associates are required to

comply with all HIPAA regulations and participate in HIPAA privacy and security training on an annual basis. Failure to participate in this training will result in disciplinary action, up to and including termination.

Disclosure of confidential information at work or elsewhere about patients violates our trust with our patients and the individual's legal right to confidentiality. QDP Associates who have access to patient, business and/or confidential wage and benefit information by virtue of their position and need-to-know to accomplish their job within the organization, must protect the security of access to the information and maintain the confidentiality of the information.

Protecting Confidential Information

It is the legal obligation of all QDP Associates to protect the privacy and security of confidential information – which may include, for example, patient information, Protected Health Information (PHI), and QDP financial information – by taking the following precautionary measures:

- Discuss work matters and only with other QDP Associates who have a specific business reason to know or have access to such information;
- Do not discuss work matters in public places;
- Restrict patient, visitor, vendor, and former QDP Associate's admission to QDP facilities to ensure that they do not have access to confidential information;
- Destroy hard copies of documents containing confidential information that is not required to be filed or archived;
- Secure confidential information in desk drawers and cabinets at the end of every business day;
- Do not transport documents, files, electronic information, or laptops containing PHI outside of the workplace without the written permission of QDP. If other confidential information must be transported outside of the workplace keep it secure and out of site.
- Only send emails regarding patients or containing PHI via QDP secure, encrypted email accounts and ensure that the intended recipient's email address is correct;
- Never share passwords with another person or use another person's password to access any QDP system;
- Never post passwords in conspicuous places or include in email; and
- Log off of all QDP workstations when away and utilize password-protected screensavers.

Social Media

QDP recognizes the role that social media tools play in the personal lives of our Associates and that the personal use of social media can have an impact on the care we provide. We encourage QDP Associates to use social media to promote the mission of QDP in a way that incorporates our values. We encourage QDP Associates to "like", "share", or repost QDP-produced advertisements or promotions on their personal Facebook pages, Twitter, or other mainstream social media outlets.

We respect the rights of our QDP Associates to freedom of speech and expression in their personal lives while also recognizing the duty of the QDP to prevent the disclosure of unauthorized information on the internet. The following are guidelines for QDP Associates who participate in social media and includes posting on one's own social media outlets and commenting on other social media outlets.

- QDP Associates are not permitted to blog or use other forms of social media or technology on the internet during working hours or at any time on QDP computers or other QDP-supplied devices, unless authorized by the QDP. Blogging or other forms of social media, include, but are not limited to posting content, including videos, on social media sites (e.g. Facebook, LinkedIn, Twitter, Instagram, Vine, Snapchat), wiki postings, chat rooms, personal blogs or other similar forms of online journals, diaries or personal newsletters not affiliated with the QDP.
- When expressing personal views on personal social media, QDP Associates are expected to use a personal email address, not a QDP email address, as the primary means of communication.
- QDP Associates are prohibited from using or disclosing any confidential information of any kind about QDP, and its former or current Associates on social media without the express written permission of the individual. Posting any information about patients is prohibited, even if an individual is not identified by name within the information to be used or disclosed. QDP Associates may not use blogs to harass, threaten, discriminate or disparage other QDP Associates, anyone associated with QDP, or patients.
- QDP Associates are prohibited from posting any photographs taken within the practice premises of QDP on social media.
- QDP Associates must seek permission from the Chief Operating Officer before setting up any social media content or blog created to communicate information about QDP or its affiliated practices.
- Managers are discouraged from “friending” those that report directly to them on social media.

Workplace Conduct and Employment Practices

Equal Opportunity

In accordance with applicable law, QDP is an equal opportunity employer. QDP provides equal employment opportunities to all employees and applicants in all company facilities without regard to race, color, religious creed, sex, national origin, ancestry, citizenship status, pregnancy, childbirth, physical disability, mental and/or intellectual disability, age, military status or status as a Vietnam-era or special disabled veteran, marital status, registered domestic partner or civil union status, gender (including sex stereotyping and gender identity or expression), medical condition (including, but not limited to, cancer related or HIV/AIDS related), genetic information, or sexual orientation in accordance with applicable federal, state and local laws.

This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

Immigration Law Compliance

QDP is committed to employing only United States citizens and aliens who are legally authorized to work in the United States. We do not unlawfully discriminate on the basis of citizenship or national origin.

In order to comply with the Immigration Reform and Control Act of 1986, all new employees, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and provide documentation that establishes identity and authorization to work.

Occupational Health and Safety

QDP is committed to protecting the safety, health and well-being of all QDP Associates and other individuals in our workplace. We have established a number of safety programs and related training to ensure that the work environment to promote occupational health and safety and to comply with applicable laws and regulations. All QDP Associates are required to participate in these training programs and observe safety policies and regulations.

Excluded Individuals

QDP does not employ or contract with any individual excluded from federal government programs. All prospective QDP Associates will be subject to a check of their name against the applicable government databases, including the Office of Inspector General (“OIG”) list of Excluded Individuals and the General Services Administration (“GSA”) List of Parties Excluded from Federal Programs. Any individual that is found to be an excluded individual will not be eligible to become a QDP Associate. Additionally, the names of all current QDP Associates are checked against the OIG’s List of Excluded Providers and the GSA’s List of Parties Excluded from Federal Programs on a regular basis. Any current QDP Associate who is found to be an excluded individual will be terminated immediately.

Conflicts of Interest

A conflict of interest is defined by QDP as any activity, financial investment, interest, association, or relationship, (including relationships with family members, relatives, friends, and social acquaintances) on behalf of QDP, in which the decision-maker(s) stands to personally gain (directly or indirectly) as a result of his or her decision. Examples of a conflict of interest include:

1. A personal or family financial interest in any enterprise that has business relationships with QDP;
2. Investment in another business that competes or contracts with QDP;
3. Outside employment with another business, such as a supplier or spa, that competes or contracts with QDP; and/or
4. Directing significant contributions to political or social causes that represent a personal or family interest.

In keeping with QDP’s core values of integrity, honesty and transparency, it is our policy to avoid even the *appearance* of any conflict of interest in our business dealings. We require those making business decisions on behalf of QDP to submit details regarding any potential business arrangement that might create even the appearance of a conflict of interest.

Harassment

Respect for the dignity and worth of each individual is a basic tenet of QDP and, as such, we are committed to providing a work environment free of discrimination. In keeping with that commitment, we maintain a strict policy prohibiting harassment, including sexual harassment. QDP’s harassment policy covers all QDP Associates and defines harassment as follows:

Harassment: Any verbal, visual or physical conduct that has the purpose or effect of substantially interfering with an individual’s work performance or creating an intimidating, hostile or offensive work

environment on the basis of gender, race, color, religion, national origin, age, disability, marital status, veteran status, sexual orientation or genetic information.

Sexual Harassment: Any unwelcome jokes or comments, sexual attention, sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature, when:

- a. Submission to such conduct is made an implicit or explicit term or condition of an individual's employment;
- b. Submission to or rejection of such conduct is used as a basis for employment decisions affecting such individuals;
- c. Such conduct has the purpose or effect of substantially interfering with an individual's work performance; or
- d. Such conduct has the purpose or effect of creating an intimidating, hostile or offensive work environment.

It is important to note that the response to sexual innuendoes, comments and actions varies by individuals, and if any person finds them offensive, it may constitute sexual harassment. Therefore, such comments do not belong in the workplace.

Harassment by non-QDP Associates: QDP will also endeavor to protect QDP Associates, to the extent possible, from reported harassment by non-QDP Associates in the workplace, including patients, clients, and vendors.

Violence in the Workplace

Employees' safety and health are of the utmost importance to QDP. The Company takes all threats of workplace violence very seriously. Acts or threats of physical violence whether expressed or implied, including intimidation, harassment, and/or coercion that involve or affect the Company or occur on Company property, will not be tolerated. QDP physical and/or electronic resources may not be used to threaten, stalk, or harass anyone at the workplace or outside the workplace. QDP treats threats coming from an abusive personal relationship as it does other forms of violence.

Violations of this policy by any individual on Company property, by any individual acting as a representative of the Company while off Company property or by any individual acting off of Company property when his/her actions affect the Company's business interests will lead to corrective action, legal action, and disciplinary action.

Every employee and non-employee on Company property is expected to report incidents, threats, or acts of physical violence of which he or she is aware. The report should be made to local emergency response agencies where appropriate as well as the reporting individual's immediate supervisor or other management personnel. Disciplinary action may also be taken against anyone who knowingly makes a false, merit-less or malicious claim under this policy.

Additionally, where an employee is convicted of a crime of violence or threat of violence under any criminal code provision, the Company reserves the right to determine whether the conduct involved may adversely affect the legitimate business interests of the Company. Any employee convicted of such a crime must notify the Chief Operating Officer in writing within five days of the conviction, absent a

court order to the contrary. The written notice must specify the date of conviction and nature of the crime, as well as the case file number and location of the court that issued the judgment. Failure to notify the Company of such conviction within the time frame specified herein will lead to corrective action. This policy does not require reporting of any criminal records other than “convictions” as defined by the law of the state where the criminal proceeding occurred, although the Company is entitled to seek and require information from employees about pending criminal proceedings that could lead to conviction.

Drug Free Workplace

We recognize that alcohol abuse and drug use can pose a significant threat to our goals. We have established a drug-free workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment.

Use of QDP Resources

When using QDP property, including computer equipment or hardware, QDP Associates must exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. If a QDP Associate uses or operates equipment improperly, carelessly, negligently, or unsafely, the Associate may be disciplined, up to and including termination. In addition, QDP Associates may be held financially responsible for any loss to QDP because of such mistreatment.

QDP equipment, supplies and material are to be used primarily for official QDP business, and any personal use of the equipment will be incidental in nature.

QDP Associates may be required to reimburse QDP for any personal use of this equipment that results in noticeable incremental costs to QDP.

Coding and Billing

It is the policy of QDP to appropriately bill for professional services provided. QDP recognizes that special billing requirements may apply to certain government-sponsored programs. Any such requirements must be followed. The billing physician or non-physician practitioner (“NPP”) is responsible for choosing the correct billing code(s) and ensuring that appropriate documentation supports the bill being submitted.

Contracting Authority

All agreements concerning QDP, including Business Associate Agreements and Limited Use Data Agreements required by the Health Insurance Portability and Accountability Act (HIPAA), must be signed by one of the following officers of QDP, 1) Chief Executive Officer, 2) Chief Financial Officer or 3) Chief Operating Officer.

Any contract with any entity that is a source or potential source of referrals to any QDP entity must be reviewed by the ECO and approved prior to the establishment any business relationship. A “Referral Source” is defined as:

1. A physician or NPP (e.g. primary care physician or nurse practitioner, general dermatologist) that refers patients to QDP affiliated practices and his/her immediate family members.
“Immediate family members” is defined by law as spouse; natural or adoptive parent, child, or

sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and the spouse of a grandparent or grandchild.

2. Any other entity or individual and/or immediate family members of those that refer patients to QDP affiliated practices (e.g. spa, medi-spa).

If at any time it appears that there have been discussions or memoranda indicating an intent to obtain or reward referrals by way of an agreement, such agreement will not be approved.

Business Gifts and Tokens of Appreciation

Accepting Business Gifts and Tokens of Appreciation

QDP does not conduct business through the improper use of business courtesies, gifts or relationships. QDP officers, physicians, revenue producing QDP Associates (e.g. non-physician practitioners, estheticians) and QDP Associates in a position to influence the business decisions on behalf of QDP may not solicit or seek any benefit from an existing or potential supplier or pharmaceutical company that might compromise, or appear to compromise the objective assessment of the supplier's products or services. The solicitation of a discount or other favorable treatment is also prohibited. Examples of acceptable business gifts and courtesies include:

1. Non-routine and unsolicited non-cash gift such as reasonable food and beverage (e.g. occasional lunch provided by a supplier).
2. Invitations to participate in reasonable events or activities that facilitate business relationships (e.g. invitation to hospitality suite at a professional conference).
3. Unsolicited advertising or promotional material of nominal value (e.g. pen, calendar, tote bag from a supplier or potential supplier).
4. An unsolicited gift of nominal value from a patient when it is clear that the motivation for the gift is to thank the QDP Associate for providing excellent service; and
5. Legitimate reimbursement for normal out-of-pocket expenses incurred when serving as a speaker or a member of an advisory board.

Extending Business Gifts and Tokens of Appreciation

QDP recognizes that its affiliated practices may, at times, wish to express appreciation or extend a business courtesy to a professional colleague or to sponsor or host a professional event and that these events may include referral sources and potential referral sources. Examples of acceptable business gifts and courtesies include:

1. Hosting a catered open house to announce a new provider or office location, provided the invitation list is not comprised solely of referral sources and potential referral sources.
2. Providing a lecture at a professional or community event free of charge, provided the audience is not comprised solely of referral sources and potential referral sources.
3. Sponsoring an event with a legitimate business or charitable purpose (e.g. fun run for skin cancer awareness).

Marketing

Media Relations

QDP Associates are prohibited from speaking on behalf of the QDP. If a QDP Associate is contacted by the media or press that relate to the QDP, they are required to refer the inquiry to one of the following officers of QDP: 1) Chief Executive Officer, 2) Chief Financial Officer or 3) Chief Operating Officer.

Cosmetic and Spa Promotions

QDP recognizes that many of its affiliated practices provide cosmetic and/or medical spa services. It is industry practice to promote these services through events, drawing for gifts and prizes, package deals and other discounts. These promotional practices are acceptable provided that they are in no way connected to the provision of dermatology and/or dermatopathology services billed to third party payers.

Code of Conduct Training

Please click on the link below to complete the Code of Conduct training online. Completion of this training serves as acknowledgement that you have read and understand the Code of Conduct.

<https://www.surveymonkey.com/r/VFXNJWL>