

EMPYREAN HOSPICE CODE OF CONDUCT AND ETHICS

I. INTRODUCTION TO COMPLIANCE

This Code of Conduct and Ethics (“Code”) describes policies and guidelines followed by Empyrean Hospice, LLC and its wholly owned subsidiaries (collectively “Empyrean” or “Company”) to ensure its business is conducted with integrity and in compliance with applicable governmental laws, rules and regulations. Every director, officer and employee of the Company is expected to understand and follow the policies and guidelines outlined in this Code. This Code should be read in conjunction with the Empyrean Annual Compliance Plan and the Empyrean employee handbook.

Violating the law could subject Empyrean and the individuals involved to civil and/or criminal proceedings, regulatory action and private lawsuits. Any director, officer or employee who violates the policies and guidelines in this Code will be subject to disciplinary action, up to and including termination of employment or removal as a director and may be personally liable to the Company and/or its investors/shareholders and/or third parties (including but not limited to the federal and state government).

Directors, officers and employees who violate the law can be penalized, including substantial fines, a significant prison term, and repayment of any profits earned.

For Empyrean, violating the law can mean a fine of many millions of dollars, the loss of important clients, payment of treble damages and disqualification from participation in federal and state healthcare programs.

We have established audit procedures to detect illegal practices. However, if you become aware of an ethical or legal violation, including violation of the policies in this Code, you have an obligation to report it to your supervisor, the Company’s Legal Advisors or to the Company’s Compliance Hotline.

II. ETHICAL AND LAWFUL BEHAVIOR

It is important that all Empyrean directors, officers and employees follow the basic principles and policies outlined in this Code. Review this Code carefully as you will be expected to know its contents and to govern your actions in accordance with its principles.

As a leader in providing hospice services, Empyrean must meet high standards of ethical and legal conduct. Our reputation for quality, integrity, honesty and respect in all business dealings is essential to our continued success.

Each of us has a stake in that success. Our individual careers, as well as our future as a company, depend on a conscious dedication to the ethical principles, values and standards of conduct outlined in this Code. We have firmly committed this organization and its resources to setting the standard for our industry.

Empyrean is serious about ethical conduct and complying with all laws that affect our business. We will not take actions that undermine our ethical principles or violate legal requirements.

This Code opens many avenues for you to address your concerns, including the Compliance Hotline. With your help and cooperation, the Company's performance will demonstrate to all that sound ethical and legal practices not only mean doing the right thing, they mean industry-leading outcomes for our patients and their families and our employees.

Remember that it takes only one unethical or unlawful act to destroy the goodwill Empyrean has earned from suppliers, clients, patients, families and the public. While it is impossible for this Code to catalog every situation that might arise, the following general principles are important:

- Deal with suppliers and customers in a fair and honest basis. Buying and selling must be done on an "arm's length" basis, free of any kickbacks, bribes, secret commissions, gifts or favors. Clients and patients should be furnished with accurate information regarding services provided and should be billed fairly and correctly.
- We also must maintain books and records and accounting controls for the entire Company that fairly and accurately reflect our income and expenses. Our officers and employees must strenuously follow these accounting controls, which are designed to protect not only against bribes but also against the use of Company assets in unauthorized ways; such as, for example, not recording or obtaining internal managerial authorization for financial transactions and maintaining improper bank accounts. Each director, officer and employee is required to cooperate fully with the Company's internal and external auditors.
- Avoid any situation in which your independent business judgment might appear to be compromised. Charges of bad faith and misdealing can arise in any situation where your personal interests and the Company's interests are not the same. For this reason, directors, officers and employees should not have a financial interest in customers, suppliers or competitors of the Company. Directors, officers and employees also cannot work for a customer, supplier or competitor without prior management approval.
- Make candid reports to directors, management and fellow employees. Among other things, this requires that reports contain accurate information and that accounting records be properly maintained in accordance with generally accepted accounting principles. It also means that employees must fully and frankly disclose to management anything that might negatively affect the Company's reputation.
- Protect proprietary information. In dealings outside of work, be careful not to divulge information about Empyrean, its business, or its patients, even accidentally. Every director, officer and employee should be aware that Empyrean has adopted a HIPAA Privacy Policy in accordance with the provisions of the Health Insurance Portability and Accountability Act. The Company protects health information to the fullest extent of the law and all directors, officers, and employees are expected

to conduct themselves in full compliance with HIPAA and safeguard patient information at all times. Failure to abide by the Empyrean HIPAA Privacy Policy will result in disciplinary action, including in the Company's discretion, termination of employment. Questions regarding privacy may be directed through the Compliance Hotline.

- Do not duplicate licensed computer software; without clearly documented permission, do not use trademarks that we do not own; and do not reveal trade secrets disclosed to Empyrean. Willful infringement of a copyright is a crime.
- Keep political activities separate from the Company's business. If you decide to make a political contribution (including providing services), it should be made with your funds and in your name, not the Company's. Empyrean stationery and/or facilities should not be used for personal or political purposes. If a director, officer or employee is appointed to or decides to run for a governmental office, he or she should first consult with management to ensure a conflict of interest does not arise.
- Act as conscientious stewards of the natural resources around us. This means that we must comply with applicable environmental laws and regulations, in particular, in the area of disposal of medical waste.

If you are unsure whether a particular situation or activity amounts to a conflict of interest or unlawful or unethical behavior, consult the Company's resources, listed below in "Getting Answers to Ethical and Compliance Questions."

III. GETTING ANSWERS TO ETHICAL AND COMPLIANCE QUESTIONS

Open discussion of ethical and legal issues without fear of retribution is vital to the effectiveness of this Code. Empyrean will not tolerate retaliation or harassment against any director, officer or employee who, in good faith, reports an ethical or legal concern. Should you have a question about legal or ethical issues that arise in the performance of your job, you should take advantage of the following Empyrean communications and compliance resources.

A. Use the Empyrean Five-Step Program.

1. Discuss the issue with your supervisor.

Your immediate supervisor knows you and the issues in your workplace better than anyone else in the Company. Give your supervisor a chance to solve the problem. Supervisors have access to a variety of Company resources to address a problem.

2. Consult written policies and procedures.

The Company's policies and procedures address many issues that arise on a day-to-day basis. Obtain these resources from your supervisor, read through the relevant policy, and discuss it with your supervisor.

3. Speak to your department or office manager.

If you and your supervisor cannot find an answer, or you do not feel that your concern is receiving proper attention, you can request a meeting with your department or office manager to discuss the matter further.

4. Bring the matter to the attention of the Human Resources department, Compliance or a member of senior management.

Matters that cannot be resolved at the local level can be brought to the Human Resources department, Compliance or a member of senior management.

B. Use the Empyrean Compliance Hotline

If for whatever reason you feel uncomfortable about communicating a concern to your supervisor or Empyrean managers, you can call the Compliance Hotline anytime, 24 hours a day, 7 days a week. The Compliance Hotline goes to a private voicemail box that can only be accessed by the Compliance department. The call will not be traced and your anonymity will be preserved up to the limits of the law, if you wish to remain anonymous (although you are always free to leave your name and contact information). All reports will be investigated or referred to appropriate management personnel for resolution.

C. Use Empyrean Legal Resources.

For questions on legal matters relating to contracts, billing, potential conflicts of interest, sales incentives or other legal or ethical issues, Empyrean Legal Resources can provide guidance and assistance in finding solutions and answers. Our Legal Advisors can review and answer questions about government rules and regulations governing our business. Reports about improper or illegal acts may also be made to our Legal Advisors.

IV. MARKETING AND CUSTOMER SERVICE

It is against the law and Empyrean policy to provide a “kickback” or any other improper incentive or inducement to a referral source or any other party for the referral of healthcare services and products. Such incentives may include excessive discounts, supplies and equipment, gifts, write-offs, professional courtesy or improper leases.

Empyrean will not seek or retain a referral source relationship that involves an improper incentive or inducement. If a referral source requests a service or a concession that you believe to be improper, do your best to explain why we cannot do what is being asked. Seek help from your local manager or our Compliance Department if necessary. In many cases, a referral source will withdraw an improper request if the legal issues are properly explained. If you are not successful, you must be prepared to lose an account that will not conform to the requirements of the law.

Empyrean is subject to federal and state laws, rules and regulations that prohibit the offering, soliciting, giving or receiving of anything of value to an existing or potential referral source to induce such referral source to refer business to Empyrean. For example, the Medicare and Medicaid programs prohibit inducements to refer goods and services that are reimbursable under either of those programs. Such inducements include bribes, rebates, gratuities or kickbacks. In addition, federal and state self-referral laws prohibit a physician from ordering goods and services from a healthcare provider with which the physician (or a member of his or her immediate family) has a financial relationship, unless the relationship is covered by a statutory exception.

It is the Company's policy to specifically prohibit any officer, employee, agent or consultant from offering, giving, soliciting or receiving any form of inducement. Any of these acts can result in the civil and criminal prosecution of both the individual involved and the Company. Personal funds or resources may not be used to do that which Empyrean is otherwise prohibited from doing.

It is a violation of the law and Empyrean policy for an employee to provide or offer any inducement for the purpose of obtaining orders for services that are reimbursable under the governmental programs.

An inducement, by definition, requires interaction with a referral source or potential referral source. Accordingly, sales and service representatives have a special responsibility to be aware of the laws, rules and regulations dealing with inducements and must be particularly sensitive to any situation that could result in an inducement. Federal law and, in some cases, state law provide that an inducement may be direct or indirect, in cash or in kind.

Whenever a referral source or a prospective referral source makes a request, or you become aware of a practice that you believe could be construed as an inducement, bring it to the attention of your supervisor or our Legal Advisors. If you have any questions, do not act alone. The legal consequences to you and to the Company of a mistake in this area could be significant.

V. BILLING

Empyrean officers and employees who are involved in the billing and collection function are expected to understand and comply with all billing-related policies and procedures established by the Company, as well as applicable requirements of third-party payors (including Medicare and Medicaid) to which service and product claims are submitted.

Empyrean shall bill only for goods and services that are properly ordered and delivered or performed, as appropriate. In no event shall the Company bill for services beyond the date it is provided, and Empyrean should only bill for goods and services for which appropriate documentation exists.

All coding of services must conform to applicable government regulations and commercial payor instructions. All required billing information (including coding) must be collected and recorded accurately. All contact with customers to obtain missing information must be properly documented.

Empyrean directors, officers and employees are expected to cooperate fully with all internal and external audits of the Company's billing system.

If you discover any coding error in the billing system, the matter should be brought to the attention of your supervisor immediately so that he or she may determine the nature and magnitude of the problem and the appropriate corrective action. The Company's policy is to correct and if appropriate to refund any overpayments received as a result of coding errors and to notify the appropriate carrier or commercial payor of the problem. All such matters should also be brought to the attention of your supervisor, in the case of government billings, to the attention of our Legal Advisors.

Empyrean may not routinely waive or write off co-payments and deductibles for services rendered. Such a practice could cause the Company to violate its contractual obligations to carriers as well as certain governmental regulations.

You should consult the Company's Finance Department for questions pertaining to government billing and commercial billing.

VI. PATIENT PRIVACY

Empyrean is committed to maintaining the confidentiality of patients' protected health information. The Health Insurance Portability and Accountability Act's ("HIPAA") privacy regulations established national standards to protect individuals' medical records and other personal health information. Because the regulations hold violators accountable, with civil and criminal penalties that can be imposed if patients' privacy rights are found to have been violated, it is especially important that Empyrean maintain necessary safeguards to protect the privacy of health information. The privacy regulations require that the Company: (i) inform patients about their privacy rights and how their information can be used; (ii) adopt clear privacy procedures; (iii) train employees to understand the privacy procedures; and (iv) secure patient records containing individually identifiable health information so that they are not readily available to those who do not need them. If you have questions relating to health privacy matters, consult your supervisor or the Company's Legal Advisors.

VII. RECORD KEEPING

The law requires the Company to prepare and retain a large number of forms and reports in connection with its business. It is the Company's policy to do so fully and accurately. The same applies to forms and reports that are part of the Company's internal management

information and control programs. If Empyrean fails to complete or retain required records, it could be subject to fines and other enforcement actions.

All Empyrean records should be prepared accurately, reliably and honestly. Take the time to learn what kinds of records are required in your job and see that they are prepared and stored properly, in accordance with Empyrean policy.

Store all records in a safe and secure location. Records should be organized in a manner that permits prompt retrieval. Dispose of old or unneeded records in accordance with Empyrean record retention policies. This includes electronic data as well as paper records. If you are unsure, always contact your supervisor or manager before disposing of any Company records.

Never enter false or misleading information into Company records. If you are not sure of the accuracy or reliability of information, take steps to verify it or contact your supervisor.

VIII. CONFLICTS OF INTEREST

Empyrean directors, officers and employees are required to conduct themselves at all times in accordance with good business judgment for the sole benefit of the Company and in such a manner as not to create a conflict of interest or appearance of such conflict.

No director, officer or employee should have any business, financial, civic or professional interest outside the Company that in any way conflicts with that director's, officer's or employee's ability to perform his or her duties at Empyrean with undivided loyalty, unless there is a review by our Legal Advisors and the express consent of our Chief Executive Officer, or, in the case of directors, review by and consent of a majority of the disinterested directors of the Company.

The Company does not intend to interfere with the rights of directors, officers and employees to engage in outside business or other activities that do not conflict with the obligations of their positions or the interests of the Company.

An officer or employee may be disciplined up to and including discharge for having engaged in conduct that constitutes a conflict or for failing to disclose promptly a situation involving an actual or potential conflict of interest. Directors engaging in conduct that constitutes a conflict of interest will be subject to discipline as determined by the Board of Directors.

You should consult the Company's detailed policy statement regarding conflicts of interest published in the Empyrean Employee Handbook which can be obtained from the Human Resources Department.

IX. CORPORATE OPPORTUNITIES

Directors, officers and employees are prohibited from: (a) taking for themselves personally opportunities related to the Company's business; (b) using the Company's property, information, or position for personal gain; or (c) competing with the Company for business opportunities; provided, however, in the case of directors, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may do so. Officers and employees should refer questions regarding the appropriate course of action to the Empyrean Legal Department before taking any action.

X. ENVIRONMENTAL LAWS

The Company's policy is to obey strictly the laws that protect the environment. Officers and employees must obey environmental laws, not only because it is a civic responsibility, but also because a violation can be a crime. Any person, who knowingly violates requirements or prohibitions of such laws, including the stated conditions of approved permits, can be subject to civil and criminal fines and penalties.

Hazardous waste must be handled according to the law. Individuals and companies that mishandle hazardous waste run a substantial risk of being prosecuted. Violators have been fined or imprisoned for improper dumping of waste.

All employees are expected to handle bio-hazardous and other waste materials in accordance with established control, storage and disposal procedures. All spills or accidents involving hazardous materials should be reported promptly in accordance with such procedures and to your immediate supervisor.

If you are unsure whether a particular situation or activity amounts to a violation of environmental laws, consult with your supervisor or our Legal Advisors before taking any action.

XI. COMPUTER SYSTEMS

Software and data must be protected from damage, alteration, theft, fraudulent manipulation, unauthorized access and disclosure of confidential Company or customer information. Each director and employee must follow measures to keep such information secure. Where appropriate, passwords should be used. Passwords should not be shared or disabled, and computers should not be left on with confidential information on the screen if there is any chance it could be viewed by an unauthorized person.

Officers and employees must observe copyright restrictions for software and associated documentation. Do not copy computer software programs or use personal software on Company computer equipment. Doing so could be a violation of federal copyright laws

and possibly introduce a computer virus into our system. The Company's IT Advisors are the only authorized personnel to load software on Company computer systems.

Company computer facilities, including voice mail, electronic mail and Internet access systems, are provided only for Company projects and may not be used for any other purpose. Messages may not contain offensive or defamatory content, such as comments or images that would offend someone on the basis of his or her race, color, religion, sex, age, pregnancy, marital status, national origin, citizenship status, disability, military status, genetic predisposition or carrier status or any other legally protected characteristic. All materials stored, processed, sent or received on these facilities are the Company's property and are subject to inspection and monitoring by the Company at any time and without prior notice. Any misuse of these facilities could lead to termination of employment with the Company. In conformity with our HIPAA Privacy Policy, no protected health information should be transmitted to third parties unless it has been properly encrypted. Failure to abide by this policy may result in suspension or termination of your computer privileges. Questions regarding email security should be directed to the IT Department.

XII. CUSTODY, CARE AND USE OF COMPANY ASSETS

Company assets that are assigned or made available to Empyrean directors, officers and employees may be used only for authorized Empyrean business purposes, unless otherwise specifically authorized by the board of directors. This applies to physical assets such as medical or office equipment, vehicles, computers, drugs and supplies, as well as other types of items such as Company records, patient information and customer lists.

Empyrean directors, officers and employees who are given custody of Company equipment or other assets are expected to maintain and properly care for them. Damage to assets should be reported promptly to appropriate Company personnel. Equipment that becomes damaged or is no longer needed should be returned to the Company for repair or reassignment.

All Company assets in the custody of Empyrean officers or employees are to be returned in acceptable condition upon termination of employment; directors are to return any Company assets upon the termination of service as a director.

XIII. GOVERNMENTS AND GOVERNMENT AGENCIES

The Company has significant dealings with federal, state, and local governments, both as a supplier of goods and services and as a corporate citizen. Governments are entitled to respect and to be treated with integrity. Statements made and records submitted to government purchasing agents (including Medicare intermediaries) are not to be misleading or inaccurate. Bids are to be made in good faith. Sufficient care must be taken to ensure proper recording and charging of all costs to the proper account.

The Company's dealings with governments are also to be done at "arm's length." No director, officer or employee may, directly or indirectly, offer or make any payment, gift, bribe, secret commission or other benefit to influence the decision or action of any government employee, official, candidate or political party.

If you are unsure whether a particular situation or activity with respect to a government or government agency might constitute a violation of the law, consult with the Compliance department before taking any action.

XIV. GOVERNMENT INVESTIGATIONS AND INFORMATION REQUESTS

Prosecutors have broad authority to investigate possible civil and criminal violations. They can convene grand juries, subpoena documents and seek interviews or testimony of Company officers and employees.

Company policy is to cooperate with every reasonable request of government investigators. At the same time, the Company is entitled to all the safeguards provided by law for the benefit of persons under investigation or accused of wrongdoing, including legal representation.

If a representative of any government or government agency seeks an interview with you or requests access to data or documents for the purposes of an investigation, you should refer the representative to the Empyrean Legal Advisors. You should then immediately notify the Empyrean Legal Advisors. You should also preserve all materials that might relate to the investigation.

XV. SPECIAL ETHICS OBLIGATIONS FOR EMPLOYEES WITH ACCOUNTING AND FINANCIAL REPORTING RESPONSIBILITIES

The Company's Chief Executive Officer and all accounting and finance personnel bear a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside of the Company. The Chief Executive Officer and all accounting and finance personnel have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout the Company as a whole that ensures the fair and timely reporting of the Company's operating results and financial condition.

Because of this special role, the Chief Executive Officer and all accounting and finance personnel, including any Chief Financial Officer, senior financial officers and controllers, are required to comply with the following obligations, and each agrees that he or she will:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure

in reports and documents that the Company files with, or submits to, government agencies and in other public communications.

- Comply with rules and regulations of the jurisdictions in which the Company conducts business and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work, except when authorized or otherwise legally obligated to disclose such information. Confidential information acquired in the course of one's work will not be used for personal advantage.
- Promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community.
- Achieve responsible use of and control over all assets and resources employed by or entrusted to the individual.
- Promptly report to our Finance and Accounting Advisors or the Compliance Hotline any conduct that the individual believes to be a violation of law or this section of the Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

XVI. ETHICS AND COMPANY DISCIPLINE

Common sense, good judgment and acceptable personal behavior are expected of each Empyrean director, officer and employee. Violations of Company rules and performance standards are dealt with through the Company's normal disciplinary procedures. Depending on the circumstances, violations of laws or regulations, or Company policies or procedures, may entail more serious discipline, up to and including immediate discharge.

XVIII. CONTACT INFORMATION

Empyrean Compliance Hotline (1-980-920-3689)

Empyrean Legal & Compliance: compliance@empyreanhospice.com

Empyrean HR: hr@empyreanhospice.com

Empyrean IT: IT@empyreanhospice.com

XIX. A FEW CLOSING WORDS

This Code is intended to give you a broad summary of information you should know about Empyrean. It is general in nature, so please do not hesitate to speak to your supervisor, the Human Resources Department, the Compliance Department, or the Legal Advisors if you have any questions that are not answered here. The Company retains the right to

discontinue or modify any of the provisions of this Code. Nothing herein shall be deemed to contravene or supersede the Emphyrean Compliance Plan.