

# **Gentiva Health Services, Inc. Code of Business Conduct and Ethics**

**March 29, 2004**

To all Employees, Officers and Directors:

The Board of Directors of Gentiva Health Services, Inc. has adopted a Code of Business Conduct and Ethics that reaffirms the Company's commitment to high standards of ethical conduct and reinforces our business ethics, policies and procedures.

Please review the Code of Business Conduct and Ethics and ensure that you and those around you comply with its provisions.

A handwritten signature in black ink, reading "Ronald A. Malone". The signature is written in a cursive style with a large initial "R".

Ronald A. Malone

Chairman and Chief Executive Officer

## TABLE OF CONTENTS

	<b>Page</b>
I. Introduction.....	1
II. "Conflict of Interest" and How to Avoid It.....	1
A. General Guidance.....	1
B. Outside Employment .....	2
C. Board Memberships .....	2
D. Family Members and Close Personal Relationships.....	2
E. Investments .....	2
F. Gifts.....	3
1. Generally.....	3
2. Referral Sources and Recipients .....	3
G. Entertainment.....	3
1. Generally.....	3
2. Referral Sources and Recipients .....	3
H. Travel .....	4
1. Generally.....	4
2. Referral Sources and Recipients .....	4
III. Taking Company Business Opportunities .....	4
IV. Protection and Proper Use of Company Assets .....	4
V. Confidential Information .....	4
VI. Compliance with the Law .....	5
VII. Inside Information and Securities Trading .....	5
VIII. Fair Dealing .....	6
IX. Responsibility to the Company Personnel .....	6
X. Accuracy and Retention of Business Records .....	7
XI. Document Retention .....	7
XII. Compliance Reviews .....	7
XIII. Enforcement.....	8
A. Where to Go With a Question or Concern or to Report a Violation.....	8
1. How to Submit a Violation, Complaint or Concern .....	8
2. Receipt and Retention of Submissions .....	9
3. Treatment of and Response to Submissions .....	9
4. General Questions That You May Have.....	10
B. Dissemination of the Code.....	11
C. Waivers of the Code.....	11

# **CODE OF BUSINESS CONDUCT AND ETHICS**

## **I. Introduction**

This **Code of Business Conduct and Ethics** (the "Code") applies to Gentiva Health Services, Inc. and all subsidiaries and entities controlled by it (collectively, the "Company") and the Company's directors, officers and employees (hereinafter collectively referred to as "Company Personnel"). Compliance with the Code is required of all Company Personnel. Because any illegal or unethical action or the appearance of misconduct or impropriety by anyone acting on the Company's behalf is unacceptable, the Code should also be followed by the Company's agents and representatives, including consultants.

The Code is not, however, intended to be a comprehensive manual that covers every situation that Company Personnel might encounter. In many cases, more specific requirements are contained in various corporate policies, procedures and guidelines of the Company which have been and will be published from time to time and which can be obtained from your supervisor, the Compliance Department or the Human Resources Department. Separate from this Code, the Company has also adopted a comprehensive compliance program that is incorporated into various Company policies.

## **II. "Conflict of Interest" and How to Avoid It**

### **A. General Guidance**

A "conflict of interest" occurs where an individual's private interest interferes – or even appears to interfere – with the interests of the Company as a whole. Conflicts of interest often occur when Company Personnel receive an improper personal benefit as a result of his or her position with the Company. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect your independent and sound judgment on behalf of the Company. Business decisions and actions must be based on the best interests of the Company, and must not be motivated by personal considerations or relationships.

In addition to the general need to prevent conflicts of interest, the Company is also subject to laws and regulations strictly controlling contractual and other relationships with sources of referrals to the Company or recipients of referrals from the Company. Such matters are discussed in more detail in specific Company policies.

General guidelines to help you better understand several of the most common examples of situations that may cause a conflict of interest are listed below. However, Company Personnel are required to disclose to management and the Company's Chief Compliance Officer, any situation that may be, or appear to be, a conflict of interest. When in doubt, it is best to disclose.

### **B. Outside Employment**

Company Personnel may not work for or receive payments for services from any competitor, customer, distributor or supplier of the Company without prior approval of management. This prohibition extends to benefits, loans (including loan guarantees) and other forms of

compensation. Any outside activity must be strictly separated from the Company employment and should not harm job performance at the Company. In addition, the Company is subject to laws and regulations strictly controlling contractual and other relationships with sources of referrals to the Company or recipients of referrals from the Company. Such matters are discussed in more detail in specific Company policies.

### **C. Board Memberships**

Employees and officers who desire to serve on the board of directors or a similar body for an outside company or government agency must obtain prior approval of management. Helping the community by serving on boards of non-profit or community organizations is encouraged, and does not require prior approval.

### **D. Family Members and Close Personal Relationships**

Company Personnel may not use personal influence to direct Company business to an entity in which any family member or friend has an interest. It is the responsibility of all Company Personnel to disclose to the Chief Compliance Officer any interest held by them in any entity doing business with the Company, including interests held by their immediate family, except for ownership of less than 1% of a public corporation. In addition, Company Personnel are required to disclose any other arrangements such as consulting or part-time employment arrangements or other dealings with such entity. The employment of any member of Company Personnel's family or any friend by such entity shall also be disclosed. It should be understood that such information shall not be regarded by its nature as undue or special influence, but is to be disclosed to allow the Company to determine if any undue or special influence could appear to be involved in sales to or purchases from the Company and in deciding what action the Company should take to safeguard its interests and the best interests of its stockholders.

### **E. Investments**

Company Personnel may not allow their personal investments to influence, or appear to influence, their independent judgment on behalf of the Company. Any Company Personnel who own any interest in any corporation or entity that directly or indirectly competes with the Company or any division or affiliate of the Company shall so advise the Chief Compliance Officer. Any holdings of less than 1% in a public corporation whose stock is regularly traded on a stock exchange need not be reported; however, interests held in excess of that amount or in any private entity by Company Personnel or by members of the Company Personnel's immediate family must be so disclosed. If there is any doubt about how an investment might be perceived, it should be disclosed to the Chief Compliance Officer.

### **F. Gifts**

#### ***1. Generally***

Company Personnel may not accept kickbacks, lavish gifts or gratuities. Company Personnel may accept items of nominal value, such as small promotional items bearing another company's name. Company Personnel may not accept anything that might make it appear that their

judgment for the Company would be compromised. In some situations, it would be impractical or harmful to refuse or return a gift. When this happens, discuss the situation with the Chief Compliance Officer.

Some business situations call for giving gifts. The Company's gifts must be legal, reasonable, and approved by management. Company Personnel may never pay bribes or provide any cash or cash equivalents to any person. Company Personnel may not provide any gift if it is prohibited by law, Company policy or the policy of the recipient's organization. For example, the employees of many governmental entities around the world are prohibited from accepting gifts. If in doubt, check first.

## **2. *Referral Sources and Recipients***

Special rules govern the giving of gifts to or receipt of gifts from sources of referrals to the Company or recipients of referrals from the Company. The Company is subject to laws and regulations strictly controlling contractual and other relationships with sources of referrals or recipients of referrals. Specific Company policies govern these practices and supersede the general policies regarding gifts noted above. Please see your supervisor or the Compliance Department for copies of such specific policies.

## **G. Entertainment**

### **1. *Generally***

In general, Company Personnel may accept entertainment that is reasonable in the context of the business and that advances the Company's interests. For example, accompanying a business associate to a local cultural or sporting event, or to a business meal, would in most cases be acceptable. Entertainment that is lavish or frequent may appear to influence one's independent judgment on behalf of the Company. Accepting entertainment that may appear inappropriate should be discussed with management in advance of accepting such entertainment.

Company Personnel may provide entertainment that is reasonable in the context of the business. If you have a concern about whether providing entertainment is appropriate, discuss the issue with management in advance.

### **2. *Referral Sources and Recipients***

Special rules govern entertainment provided by or to sources of referrals to the Company or recipients of referrals from the Company. The Company is subject to laws and regulations strictly controlling contractual and other relationships with sources of referrals or recipients of referrals. Specific Company policies govern these practices and supersede the general policies regarding entertainment noted above. Please see your supervisor or the Compliance Department for copies of such specific policies.

## **H. Travel**

### **1. Generally**

In general, Company Personnel may accept transportation and lodging provided by a Company supplier or other third party, if the trip is for business and is approved in advance by the individual's supervisor.

Unless prohibited by law or the policy of the recipient's organization, the Company may pay the transportation and lodging expenses incurred by customers, agents or suppliers in connection with a visit to a Company facility or product installation. The visit must be for a business purpose and must be approved in advance by management.

### **2. Referral Sources and Recipients**

Special rules govern travel provided by or to sources of referrals to the Company or recipients of referrals from the Company. The Company is subject to laws and regulations strictly controlling contractual and other relationships with sources of referrals or recipients of referrals. Specific Company policies govern these practices and supersede the general policies regarding travel noted above. Please see your supervisor or the Compliance Department for copies of such specific policies.

## **III. Taking Company Business Opportunities**

Company Personnel may not take for themselves opportunities that rightfully belong to the Company. These opportunities rightfully belong to the Company when, for example, the Company has pursued the opportunity, when it has been offered to the Company, when it is the kind of business the Company competes in, when the Company has funded it, when the Company has devoted facilities or personnel to develop it, or when it is in the same line of business as the Company's business.

## **IV. Protection and Proper Use of Company Assets**

Company Personnel have a responsibility to protect the Company's assets from loss, damage, misuse, waste, or theft. The Company's assets, such as funds, products, or computers, may only be used for business purposes and other purposes approved by management. The Company's assets may never be used for illegal purposes. The Company's property should not be taken out of Company facilities unless necessary and authorized in connection with Company work.

## **V. Confidential Information**

All confidential information or proprietary information of the Company must be protected. Confidential or proprietary information includes, for example, pricing, inventions, technology developed for use by the Company, clinical protocols, financial data, trade secrets and know-how, acquisition and divestiture opportunities, marketing and sales programs, research and development information, and customer and supplier information. Confidential information also includes information that suppliers and customers have entrusted to us.

Company Personnel should not disclose the Company's confidential or proprietary information to anyone within or outside of the Company unless the recipient will generally need this information to carry out his or her assigned responsibilities as an employee, officer or director of the Company, or as an outsider who has been properly authorized by management to receive such information. Inquiries from the press, media, investors or the public regarding the Company should only be answered by the officers or employees designated to respond to such inquiries. The obligation not to disclose the Company's confidential or proprietary information continues after employment with the Company terminates.

## **VI. Compliance with the Law**

It is the policy of the Company that its business shall be conducted in accordance with all applicable laws of the United States and foreign jurisdictions, and in a manner that will always reflect a high standard of ethics. The Company is engaged in a highly regulated business and as such, the laws and regulations applicable to the Company are far reaching and complex, and include laws, regulations and program directives governing health care programs. The Company requires its employees, officers, directors and agents to comply with all applicable laws, rules and regulations where the Company does business. Violations of laws and regulations may subject an individual, as well as the Company to civil and/or criminal penalties. In order to comply with law, Company Personnel and their agents must learn enough about the laws that affect the Company to spot potential issues and to obtain proper guidance on the correct way to proceed and to know when and where to seek advice. When there is any doubt as to the lawfulness of any activity, advice should be sought from the Company's Chief Compliance Officer in consultation with the Law Department. Compliance with the law does not comprise our entire ethical responsibility; rather, it is a minimum, absolutely essential condition for performance of our duties.

Perceived pressure from supervisors or demands due to business conditions are not excuses for violating the law. Any questions or concerns about the legality of an action should be addressed with the Chief Compliance Officer in consultation with the Law Department. Company Personnel are strongly encouraged, and indeed have an obligation, to raise concerns promptly when they are uncertain as to the proper legal course of action or if they suspect that some action may violate the law. The earlier a potential problem is detected and corrected, the better off the Company will be in protecting against harm to the Company's business and reputation.

## **VII. Inside Information and Securities Trading**

In the course of business activities, Company Personnel may become aware of nonpublic information regarding the business, operations or securities of the Company or entities dealing with or competing with the Company. The United States securities laws prohibit trading securities on the basis of such nonpublic information (often called "inside information") if it is material. Information is deemed to be material if an investor would consider it important in deciding whether to buy, sell, or hold securities. Examples of items that may be material include:

1. Financial results and forecasts.

2. Possible mergers, acquisitions, divestitures and investments.
3. Obtaining or losing important contracts.
4. Significant discoveries.
5. Major litigation developments.

Information is considered to be nonpublic unless it has been adequately disclosed to the public and there has been sufficient time and opportunity for the market as a whole to assimilate the information. Generally, this means that the information has been available to the public for at least two business days.

Company Personnel who are aware of nonpublic material information related to the Company or related to firms negotiating or competing with the Company may not buy or sell shares or other securities of the Company or these firms. Such information may not be disclosed to anyone, other than Company Personnel or appropriate agents or representatives who have established their need to know, until the information has been adequately disclosed to the public by authorized Company officials.

The Company has specific policies regarding trading in the Company's securities and imposes "blackout periods" when trading is prohibited. Please refer to such policies for more detailed information and contact the Chief Compliance Officer or the Law Department with any questions.

### **VIII. Fair Dealing**

No Company Personnel should ever use any illegal or unethical method to gather competitive information. Stealing proprietary information, possessing trade secret information that was obtained without consent, or inducing such disclosures by past or present employees of other companies is prohibited. Furthermore, Company Personnel are required to comply with the antitrust and unfair competition laws of the United States and the other countries in which the Company operates or does business. Company Personnel who question whether a contemplated action may violate fair competition laws should speak to the Law Department.

### **IX. Responsibility to Company Personnel**

The Company is committed to treating all Company Personnel with honesty, fairness and respect, and providing a safe and healthy work environment. Abusive, harassing or offensive conduct is unacceptable, whether verbal or physical. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Company Personnel are directed to report harassment when it occurs. Furthermore, the Company is committed to providing all Company Personnel with a safe and secure environment. Accordingly, all Company Personnel will comply with all health and safety laws and regulations as well as Company policies governing health and safety. All Company Personnel are responsible for immediately reporting accidents, injuries and unsafe equipment, practices, or conditions to a supervisor or other designated person.

The Company has specific policies regarding the above matters. Please refer to such policies for more detailed information and contact the Human Resources department if you have any questions.

#### **X. Accuracy and Retention of Business Records**

Accounting standards and applicable United States laws and regulations require that transactions and events relating to the Company's assets and operations be properly recorded in the books and accounts of the Company and accurately reported in the applicable reports required by and filed with the Securities and Exchange Commission and other United States regulatory agencies. All disclosures made in reports to the Securities and Exchange Commission or other regulatory agencies or in communications to the public shall be full, fair, accurate, timely and understandable. To accomplish this result, all financial personnel shall make and retain books, records and accounts that, in reasonable detail, accurately, completely and objectively reflect transactions and events, and conform both to required accounting principles and to the Company's systems of internal controls. No false or artificial entries may be made. No entry may be made or recorded in the Company's books and records or reported in any disclosure document that misrepresents, hides, or disguises the true nature of the event or transaction, and all entries and reports must be made in a timely manner.

All Company Personnel are responsible for immediately reporting any concern about the Company's financial records and its accounting, internal accounting controls and auditing procedures to the Chief Compliance Officer or a member of the Compliance Department.

The Company has specific policies regarding the above matters, including a separate Code of Ethics for Senior Financial Officers. Please refer to such policies for more detailed information and contact the Law Department if you have any questions.

#### **XI. Document Retention**

The Company has specific policies regarding retention and destruction of documents. You should refer to these policies for guidance regarding the retention of documentation. Company Personnel should consult the Company's Law Department for questions related to the Company's document retention guidelines or the propriety of disposing of a Company document or record.

#### **XII. Compliance Reviews**

The Company undertakes reviews of compliance with the Code and other policies and procedures from time to time. The nature and timing of general reviews are determined by the Audit Committee of the Company's Board of Directors and the Chief Compliance Officer.

All Company Personnel are expected to cooperate in connection with such reviews. For details regarding such reviews, please contact the Chief Compliance Officer.

### **XIII. Enforcement**

The Audit Committee of the Company's Board of Directors has oversight responsibility with respect to the Code and oversight responsibility for ensuring that the Code and the Company's corporate policies will govern all business activities of the Company. To assist the Audit Committee in this undertaking, the Company has established the senior management position of Chief Compliance Officer and a separate Compliance Department. Among other things, the Chief Compliance Officer is charged with monitoring compliance with the Code and all Federal health care programs, and reports directly to the Audit Committee. The Compliance Committee is comprised of various members of senior management from different business functions within the Company, and is primarily charged with the review of compliance matters and supporting the Chief Compliance Officer in fulfillment of his or her duties.

The names and relevant contact information for the Company's current Chief Compliance Officer and members of the Compliance Department are listed in the Company's web and internet sites.

#### **A. Where to Go With a Question or Concern or to Report a Violation**

If you need an explanation of the Code or you want to know if a provision of the Code applies to a particular situation, the best place to start is with the Chief Compliance Officer or a member of the Compliance Department.

If you believe any Company Personnel is violating the Code or otherwise acting in an illegal or unethical manner, you must report it as provided in the Code. Doing so will not be considered an act of disloyalty, but an action which shows your sense of responsibility and fairness to the Company's customers, shareholders, and fellow Company Personnel. You also help safeguard the reputation and the assets of the Company. Compliance with the Code is an integral part of every employee's job function, and is an element of all performance evaluations for management and supervisory level employees.

Reporting violations of the Code is also necessary because in some cases failure to report an illegal act by another person is itself a criminal act for which you could be prosecuted. Violations of the Code may cause Company Personnel to be subject to appropriate disciplinary action, up to and including immediate termination. While all reports of violations and suspected violations are strongly encouraged, please note that it is unacceptable to file a report knowing it to be false or materially misleading.

##### ***1. How to Submit a Violation, Complaint or Concern***

Potential violations of the Code or other Company policies, concerns or complaints may be reported to the Chief Compliance Officer or a member of the Compliance Department. There are four ways for you to submit complaints or concerns about the possible violations of the Code:

- (a) By mailing a written description of the violation, concern or complaint to the following:

Gentiva Health Services, Inc.  
3 Huntington Quadrangle, 2SMelville,  
NY 11747

Attn: Chief Compliance Officer

(b) By sending a written description of the violation, concern or complaint to a designated e-mail address:

corporate.compliance@gentiva.com

(c) By calling the following hotline number and leaving a message describing the violation, concern or complaint:

**1-888-9-NOTIFY**

(d) By reporting the violation, concern or complaint in person to the Chief Compliance Officer or a member of the Compliance Department.

Individuals who are not Company Personnel may also report concerns regarding accounting, internal control and auditing matters by using one of the four methods described above.

## **2. *Receipt and Retention of Submissions***

The Chief Compliance Officer, or a member of the Compliance Department, will check the above-mentioned address, e-mail address and hotline on a periodic basis and review all submissions. All messages left on the hotline shall be retained and all submissions (written and oral) shall be maintained in a confidential file by the Chief Compliance Officer. Access to the confidential file shall be restricted to the Chief Compliance Officer, the Compliance Department, members of the Audit Committee and individuals specifically designated by the Audit Committee. All submissions shall be maintained in such file for a minimum of seven (7) years following receipt of such submissions.

## **3. *Treatment of and Response to Submissions***

(a) ***Review and Response.*** The Chief Compliance Officer or a designee shall promptly review all submissions. The Chief Compliance Officer, with the assistance of the Compliance Department, will determine the appropriate means of addressing the concerns or complaints and will investigate any reported violations to determine what, if any, disciplinary action should be taken. The Chief Compliance Officer will report in writing all violations, complaints or concerns contained in the submissions to the Audit Committee in executive session, with independent and objective assessment of the violation, complaint or concern and any action taken in response. In appropriate circumstances, the Chief Compliance Officer shall have the authority, in his or her discretion, to bring any submission immediately to the attention of the Audit Committee or to the Chairman of the Audit Committee. In addition to

any action taken by the Chief Compliance Officer or the Compliance Department, the Audit Committee will take such action as it deems necessary or appropriate to address any violation, concern or complaint, including obtaining outside counsel or other advisors to assist the Audit Committee.

**(b) Follow-up.** The Chief Compliance Officer is the designated contact person for individuals who wish to follow up on their submissions. If, after discussion with the Chief Compliance Officer, the individual concludes that appropriate action has not taken place, he or she may report the matter to another member of the Compliance Department, to the Law Department or directly to a member of the Audit Committee.

**(c) Documentation of Response.** Receipt of all submissions that are not anonymous will be acknowledged either orally or in writing, unless the individual submitting the violation, complaint or concern indicates otherwise. The Chief Compliance Officer shall maintain a record of its response to each submission, including the date of the acknowledgement and any other actions taken. Such records shall be maintained in the confidential file with the submissions.

#### **4. General Questions That You May Have**

**(a) Can I submit my complaints and concerns anonymously?** The Company knows that you are concerned about confidentiality and anonymity. For this reason, no submissions will be traced by the Company and Company Personnel are free to make both written and hotline submissions anonymously.

**(b) Will my complaints and concerns be kept confidential?** Confidentiality is a priority to the Company and we will endeavor to treat all submissions as confidential. If you give your name, please be aware that the Chief Compliance Officer may need to contact you for additional information. In doing so, the Chief Compliance Officer will use his or her best efforts to keep everything confidential. There may be situations, however, where we may not be able to maintain complete confidentiality due to legal requirements, such as legal proceedings or governmental proceedings. Please remember that Company Personnel are not required to leave their name or any other identifying information.

**(c) How often will the Company collect these submissions?** The Chief Compliance Officer will check the e-mail address and hotline mentioned above periodically.

**(d) Who will monitor and review the complaints?** The Chief Compliance Officer or the Compliance Department will review your submissions and report all submissions to the Audit Committee. All messages and letters, anonymous or otherwise, will be given serious consideration. A record of all submissions will be kept by the Chief Compliance Officer.

**(e) Will anyone respond to my complaint?** If you provide your name, the Chief Compliance Officer or a member of the Compliance Department will contact you

promptly to let you know that we have received your submission. If you give your name but do not wish to be contacted, you can simply indicate this in your message or letter.

*(f) How do I follow up on my submission?* All Company Personnel who wish to follow up on a submission may contact the Chief Compliance Officer. If, after the follow up discussion with the Chief Compliance Officer, you believe that appropriate action has not been taken, you may report the matter to another member of the Compliance Department, to the Law Department or directly to a member of the Audit Committee.

*(g) How can I be sure there will be no retaliation?* Retaliation against any Company Personnel who honestly reports a concern about possible violations, including illegal or unethical conduct, will not be tolerated and will be cause for disciplinary action up to and including termination of employment. Any Company Personnel may report retaliation by the same procedure described above for reporting concerns.

## **B. Dissemination of the Code**

In addition to posting the Code on the Company's internet and intranet sites, the Company shall take appropriate steps to disseminate the Code to Company Personnel upon its adoption. Subsequent to its adoption, a copy of the Code will be made available to new Company Personnel joining the Company. Dissemination of any changes to the Code and all other policies of the Company is the responsibility of Company management and department heads.

## **C. Waivers of the Code**

In certain extraordinary situations, a waiver of a provision of the Code (other than matters required by law) may be granted. Contact the Chief Compliance Officer if you believe special circumstances warrant a waiver of any of the Code's provisions. Any waiver of the Code for executive officers or directors may be made only by the Company's Board of Directors, and the waiver must be promptly disclosed to shareholders, if and as required by law, Securities and Exchange Commission regulations, or the rules of the Nasdaq Stock Market.