

Non-retaliation and internal reporting of suspected violations of compliance policies or legal-regulatory obligation

Purpose

1. The Company requires all employees to report actions or practices which they believe may be violations of the Standards of Business Ethics and Conduct, company policy or legal/regulatory obligations.
2. The Company does not tolerate retaliation in any form against an employee for good faith reporting of suspected violations or other compliance-related concerns to appropriate personnel or entities.
3. A non-retaliation policy is necessary to encourage employees to report suspected violations or other compliance concerns.

Scope

This policy applies to all Company employees and agents acting on behalf of the Company.

Definitions

A “good faith” report is a report that is made with the sincere intention to inform Company leadership of an action, activity or behavior that is in violation of the Standards of Business Ethics and Conduct, the Company’s internal policies and procedures and/or legal/regulatory obligations. It refers to a report that is made with a genuine belief about its truthfulness and authenticity and is free of any malice, desire to defraud or mislead others or to achieve any purpose other than compliance.

Roles & Responsibilities

All participants in the reporting process, including those to whom reports are made (as outlined in Procedures Section 1(b) below) and those charged with investigating such reports, shall maintain confidentiality of the report, the report’s content, the identity of the reporter and investigative findings to the greatest extent possible, unless an exception exists that would warrant disclosure. Any such exception should be discussed with HR, Ethics & Compliance or the Legal Services department prior to disclosure.

Policy

1. All employees, including supervisors and managers, have a responsibility to promptly report suspected violations of Company policy or legal/regulatory obligations. No employee may dismiss, ignore or fail to report information giving rise to a suspected violation, even if obtained indirectly. Failure to report a suspected violation may subject the employee to disciplinary action, up to and including termination.
2. Employees who make a good faith report under this policy will not be subjected to retaliation for the act of

reporting. Reports should be made to a supervisor or other appropriate Company personnel, the regional functional lead, a member of Encompass Health's senior management team, the Ethics & Compliance Department, the Compliance Hotline (888-800-2577) or Compliance Webline (encompasshealth.mycompliancereport.com).

3. Notwithstanding any other term or provision of this policy, employees cannot exempt themselves from the consequences of personal wrongdoing by reporting their own misconduct. Self-reporting will be taken into account in determining the appropriate form of discipline for any non-compliant conduct but will not operate as a waiver of personal accountability for non-compliance.
4. All forms of retaliation are prohibited, including discharge, demotion, suspension, threats, harassment, intimidations, coercion, failure to promote, "black lists" and discrimination. Employees should report actual or attempted acts of retaliation to Company senior management, the Legal Services Department, the Ethics & Compliance Department or the Compliance Hotline. Allegations of retaliation against employees who have reported concerns will be reviewed by the Ethics & Compliance Department in cooperation with Legal Services and Human Resources.
5. Any supervisor, manager or employee who is found to have conducted or condoned retaliation in response to a good-faith report of suspected violation or other compliance concern will be subject to disciplinary action, up to and including termination.
6. The Company's policy against retaliation also applies to any employee's good faith reports of alleged Company violations of legal/regulatory obligations to appropriate government agencies and any assistance in any government investigation of any alleged Company violation of legal/regulatory obligations.
7. The Company's policy against retaliation also applies to good faith reporting of alleged violations of the Company's legal or regulatory obligations by any independent contractor, joint venture partner, vendor or other third party, including their respective employees.

Procedures

1. Employees

- a. Employees are required to report actual or suspected violations of law, Company policy including the Standards of Business Ethics and Conduct and other legal/regulatory concerns.
- b. Employees may report their concerns, as applicable, to:
 - i. Their supervisor or department manager
 - ii. Their regional or home office functional lead
 - iii. Their Human Resources representative
 - iv. The Ethics & Compliance Department
 - v. The Legal Services Department
 - vi. Any member of the Company's senior management
 - vii. Internal Audit & Controls Department
 - viii. Other members of management as appropriate

- c. In addition, employees may contact the Compliance Hotline at 888-800-2577 or the Compliance webline at encompasshealth.mycompliancereport.com to report their concerns anonymously.
- d. If an issue involves a member of senior management or anyone charged with supervising the Compliance process or Internal Audit process, or if any matter involving financial irregularities is not satisfactorily resolved through other channels, employees should report their concerns to:

Encompass Health Board of Directors
c/o Corporate Secretary
9001 Liberty Parkway
Birmingham, AL 35242

- e. If an employee wishes to report a suspected violation or compliance concern anonymously, the Company will honor such anonymity to the extent permitted by law.
 - i. While anonymous reports generally will be received through the Compliance Hotline or Compliance Webline, they may also be received in the form of phone calls, letters, memos or e-mails to other members of Company management.
 - ii. With the exception of 2(a) (iii) below, managers shall not attempt to discover the identity of any person who anonymously reports a concern.
 - iii. If the identity of a person reporting a concern would materially assist in the resolution of a compliance matter, the recipient of the initial report may ask the identity of the person reporting. However, the reporting person is under no obligation to reveal his or her identity.

2. Management

- a. Managers are responsible for ensuring that reported issues are reviewed and resolved or further reported to appropriate persons or departments in order to be reviewed and resolved. Managers are encouraged to consult with the Ethics & Compliance, Legal Services or HR departments to assist in the review and resolution of suspected compliance violations or other regulatory concerns.
- b. Managers are required to immediately report allegations of inappropriate billing, fraud, falsification of documents, kickbacks or any other violation of a law or regulation to the Ethics & Compliance Department. Managers should immediately report any allegations of theft of Company assets, financial conflicts of interest or financial irregularities to the Internal Audit & Controls Department.
- c. If such an issue involves a member of senior management or anyone charged with supervising the Compliance process or Internal Audit process, or if any matter involving financial irregularities is not satisfactorily resolved through other channels, Managers may report their concerns to:

Encompass Health Board of Directors
c/o Corporate Secretary
9001 Liberty Parkway
Birmingham, AL 35242

3. Independent Contractor, Joint Venture Partners, Vendors and Other Third Parties

- a. Independent contractors, joint venture partners, vendors and other third party relators are required to report suspected compliance violations internally through their established reporting mechanisms. In the

event that the suspected violation relates to services provided to the Company, such concerns should be reported to Encompass Health's Chief Compliance Officer. Reportable concerns include violations of law and Company policy, including the Encompass Health Vendor Code of Conduct or the Encompass Health Standards of Business Ethics and Conduct.

If the third party relator is not comfortable contacting Encompass Health's Chief Compliance Officer, has a desire to report the concern anonymously or the issue has been reported and remains unresolved, he or she may contact Encompass Health's Compliance Hotline at 888-800-2577 or the Compliance Webline at encompasshealth.mycompliancereport.com.

Guidelines

n/a

References

n/a

Notes

Contact Person: Administrative Coordinator – Ethics & Compliance