

Health Partners Plans Code of Business Conduct

This Code of Business Conduct (“COBC” or the “Code”) is in two Sections. The first section (the INTRODUCTION) answers the Who? What? When? Where? Why? and How? as it relates to the Code. The second section (the COBC) contains the Code itself. If after reviewing this, you are unclear on our Code of Business Conduct, how it applies to you, and, what you’re expected to do under the Code, please contact HPP’s Chief Legal Officer in our Legal Affairs division.

I. INTRODUCTION:

WHO? – Who does the Code apply to?

The COBC applies to everyone at HPP, and in our relationships with each other, our members, regulators, and delegated entities/downstream entities as well. Our COBC is reviewed by our Audit Committee and Board of Directors each year and they too understand and expect our compliance with this important Code.

It is the responsibility of all HPP employees to understand the Code, act appropriately, professionally and without violating our COBC policy. Each year we provide our employees with a link to or copy of the COBC; we annually remind employees of the importance of the COBC and what guidelines it contains; and, other responsibilities of our HPP workforce.

WHAT? – What is a COBC?

A code of business conduct (COBC or the Code), also called a code of business ethics, contains the guidelines and rules for employees and employers. HPP’s COBC outlines how our employees should appropriately interact with one another at work, and work together in accordance with the high standards of HPP’s vision, mission, values, as well as governing law.

Our Code covers the following topics:

- Acts/Laws/Governing Standards for our business
- Policies surrounding:
 - Confidentiality, Privacy & HIPAA
 - Record Retention
 - Exclusions Checks
 - Conflict of Interest
 - Gifts, Hospitality and Entertainment
- Enforcement of the COBC:
 - Compliance Reporting & FWA Hotline
 - Reporting Concerns regarding the COBC & Grievance Procedure
 - Special Note to Management regarding the COBC
 - Whistleblower protections
 - Disciplinary Standards under the Code

WHEN? WHERE? – When and where does the COBC apply?

The Code applies at all times and in all places. Each year, employees are asked to:

- Review our COBC to ensure understanding of the Code and compliance with it and all other HPP policies.
- HPP employees are required to complete a Code of Conduct Acknowledgment Form to confirm one's reading and understanding of the Code and agreement to comply with it and other HPP policies.
- Disclose any potential conflicts of interests through the COI training and Disclosure Form.
- Keep in mind, circumstances may change over the course of the year. If a new situation introduces a potential conflict of interest, discuss it with HPP's Chief Legal Officer immediately.
- Raise concerns you may have about possible COBC violations.

WHY? – Why do we have this Code?

Why is a COBC important? The COBC is one way in which HPP can meet its obligations as an employer regarding compliance around applicable laws, acts, regulatory provisions for example. It also allows HPP to set forth expectations of our workforce. So, through our COBC we share our values, and provide guidelines for ethical behavior, and we also refer to the policies that assure we are acting within the confines of the applicable laws for our business and for the workplace.

Ethical behavior and core values are fundamental to HPP's business model. This Code is based on our core values, ethics, and high quality care and services for our employees, members, providers and the community.

HPP's continued success is directly related to our ability to adhere to these compliance and ethical commitments, and to deliver quality services in accordance with the high standards of HPP's vision, mission, values as well as governing law.

It is the expectation of HPP that every employee be familiar with HPP's COBC and adhere to it at all times. Any employee, officer, or staff member who has any questions about any aspect of the COBC should contact the Office of Chief Legal Counsel.

HOW? – How does the Code work?

How do I ask questions? How do I show that I understand the COBC and am confirming my duty to comply?

The Code contains a specific section addressing the ways in which you can ask questions or raise concerns and who you should contact when you have questions.

There are email addresses, hotline numbers, and individual contacts listed in the COBC to assist with questions or concerns.

To show your understanding of the Code, you will be asked at the end of the related training to sign-off that you read the COBC, you understand it and your role in adhering to it, and, that you will comply with it. This is completed through your Acknowledgment Form.

Now that the Code has been properly introduced above, it follows below:

II. THE CODE OF BUSINESS CONDUCT:

HPP's Code of Business Conduct (COBC or the Code) includes business related policies and procedures, summaries of applicable laws and regulations, and other standards for ethical and professional conduct for our workforce as we serve our membership and customers with quality services while managing our business in a professional, ethical, and compliant manner.

• **Acts/Laws/Standards for our business:**

In HPP's Compliance Program, we provide detailed information to our employees and our vendors about various Acts and Laws regarding HPP's business in federal and state healthcare programs and those applicable to preventing fraud, waste, and abuse in government healthcare programs. These acts and laws are summarized in short sentences as follows:

- *Anti-Trust Laws:* these are statutes and Acts (such as the Sherman Act and the Clayton Act) that apply to questionable business operations and activities that the government monitors to protect consumers from predatory business practices and to ensure fair competition by businesses. They address issues such as market allocation, bid submissions, price fixing, and, monopolies.

- *Confidentiality Acts and Laws*: there are also state and federal laws that go above and beyond HIPAA regarding consent, substance treatment, mental health, treatment of minors, peer protected information, medical records, and many other categories.
- *Deficit Reduction Act (DRA) of 2005*: all entities that receive \$5 million or more annually in Medicaid payments must establish specific written policies and procedures that address prevention of false claims submissions, set-forth the civil and criminal penalties for making false claims and statements, give whistleblower protections and cover other applicable policies.
- *False Claims Act (FCA)*: it is illegal to submit claims to the federal government for payment when the individual or entity knows, or should know, that the claims are false or fraudulent.
- *Federal Anti-Kickback Statute (AKS)*: this is a criminal law that prohibits the exchange of anything for value to reward referrals or generation of business/services payable by federal health care programs.
- *Health Insurance Portability and Accountability Act of 1996 (HIPAA)*: this is a federal law that includes national standards to protect sensitive patient health information (PHI) from being disclosed without the patient's consent or knowledge.
- *Program Fraud Civil Remedies Act (PFCRA)*: this Act provides an additional legal remedy for the FCA, and it imposes a monetary penalty against any person or entity who makes, submits, or presents a false or fraudulent claim or statement to the government. The PFCRA extends to instances even in the absence of a claim so it goes beyond FCA, as well.
- *Stark Laws*: these are a collection of healthcare fraud and abuse laws that prohibit physicians from referring patients for certain designated health services paid for by government program to any entity in which they have a financial relationship.

As the above only touches on a few of the acts and laws applicable to HPP's business, this COBC recommends that employees review the Compliance Program for further information regarding this topic. Again, adherence to the Compliance Program is required of our employees and our applicable vendors, so having this understanding is of key importance.

Should there be any questions about these acts or laws, please contact any of the lawyers in the Legal Affairs division.

• **Policies under the Code:**

As shown in the summaries of the acts and laws above, HPP must have certain policies addressing a variety of topics. This COBC will cover how HPP handles the matters under the applicable laws and acts, and, ensures we carry out our mission in an ethical and professional manner. Some of the ways we do this is through the policies, procedures and practices we have in place for:

- Confidentiality
- HIPAA
- Record Retention
- Conflicts of Interest
- Exclusion Screenings
- Gifts, Hospitality and Entertainment

This section provides further information about those topics listed above.

Confidentiality

Maintaining confidentiality is the responsibility of all HPP employees. This means keeping in strict confidence any proprietary or confidential information regarding all of HPP's business operations. This information may include, but is not limited to information on members, employees, vendors, providers, research, finances, marketing and strategic plans, and all business operations. Such information is made confidential by law or by HPP's Confidentiality policy. Further, anyone who has any role at all in the production, gathering, storing, processing, or transmittal of confidential and/or protected health information must comply with all HPP policies that deal with privacy issues in the workplace. This information should not be discussed

with anybody, except as necessary and required/authorized to do your job. That means that you are not to discuss these confidential matters with co-workers, members, providers, competitors, friends, family, and/or those internal or external to HPP unless there is a documented and official reason to do so.

In carrying out your responsibility for maintaining confidentiality, you must be alert to others overhearing your professional discussions regarding a member, or an employee's behavior or performance, or even when discussing HPP's business plans, operations, policies and procedures, and goals. You are never permitted to share confidential HPP information with anyone external to HPP who does not have a confidentiality agreement in place; and you may only share this information when there is an authorized and specific need for such information. Also note that any inquiries from the media concerning HPP's business, an employee, or a provider or member should be referred to the Communications Department at all times and no comment should be made to the media by unauthorized staff.

HPP employees and vendors are trained to protect the confidentiality and privacy of all constituents. Questions or concerns regarding confidentiality, laws, acts, and processes for same are to be directed to HPP's Chief Legal Officer. Questions concerning member protected health information and disclosures of PHI, shall be directed to HPP's Chief Privacy & Security Officer. Disclosure of confidential information is grounds for disciplinary action up to and including termination.

Health Insurance Portability and Accountability Act (HIPAA)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA), as supplemented by the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009 (collectively, HIPAA Rules) are federal laws that apply to health plans. HIPAA and all applicable regulations were enacted to simplify the administration of health insurance and ensure the safeguarding of protected health information (PHI). Protected health information may be information in any form such as written, electronic, oral, overheard or observed. It is important for all employees and vendors to understand HPP's HIPAA policy, privacy and security procedures as it directly relates to the management of PHI. Access to all information is granted on a "need to know basis". A "need to know" is defined as information that is required in order to do your job.

HPP has implemented all transaction and code requirements, adopted privacy and security procedures, designated a Privacy & Security official, and provided ongoing training to all workforce members. It is important for all employees to understand HIPAA privacy and security procedures as it directly relates to the requirements for member healthcare information. When working with outside parties it is important to check with our Privacy & Security department to see if a Business Associate Agreement is needed to protect PHI, and set-forth the ways in which this information may be shared. For any questions regarding HIPAA and members' information, always contact HPP's Privacy & Security Official.

Employee Responsibility

Confidentiality rules and regulations are separate from HIPAA rules; yet it is everyone's responsibility to make sure that we handle all confidential and HIPAA protected information in the proper way. It is the obligation of our employees and vendors to abide by all rules and regulations set forth for the handling of confidential and/or proprietary information, and, PHI through HIPAA, privacy standards and security rules, departmental procedures, and all protocols. For this reason, all HPP employees are required to sign a Confidentiality Agreement annually after receiving Confidentiality Training and also must participate in the separate Privacy & Security training at hire and each year thereafter.

Disclosure of confidential information is strictly prohibited. Anyone who violates this policy will be subjected to appropriate discipline, up to and including termination from HPP. This applies to both the processes for Confidentiality and Proprietary information, as well as that under HIPAA.

The HIPAA law also allows for civil penalties per HIPAA violation to both the violator and/or entity. Moreover, penalties can be "stacked" if there are multiple violations with respect to a single individual. There are maximum civil penalties per year, per person, per standard. Thus, if two standards were violated with respect to one person, the potential penalties could increase significantly. Criminal penalties may be imposed for "knowingly and improperly" disclosing information or obtaining information under "false pretenses", with higher penalties reserved for violations designed for financial gain or "malicious harm". HPP employees may stay current on all HPP HIPAA procedures by visiting our intranet site.

You can also report potential HIPAA noncompliance of providers, members and employees to the Privacy Official via e-mail at privacyofficial@hpplans.com.

Our Legal Affairs division provides guidance for all confidentiality areas and issues. Additionally, HPP has an annual, mandatory Confidentiality training for its workforce. Contact our Chief Legal Officer with any questions or concerns.

Record Retention

HPP is responsible for systematically providing appropriate storage for all adequately identified records, files, and printed materials. Our IT Services area assists with the electronic storage of this information and data. HPP is required to maintain a Records Retention Procedure in compliance with requirements of all regulatory and accrediting agencies, including but not limited to the Department of Health and Human Services, the Comptroller General or their designee(s), Centers for Medicare/Medicaid Services (CMS), Pennsylvania Departments of Health, Human Services, and Insurance (DOH, DHS, DOI/PID), the National Committee for Quality Assurance (NCQA) and the Department of Labor.

HPP maintains various business records for many business purposes. Each type of record is further defined in the policy and covers electronic, financial, medical, permanent and non-permanent, and operational records, as well as those not subject to retention.

Any questions related to whether or not a material is able to be destroyed should be directed to HPP's Chief Legal Officer.

Gifts, Hospitality and Entertainment

One of the ways that HPP maintains ethics in our operations is through rules regarding giving and receiving gifts, hospitality, entertainment and other items of monetary or influential value. No employee or vendor may, either directly or indirectly, offer or give money or investment interests of any amount to any government employee or official, or any other person or entity with whom the employee or vendor is doing business with through his/her employment with HPP.

No employee or vendor may offer or make a gift of any kind to a government employee or official or other person or entity doing business with HPP of any item of more than nominal value, not to exceed \$10 in value per gift.

Employees and vendors must not engage in any behavior that could create the appearance that they are offering a gift or bribe, or other item of value in order to influence a government employee or official or other person or entity doing business with HPP in the performance of his or her duties. Such violations may violate existing laws such as the Anti-Kickback Statute and the other laws and acts applicable to HPP.

Should you have any questions about gifts, hospitality, entertainment and other items, contact HPP's Chief Legal Officer.

Exclusion Screening

In order to ensure compliance with regulations and standards related to hiring or contracting due to HPP's participation in state and federal programs, HPP ensures appropriate screenings are performed to check on suspension, or, disbarment, criminal investigation or indictment based on relation to their position at HPP. If an employee or other person or entity is found to be ineligible, they will be removed from direct responsibility for, or involvement with, the state or federal programs, or terminated as appropriate.

When vendors are used, HPP ensures that the vendor is aware of the need to have a compliance program in place, including the need to conduct necessary background and suspension/debarment checks on its own employees. Vendors are required to provide HPP with reports of these activities and outcomes. Our Compliance area works with our SIU, Vendor Management, Provider Relations and other business units to ensure HPP follows the requirements for exclusion screenings.

Conflict of Interest

A conflict of interest is any situation that may present itself as an opportunity for personal gain apart from your normal salary and benefits. It could also conflict with or appear to conflict with HPP interests. Our Conflict of Interest Policy states that as an HPP employee you may not maintain any outside financial business interests that conflicts with or interferes with your ability to perform your job responsibilities. Here at HPP, we expect our employees to avoid real or apparent conflicts of interests. All HPP employees and those of our vendors are required to report any actual or possible conflicts of interest.

All HPP employees are required to complete a Conflict of Interest certification form at the time of hire and annually thereafter. This form allows the HPP employee to disclose any potential conflict of interest for HPP's Chief Legal Officer to provide a review of the disclosure and determination if it amounts to a Conflict or not. The Conflict of Interest Policy lists examples of conflicts such as: giving a company preferential access to results of HPP conducted research while providing personal consulting services to that company; steering business to a relative's company; working part-time for another health plan while working at HPP; or accepting free gifts and/or free products from a vendor and then recommending the purchase of these products without comparing them to equivalent products from other vendors.

If you are an HPP employee and believe that you may have an actual or possible conflict of interest, update your Conflict of Interest Form with the information and a determination will be made with regard to whether or not your disclosure amounts to a conflict. You will be instructed on the next steps with regard to the determination.

If a vendor believes that they may have an actual or possible conflict of interest, they must report it to their HPP business liaison and seek guidance from their own internal Compliance Officer or speak to one of our Compliance Officers. This disclosure will be reviewed by HPP's Compliance area and by our Chief Legal Officer and appropriate guidance will be given.

• **Managing and Enforcing the Code:**

In managing business issues and administering our policies, HPP also addresses these topics as they relate to our COBC:

- Compliance & FWA Reporting - Hotlines
- Reporting Concerns about the Code
- Grievance Procedure related to the COBC
- Special Note for Management regarding reporting
- Whistleblower explained
- Disciplinary Standards

Compliance Reporting Mechanisms & Hotlines

There are several resources available to report your concerns or to report actual or suspected non-compliance or fraud, waste, or abuse (FWA). One available reporting mechanism is HPP's Compliance Hotline. The HPP Compliance Hotline may be used by anyone to report issues of actual, or suspected non-compliance with state (i.e. Medicaid/ CHIP), or federal (i.e. Medicare) health care programs, or privacy and security (i.e. HIPAA) laws. The Hotline is answered by a third-party vendor on behalf of HPP, and is available 24/7. **Hotline telephone numbers are provided below.** Although you may identify yourself within your report, you will also be afforded the right to remain anonymous. At the end of your report, you will be provided with an ID number that you may use to call back and receive updates of any investigations initiated by HPP. These updates may be limited by the confidential nature of some of the topics brought forward. At no time does HPP guarantee full disclosure to an internal investigation.

You can also report suspected FWA to HPP's Special Investigations Unit (SIU). The SIU is a unit established to investigate illegal or unethical conduct of providers, members and employees. If such actions are found to reasonably appear to be intentional, the illegal or unethical conduct will be reported to the appropriate law enforcement or government agency (e.g. NBI Medic, CMS, Department of Health and Human Services, etc.). To instill appropriate conduct, the SIU provides mandatory FWA training for all employees. You may call the SIU staff, email them, or use the SIU Hotline to report any such issues.

Hotline telephone numbers are provided below.

As is stated in HPP's Compliance Program, in addition to the above channels of communication, you can always report issues directly to Compliance, SIU, Legal, Privacy & Security, or your supervisor.

Regulatory Compliance Officer: Shawn Adams | 267-385-3854 | SAdams@hpplans.com

Special Investigations Unit: Chris Sondergaard | 215-991-4046 | CSondergaard@hpplans.com

Legal Affairs & Compliance: Johnna Baker, Esq. | 215-991-4051 | JBaker@hpplans.com

**Privacy & Security: Bryan Graves | bryan.graves@meditologyservices.com
Dan Reither | DReither@hpplans.com**

Please note, email is not considered anonymous however, your reports will be handled in confidence to the fullest extent possible. Interviews to derive more detail on the situation may be required.

Other ways to make a report and the Hotline numbers are:

Department of Human Services (DHS) Hotline: 1-866-379-8477

HPP's Compliance E-Mail: compliance@hpplans.com

HPP's Compliance Hotline: 1-866-477-4848

HPP's SIU Hotline: 1-866-HPSIU4U (1-866-477-4848) | HPP's SIU email: SIUtips@hpplans.com

HPP's Privacy Official E-Mail: PrivacyOfficial@hpplans.com

ON-LINE reporting of Compliance, FWA, Privacy: <http://www.healthpartnersplans.ethicspoint.com>

Reporting Your Concerns – Compliance, Privacy, Confidentiality, FWA, Human Resources/Employment, Legal:

Any time you observe or suspect a violation of this Code, the law, or our policies, you are obligated to report it. If you aren't sure about the right course of action, you should ask for help from any or all of these resources:

- Your manager knows you and your job and can often apply his or her business experience to help you move forward with addressing your concerns
- HPP's Human Resources staff can help with workplace and employment issues; the Chief Administration & Diversity Officer will assist with these issues also: **Cat Bird, CAO, 610-742-5057, CBird@hpplans.com**
- HPP's Chief Legal Officer, and/or our Compliance Officers, can help with concerns or issues related to business conduct, integrity or compliance: **Johnna Baker, Esq., CLO & Compliance, 215-991-4051, JBaker@hpplans.com, Shawn Adams, Regulatory Compliance Officer, 267-385-3854, SAdams@hpplans.com.**
- HPP's Privacy & Security Officer and/or HIPAA Unit should be contacted for issues surrounding member PHI and/or business associate agreements: **Bryan Graves, bryan.graves@meditologyservices.com & Dan Reither, DReither@hpplans.com.**
- HPP's Special Investigations Unit (SIU) will assist with concerns of fraud, waste or abuse. Contact any of the staff of the SIU, or, the Director: **Christian Sondergaard, SIU, 215-991-4046, CSondergaard@hpplans.com**

Grievance Procedure related to this COBC

Misunderstandings or conflicts can arise in any organization. To ensure effective working relations, it is important that such matters be resolved before serious problems develop. Most incidents resolve themselves naturally; however, if a situation persists that you believe is detrimental to you or to HPP, you should follow the procedure described here for bringing your complaint to management's attention for matters under this COBC.

Step One. Discuss the problem with your immediate supervisor as a first step. If, however, you do not believe a discussion with your supervisor is appropriate, you may proceed directly to Step Two.

Step Two. If your problem is not resolved after discussion with your supervisor or if you feel a discussion with your supervisor is inappropriate, you are encouraged to request a meeting with the next person in your chain of command up to and including your department's most senior person, such as the Senior Vice President or Department Head. In an effort to resolve the problem, your management will consider the facts and may review the matter with Human Resources if applicable. If you do not believe a discussion with your area's upper management is appropriate, you may proceed directly to Step Three.

Step Three. If you are not satisfied with your management's decision or if you feel a discussion with your department's upper management is inappropriate, you can request a meeting with someone from Human Resources. Human Resources will conduct an investigation and will normally advise you of its decision as quickly as possible. If you do not believe a discussion with Human Resources is appropriate due to the nature of the issue, you may request a meeting with HPP's Chief Legal Officer (CLO). The CLO will conduct an investigation and will normally advise you of a decision as promptly as possible.

This Grievance Procedure is intended only for violations of the COBC policy as outlined in this document. For all matters, HPP does not tolerate any form of retaliation against employees availing themselves of this procedure. The procedure should not be construed, however, as preventing, limiting, or delaying HPP from taking disciplinary action against any individual, up to and including termination, in circumstances (such as those involving problems of overall performance, conduct, behavior or demeanor) where HPP deems disciplinary action appropriate.

Special Note for Management:

If an employee directly raises a concern or asks for help, or you are indirectly made aware of a potential COBC violation or

concern of a staff member as covered herein, as a manager you must respond. Be sure to report any compliance or business conduct and integrity issue right away to the appropriate HPP Compliance Officer, Human Resources, Legal Officer, or Privacy Officer. When in doubt of which division/area you should report your concern to please contact HPP's Chief Legal Officer.

Whistleblower

Good faith reporting of suspected non-compliance or fraud, waste and abuse is expected and accepted behavior. Anyone who in good faith reports a violation is referred to as a "whistleblower" and is protected from any retaliation by the Company. A number of laws contain whistleblower protection, including the False Claims Act (FCA). You are expected to cooperate with any investigation resulting from a report. Once noncompliance, fraud, waste or abuse has been detected, a plan to correct the issue will be developed.

Noncompliance with the COBC may be cause for disciplinary action up to and including termination of employment/contract. In some situations, you may be reluctant to report a violation of this COBC. Rest assured that reports are welcomed and encouraged. Reporting your concerns reflects our collective commitment to open and honest communication. We will do our best to guard your privacy if you report a violation, raise a concern or are involved in a complaint or investigation. If a violation is found, appropriate corrective actions will be taken, including disciplining those involved.

HPP has an anti-retaliation policy. This means that HPP prohibits intimidating or retaliating against anyone who files a report in good faith:

- Makes a complaint or reports a violation to HPP or any law enforcement or government agency;
- Cooperates or helps with a government or internal investigation;
- Conducts self-evaluations, audits, remedial actions or other activities in support of our compliance program;
- Provides information to the government or HPP about a breach of law.

It is the responsibility of every employee to ensure compliance. Regardless of your position within the company, you may be subject to disciplinary action up to and including termination, if you:

- Intentionally withhold information, or provide false information in connection with an investigation, about a violation of the Code, a law or a regulation;
- Intimidate or retaliate against an employee who reports a suspected violation - regardless of whether the report is made within HPP or to an outside law enforcement or government agency;
- Intimidate or retaliate against an employee who cooperates or helps with an investigation;
- Neglect to address or report a violation of the Code, or a law or regulation, committed by someone you manage;
- Tell an employee to violate the Code, an HPP policy, a law or a regulation.
- Discuss confidential investigations of the COBC with anyone who is not a permitted/authorized part of the matter

Disciplinary Standards for Employees for COBC Violations

This section addresses disciplinary standards for violations under this Code of Business Conduct. It is not to be confused with disciplinary actions that may be taken against employees for violations pertaining to the Personal Standards of Conduct. The Personal Standards of Conduct and the Corrective Counseling and Performance Management are found in the HPP Employee Handbook. The seriousness of violation of the Personal Standards of Conduct is set-forth in the Employee Handbook and may be followed separate and apart from any disciplinary standards under this Code.

With regard to COBC violations, HPP is committed to maintaining well-publicized disciplinary standards through the implementation of policies and procedures which encourage good faith participation in the compliance program by all affected individuals. HPP's policies and procedures describe, among other things, our expectations for the reporting of compliance issues including noncompliant, unethical or illegal behavior. Disciplinary standards included through our policies and procedures articulate HPP's expectations for identifying noncompliance or unethical behavior, reporting actual or suspected concerns, assisting in their resolution, and providing for timely, consistent, and effective enforcement of the standards when such behavior is determined.

Disciplinary action must be administered consistently and in a non-discriminatory manner. It must be fair and equitable, appropriate to the seriousness of the violation and consistent with HPP's Human Resources policies and procedures. Depending on the severity of the violation, progressive steps in the disciplinary action process may be omitted if appropriate in order that immediate corrective measures, including termination.

The intent of the disciplinary process is to improve performance and eliminate noncompliance, misconduct, or corporate violations. For the most effective use of disciplinary action, it is necessary that all employees be familiar with the scope of their job responsibilities, applicable laws and regulations, HPP policies and departmental requirements so that infractions are quickly and accurately identified.

No employee shall be disciplined solely because s/he reported what was reasonably believed to be an act of wrongdoing or a violation of the COBC Program. Procedurally, a thorough investigation must be conducted before disciplinary action is administered. Depending on the situation, the investigation may be conducted by the supervisor, manager, Human Resources, Compliance Officer, HPP's Chief Legal Officer, or outside entity. If management determines after a thorough investigation that action beyond counseling is warranted, it is the duty of the appropriate supervisor or manager to initiate disciplinary action in accordance with their departmental policies and procedures or, in the absence thereof, with HPP's Human Resources policy.

Depending on the situation, the supervisor or manager may need to discuss action(s) with the next level of management, the Compliance Officer, Chief Legal Officer, or Human Resources to ensure appropriate applicability, documentation, and procedural steps. The nature and seriousness of the infraction, all relevant facts and information, as well as any mitigating or aggravating circumstances should be considered when formulating disciplinary action.

The level of discipline assessed for all violations should be determined on a case by case basis, and HPP must be able to demonstrate that disciplinary standards are enforced in a timely, consistent and effective manner. All violations impacting regulatory Compliance must be brought to the attention of the Compliance Officer irrespective of any prior Compliance involvement.

It is the responsibility of Human Resources, Compliance, Legal Affairs, management staff, and other parties relevant to the infraction to periodically review records of discipline to ensure disciplinary actions are appropriate to the seriousness of the violation, fairly and consistently administered and imposed within a reasonable timeframe. HPP's Human Resources reserves the right to consider including an applicable compliance measure on an individual's annual performance review.

III. CONCLUSION

This concludes HPP's Code of Business Conduct. This document will be revised as necessary and reviewed on an annual basis. It is available to HPP's employees on our MyHPP site and emailed to all employees each year. Thank you for your dedication to following our Code and for all you do to further HPP's success.