

Working with Integrity Code of Business Conduct



Highmark Inc.

Caring Foundation

First Priority Life Insurance Company, Inc.

HCI, Inc.

Highmark BCBSD Inc. and its Subsidiaries

Highmark BCBSD Health Options Inc.

Highmark Benefits Group Inc.

Highmark Blue Cross Blue Shield West Virginia and its Subsidiaries

West Virginia Family Health Plan, Inc.

Parker Benefits, Inc.

Highmark Senior Solutions Company

Highmark Choice Company

Highmark Coverage Advantage Inc.

Highmark Foundation

Highmark Select Resources Inc.

Highmark Senior Health Company

Highmark Ventures Inc.

HM Centered Health Inc.

HM Health Insurance Company

HM Insurance Group, Inc. and its Subsidiaries

HMO of Northeastern Pennsylvania, Inc. d/b/a First Priority Health

HVHC Inc. and its Subsidiaries

Davis Vision, Inc.

Visionworks of America, Inc.

JEA, Inc.

Standard Property Corporation and its Subsidiary

United Concordia Companies, Inc. and its Subsidiaries

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MESSAGE

Dear Colleague:

In today's highly competitive business climate, our reputation depends largely on our integrity.

For more than 75 years, Highmark Inc. has served our community with integrity and is committed to maintaining the highest standards. In a business of trust, we believe behaving ethically, lawfully and with integrity is the only way to maintain public trust.

Building a strong reputation is difficult, but losing it is easy. That is particularly true today as the health care industry, including health insurers, is under increasing scrutiny. Questionable or unlawful acts quickly erode public confidence, causing customers and other stakeholders to lose trust.

At Highmark Inc., we embrace our Corporate Values. We recognize that it is not enough to merely comply with laws and regulations. We believe that it is imperative to abide by the highest ethical standards in serving our customers and communities and dealing with our fellow employees. Therefore, it is important that we do not lose sight of one basic principle of integrity—"We care not only for the end result but how it is obtained." This means conducting ourselves with integrity in everything we do.

The responsibilities and expectations found in the Code of Business Conduct are not new. Highmark Inc.'s Code of Business Conduct forms the backbone of our ethical culture. In fact, over the years it has become the cornerstone of Highmark Inc.'s commitment to integrity, one of our core values.

All concerns deserve proper attention, no matter how small they are. If you are unsure about what to do in a given situation or something just is not quite right, you are encouraged to consult with your manager or supervisor. You are also encouraged to contact Integrity and Compliance using the resources outlined in this guide. We are counting on your assistance in preserving and strengthening our long-standing tradition as an ethical organization.

David L. Holmberg
President and Chief Executive Officer
Highmark Health
Chairman of the Board Highmark Inc.

Melissa M. Anderson
Executive Vice President
Chief Auditor and Compliance Officer
Highmark Health

INTRODUCTION

The Highmark Inc. Code of Business Conduct (“Code”) establishes the standards of business conduct expected of all of us and reflects our commitment to the highest standards of ethical business conduct. This Code provides a process for complying with our legal and ethical responsibilities and requirements, and that no one is forced to act in an unethical or illegal manner.

The Code applies to all members of the Board of Directors, officers and all employees of Highmark Inc. and the organizations listed at the beginning of this Code (these other organizations are collectively referred to as “Subsidiaries” in this guide). For the purposes of this Code, the use of

“Highmark Inc.” refers to Highmark Inc. and its Subsidiaries. These standards apply to all of our relationships with our customers, suppliers, and each other.

In addition, the Code reinforces the principle that each and every one of us, including senior management, officers, employees and the members of the Board of Directors of Highmark Inc., has a responsibility to help ensure that we, as a company, operate legally and ethically in its business conduct.

We each have an obligation to understand and follow the principles outlined in this Code. We certify annually our commitment to abide by the Code and company policies.

CORPORATE VALUES, MISSION, AND VISION

Mission

Highmark Health is an interdependent system designed to deliver high quality accessible, understandable and affordable experiences, outcomes, and solutions for our customers.

Vision

Highmark Health’s dedicated and respected employees will be leaders in the health care industry, working to improve the **total health care experience** of our customers.

Values

People Matter – Every person contributes to our success. We strive for an inclusive culture, regarding people as professionals and respecting individual differences while focusing on the collective whole.

Stewardship - Working to improve the health of the communities we serve and wisely managing the assets which have been entrusted to us.

Trust - Earning trust by delivering on our commitments and leading by example.

Integrity - Committing to the highest standards encompassing every aspect of our behavior including high moral character, respect, honesty, and personal responsibility.

Customer-focused Collaboration - Because no one person has all the answers, we actively seek to collaborate with each other to achieve the right outcomes for our customers.

Courage - Empowering each other to act in a principled manner and to take appropriate risks to do what is right to fulfill our mission.

Innovation - Committing to continuous learning and exploring new, better, and creative ways to achieve our vision.

Excellence - Being accountable for consistently exceeding the expectations of those we serve.

Core Behaviors

Customer First

We place the customer at the center of everything we do!

- We put ourselves in the customers' shoes
- We anticipate our customers' needs
- We simplify the customer experience
- We deliver solutions that go a step beyond
- We appreciate our customers' loyalty to Highmark Health

Transformational Leadership

We are driven to create the future of healthcare!

- We inspire through vision and action
- We are proactive in driving change
- We are authentic in who we are and what we do
- We embrace courageous conversations
- We challenge ourselves to continuously improve

Trust Working Together

We collaborate to achieve shared success!

- We involve the right partners at the right times
- We treat each other with honesty and respect
- We influence through relationship and not through position
- We trust one another to make the right decisions and do the right things
- We share risks and rewards

Purposeful Execution

We value outcomes, not activity!

- We set clear priorities and expectations
- We take ownership of our commitments
- We take calculated risks
- We are relentless in our pursuit of excellence
- We recognize and celebrate results

PRINCIPLES OF INTEGRITY

The Principles of Integrity serve as a path to what is proper in most work situations, regardless of the job at hand. Use them as your primary road map to be successful at Highmark Inc.

- Personal and professional integrity is and has been our most important attribute;
- We care not only for the end result but how it is obtained;
- We are honest and forthright. We observe all laws and regulations. It is clear that lawful behavior is not enough; ethical behavior is our standard;
- We trust and rely on our instincts to tell us that something is not quite right;
- Customer, provider, and supplier relations are the cornerstones of our business. They must be built upon credibility and mutual respect;
- We demand ethical conduct in all of our activities; and,
- We strive to always do the right thing.

OUR SHARED RESPONSIBILITIES

The Highmark Inc. Integrity and Compliance Program

To be effective, Highmark Inc.'s Integrity and Compliance Program requires everyone's personal commitment. The Program is guided by our core Values and Principles of Integrity and is designed to promote a culture that encourages ethical behavior and commitment to comply with applicable federal and state laws, rules, regulations, and guidance.

Ethical Leadership and Accountability

Leaders at all levels have the responsibility to set the example by always being role models of appropriate behavior. Ethical leadership at Highmark Inc. begins with the Board of Directors and senior leaders setting the ethical direction. By incorporating "integrity" as one of Highmark Inc.'s corporate values, our leaders aspire to maintain a corporate culture that not only embraces the principle of doing the right things, but also doing things the right way.

Management Responsibilities

Management must encourage open communication about ethical and compliance issues that may arise. A vital component of this responsibility is to communicate regularly with each person on your team and to actively promote Highmark Inc.'s values and ethical standards so that all of your employees understand how the Code of Business Conduct and the Integrity and Compliance Program guide them in their decision process.

Compliance Officer and Integrity and Compliance

The Compliance Officer, who is appointed by the Boards of Directors of Highmark Inc. and its Subsidiaries, has overall responsibility for the Highmark Inc. integrity and compliance program. Integrity and Compliance, under the direction of the Compliance Officer, administers the program, including the Code of Business Conduct. The Compliance Officer and Integrity

and Compliance staffs are available to offer you guidance and support towards Highmark Inc.'s commitment to doing the right thing.

Employee Responsibilities

Highmark Inc. maintains corporate policies in a variety of areas (e.g., Human Resources, Finance, Privacy and Security, and Information Technology) which provide detailed guidance on company expectations and requirements for behavior in the workplace and while conducting company business. These policies support and supplement this Code. Annually, each employee is required to attest that they understand and agree to abide by the Code and the policies within their respective company. Employee attendance and participation in compliance program activities, including fraud, waste, and abuse training, is a job performance expectation and a condition of continued employment. Additionally, all employees are expected to cooperate and assist in the resolution of identified compliance issues. Failure to do so may result in disciplinary action up to and including termination of employment. Highmark Inc. provides information and training to all employees so that they have an understanding of fraud, waste, and abuse laws including the False Claims Act, whistleblower protections, and the role employees play in the Company's compliance program. By committing to these responsibilities, we will continue to meet the expectations of conducting our business with integrity.

Making Ethical Decisions

If something does not feel right, then it might not be the right thing to do. You are not expected to know how to respond to every situation. However, you are expected to use good judgment in your decision making. When situations arise, you should use the following guide to assist you in seeking the proper course of action.

Would your decision be perceived to be legal and ethical?

Does it comply with our Code and company policies?

Does it support our values and principles?

Would you be comfortable if this decision was published in the newspaper?

If you answer “no” to any question, don’t do it. If you are unsure, seek the help of your management or the Integrity and Compliance Department.

Personal Obligation to Report

In carrying out our day-to-day business activities, we need to be sensitive to situations that could lead us or others to violate the Code of Business Conduct or other Highmark Inc. policies. If you are aware, or become aware, of a potential or actual violation of the Code, you must report it to management or Integrity and Compliance as soon as possible. If the potential or actual violation of the Code involves your immediate supervisor, you must report it to the next highest level of management or Integrity and Compliance. Failure to report a violation of the Code may subject you to disciplinary action.

All reports of suspected violations will be promptly investigated by Integrity and Compliance. A thorough investigation will be conducted and when necessary, corrective actions will be implemented. In certain instances, Highmark Inc. may report the matter to government agencies for further investigation. We are expected to fully cooperate with Integrity and Compliance and respond completely and truthfully to any and all questions. When asked, we must refrain from discussing such inquiries to protect integrity of the investigation.

We each have the responsibility to question or challenge situations that we suspect are illegal, unethical or which violate our Code or company policies.

What types of suspected misconduct should be reported to management or Integrity and Compliance?

Some examples are:

- submitting false timesheets or expense reports
- inappropriately accessing another associate’s or member’s confidential information
- lying or not cooperating during an investigation
- not reporting a known or suspected violation of the code
- making an intentional false report of a Code violation

SEEKING ADVICE AND REPORTING CONCERNS WITHOUT FEAR OF REPRISAL

How Should I Seek Guidance or Report A Concern?

If you are aware of or suspect unethical/ illegal conduct, you have a duty to report issues or seek guidance. You should speak with your supervisor or manager or contact Integrity and Compliance by any of the following methods:

Call Integrity Helpline at **1-800-985-1056** (anonymously if desired), available 24 hours a day and seven days a week.

Write to our Confidential Post Office Box:

**Highmark Inc.
Integrity and Compliance
P.O. Box 22492
Pittsburgh, PA 15222**

E-mail to: **Integrity@highmark.com**

If you choose to make an anonymous report, you should provide enough information about the situation to allow us to properly investigate it. If you do not provide enough details, our ability to pursue the matter will be limited.

All reports will be promptly investigated and when necessary, appropriate actions will be taken to reduce the potential for reoccurrence and to ensure ongoing compliance. Depending on the circumstances, corrective actions may include changes in business processes, employee coaching, or disciplinary actions.

All matters will be handled with the appropriate level of confidentiality. However, if a matter needs the involvement of law enforcement, information may be shared as required by law.

In order to receive status updates on the matter or to provide additional information, you are encouraged to re-contact Integrity and Compliance, referencing the matter you have reported.

When is the Integrity Helpline available?

The Helpline is available 24 hours a day, seven days a week. Helpline calls are not traced. There is no caller ID. No attempt is made to identify anonymous callers. Integrity and Compliance staff answers the Helpline during business hours and will not record the call. Voice mail is available if a staff member is unavailable or after business hours. If you leave a message, we will follow up on all calls.

What details should I include if I leave a message?

Unless you wish to remain anonymous, please leave your name and telephone number. Also, please provide detailed information about your concern, including the names and locations of those involved and dates and times of the events.

Protection from Retaliation and Intimidation

To encourage employees to raise ethical or legal concerns in good faith, Highmark Inc. maintains a reprisal-free environment and has a policy of non-retaliation and non-intimidation. Retaliation or intimidation is prohibited against those who, in good faith, report an alleged violation or who cooperate in an investigation or legal proceeding related to an alleged violation. Management must refrain from speculating or questioning individuals in an effort to determine who might have reported a possible violation or cooperated in an investigation. Such behavior can give the appearance of retaliation or can be perceived as intimidation by an individual who has reported or is thinking of reporting a matter to Human Resources or Integrity and Compliance.

Any employee who engages in intimidation or retaliatory activity is subject to disciplinary action, up to and including termination of employment. This policy is not to be used to bring knowingly false accusations of misconduct against other employees. Any accusation or complaint shown to be made in bad faith will also be considered a violation of this Code and will be subject to similar disciplinary action.

If you raise questions or report concerns regarding potential or actual fraud, waste, and abuse matters in connection with any of our government programs, you are protected from retaliation and retribution for False Claims Act complaints, as well as any other applicable anti-retaliation protections.

What is good faith reporting?

Good Faith Reporting is:

- raising an issue or concern in a timely manner with no ulterior motive; or raising an issue or concern that could be a violation of the Code, law, regulation, or Highmark Inc.'s policy.

Good Faith Reporting is NOT:

- making frivolous reports to get someone in trouble
- reporting something only when you are facing disciplinary action

The federal and state False Claims Acts also protect anyone who files a False Claims lawsuit from being fired, demoted, threatened, or harassed by their employer for filing the suit. Additional employee whistleblower protections were established under the National Defense Authorization Act for Fiscal Year 2013. Similar to the False Claims Act, we cannot discharge, demote, or otherwise discriminate against an employee as a reprisal for disclosing information (except for classified information) that the employee reasonably believes is evidence of any of the following: a gross mismanagement of a federal contract or grant; a gross waste of federal funds; an abuse of authority relating to a federal contract or grant; a substantial and specific danger to public health or safety; or a violation of law, rule, or regulation related to a federal contract (including competition for or negotiation of a contract) or grant. Employees who disclose these types of information to the following persons or entities are protected: a member of Congress or a representative of a committee of Congress; an Inspector General; the Government Accountability Office; a federal employee responsible for contract or grant oversight or management at the relevant federal agency; an authorized official of the Department of Justice or other law enforcement agency; a court or grand jury; or their management or the Compliance Department, who has the responsibility to investigate, discover, or address misconduct.

Pursuant to the Defend Trade Secrets Act of 2016, an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court

proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

Disciplinary Action

Disciplinary or corrective action in response to substantiated allegations is an integral part of the Highmark Inc. Integrity and Compliance Program. If you experienced or are aware of any ethical or compliance concern, you have a personal obligation to report it. Knowledge of a possible violation of a law that is not reported may result in disciplinary action. Failure to

comply with the Code of Business Conduct and Highmark Inc.'s policies could result in disciplinary action, up to and including termination of employment. The severity of the discipline depends on the nature of the violation.

Corporate Reporting Requirements

All employees must report any evidence of a material violation of a law or regulation as well as breach of fiduciary duty or similar violation by Highmark Inc., its employees, subsidiaries, affiliates or agents to either the Chief Legal Officer or the Chief Executive Officer.

BUSINESS PRACTICES

Committed to Customers and Quality

Highmark Inc. is committed to maintaining the highest standard of quality in our products and services. Our customers, including individuals, government entities, and private businesses, expect our products and services to meet their requirements and quality standards. In order to preserve the reputation of our brands, we must strive to carry out all of our business contracts in accordance with the terms of those contracts and we must ensure that accurate and complete information is provided when negotiating and administering them.

Our primary employment obligation is to Highmark Inc. We may never use company resources, including company time, to perform work on behalf of another business or for individual gain.

Proper Use of Company Assets

By using Highmark Inc. assets only for business-related purposes, we can deliver products and services more efficiently and cost effectively. Company assets include such things as equipment, inventory, corporate funds, and office supplies as well as intangible items such as concepts, business strategies

What are some examples of company assets?

- computer hardware and software
- copiers and scanners
- telephones and voice mail systems
- e-mail, Intranet and Internet access
- office supplies, and
- buildings and fixtures

Company assets may not be used for:

- personal gain
- solicitation of personal business
- harassment of any type
- sexually explicit material
- communications that are inappropriate, inflammatory, or derogatory
- illegal activity

and plans, customer information, financial data, intellectual property rights, and other business information. Highmark Inc.'s employees, officers, and members of its board of directors are prohibited from using company property, information, or positions for personal gain.

Communications delivered via corporate systems are not private and are, as such, subject to management review and can be subpoenaed to serve as evidence in a court of law.

Proper Use of Company Brand and Logos

Our brand and logo are vital to the company. For example, there are strict usage guidelines regarding the use of our brand in accordance with the BCBSA (Blue Cross and Blue Shield Association) licensee rules as well as the Highmark Inc.'s brand strategy. You may contact the Highmark Inc.'s Law Department for guidance.

Accurate and Timely Records and Financial Reporting

Our customers depend on Highmark Inc. to provide accurate information. Maintaining information and records accurately and completely is vital to the success of Highmark Inc.'s businesses. A record is defined as a book, document, or any other data, regardless of the type or form. A record may be written or electronic. Records may contain financial or operational data.

We are obligated to accurately and truthfully document our work and to not make false or misleading oral or written statements regarding such work. Highmark Inc.'s employees, officers, and members of its board of directors are prohibited from taking any action to manipulate, mislead, coerce, or inappropriately influence any independent auditor engaged in an audit of the financial statements of any Highmark Inc.'s company.

When preparing source documents for financial transactions, it is important to provide accurate information so that costs can be allocated to the appropriate product lines. No payment may be approved or made with the intention or understanding that any part of the payment is to be used for a purpose other than company business. Failure to maintain accurate books and records may expose Highmark Inc. to significant fines, as well as civil and criminal penalties.

It is a criminal offense to destroy records that are subject to a subpoena or government investigation. Records must be maintained in accordance with departmental and corporate records' retention guidelines and must not be destroyed before the prescribed retention period has expired or until threatened or pending litigation or government investigations are concluded.

Did you know...

Before destroying records, always check the record retention policy and schedule to determine if the applicable retention period has expired.

In addition, always check with your manager and/or the Legal Department to determine if the records are the subject of a Legal Hold Notice. Records that are the subject of a Legal Hold Notice must continue to be preserved and may not be altered or destroyed without approval from the Legal Department, even if the regular retention period has expired.

Public Representation of Highmark

When communicating publicly, you must be cognizant of keeping your personal views separate from communications you make and actions you take on behalf of the company.

Interacting with the Media

To ensure that the views of Highmark Inc. are accurately depicted and appropriately and consistently represented in public, all news media communications must be coordinated through Corporate Communications and Public Relations. You should not be interfacing directly with the media on behalf of Highmark Inc.

Q: A friend who is a local newspaper reporter asked me about Highmark Inc.'s plans for expansion in the area. How should I respond to him?

A: Only authorized individuals can communicate the company's official position on certain topics such as business strategy, financial performance and legal matters. You should refer your friend to Corporate Communications.

Participating in Social Media

Participation in social media on behalf of the company must be coordinated through Corporate Communications and Public Relations. When you speak, write, or participate in public forums or social media networks, do not associate Highmark Inc. with your own personal opinions. Employees participating in social networking on their own time must not publish content that is Highmark Inc.'s property and/or could damage Highmark Inc.'s business reputation or the business reputation of its customers and providers.

Endorsing Other Organizations or Products

As a general rule, Highmark Inc. directors, officers, and employees shall not provide testimonial statements that could be used as an advertisement for vendors or their products unless supported by Highmark Inc. If you receive a request for an endorsement of an external entity, you must consult with Integrity and Compliance before you respond to such a request. For the purpose of this Code, an endorsement means any promotional message reflecting opinions or experiences of a third party's services or products that the third party could use for advertising purposes. References provided for vendors in the ordinary course of business are not considered endorsements.

Q: A famous athlete has received treatment that is covered by one of our plans. Would it be a violation of this Code and the Highmark Inc. Handbook of Privacy Policies and Practices if I just look up the procedure code in the system? I am not going to tell anyone.

A: Yes. To do so would be a violation of Highmark Inc.'s Privacy Policies as well as the HIPAA Privacy Rule because members of Highmark Inc.'s workforce may only use, disclose, or request the minimum necessary Protected Health Information to accomplish the intended purpose as it relates to the performance of their jobs. Looking up a customer's procedure out of curiosity is a violation of law and company policy and could lead to disciplinary action, up to and including termination of employment.

Protecting Highmark's Confidential Information

All of us are expected to strictly comply with company policies regarding data confidentiality and information disclosure. We must safeguard all of the company's Confidential Information, including, but not limited to Protected Health Information (PHI), Proprietary/Trade Secret Information, and Competitively Sensitive Information (CSI). All of us must strive to prevent improper disclosure of or access to that information. Even after our employment ends, certain obligations remain in effect, as outlined in the Confidential Information and Invention Agreement we signed when we began employment.

All information that is maintained by the company is classified into three major categories: Public Information, Government Information, and Confidential Information. The information within each category is subject to specific data sharing policies and approval processes.

Public Information

Public information represents all information created or received by the company that is generally found in the public domain and is not otherwise sensitive, confidential, classified or secret. There are no special use or disclosure requirements regarding this information.

Government Information

Most of the information relating to government contracts is government property. Certain government contracts prohibit the use of government-owned information or data to further Highmark Inc.'s private business endeavors. Release of such data, even to our own subsidiaries, without the permission of the relevant government entity, is not permitted.

Confidential Information

Confidential Information includes all information either generated by the company or made available to the company for purposes of conducting its business operations.

Confidential information is further subdivided into the following nine (9) categories: Financial Information, Human Resource Information, Group Customer Account Information, Proprietary Information, Provider Information, Competitively Sensitive Information (CSI), Protected Health Information (PHI), Personally Identifiable Information (PII) and Non-Public Personal Information (NPPI). For additional information concerning appropriate use and disclosures of this data, refer to the Highmark “Preserving Trust through Privacy and Information Management Policies and Procedures” or to Policy 132, Information Use, Management and Disclosure. You may also contact the Privacy Department at privacy@highmark.com for additional information.

Highmark Inc. maintains data used in its business operations in strictest confidence, and according to established ethical standards and applicable federal and state laws and regulations. Safeguarding Confidential Information is every employee’s responsibility. If you have any questions, contact the Privacy Department.

Competitively Sensitive Information

Competitively Sensitive Information (CSI) is non-public information held by Highmark Health which includes: past, present, and future reimbursement rates and rate schedules; contracts with providers; contracts with payers; any term or condition in a payer-provider agreement that could be used to gain an unfair commercial advantage over a competitor or supplier, including but not limited to discounts, reimbursement methodologies, and provisions relating to performance, pay for performance, pay for value, tiering of providers, cost data, and methodologies including specific cost and member information and revenue, or discharge information specific to the payer or provider; contract negotiations or negotiating positions, including but not limited to offers, counteroffers, party positions, and thought processes; specific

plans regarding future negotiations or dealings with payers or providers; and claims reimbursement data.

All Highmark Health companies have adopted policies for the protection of CSI. These policies prohibit the sharing of Competitively Sensitive Information among certain corporate affiliates of Highmark Health. The improper sharing of CSI could result in the reduction of competition, competitive innovation, or pricing. Employees should refer to Highmark Health’s “Policy Protecting Competitively Sensitive Information” or to their company’s policy to learn how best to safeguard CSI. Questions concerning specific uses of CSI should be submitted to: Infomgmtdecisions@highmarkhealth.org.

Example:

Tricia, a data analyst in the AHN provider financial operations area sits in the cubicle next to her colleague Glen. One afternoon Tricia overhears Glen talking on the phone to Helen who works as an analyst in Highmark Health Informatics. Glen thanks Helen for the report she generated and sent to him containing Highmark BCBS member-level data pertaining to specific cost and reimbursement rates for particular drugs and the associated prescribing provider information. Concerned that competitively sensitive information was compromised, Tricia contacts the Highmark Health Chief Privacy Officer.

Acceptable use of Electronic Communication and Information

The Company’s information systems are the exclusive property of Highmark and are to be used for business purposes only. This includes but is not limited to desktop computer equipment; hard drives; printers; peripherals; software and operating systems; telephones; and network, and/or Internet-related accounts providing electronic mail (“e-mail”), browsing, newsgroup access, social networking access, and/or file-transfer capabilities. Subject to certain restrictions and with limited exceptions, Highmark provides to every employee, as required by the employee’s individual job function, access to the company’s internal

network. All employees with such access are also provided with an Internet e-mail address. Other types of Internet access, such as browsing capabilities, are made available to Company employees with a demonstrated business need.

Personal Use

Authorized Users should only use Highmark assets for business related purposes. Highmark's information systems may never be used for personal gain or profit.

The use of external personal email accounts (e.g. Hotmail, AOL, Yahoo mail) to conduct Company work is prohibited.

No Expectation of Privacy

Authorized Users have no legitimate expectation of privacy with regard to any communication that they create, receive, or store in Highmark's assets and systems, including, but not limited to e-mails and photographs. Authorized Users should be aware that all information created or stored on the company's information systems, is the property of Highmark, and usually can be recovered even though deleted by the Authorized User. The company cannot and does not guarantee the privacy or confidentiality of any personal (i.e., non-business-related) information stored on Highmark's information systems. Personal (i.e., non-business-related) information that is intended to remain private and/or confidential should therefore not be created or stored in Highmark's systems.

Monitoring

Activity conducted under the Authorized User's ID and password is monitored.

Highmark maintains the absolute right to monitor all information system use by Authorized Users for any purpose, and particularly to ensure proper working order, to assure appropriate use, and to maintain the security and integrity of the company's information. Highmark may retrieve the contents of any communication or file created or stored on the company's systems. Highmark may access any Authorized User's files, including archived material of present and

former Authorized Users, without the Authorized User's consent, for any purpose related to maintaining the security or integrity of the network, protecting the rights of the company or other Authorized Users, or for any other purpose deemed reasonable by the company.

Q: Jack has been working a side job in the evening as a freelance website developer. Can he use Highmark assets to create his customer's websites, as long as it is in the evening and during non-work hours?

A: No, although Jack is working off-hours, Highmark assets are only to be used to conduct Highmark business and never should be used for personal gain or profit. In addition, all information created or stored on the company's information systems is property of Highmark.

Q: Joe created flyers on his Highmark laptop to promote an upcoming community event. Joe sent the flyer in a mass communication to Highmark employees. Were Joe's actions appropriate?

A: No. Highmark maintains the right to monitor all information systems and Authorized Users should not expect any privacy with regard to any communication that they create, receive or store on Highmark's assets and systems. In addition, Highmark's assets are to be used for business purposes only.

Use outside the United States

All company issued devices are not to leave the United States unless prior approval is granted with business justification in writing to the Chief Information Security Officer (CISO). If approval is granted business use may also require approval by the Chief Privacy Officer (CPO).

Social Networking

Social networking is the use of SharePoint, blogs, wikis, virtual worlds, Twitter, Facebook, and other emerging media. Generally, Highmark does not permit Authorized Users to use its assets and systems for social networking. All Authorized Users are personally responsible for the content they publish on social networking sites. Highmark strictly prohibits the use of its assets and systems for social networking communications that damage or that could damage Highmark's business reputation as well as the business reputation of its customers and providers.

Example:

Ted had a bad day at work and is upset with a project he has been working on for more than a year. When Ted gets home, he decides to vent on social media and posts obscene comments about the Highmark Project Manager who has been overseeing Ted's project.

Ted arrives at work the next day and is immediately contacted by his manager. Ted's manager is aware of the post and the obscenities about the Highmark Project Manager.

Even though Ted posted his comments on social media during off hours and from his personal equipment, Ted has violated the Code of Business Conduct by including that the Project Manager was from Highmark. Ted is reported to Human Resources for appropriate disciplinary action, up to and including termination.

Acceptable and Impermissible Content

Authorized Users must exercise good judgment and professionalism when creating, editing, publishing, storing, or transmitting content on Highmark's systems. This applies to all systems and applications, including but not limited to email, video, audio, images, or pictures. Among other things, Authorized Users may not use Highmark's systems and assets to create or transmit any of the following content:

- Ethnic or racial slurs, personal insults, obscenity, profanity, slanderous and libelous statements, political attacks, or statements that would violate any corporate policy
- Content that discriminates on the basis of an individual's protected status under the law;
- Content that is harassing, threatening, hateful, or demeaning;
- Content that is pornographic or sexually explicit;
- Content that promotes or that is designed to incite violence;
- Content that violates or that encourages anyone else to violate the law, including the sale or distribution of illegal substances or the unlawful sale or distribution of controlled substances;
- Content that infringes on any intellectual property rights including, but not limited to, copyrights, trademarks, and rights of publicity;
- Content that places a person in a false light or that portrays someone or someone's image inappropriately or distastefully;
- Protected Health Information and Personally Identifiable Information, beyond that which is authorized for business purposes and then only to the extent that is minimally necessary.

Restrictions and Prohibitions on Use and Access

All information activity, including e-mail communications and Internet access, should be conducted in a responsible and professional manner reflecting the Company's commitment to honest, ethical, and non-discriminatory business practice. For more information, please review the corporate policy regarding Acceptable Use of electronic communication and information.

Fair Dealings

Customer and supplier relationships should be based on the cost and the quality of the products and services and should not be influenced by personal relationships. Those of us involved in the purchasing or bidding process must ensure that communications and representations made to prospective suppliers and customers are true and accurate.

In addition, we shall not take unfair advantage of our customers and suppliers through manipulation, coercion, misrepresentation of information, or abuse of privileged information.

We are obligated to guard against any behavior, including the personal giving or accepting of gifts, meals, or other gratuities that could be perceived as improperly intended to influence a business decision. These rules apply to the products and services Highmark Inc. buys as well as to products and services that Highmark Inc. sells.

Gathering Information about Competitors

Obtaining public information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published information is not unusual nor is it restricted. We are not permitted and should always avoid using improper means, such as misrepresentation, theft, bribery, or improper infiltration to gather competitive intelligence.

Marketing and Advertising

Highmark Inc. uses marketing and advertising activities to educate the public and increase awareness of our products and services, and to provide information to the community.

Highmark Inc. will present truthful, fully informative, and non-deceptive information in these materials and announcements. All advertising materials must be clear, honest and fair as to content.

Conflicts of Interest

Conflicts of interest may arise when outside personal interests, employment, or affiliations influence or create the appearance of influencing business decisions. Business affiliations and financial interests by immediate family members or by persons with whom an employee, officer, or member of the board of directors has a close personal relationship may also create a possible conflict of interest.

Q: I work in Finance, and I am pursuing a career as a licensed Sales Agent. I plan to seek a second job with an external insurance agency selling health insurance products, including competitor's products. Does this situation create a conflict of interest?

A: Yes. Your primary obligation is to Highmark Inc. You also have access to confidential and proprietary information about Highmark Inc. products and customers. You will not be able to work for Highmark Inc. while also working the agent position.

Q: My brother owns an office supply company and is seeking to become a supplier to Highmark Inc. Does this create a conflict of interest?

A: If you are involved in the vendor selection process or would be overseeing business transactions related to your brother's company if he becomes a supplier, a conflict of interest would exist. You should disclose the situation to your manager and remove yourself from the decision-making or oversight process.

Employees, officers, and members of the board of directors must avoid situations where personal interests appear to conflict or actually conflict or compete with the interests of Highmark Inc. For instance, it is a conflict of interest to work simultaneously for Highmark Inc. and a competitor of Highmark Inc. In addition, certain affiliations such as employment or serving as a board member with a vendor, provider or customer may create a potential conflict of interest situation depending on the employee's position with Highmark Inc. An example of prohibited activity is selling products similar to those offered by Highmark Inc. for a competitor of Highmark Inc.

Following are some basic details to remember about conflict of interest (COI) disclosures:

- Disclose all potential or actual conflicts when completing the COI disclosure statement at the time of hire and annually.
- Keep your COI disclosure statement updated at all times by reporting new disclosures as they occur.
- Direct any questions regarding potential or actual conflicts of interest to your supervisor, manager, or Integrity and Compliance. Integrity and Compliance can be reached via the Helpline (1-800-985-1056) or email (Integrity@Highmark.com).

To further ensure independent decision making, Highmark Inc. shall not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit in the form of a personal loan to or for any member of the board of directors or officer.

Gifts, Gratuities, and Entertainment

Employees, officers, and members of the board of directors are discouraged from accepting or offering any gift or entertainment that is not incidental to a business relationship.

As a general rule, gifts and entertainment of a nominal nature may be an acceptable business practice as a means to build corporate goodwill. However, offering or accepting gifts or entertainment that are not incidental to a business relationship, or might be perceived to be primarily intended to gain favor or to compromise a business decision, must be avoided. Examples of inappropriate gifts and entertainment include:

- lavish dinners
- weekend trips
- cash or cash equivalents (such as gift cards or gift certificates, loans, stock, stock options), and honoraria for company related activities
- personal charitable contributions on behalf of the employee
- "Quid pro quo" offerings - gifts that are given or taken in return for something else

All gifts, gratuities, and entertainment provided to any labor organization, officer, employee, agent, shop steward, or other representative of a labor organization (even if the person is a relative or friend) must be reported through the appropriate internal reporting process so that the required LM-10 reports may be filed with the Department of Labor.

Q: A vendor has invited me to its corporate headquarters to evaluate some new hardware. The vendor is out of the area, but offered to pay for my travel, lodging, and food expenses. May I accept this offer?

A: No. You must avoid any perception that your decision to buy the equipment is improperly influenced. If there is a business need, Highmark Inc. should pay for the expenses.

When deciding about accepting gifts or entertainment, ask yourself:

- How would accepting or giving the gift or entertainment appear to others at Highmark Inc., my peers, or the general public?
- Will my giving or accepting of this gift influence what the company pays or is paid for its products, services, etc.?
- Should I give or accept this gift merely because “everybody else does it?”
- Is this gift being offered or given because my position enables me to influence a Highmark Inc. decision in favor of the customer or supplier?
- By giving or accepting this gift, will I put myself, or appear to put myself, in a compromised position?

If you answered "yes" to any one of these questions, then declining the gift may be the appropriate action. Because each offering is different, contact Integrity and Compliance for guidance before making a decision.

I am preparing for our annual employee golf outing. Can I request items from some of our suppliers to use as prizes for this event?

Should I accept those sporting event tickets offered by one of our customers?

Is it okay to have a lunch meeting where the supplier picks up the tab?

These and other questions can be addressed by you asking yourself a few questions as covered in this section or by consulting with Integrity and Compliance.

OUR WORKPLACE ENVIRONMENT

Each of us must treat our customers, business partners, and fellow employees with respect and dignity and hold each other and ourselves accountable for our actions and behavior.

Highmark Inc. is committed to maintaining a safe, positive, and healthy work environment. Working in an atmosphere of honesty and respect enhances our relationship with each other and those with whom we do business.

One of the guiding principles of our company is to provide equal employment to qualified individuals regardless of their race, age, sex, religion, national origin, ancestry, creed, sexual orientation, mental or physical disability, veteran status, or any other status or condition protected by law. Differences in backgrounds that each individual brings to Highmark Inc. are to be respected, as it is those differences that bring value and diversity to the company. We are expected to treat all people we encounter with professional respect and courtesy, regardless of their position, age, race, sex, disability, or other differences and we should expect the same level of respect in return whether they are our co-workers, customers, or suppliers.

Diversity and Inclusion

Highmark Inc. is committed to diversity and the creation of an inclusive work environment where everyone is valued for both their similarities and their differences. Highmark Inc. respects the unique attributes and diverse thinking of each employee, and recognizes and embraces the many diverse perspectives and life experiences that each individual brings to the workplace. A diverse and inclusive workforce ensures Highmark Inc.'s capacity to serve all communities and to reach new and emerging markets.

Equal Employment Opportunity

Current and prospective employees can be assured that our work environment promotes fairness and equal opportunity in the employment process. Equal opportunity is provided in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination of employment, wage and salary administration, and selection for training.

Employees/Applicants with Disabilities

Our company provides a work environment that helps prevent discrimination against qualified individuals with disabilities with respect to any offer, condition, or privilege of employment. Applicants and employees are assured that all information regarding a disability will be kept confidential.

Harassment-Free Work Environment

All Highmark Inc. employees and visitors must be treated with professional respect and courtesy. Harassment, which may be of a sexual, physical, written, or verbal nature, will not be tolerated from employees, management personnel, co-workers, customers, outside business invitees, or visitors.

Safe and Healthy Environment

We have the right to a safe and healthy work environment, free of illegal drugs, alcohol, and workplace violence. Highmark Inc. will not tolerate actions or threats by anyone who disrupts business activities or places customers, employees, suppliers, or visitors at risk of harm. Possession of weapons, firearms, firearm ammunition, firearm replica, or firearm components on owned or leased company property, regardless of whether the employee possesses a license to carry a concealed weapon, is prohibited. If you have a concern for

your own or someone else's safety, please contact Security,

Workplace safety also extends to our physical work environment. It is important that you identify and promptly report any condition that could create a physical hazard in your area to Security.

Safety First

I overheard a co-worker make a threatening remark about another employee. This is not the first time. I am afraid that someday they will act upon the threat. What should I do?

Notify your supervisor, manager, Human Resources, Security, or Integrity and Compliance.

Sustainability

Our commitment to a healthy environment extends beyond the walls of our buildings. At Highmark Inc., we know that creating a healthy environment helps to create healthier people. We are committed to being responsible corporate citizens by being active in the communities where we do business. We strive to make our communities stronger and healthier places to live through employee volunteerism, corporate philanthropy, and eco-friendly business practices to protect the environment.

THE COMPANY'S OBLIGATIONS AS A GOVERNMENT CONTRACTOR

Guidelines for Government Programs

Highmark Inc. and certain Subsidiaries are government contractors under both federal and state contracts. In the course of your employment you may directly or indirectly perform services or work related to one or more of these contracts.

When performing services related to one of these contracts, we must be cognizant of any additional requirements and obligations imposed by the government. It is Highmark Inc.'s policy to go beyond the minimum requirements for legal and regulatory compliance to avoid even the hint of any impropriety. In this regard, it is critical that everyone recognizes the applicable legal and regulatory obligations and that these obligations apply not only to employees in the dedicated government units but to all employees who support these government contracts.

Did you know...

That Highmark Inc. cannot employ any individual who is under federal exclusion or debarment for work under its federal government contracts?

Dealing with Excluded or Ineligible Persons

Highmark Inc. is prohibited by law or contractual provision under certain government contracts, from contracting or doing business with any person or entity that is currently debarred, suspended, excluded or declared ineligible to perform work under any government contract or subcontract.

Highmark Inc. will not knowingly employ any individual who has been convicted of a criminal offense involving government business, is listed by a federal or state agency as

suspended, debarred, excluded, proposed for debarment or suspension, or is otherwise excluded from federal or state program participation, for the purpose of fulfilling its obligations under certain contracts with the federal and state governments.

Bidding on Government Contracts

When bidding on or negotiating federal or state contracts, Highmark Inc. is subject to specific legal requirements. The Federal Procurement Integrity Act dictates certain business conduct for companies seeking to obtain work from the federal government. During the bidding process, we may not offer to discuss employment or business opportunities at Highmark Inc. with agency procurement officials; offer or give gratuities or anything of value to any agency procurement official; or, seek to obtain any confidential information about the selection criteria before the contract is awarded.

Another federal law, the Truth in Negotiations Act, requires Highmark Inc. to certify cost and pricing data submitted to the government as "current, accurate, and complete." It is Highmark Inc.'s policy to ensure that only accurate and complete information is provided to the government.

Remember:

All vendor and sourcing needs must be handled by Procurement.

Purchasing and Procurement Compliance

As a government contractor, Highmark Inc. must adhere to a variety of government procurement laws and regulations such as prior notification and approval when purchasing amounts exceed certain dollar thresholds or when certain subcontracting requirements are met. Highmark Inc. must follow certain procedures to help ensure that we are paying

the most appropriate costs for goods and services. In addition, Highmark Inc. must make sure that its contracts to purchase goods and services for a government contract do not present actual, potential, or apparent conflicts of interest. To comply with the government's diverse and complex procurement rules, Highmark Inc.'s procurement policies must be followed for all procurement activities. Procurement activities also must often be conducted on a competitive basis based on such factors as functionality, cost, quality, and any other relevant business factors.

With regard to fulfilling its obligations under its government contracts, Highmark Inc. will not knowingly enter into a contract with an entity that has been convicted of a criminal offense involving government business, listed by a federal agency as suspended, debarred, excluded, or proposed for debarment or suspension, or otherwise excluded from federal program participation.

Making Claims, Statements, and Representations to the Government

Contracts and subcontracts on government projects often require Highmark Inc. to submit various certifications. These contracts usually contain clauses wherein Highmark Inc. is required to make affirmative representations about a variety of matters in addition to financial data, such as compliance with socioeconomic programs, contract specifications, environmental laws, and various procurement regulations. These certifications and representations are serious matters. Highmark Inc. relies upon the truthfulness and accuracy of the information it receives from its employees and covered personnel when it submits these certifications.

It is a violation of federal laws to knowingly make fraudulent claims or misleading statements to the government or to alter documents being processed in connection with claims against the government. A violation of these federal laws can lead to severe civil and criminal penalties against the individual and the company, and can lead, among other things, to sanction, debarment, or exclusion penalties.

It may also be a violation of federal law if an employee makes little or no effort to validate

the truth and accuracy of his or her statements, representations, claims; or, otherwise acts in a reckless manner as to the truth even if the individual is unaware that the data or information is false, or deliberately avoids finding out whether the statements, representations, or claims are true or false.

Government officials rely on the accuracy of verbal and written statements of Highmark Inc. and its employees. These "statements" could include formal certifications, reports, or responses given during audits and even to conversations with government representatives. In every instance, it is the obligation of Highmark Inc. and all of its employees to provide accurate and complete statements to the government.

Allocating Appropriate Costs to Government Contracts

A cost that is legitimate business expenditure for Highmark Inc. may be considered an unallowable cost under our contracts with the federal government. Under some government contracts, Highmark Inc. must certify that our cost submissions do not contain any unallowable costs.

We must charge all direct and indirect costs accurately to the appropriate contracts in accordance with the guidelines specified under the respective contract. Inflating time reporting or individual or department workload statistics is strictly prohibited as these statistics are often used as the basis to determine the cost allocation.

Gift Guidelines for Government Business

Under no circumstance should we offer money, gifts, services, entertainment, or anything of value, directly or indirectly, to any government official or employee in connection with a government contract.

Hiring Former and Current Government Employees

The federal government regulates the employment activities of current and former government employees in order to restrict employer companies from gaining an unfair

competitive advantage. The terms of these restrictions vary according to the employment status and function of the government employee and what the employee's role will be at Highmark Inc. These restrictions can last for varying periods of time from one year to a lifetime.

It is Highmark Inc.'s policy to comply with all laws concerning the recruitment and employment of former and current government employees, either as employees or consultants. Before entering into employment discussions or negotiations with former or current federal, state, or local government employees, legislators, or members of their immediate families, whether initiated by you or them, seek approval from Highmark Inc. Human Resources and the Highmark Inc. Law Department.

Mandatory Disclosure Requirement

Contractor Business Ethics Compliance Program and Disclosure Requirements obligate federal contractors to disclose certain violations to the government. These provisions state that the agency suspension and debarment official may suspend or debar a contractor if it is determined that there was a knowing failure by a principal of the contractor to timely disclose to the government, in connection with the award, performance or closeout of a contract or subcontract thereunder, credible evidence of (a) a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in Title 18 of the U.S. Code; (b) a violation of the civil False Claims Act; or (c) significant overpayments on the contract.

As federal government contractors, Highmark Inc. and certain subsidiaries are obligated to timely disclose to the government, in writing, information regarding credible evidence of the conduct described above. For the purpose of this disclosure requirement, the term "principal" means an officer, member of the board of directors, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager, head of subsidiary, division, or business segment, and similar positions).

Prompt disclosure of all known facts and circumstances is to be made to Integrity and Compliance to enable Highmark Inc. to properly assess such information and to determine whether it has an obligation to further investigate and/or make a disclosure to the government.

Marketing and Advertising Activities

Highmark Inc. is engaged in the marketing and sale of various health insurance products including Medicare Advantage and Prescription Drug plans. The Centers for Medicare and Medicaid Services (CMS) imposes certain requirements related to the enrollment of Medicare beneficiaries in Medicare Advantage and Prescription Drug plans. In addition, (CMS) strictly regulates the marketing of these plans to beneficiaries. CMS requirements, applicable federal and state laws must be adhered to at all times.

Fraud, Waste, and Abuse

Highmark Inc. is committed to preventing, detecting, correcting and reporting fraud, waste, and abuse. The efforts undertaken as part of these processes are collaborative in nature and involve training and education, monitoring and audits. All activities are consistent with applicable laws, regulations, and government healthcare program requirements. It is the responsibility of all employees to immediately report suspected or actual fraud, waste, and abuse.

What is Health Insurance Fraud?

Fraud is generally defined as knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program.

(18 U.S.C. § 1347)

What is Health Insurance Waste?

Waste is overutilization of services or other practices that, directly or indirectly, result in unnecessary costs to the health care system. It is not generally considered to be caused by criminally negligent actions, but by the misuse of resources.

What is Health Insurance Abuse?

Abuse includes any action(s) that may, directly or indirectly, result in one or more of the following:

- Unnecessary costs to the health care system, including the Medicare and Medicaid programs
- Improper payment for services
- Payment for services that fail to meet professionally recognized standards of care
- Services that are medically unnecessary

LEGAL AND REGULATORY COMPLIANCE

We must carry out all of our activities in accordance with applicable federal and state laws, rules, regulations, guidance, and contractual obligations. We are required to obey all applicable laws, including United States laws that have application outside of the United States. Those who violate laws, rules, or regulations may be personally subject to individual civil or criminal liability as well as to disciplinary action. Our actions may also expose Highmark Inc. to civil or criminal liability or loss of business.

Competition and Antitrust Laws

The United States antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. Federal and state antitrust laws are intended to encourage such competition by prohibiting agreements that restrain trade, such as agreements by competitors regarding the price they will charge for their products. Other practices limiting competition, such as agreeing on product characteristics, dividing up markets, “rigging” bids for contracts and agreeing to boycott competitors or suppliers, may also violate the antitrust laws.

Under antitrust laws, competitors may not make agreements on the prices they will charge for products or services, the territories in which each company will sell products, customers to whom each company will offer its products, certain types of products or the amount of any product each company will

produce or offer for sale in the marketplace. In addition, competitors may not agree on the use or non-use of suppliers or on any contract terms and conditions.

Tying arrangements exist when one company conditions the sale of goods or services on the purchase of some other, unrelated good, or service. In certain circumstances, antitrust laws prohibit these arrangements. Employees should seek guidance from the Highmark Inc. Law Department if they have any questions or concerns.

Q: What are examples of conduct that is considered unfair competition?

A: Unfair competition can include stealing or misusing a competitor's trade secrets; making false statements about competitors or their products or services; obstructing competitors' supply sources; and paying bribes to help increase company business or hurt a competitor.

Q: When I attend trade shows and conferences, I usually have an opportunity to meet with representatives of competitors. Is it okay for me to talk to them?

A: Yes, but you must avoid conversations about inappropriate topics such as pricing, marketing plans, labor costs, and terms and conditions of sales to customers.

Members of trade associations and other industry groups are, by their very nature, competitors. You must be particularly sensitive about trade association activities that might be construed as leading toward an agreement concerning prices or services.

Employees with sales and marketing responsibilities and agents and producers acting on behalf of Highmark Inc. are expected to be familiar with the prohibited activities and must comply with applicable antitrust laws.

Accepting or Offering Kickbacks and Gifts

We may not offer or accept any kickbacks, gifts, entertainment, gratuities, or anything of value from suppliers, providers, consultants, or government officials in exchange for an unfair competitive advantage. It is a violation of the federal Anti-Kickback Act to offer or accept “remuneration” (anything of value) in exchange, directly or indirectly, for the referral of a federally funded health care program, unless it falls within certain “safe harbors” specified under federal laws. Because these laws and the accompanying safe harbor provisions are complex, you should refer any questions or concerns regarding a specific transaction to the Highmark Inc. Law Department.

Q: What is considered “inside information”?

A: Inside information is positive or negative information about a company not yet released to the public that a reasonable investor would find useful in determining whether to buy, sell or hold a stock or security. Examples of material inside information about a company may include:

- Financial results or forecasts
- Change in dividends
- Major new contract or contract cancellation
- Litigation involving the company
- Change in the company’s senior management
- Possible mergers, acquisitions, or joint ventures

Local, state, and federal government agencies have strict rules describing if and when their employees can, or cannot, accept entertainment, meals, transportation, gifts, and other things of value from companies or people they regulate or with whom they do business. We are not permitted to give, or offer to give, to government employees any item, service, entertainment, meal, gift, or transportation, if giving or accepting it would violate applicable law or regulation. Similarly, we shall not make loans, guarantee loans, or make payments to or on behalf of any local, state, or federal government employees.

Insider Trading

Although Highmark Inc. is not a publicly traded company, members of the board of directors, officers and employees are obligated to comply with insider trading laws. In the course of conducting business, we may become aware of non-public information about other companies that may be material to an investor’s decision to buy or sell securities. If you become aware of such information, you may not use this information to buy, sell, or retain securities of that company. You also may not disclose this information to anyone outside of our company and, within our company you may discuss the information only with those who need to know it in the course of their duties for our company.

Intellectual Property Laws

It is critical that we understand and comply with the laws governing the use of intellectual property, including copyrighted and trademarked materials.

A copyright is an intangible right of the creator of certain works such that he/she is the only individual allowed to copy the work, or a significant portion of it. In general, we may not copy or distribute, electronically or otherwise, any copyrighted materials unless prior written permission is obtained from the copyright owner. A copyrighted work can usually be recognized by the symbol ©, date of publication, and the name of the copyright owner displayed prominently on the work.

The term trademark includes any word, name, symbol, or device or any combination thereof adopted and used by an individual or

corporation to distinguish its goods from those sold by others.

Something to remember:

With the availability of copyright materials on the internet and file sharing technology which allows users to download media files such as music, movies, and games using special software, it is extremely important to respect copyright laws to avoid the legal risks to the company.

Highmark Inc. also licenses computer software from a variety of suppliers. Most of our software license agreements contain restrictions regarding the use of the software. This means that we are prohibited from copying, downloading, or reproducing the software for personal use. In addition, Highmark Inc. is prohibited from creating or loading any unauthorized copies of software programs.

Political Activities

Federal law restricts the use of corporate funds in connection with federal elections. There are similar laws in many states governing state and local elections. Highmark Inc. corporate funds cannot be contributed directly or indirectly to individual political campaigns or to political parties. Additionally, Highmark Inc. is generally prohibited from using company resources or facilities to support fundraising activities of candidates for office. Examples of activities prohibited to be performed for fundraising for political candidates include use of employee time, office supplies, donated food services, or purchases of prizes for use or consumption in the fundraisers.

Q: I volunteer in the local campaign office for a political candidate. Is this okay?

A: Yes. As long as your activities are done on your own time, at your own expenses and outside of Highmark Inc., this is allowable.

Highmark Inc. operates a political action committee. The law permits corporations to establish such committees, usually referred to as PACs. All exempt level employees of

Highmark Inc. and its federally-taxable subsidiaries and affiliates are eligible to join the PAC and make voluntary contributions to it. Highmark PAC also accepts voluntary contributions from the exempt level employees of the federally tax-exempt parent and its subsidiaries and affiliates of Highmark Inc. Funds contributed to the PAC are permitted to be used for contributions to candidates for elected office. Other than through PAC, no contribution to federal candidates for elected office can be made on behalf of Highmark Inc. Highmark Inc. makes corporate contributions to state and local candidates and campaign committees where permissible. Contact the Highmark Inc. Government Affairs if you have any questions regarding political activities.

Highmark Inc. recognizes everyone's freedom of choice regarding political matters. As individuals, we may, of course, choose to participate in the political process on our own time and in the manner we choose. Highmark Inc. cannot and will not reimburse employees for any personal activities or personal political contributions. Additionally, we may not use our position to coerce another member of the workforce to work for a candidate or political organization, or to make private, personal contributions to a party or candidate.

Government Investigations and Interacting with Government Personnel

Appropriate handling of government investigations is very important, both for Highmark Inc. and its workforce. Virtually all of the laws regulating Highmark Inc.'s business—including antitrust, insurance, and government contracting laws—contain criminal and civil penalties. Violation of these laws can result in criminal penalties not only to the company but also to individuals. It is Highmark Inc.'s policy to provide full cooperation with any government agency responsible for audits, investigations, or corrective actions. If you are contacted by a government agency regarding an investigation related to Highmark Inc., you must immediately contact the Highmark Inc. Law Department.

Government officials rely upon the accuracy of oral and written statements made by Highmark Inc. or its employees. It is a violation of the law

for any individual to knowingly make a false or misleading statement to a government official or representative, including auditors conducting audits on behalf of the government, in connection with a government program. In every instance, it is the obligation of Highmark Inc. and its employees to provide accurate and complete information to the government.

Federal and state laws impose significant criminal penalties for bribing any public official, governmental employee, or candidate for public office. Specifically, these laws prohibit us from offering or giving anything of monetary value (such as a gift, loan, contribution, reward, or

promise of employment) to any public official, public employee, or candidate for public office—or any member of their immediate family — based on our understanding that his or her vote, official action, or judgment could be influenced as a result.

Congress has adopted strict rules generally prohibiting the provision of gifts, including travel, to members of Congress and congressional staff members. Additional restrictions apply to Executive Branch officials. State laws may also restrict making gifts or providing other things of value to certain public officials.

CONCLUSION

What is Expected of You?

This Code is intended to provide guidance on how you can support Highmark Inc.'s commitment to integrity and a strong business culture. You play a vital role in Highmark Inc.'s success, regardless of your job responsibilities or position within the Company. If you detect a problem or suspect someone is acting inappropriately, help us maintain our values and culture by reporting it immediately.

Amending the Code

Highmark Inc. reserves the right to modify the Code at any time when determined necessary. The most current version of the Code of Business Conduct is always available on Highmark Inc. websites.

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