



Comprehensive  
Health Services

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# **Code of Business Ethics and Conduct**

VERSION 1.0

Effective Date: August 23, 2016

### Message from the Chief Executive Officer

Dear Members of the CHSi Community:

CHSi is committed to conducting business with the highest degree of integrity and in compliance with applicable laws worldwide. The CHSi Code of Ethics and Business Conduct is a reflection of this commitment and is available on the CHSi website, the company Intranet, and on Cornerstone.

CHSi's Code of Ethics and Business Conduct provides our executive officers, directors, employees, company affiliates, agents, consultants, contract labor, and others that represent or act on the behalf of CHSi with the policies that govern all of our business endeavors as well as the tools necessary to make sound business decisions.

This Code of Conduct is also an extension of our core values - **Graciousness, Responsiveness, Integrity, Teamwork, and Transparency (GRITT)**. It is built on the principles of fair dealings and ethical conduct, and it extends beyond the parameters of complying with laws. It is designed to guide and direct all CHSi employees and representatives to act in accordance with sound moral character and honesty, adhere to ethical principles, and conduct themselves responsibly. It is important that you understand and follow this Code of Conduct, comply with all applicable laws, and refrain from business situations that would jeopardize CHSi integrity.

CHSi employees are encouraged to report any known or suspected accounting, internal control, or audit irregularity. The Ethics Hotline is the third-party vendor that will be used to receive any report in violation of our Code of Conduct. The hotline number is available on the ethics posters posted throughout all CHSi offices. This confidential hotline is available 24 hours per day, 7 days per week. If you know of or suspect a violation of the Code of Conduct or any law, CHSi encourages you to promptly report the matter by calling the hotline or contacting your Supervisor, Corporate Compliance Officer, or the Ethics Committee. Suspected violation reports will undergo a thorough investigation discreetly and confidentially, to the extent possible. All reports are escalated to the CHSi CEO and will be reported to the Ethics Committee as deemed appropriate.

Ethics and compliance with laws are vital to CHSi success. As employees and representatives for CHSi, we all have a duty to uphold the Code of Conduct, company policies, and Domestic and International laws by performing our jobs openly and honestly. Do your part by reporting any issues or problems that raise concern. There will be no reprisals against any employee who, in good faith, reports or suspects a violation. You may remain anonymous if you wish.

Please familiarize yourself with this business code of conduct. All employees are required to complete the **Receipt and Acknowledgement** page located within the document on Cornerstone. By completing this verification process, you are acknowledging that you have read this document and agree to comply with the principles and standards therein.

Join with me in making the commitment to uphold the CHSi Code of Business Ethics and Conduct.



Gary G. Palmer  
*President and Chief Executive Officer*

August 23, 2016

Date

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## **PART I: PROCUREMENT INTEGRITY ACT AND COMPETITION REQUIREMENTS**

### **A. The Procurement Integrity Act.**

The employees of CHSI must understand and comply with the requirements of the Procurement Integrity Act. These regulations prohibit unethical conduct by both CHSI employees and government officials. The Act's purpose is to encourage those doing business with the government to compete fairly.

During the course of a federal procurement, CHSi employees are prohibited from: (1) obtaining and disclosing source selection information or contractor proprietary bid or proposal information; (2) offering or discussing employment or business opportunities with procurement officials; (3) offering or giving money, gratuities, or anything of value to a procurement official. *See* Section III below. It is important to know that information that falls under the provisions of this Act includes verbal information -- it does not have to be in writing.

Contractor proprietary bid or proposal information is information owned by another Company that would cause that Company business injury if it is disclosed to others outside of the Company. Examples of contractor proprietary bid or proposal information include:

- Cost or pricing data
- Indirect costs or direct labor rates
- Information about manufacturing processes, staffing, operations or techniques
- Any competitor information that would provide insight into a competitor's bid or proposal strategy
- Any other information marked as "contractor bid or proposal information"

Source selection information includes any information used by the government during the procurement process, from the commencement of the procurement effort through contract award that would jeopardize the integrity of the procurement if released. Examples of source selection information includes:

- Source selection plans
- Technical evaluation plans
- Technical or price evaluations of competing bids
- Rankings of bids or proposals
- Source Selection Board reports and evaluations
- Source Selection Authority recommendations or decisions
- Any other information marked "Source Selection Information"

If you or another CHSi employee improperly possesses proprietary data of a competitor or any source selection information, you are violating the Procurement Integrity Act. The penalties for violations of this Act include administrative, civil and criminal sanctions and fines. If you have any knowledge of an actual or potential violation of this Act, you must immediately report this knowledge to [Janell Smith, Director of Quality and Risk Management], your supervisor or the Hotline.

## **B. Organizational and Personal Conflicts of Interest.**

All employees, consultants and representatives of the CHSi have a duty to avoid financial, business, or other relationships which might conflict with the interests of CHSi or might cause a conflict in the performance of their duties. Everyone should conduct themselves in a manner that avoids even the appearance of conflict between personal and corporate interests.

It is CHSi's intent that neither any employee, the CHSi as a whole, nor anyone dealing with CHSi should be placed in a compromising position due to a conflict of interest. Conflicts of interest adversely affect the way confidential information is collected, used and disseminated and impair the ability to make clear, objective and unbiased judgments in carrying out assigned responsibilities.

Actual and apparent conflicts of interest can arise easily. You should make full disclosure of any relationship or situation that may involve personal or organizational conflicts of interest. This should be done promptly and in writing. Anyone who feels that they may have a conflict situation, actual or potential, should report all pertinent details in a memorandum to their supervisor. The supervisor will be responsible for referring the matter for appropriate review and subsequent recommendations for actions which will minimize or eliminate the chance of conflict of interest interfering with the employee's performance on the CHSi job.

### **1. Personal Conflicts.**

A conflict of interest can arise when a CHSi employee has a personal interest that could influence, or appear to influence, your objectivity in decisions concerning your job duties and responsibilities. Personal conflicts of interest may also arise from the actions of your family members.

There are many situations which can give rise to a personal conflict of interest.

Examples include:

- Employment by or receiving compensation from a competitor, regardless of the nature of the employment, while employed by CHSi.
- Acting as a consultant to a CHSi customer or supplier.
- Placement of business with a firm owned or controlled by an employee or his or her family.
- Ownership of, or substantial interest in, a CHSi which is a competitor or a supplier.
- Engaging in personal or non-CHSi business during work hours or with CHSi assets.
- Acceptance of gifts, payments, or services from those seeking to do business with CHSi.

## **2. Organizational Conflicts.**

The Federal Acquisition Regulation (“FAR”) at Subpart 9.5 contain specific provisions that are meant to prevent unfair competitive advantage and conflicting roles among government contractors. These regulations exist to (i) ensure that government contractors do not gain an unfair competitive advantage due to other work done for the government, and (ii) ensure that other work performed by a contractor does not cloud the contractor’s objectivity in providing impartial advice to the government.

These regulations require affirmative and proactive action on the part of contractors and contracting officers to identify, avoid, or mitigate organizational conflicts of interest in a manner which will allow the contractor to participate in a procurement. The FAR provisions provide specific examples and scenarios to assist contracting officers and contractors in identifying potential organizational conflicts of interest. For example, a contractor that assists the government in defining requirements or specifications cannot bid on the subject of the requirements or specifications. Organizational conflicts of interest may affect CHSi’s eligibility for future contract awards, so it is crucial that each CHSi employee be aware and knowledgeable of the regulations concerning such conflicts. If you have an indication that a potential organizational conflict of interest may be present, you must contact your supervisor or [Janell Smith, Director of Quality and Risk Management] immediately.

### **C. Anti-Kickback Act.**

When a prime contractor or a prime contractor's employee asks for, or a subcontractor or a subcontractor's employee offers, something of value in exchange for favorable treatment in connection with a Federal contract, the offering and receiving parties are in violation of the Anti-Kickback statute. Specifically, the Anti-Kickback Act of 1986 defines a kickback as follows:

“Any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contractor in connection with a subcontract relating to a prime contract.”

An attempted kickback violates the Act just as an executed kickback does.

Criminal sanctions apply to individuals as well as to companies. One who knowingly or willfully violates the Anti-Kickback Act may be subject to criminal fines and imprisonment of up to 10 years. Civil fines for a knowing violation of the Anti-Kickback Act are assessed at up to two times the amount of each kickback, up to \$10,000 per violation. A prime contractor can also be penalized for the actions of its subcontractors!

In order to ensure full compliance with the Anti-Kickback Act relative to gifts and gratuities, CHSi has established the following policy for all employees:

The rendering or receipt of money, fee, commission, gift, gratuity, entertainment, compensation or anything else of value to or from any prime contractor or subcontractor (or an employee or agent of either) by or from an employee of CHSi or any member of their family is strictly prohibited. This policy includes entertainment of any kind such as tickets to theaters, sporting events,

musicals or any other event or function for which a ticket or admission would normally be charged. It also includes loans, or promises of future work in exchange for a more favorable arrangement on a procurement. Participation in meals with a supplier or prospective supplier is allowable, provided the CHSi employee pays full value for all expenses related to their participation.

#### **D. Proposal Preparation.**

Personnel involved in the negotiation of contracts shall ensure that all statements, communications, and representations made to customer representatives are as accurate and truthful as possible. Some of the government contracts that CHSi bids on and is awarded are subject to the Truth in Negotiations Act (“TINA”). TINA is a government tool for the negotiation of fair and reasonable prices for the products it acquires. It requires CHSi personnel to provide accurate, complete, and current statements, documents and communications to the government concerning cost and pricing data. The cost or pricing data includes factual information such as subcontractor costs, indirect expenses, direct labor hours and costs, vendor quotations, and other data upon which proposal estimates are based such as historical data or management assumptions.

As an employee of CHSi, particularly those employees who prepare contract proposals and negotiate contracts with the government; you are required to take a number of steps to ensure that the CHSi complies with the requirements of TINA. Your responsibilities include: ensuring cost and pricing data are current, accurate and complete; correcting information provided to the government that is not current, accurate and complete; and immediately submitting updated information if it is received before the parties agree on the price of the contract or a modification.

#### **E. Fair Competition Laws.**

Fair competition laws prohibit agreements that reduce or discourage competition. It is CHSi’s policy to adhere strictly to all fair competition and Anti-trust laws. The Company will not:

- Engage in practices that would unfairly restrain trade
- Engage in practices that would keep our competitors out of the marketplace
- Communicate with competitors to fix or control prices, allocate markets, boycott customers or suppliers, or allocate bidding opportunities
- Make false statements about our competitors
- Conspire to gain or use our competitors’ proprietary information improperly

#### **F. Joint Ventures.**

Government antitrust regulators view teaming agreements – particularly exclusive teaming agreements – with suspicion, and will carefully scrutinize such agreements for any inappropriate anticompetitive effect. Every teaming discussion (exclusive or not) must be based on valid, documented business reasons to promote efficiencies, combine complementary strengths, and provide an offering that is in the best interests of the customer. It is never proper to enter into a teaming agreement for the purpose of eliminating, or otherwise negatively affecting, potential competitors (e.g., “taking a company off the street”). Accordingly, all proposed exclusive teaming agreements must be reviewed in advance by [Janell Smith, Director of Quality and Risk Management].

## **PART II: PERFORMANCE REQUIREMENTS**

### **A. Compliance with Contract Performance Requirements.**

When CHSi is awarded a government contract or subcontract, it has a responsibility to comply with its requirements. Changes to a contract's requirements are not permitted unless they are made in accordance with government procedure *and approved by a warranted contracting officer*. Deviating from stated contract requirements without an appropriate written change in place is a breach of contract. This may be so, even if a Government official requested the change and even if the Government arguably received a better product or service because of the deviation.

Examples of impermissible deviations include:

- Failing to deliver services the Government has paid for under a contract
- Failing to meet the personnel qualifications set forth in the contract
- Not performing testing, inspection or other quality control procedures required by the contract
- Failing to meet the schedules set forth in the contract

CHSi employees working on government contracts or subcontracts are expected to be familiar with all contract terms and requirements and to adhere to those requirements without exception. CHSi employees are prohibited from engaging in any unauthorized contract deviation, including but not limited to those above. If you become aware of any such deviation, report it immediately to your supervisor, [Janell Smith, Director of Quality and Risk Management], or to the Employee Ethics and Compliance Hotline. If you have questions about what any contract requires, consult your supervisor or your Program Manager.

### **B. Accurate Time Charging, Cost Recording and Record Keeping Requirements.**

The integrity of CHSi's financial reports and accounting records is based on validity, accuracy, completeness, timeliness and understandability of basic information supporting entries to the company's books of account. We will ensure every accounting or financial entry accurately reflects that which is described by the supporting information. We expect employees involved in creating, processing, or recording such information to be personally responsible for its integrity.

When performing a government contract or subcontract, CHSi provides accurate, current, and complete disclosure of all related financial activities. CHSi maintains accounts and records and provide financial reports to government officials that meet the reporting requirements of CHSi's contracts and applicable laws.

When performing a government contract, CHSi will comply with all required accounting practices and procedures. For example:

- CHSi maintains supporting documentation for all expenses and obligations;
- CHSi uses required accounting practices for estimating, accumulating, and reporting costs, including applicable Federal cost principles;
- CHSi identifies and accounts for unallowable costs and exclude them from reimbursement under the contract;
- CHSi accurately and timely reports time worked on contracts when required;

- CHSi maintains required budget controls, internal control of assets, cash management, and equipment and property management systems and procedures;
- CHSi complies with all required record retention and access requirements; and
- CHSi cooperates with any audits or inspections by government representatives.

Employees involved in accounting, record-keeping, and financial reporting for government contracts are expected to inform themselves of applicable requirements and company policies and procedures.

Deliberately mischarging time and other costs is a violation of CHSi policy and can be a criminal offense. The government applies strict oversight and enforcement in this area and often investigates, indicts, suspends, and debars government contractors for directly or indirectly charging unallowable, unallocable or false costs. CHSi strictly forbids the deliberate mischarging, including for labor time, materials or other costs.

### **C. Use and Handling of Controlled Unclassified Information.**

Controlled Unclassified Information (“CUI”) is not classified information. It generally refers to information whose loss, misuse, or unauthorized disclosure could adversely affect the national interest, the conduct of federal programs, or the privacy of individuals under the Privacy Act. Examples include export-controlled information, operational or logistics information, or government technical data.

The Defense Federal Acquisition Regulation Supplement (“DFARS”) and other civilian agencies have regulations governing the handling of CUI. Each government contract therefore may have its own set of rules for the protection of CUI. CHSi expects employees to understand the rules applicable to the contracts on which they work and to follow the requirements.

## **PART III: SPECIAL RULES REGARDING GIVING AND RECEIVING GIFTS AND GRATUITIES, AND OFFERS OF EMPLOYMENT TO GOVERNMENT EMPLOYEES**

CHSi must avoid even the inference or perception that favorable treatment was sought, received or given on the basis of employees receiving or giving a personal benefit, including gifts, entertainment, favors, hospitality or other gratuities. Similarly, purchases of products and services from vendors, suppliers, and subcontractors must be accomplished in a manner that preserves the integrity of a procurement process based on quality and performance. This is especially so when our customer is the US government.

The following guidelines should be observed in relations with both our customers and supplier and subcontractor personnel. Therefore, CHSi expects all of its employees with government contracting responsibility to understand and abide by these rules, without exception.

### **A. Gifts to Government Personnel.**

In general, an employee of the United States Government may not solicit or accept a gift from a "prohibited source" that is given because of an employee's official position. A "prohibited source" is any person or CHSi who is doing business with or that seeks to do business with the United States government. CHSi, and its subsidiaries with Government contracts and subcontracts are

“prohibited sources” and therefore these significant limitations apply to CHSi and our employees as well.

The term “gifts” is very broad and it includes any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of training, transportation, local travel, lodging and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred.

There are certain limited exceptions to this rule against accepting gifts, including those listed immediately below. Even if an exception applies, however, a United States Government employee may not accept a gift in return for being influenced or where a gift is solicited or accepted so frequently that it appears that the United States Government employee is being influenced. From the examples below, you will see just how complex these rules are. *Therefore, it is CHSi’s policy to prohibit entirely gifts to Government personnel, absent advance approval from [Janell Smith, Director of Quality and Risk Management]*

- Gifts of \$20.00 or less – An executive branch Government employee may accept a gift of \$20.00 or less, per occasion, provided that the aggregate value of gifts received from CHSi does not exceed \$50.00 per year. Where a gift offered is worth \$40.00, an employee may not pay the excess over \$20.00 in order to keep the gift. Such a gift is not allowed. If two gifts, each under \$20.00, are offered to an employee, the employee may keep one of the gifts.
- Procurement officials on a particular contract may not accept a gift, even if valued at less than \$20.00, where the gift is given by a contractor competing for the procurement. Acceptance of a gift under these circumstances violates the Procurement Integrity Act (41 U.S.C. § 423), discussed above. The legislative and judicial branches of the Government have their own rules regarding gifts, which in some cases are more restrictive than the Executive Branch.
- CHSi may offer modest refreshments such as soft drinks, coffee, and donuts on an occasional basis in connection with business activities.
- Special rules apply to conferences and educational meetings.

Again, for all these reasons, CHSi’s policy is more restrictive than federal law: CHSi employees are prohibited from offering or giving any gifts to any Government employee regardless of the amount of the gift unless they have advance approval from [Janell Smith, Director of Quality and Risk Management]

## **B. Bribery and Gratuity Statutes.**

In addition to the general prohibition on gifts described above, offering or giving a gift or any other thing of value to a Government employee in exchange for an official act or favorable treatment is a crime under federal bribery and gratuity laws. Even if the gift is not accepted by the Government employee, the mere offering of something of value in exchange for official actions or favorable treatment can violate these statutes. Under these related statutes both the contractor and government employees involved may face personal criminal liability, including significant fines and imprisonment for violations of the bribery or gratuity statutes. Of course, CHSi itself may be subject to criminal, civil and administrative penalties for such violations as well.

Because of these laws it is essential that no CHSi employee offer or provide an improper gift to any Government employee, and in no event should a CHSi employee create even the appearance that an otherwise permissible gift is being offered to a Government employee for an improper purpose.

### **C. Post-Employment Restrictions on Government Employees.**

United States law prohibits certain activities by former United States government employees including, in general, the representation of a contractor before the United States government in relation to any contract or other matter involving specific parties or issues on which the former employee participated personally and substantially while employed by the United States government. Based upon the former government employee's level of involvement with that matter or contract, such employee may be restricted from participation in the private sector for one year, two years, or for life. As a result, if you are a former government employee, prior to representing CHSi on a particular matter before the Government agency for whom you worked or any related government agency, you must obtain the written approval of the [Janell Smith, Director of Quality and Risk Management]. The Procurement Integrity Act, discussed above, also imposes additional restrictions on discussing employment opportunities with government employees.

There are detailed and complex rules regarding the employment of current or former Government officials. As a result, only when prior written approval is received from the [Janell Smith, Director of Quality and Risk Management] may a CHSi employee initiate employment discussions with a current or former Government official. If a current or former Government official expresses an interest to a CHSi employee in working for CHSi, the CHSi employee contacted by that individual must promptly inform the [Janell Smith, Director of Quality and Risk Management] and may not conduct substantive discussions concerning this subject without the prior written approval of the [Janell Smith, Director of Quality and Risk Management].

## **PART IV: AUDITS AND INVESTIGATIONS**

CHSi's contracts with the United States government give the government agencies and officials' specific audit and investigation rights as a routine part of doing business. CHSi and its employees are committed to full cooperation with any audit or investigation undertaken by the government. We will be truthful and accurate in all statements made and information given to government officials.

As an employee of the CHSi, if you receive notice of or request for an audit, investigation or other review from a government official or agency, you are requested to notify your supervisor. The decision whether or not to cooperate with government officials is a personal one. Employees also have the right to consult with an attorney before being interviewed. In any interview in which the employee elects to participate, the employee must always tell the truth to the best of his or her knowledge and belief.

In order to assist the CHSi in providing accurate and truthful information to the government, CHSi employees shall not: (1) edit, remove, delete or destroy any documents in the face of an audit or investigation; (2) attempt to influence the statements or testimony of any other person, or to attempt to dissuade or discourage someone from providing information in response to an audit or investigation; (3) omit or conceal intentionally any material fact in your response to an audit or

investigation; or (4) provide false information or document in connection with the audit or investigation.

## **PART V: OTHER OBLIGATIONS FOR FEDERAL GOVERNMENT CONTRACTORS**

### **A. The False Statements Act and the False Claims Act.**

#### **1. The False Statements Act.**

The False Statements Act criminalizes the knowing and willful making of a false statement concerning a matter within the jurisdiction of any department or agency of the United States. A contractor's statement concerning a United States Government contract or subcontract is "within the jurisdiction of an agency" of the United States Government. This law also criminalizes the falsifying or concealment of material fact that the contractor has a duty to disclose. A criminal violation occurs when a person (including a contractor employee) willfully makes to the Government a false, fictitious, or fraudulent statement or uses a document knowing that it contains any false, fictitious, or fraudulent statement or entry concerning a contract.

Many of the records CHSi keeps and which you may be called upon to develop form the basis for our representations, invoices and other statements to the United States Government. These records include but are not limited to time cards, quality control documents, and inspection documents. Just as any direct statement to the Government must be truthful, complete and accurate, so must any of the documents government. Therefore it is essential that you use great care in preparing all CHSi records, including any submissions to the Government, to ensure that they are truthful, complete and accurate.

#### **2. The False Claims Act.**

The False Claims Act is violated whenever one of the following happens:

- A person knowingly presents, or causes to be presented, to a United States Government official, a false or fraudulent claim for payment or approval;
- A person knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved;
- A person conspires to defraud the United States Government by getting a false or fraudulent claim allowed or paid; or
- A person knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the United States government.

In the civil false claims context, "knowing" includes reckless disregard and deliberate ignorance of the truth.

CHSi employees must be truthful and forthcoming in all of their dealings with the federal government, verbally and in writing. Any and all written submissions to the government must be truthful, accurate, and complete. Both CHSi and individual employees can be found civilly and/or criminally liable for making false statements and/or claims to the government under either the False Claims Act or False Statements Act.

## **B. Personal Political Activity.**

Employees participating in the political process must obey the following rules:

- All political contributions must be made with the employee's own money and may not be reimbursed by the company
- Personal political activities must be conducted on the employee's own time
- Company facilities may not be used for campaign events, unless authorized in advance in writing

## **C. International Trade and the Foreign Corrupt Practices Act.**

CHSi complies with United States law and the laws of the countries in which we do business. CHSi also abides by restrictions on the importation and exportation of our information and technical data. It is important to understand that an "export" for purposes of these laws can include the disclosure of information to a foreign person even if that foreign person is in the United States. If you have any questions about these laws, please contact [Janell Smith, Director of Quality and Risk Management].

Many countries have specific laws about the conduct of business with foreign government officials. With respect to United States law, under the Foreign Corrupt Practices Act ("FCPA"), a company is prohibited from offering or giving anything of value to a foreign official for purpose of improperly influencing an official decision. Payments need not be in cash to be illegal – over the years, many non-cash items have been the basis of federal prosecutions, including travel expenses, golf outings, automobiles, and loans with favorable interest rates or repayment terms. You may not avoid liability by "turning a blind eye" when circumstances indicate a potential violation of the FCPA.

## **D. Trafficking in Human Persons.**

CHSi is opposed to human trafficking and forced labor in any form. We are committed to working to mitigate the risk of human trafficking and forced labor in all aspects of our business. The US Government has a zero-tolerance policy regarding any Government employees and contractor personnel and their agents engaging in any severe form of trafficking in persons, defined to mean the recruitment, harboring, transportation, provision or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage or slavery and sex trafficking.

## **PART VI: RESPECT IN THE WORKPLACE**

### **A. Drug Free Workplace.**

Work requires clear thinking and, often, the ability to react quickly. Being under the influence of alcohol or drugs or improperly using medication diminishes your ability to perform at your best.

It is CHSi's policy to prohibit the sale, use, possession or influence of alcohol or non-prescription controlled substances, including illegal drugs, on Company property. If you observe any drug or alcohol abuse, you should report it to your supervisor, the Human Resources Department, or the Corporate Compliance Officer.

**B. Diversity.**

CHSi welcomes diversity in its workplace and among its customers and suppliers. We are committed to equal employment without regard to race, color, religion, sex, national origin, age, medical condition or disability, sexual orientation, veteran status or any other characteristic protected by law.

**C. Conduct in the Workplace.**

We are all expected to treat others with respect and fairness. Workplace harassment is any unwelcome or unwanted attention or discriminatory conduct based on an individual's race, color, religion, sex, national origin, age, medical condition or disability, sexual orientation, veteran status or any other illegal or inappropriate basis. It can also include verbal, nonverbal or physical abuse. You are expected to conduct yourself in a manner appropriate to the workplace, to keep all work environments free of harassment, and to conduct relationships with appropriate behavior and integrity.

**D. Health and Safety.**

CHSi strives to provide each employee with a clean, safe and healthy place to work. To achieve that goal, each of us must abide by all safety rules and practices, taking the necessary precautions to protect ourselves and our coworkers, and reporting immediately any unsafe conditions, practices or accidents.

**E. Employee Privacy.**

CHSi respects every employee's right to confidentiality of certain employment records, including certain health information, as well as the privacy of personal activities outside of business hours. Employees who are responsible for maintaining personal information, and those who are provided access to such information must not disclose it inappropriately.

CHSi has rights of access to all company property, including computers, and all communications, e-mail and voicemail messages, records and information created in the business setting, regardless of whether the individual considers the information or communication to be private.

**PART VII: REPORTING SUSPECTED VIOLATIONS**

Any employee having information which causes the employee to know or to believe that a CHSi employee or another person has violated this Code or applicable laws and regulations, should promptly bring the matter to the attention of the [Janell Smith, Director of Quality and Risk Management] or submit a confidential message through CHSi's "Hotline" as described below. Every effort will be made to hold all such reports in strict confidence, and employees making such reports shall not be subject to retribution, disciplinary action or any other adverse administrative action for such reporting.

Failure to report known or observed violations of this Code may also constitute a violation. An employee who intentionally fails to disclose, hides or covers-up a known or observed violation may be subject to the disciplinary actions specified below, even when such employee was not a violator or a participant.

Upon receiving a report of suspected violations of this Code or applicable laws and regulations, the [Janell Smith, Director of Quality and Risk Management] shall immediately conduct or direct an investigation of the incident. If the reporting employee so requests, the name of the reporting employee shall be held in confidence by the [Janell Smith, Director of Quality and Risk Management] and shall not be disclosed to other corporate employees; provided, however, that the [Janell Smith, Director of Quality and Risk Management] may provide the name of the employee to the proper authorities or outside counsel retained by the CHSi to conduct an investigation. The confidentiality of the source of the report shall be maintained to the maximum extent possible.

**A. Employee Ethics and Compliance Hotline.**

CHSi employees are required to report any violation or reasonably suspected violation of this Code, any law or regulation, or any other policy on CHSi's anonymous "Hotline" number. CHSi employees may also provide written documentation of the suspected violation to the [Janell Smith, Director of Quality and Risk Management] or the [Janell Smith, Director of Quality and Risk Management]. CHSi employees may also call the Hotline to receive information, advice, etc. on any ethical question they may have or any question about this Code.

**B. Disciplinary Actions.**

CHSi is committed to adhere to the principles outlined in this Code. Employees who violate this Manual and Personnel manual are subject to disciplinary action. If it becomes necessary to initiate disciplinary action against an employee for a violation of this Code, the employee will be given an opportunity to submit, in person, in writing, or through a representative, information to the [Janell Smith, Director of Quality and Risk Management] concerning the facts and circumstances of the employee's actions, including any mitigating factors. The [Janell Smith, Director of Quality and Risk Management] will present findings to the appropriate corporate officials. On the basis of adequate evidence, and considering the seriousness of the acts or omissions, disciplinary actions may range from a verbal or written reprimand to termination of employment, civil prosecution and/or criminal or civil prosecution by the U.S. Government, if a violation involved a U.S. law or regulation. This general description of the review process is for informational purposes only, and it may be changed or modified from case to case, as the exigencies of the situation warrant.

Disciplinary action also will be taken against employees who authorize, or participate directly in, actions which are in violation of this Code, as well as against those who may have deliberately failed to disclose or withhold information concerning a violation. Additionally, disciplinary action also will be taken against any employee, supervisor or manager who retaliates against an employee who reports a violation, or who may have been responsible for a violation due to inadequate supervision.

**C. No Retaliation.**

It is CHSi's policy to refrain from taking any retaliatory action against an employee who in good faith reports a potential violation of the Code or applicable law.

**D. Where to Go for Help.**

As noted at the beginning of this Code, the rules of Government procurement are complex and can be confusing. Also, as noted throughout this Code there are many occasions where CHSi employees are expected or required to report certain actions. The most important thing to take away from this Code is: if you have any question about what to do in a particular circumstance – ASK FOR GUIDANCE AND GET THE ANSWER RIGHT. In addition, while you are required to read this Code once a year, CHSi expects you to keep these documents handy and to use them as a resource to answer questions and to guide your behavior throughout the year.

For your convenience and reference, the following table contains a summary of relevant contact information.

**CONTACT INFORMATION FOR RELEVANT CHSi PERSONNEL**

<b>CHSi Personnel</b>	<b>Position</b>	<b>Phone</b>	<b>Email</b>
<b>Gary Palmer</b>	President and CEO	800-638-8083	gpalmer@chsmedical.com
<b>Janell Smith</b>	Director of Quality and Risk Management	800-638-8083	janell.smith@chsmedical.com

**Receipt and Acknowledgement**

I acknowledge that I have received and read my personal copy of the Government Contracts Code of Business Conduct and Ethics. I understand and acknowledge that each CHSi Employee or Director, whose works involves federal government contracting or subcontracting or who supervises those whose work involves such matters, is responsible for knowing and complying with the principles, standards and other requirements of this CHSi Code of Business Conduct and Ethics.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Employee Number: \_\_\_\_\_

CHSi/Division: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_