

CODE OF CONDUCT



Alignment Healthcare

Our commitment to **ethical conduct** and compliance depends on all Alignment Healthcare USA personnel. If you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, you can use any of these reporting resources that you prefer or feel most comfortable with.

- Informing Alignment leadership, e.g. your manager, HR, legal, etc.
- Informing the Alignment Compliance Officer:
Cindy Lynch
- Informing an Alignment Compliance and Regulatory Affairs Department team member
- Emailing the Compliance email box:
compliance@ahcusa.com
- Anonymously via the Compliance Hotline weblink:
www.reportlineweb.com/ahc (24/7/365)
- Calling the *anonymous* Compliance Hotline
844-215-2444 (24/7/365)



A MESSAGE FROM

JOHN KAO, CEO
ALIGNMENT HEALTHCARE USA

At Alignment Healthcare USA, establishing mutually beneficial partnerships is key to creating value for the US healthcare system. As a company, we are committed to providing focused and innovative approaches to the complex problems in delivering health care. In our efforts, employees, patients, regulators, physicians, care professionals, and other participants in the health care system expect – and deserve – honesty and integrity from Alignment at all times and in all matters.

Every day, Alignment defines itself through the actions of our employees and our leadership. Integrity is central to who we are, and my expectation is that we do the right thing, every time. Our standards of ethical behavior and Code of Conduct serve as the foundation of Alignment's Ethics and Compliance Program. They guide our actions, our decisions, and our operations.

Every day, guided by the highest standards of integrity, we are building strong, lasting relationships with our patients, business partners and providers by earning their trust, providing outstanding service and keeping our promises. Each day we must remember our commitment to keeping the people and organizations that use our services at the center of everything we do. By understanding and following the Code, you help safeguard Alignment's integrity and reputation as an ethical, caring company.

Together we will achieve greatness with dignity and pride.

Sincerely,

John Kao



Alignment Healthcare

A photograph of two men in dark blue suits standing on a light-colored walkway, possibly a ramp or stairs, and talking. The man on the left is wearing glasses and has his hands clasped in front of him. The man on the right is holding a folder or tablet under his arm. The background shows a modern building with large windows and a concrete structure.

INTRODUCTION

Alignment Healthcare USA is dedicated to adhering to the highest ethical standards. Common sense, good business judgment, ethical personal behavior, as well as compliance with applicable laws, policies and procedures are what we expect from all Alignment Healthcare USA employees, directors and contractors. The Code of Conduct details the fundamental principles, values and framework for action within the organization. It is intended to deter wrongdoing and promote:

- Honest and ethical conduct
- Compliance with all applicable governmental laws, rules and regulations
- Prompt internal reporting of violations and compliance concerns

The Code of Conduct is intended to provide a general overview of basic compliance concepts and to give guidance on acceptable behavior for Alignment Healthcare USA personnel, including all those who work on behalf of Alignment Healthcare USA; first-tier, downstream, and related entities (FDRs) — our personnel, vendors, physicians, and others affiliated with us or doing business in Alignment Healthcare USA facilities or offices.

While the specific provisions of the Code of Conduct cannot address every circumstance you may encounter, they underscore the basic principles that should guide all of our activities: good judgment, personal honesty and sound business ethics.

The Code of Conduct provides general guidelines of the Company's expectations regarding business dealings. Answering the following questions also may help you evaluate specific situations:

- Will my action comply with the intent and purpose of Alignment's policies and practices?
- Will I compromise myself or the reputation of Alignment by this action if it becomes known to my supervisor, colleagues or friends?

- Is this action honest in every respect?
- Could this action appear inappropriate to others, even if it is legal?

Regardless of the specific situation you face, the best course of action at all times is to be honest, forthright and compliant.

MISSION STATEMENT

Alignment Healthcare USA and its affiliates throughout multiple states provide patient care that is more convenient, accessible and better coordinated, thereby aligning each patient's individual healthcare needs with the most appropriate healthcare providers right in the community. This is possible thanks to

the specially designed Alignment Healthcare USA Centers that we are introducing within the communities we serve. Our centers are home to a wide array of preventive health services, as well as the dedicated clinical teams, that act in coordination with each member's personal physician to provide needed treatment, screenings and care.

SCOPE

This Code of Conduct applies to Alignment Healthcare USA, LLC and each of its subsidiaries, related entities and affiliates ("AHC"), including:

- All officers, directors employees and temporary employees of AHC; and
- All clinical and administrative first tier and downstream contractors that perform functions in connection with AHC operations, including Related Entities ("FDRs").



PATIENT CARE

AHC is committed to providing high-quality patient care in the communities we serve and advocates a responsive management style, and a patient- first philosophy based on integrity and competence. We treat our patients with respect and dignity by providing high-quality, compassionate care in a clean and safe environment.

The Code of Conduct applies to all AHC personnel, including those who work on behalf of AHC — personnel, vendors, healthcare professionals, and all other personnel affiliated with AHC or doing business in our facilities and offices.

HEALTHCARE PROFESSIONALS:

The Code of Conduct applies to healthcare professionals who work with or are affiliated with AHC facilities. In addition to the guidelines set forth in the Code of Conduct, healthcare professionals are expected to carry and keep current, all required licenses and follow the ethical and professional standards dictated by their respective professional organizations and licensing boards.

LEADERSHIP RESPONSIBILITIES:

We expect our leaders to set the example — to be in every respect a role model. Our leaders should help to create a culture that promotes the highest standards of ethics and compliance. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

CORPORATE COMPLIANCE:

DO THE RIGHT THING

AHC is committed to full compliance and expects its employees, directors and contractors to obey all applicable state, federal and local laws, to comply with AHC and facility policies and procedures, and to follow the guidelines in this Code of Conduct. Compliance is an important aspect of performance evaluations. A violation of this Code of Conduct, AHC policies and procedures, or any law or regulation will be handled through normal disciplinary procedures, and may lead to serious disciplinary action, up to and including immediate termination.

WHAT DOES IT MEAN AND WHY DO WE DO THE RIGHT THING?

Doing the right thing means following the rules and laws helps us to:

- Get paid correctly
- Improve the quality of patient care
- Protect patient safety
- Avoid sanctions and fines, e.g., Notices of Non-Compliance and civil monetary penalties

BEST PRACTICES FOR COMPLIANCE: A DESIGNATED COMPLIANCE OFFICER AND STAFF

The Compliance Officer and the compliance staff are responsible to:

- Develop, oversee, and monitor the program
- Create written standards that address AHC mission and compliance
- Develop on-going employee training programs related to Compliance (including the use of government training programs and web based training)
- Establish auditing and monitoring systems to track compliance performance
- Respond to compliance incidents or issues involving potential Medicare program non-compliance or potential FWA that arise at AHC
- Work closely to address employee questions and concerns about federal rules and regulations, and AHC compliance policies

AHC AND FACILITY POLICIES AND PROCEDURES:

AHC personnel are required to understand and follow all policies and procedures that apply to their work at AHC. If anyone has a question about the applicable legal, policy or procedural requirements, they should ask their supervisor. The AHC Compliance Program policies and procedures are available on the corporate intranet or the AHC Compliance Department.

CODE OF CONDUCT:

- Outlines the requirements to follow state and federal requirements
- Is a tool to help AHC personnel do the right thing
- Distributed to all employees, temporary employees, contractors, FDRs, and volunteers
- Read and understood by everyone and agree to abide by the rules
- Used as a reference when questions arise

CODE OF CONDUCT AND HR POLICIES OUTLINE AHC EMPLOYEE AND FDR COMPLIANCE RESPONSIBILITIES ABOUT:

- Legal and regulatory requirements that impact every job and function
- Compliance Hotline, toll-free, 24/7, completely anonymous
 - » (844) 215-2444 or on-line: www.reportlineweb.com/ahc
- How complaints and non-compliance will be investigated
- Disciplinary actions when issues are identified
- Penalties for serious violations of the code

ON-GOING EDUCATION AND TRAINING

PURPOSE OF FEDERAL, STATE, AND LOCAL HEALTHCARE REGULATIONS:

- Ensure federal health program integrity
- Maintain the quality of patient care consistent throughout healthcare
- Help ensure proper use of taxpayers' healthcare dollars
- Encourage good management practices that benefit everyone

TRAINING THAT INCLUDES AN OVERVIEW OF COMPLIANCE PROGRAM REQUIREMENTS:

- Compliance risks that directly impact your specific job (medical necessity, documentation, privacy and confidentiality, coding and billing, etc.)
- Relationships with vendors about accepting gifts and gratuities
- Your role in the compliance process
- Consequences of non-compliance for you and AHC
- How to spot compliance violations
- Your duty to report concerns or misconduct

ON-GOING MONITORING AND AUDITING

All employees, directors and contractors have a duty to cooperate fully in all audits, inquiries, investigations or other reviews conducted by the Compliance Department, state or federal entities, outside advisors, consultants and/or counsel.

Full cooperation includes promptly, completely and truthfully complying with all requests for documents, information and interviews, including, but not limited to:

- retaining and producing, as requested, all potentially relevant corporate data, documents, files and records
- attending interviews and responding completely and truthfully to any and all interview questions

THE PURPOSE OF OVERSIGHT AND AUDITS IS TO:

- Evaluate how compliance is working
- Correct compliance errors and oversights
- Identify high-risk areas and make policy changes
- Identify and address potential misconduct or criminal activity before AHC is at risk

AUDITS ARE:

- Typically conducted annually by compliance department staff, employees who are not part of the department being audited, or outside auditors
- Formal reviews of how internal compliance policies uphold federal, state, and local laws, regulations, and rules

MONITORING IS:

- Conducted internally by each department on a regular basis to determine whether our Code of Conduct, training programs, and disciplinary actions are fulfilled
- Used to determine if a corrective action plan is working when non-compliance errors occur
- Used on a follow-up basis to determine if corrective actions are working

CORPORATE COMPLIANCE:

DO THE RIGHT THING

LAWS AND REGULATIONS:

HIPAA/HITECH

Privacy and security laws and regulations that protect patient information, including protected health information (PHI) under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009. Federal and state false claims statutes and whistleblower protections that serve as a key role in preventing and detecting fraud, waste, and abuse in the federal healthcare programs.

THE FALSE CLAIMS ACT AND WHISTLEBLOWER PROTECTIONS

As a provider of services under contracts with government programs (directly and indirectly), AHC is subject to federal and state false claims acts which prohibit submission of a false claim or making a false record or statement in order to gain reimbursement from and/or avoid an obligation to a government sponsored program such as Medicare or Medicaid.

AHC adheres with the federal False Claims Act (FCA) and any similar state laws that fight fraud and abuse in government healthcare programs. The FCA contains a qui tam or whistleblower provision, which permits a

private person with knowledge of a false claim for reimbursement by a government agency to file a lawsuit on behalf of the U.S. government. In addition, there are individual state laws providing that persons who report fraud and abuse by participating healthcare providers in the Medicaid Program may be entitled to a portion of the recovery. Under both the FCA and similar state laws, there are protections against retaliation.

EXAMPLE

Below is an example of a violation of the FCA, and the associated penalty.

A Medicare Part C plan in Florida:

- Hired an outside company to review medical records to find additional diagnosis codes that could be submitted to increase risk capitation payments from the Centers for Medicare & Medicaid Services (CMS)
- Was informed by the outside company that certain diagnosis codes previously submitted to Medicare were undocumented or unsupported
- Failed to report the unsupported diagnosis codes to Medicare
- Agreed to pay \$22.6 million to settle FCA allegations.

FRAUD, WASTE AND ABUSE (FWA)

AHC to the best of its knowledge and ability, avoid engaging in any acts of fraud, waste

and abuse (FWA), and must implement programs designed to prevent, detect and report (where applicable) FWA. Individuals who identify potential or actual FWA should report their concern via any of the mechanisms in the Compliance Hotline section of this Code of Conduct.

Fraud is defined as intentionally submitting false information to the government or a government contractor in order to get money or a benefit. Waste and abuse are defined as requesting payment for items and services when there is no legal entitlement to payment. Unlike fraud, the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.

There are differences between fraud, waste, and abuse. One of the primary differences is intent and knowledge. Fraud requires the person to have an intent to obtain payment and the knowledge that their actions are wrong. Waste and abuse may involve obtaining an improper payment, but does not require the same intent and knowledge.

EXAMPLES OF ACTIONS THAT MAY CONSTITUTE MEDICARE FRAUD INCLUDE:

- Knowingly billing for services not furnished or supplies not provided, including billing Medicare for appointments that the patient failed to keep
- Billing for non-existent prescriptions
- Knowingly altering claim forms, medical records, or receipts to receive a higher payment

EXAMPLES OF ACTIONS THAT MAY CONSTITUTE MEDICARE WASTE INCLUDE:

- Conducting excessive office visits or writing excessive prescriptions
- Prescribing more medications than necessary for the treatment of a

specific condition

- Ordering excessive laboratory tests

EXAMPLES OF ACTIONS THAT MAY CONSTITUTE MEDICARE ABUSE INCLUDE:

- Billing for unnecessary medical services
- Billing for brand name drugs when generics are dispensed
- Charging excessively for services or supplies
- Misusing codes on a claim, such as upcoding or unbundling codes

RELATIONSHIPS WITH FEDERAL HEALTHCARE BENEFICIARIES

Federal fraud and abuse laws prohibit offering or providing inducements to beneficiaries in government healthcare programs and authorize the OIG to impose civil money penalties (CMPs) for these violations. Government healthcare programs include Medicare, Medicaid, Veterans Administration and other programs. AHC personnel may not offer valuable items or services to these patients to attract their business (including gifts, gratuities, certain cost-sharing waivers, and other things of value).

CODING AND BILLING INTEGRITY

All billing practices as well as the preparation and filing of cost reports must comply with all federal and state laws and regulations as well as AHC and facility policies and procedures. Personnel will assist AHC in identifying and appropriately resolving any coding and billing issues or concerns. AHC will refund overpayments made by a federal healthcare program or other payers in accordance with applicable law.

RECORDS RETENTION REQUIREMENTS

MAINTENANCE OF AND ACCESS TO RECORDS

As a provider of services under contracts with government programs (directly and indirectly), AHC is subject to federal records retention requirements. The Department of Health and Human Services (DHHS), the Comptroller General, or their designees may audit, evaluate, or inspect any books, contracts, medical records, patient care documentation, and other records of the MA organization or relating to the MA organization's MA contract.

DHHS, the Comptroller General, or their designees may audit, evaluate, or inspect any books, contracts, medical records, patient care documentation, and other records of a related entity, contractor, subcontractor, or its transferee that pertain to any aspect of services performed, reconciliation of benefit liabilities, and determination of amounts payable under the contract, or as the Secretary may deem necessary to enforce the MA contract.

As such, AHC must make available its premises, physical facilities and equipment, records relating to its Medicare enrollees, and any additional relevant information that CMS may require. Pursuant to these requirements, AHC must maintain the following types of books, records, documents, and other evidence of accounting procedures and practices for 10 years from the end date of an MA contract or the completion date of an audit, whichever is later.

- Records sufficient to accommodate periodic auditing of the financial records (including data related to Medicare utilization, costs, encounter data, and computation of the bid proposal);
- Records sufficient to enable CMS to inspect or otherwise evaluate the quality, appropriateness and timeliness of services performed under the contract and the facilities of the organization;
- Records sufficient to enable CMS to audit and inspect any books and records of the MA organization that pertain to the ability of the organization to bear the risk of potential financial losses, to services performed, or determinations of amounts payable under the contract;
- Records sufficient to properly reflect all direct and indirect costs claimed to have been incurred and used in the preparation of the bid proposal;
- Records sufficient to establish component rates of the bid proposal for determining additional and supplementary benefits;
- Records sufficient to determine the rates utilized in setting premiums for State insurance agency purposes, and for other government and private purchasers;
- Records relating to ownership and operation of the MA organization's financial, medical, and other record keeping systems;
- Financial statements for the current contract period and 10 prior periods;
- Federal income tax or informational returns for the current contract period and 10 prior periods;
- Asset acquisition, lease, sale, or other ownership issues;
- Agreements, contracts, and subcontracts;
- Franchise, marketing, and management agreements;
- Schedules of charges for the MA organization's fee-for-service patients;
- Documentation of matters pertaining to costs of operations;
- Documentation of amounts of income received by source and payment;
- Cash Flow statements; and

- Any financial reports filed with other Federal programs or State authorities;

This requirement includes allowing DHHS, the Comptroller General, or their designee to have access to facilities and records to evaluate through inspection or other means:

- The quality, appropriateness, and timeliness of services furnished to Medicare enrollees under the contract;
- The facilities of the MA organization; and
- The enrollment and disenrollment records for the current contract period and 10 prior contract periods.

DHHS, the Comptroller General, or their designee's right to inspect, evaluate, and audit extends through 10 years from the final date of the contract period or completion of audit, whichever is later unless:

- CMS determines there is a special need to retain a particular record or group of records for a longer period. CMS notifies the MA organization at least 30 days before the normal disposition date;
- There has been a termination, dispute, or fraud or similar fault by the MA organization, in which case the retention may be extended to six years from the date of any resulting final resolution of the termination, dispute, or fraud or similar fault; or
- CMS determines that there is a reasonable possibility of fraud, in which case it may inspect, evaluate, and audit the MA organization at any time.

ACCURATE BOOKS AND RECORDS

No business records, including records pertaining to the provision of health care services, should ever be falsified or altered. Alignment employees must not create or participate in creating records that have the effect of misleading or of concealing improprieties. In particular, no one may

directly or indirectly:

- make or cause to be made a false or misleading statement or report
- fail to state, or cause another person to fail to state, any fact that, when omitted from a statement, renders that statement misleading
- otherwise be dishonest or deceptive in recording business transactions or maintaining records

If you are not sure about the accuracy or completeness of information, do not guess. Do what you can to find the correct information or discuss the situation with your supervisor.

INELIGIBLE PERSONS, EXCLUDED INDIVIDUALS AND ENTITIES:

AHC does not do business with, hire, or bill for services rendered by excluded or debarred individuals or entities. AHC personnel must report to their supervisor or human resources department immediately if they become excluded, debarred or ineligible to participate in any government healthcare program, or become aware that anyone doing business with or providing services for AHC has become excluded, debarred or ineligible.

MONITORING AND INVESTIGATION

AHC is committed to monitoring and timely investigations into compliance concerns relating to laws, regulations and/or AHC policies and procedures. When a violation is substantiated, AHC will initiate corrective action including, as appropriate, resolving overpayments, making required notifications to government agencies, implementing systemic changes to prevent recurrences, and instituting disciplinary action.

MEDICAL RECORDS

AHC strives to ensure medical records are accurate and provide information that documents the treatment provided, and supports the claims submitted. Tampering with or falsifying medical records, financial documents or other business records of AHC will not be tolerated. The confidentiality of patient records and information must be maintained in accordance with privacy and security laws and regulations that protect patient information, including protected health information (PHI) under HIPAA and HITECH and applicable state laws.

EMPLOYMENT

AHC promotes diversity and strives to provide a workplace environment that is in full compliance with all applicable employment-related laws as well as AHC and facility policies and procedures. It is AHC's policy to provide equal employment opportunities to all personnel, prospective and current, without regard to race, color, religion, sex, age, national origin, marital status, disability, or veteran status, and AHC will do its best to make reasonable accommodations for known disabilities. AHC personnel who have questions concerning or are aware of any breach of the Equal Employment Opportunity (EEO) guidelines, should contact the applicable human resources department. AHC prohibits workplace violence, threats of harm, and harassment of its personnel of any kind.

ENVIRONMENT AND WORKPLACE SAFETY

AHC expects its personnel to obey all state, federal and local environmental and workplace safety laws, regulations and rules, including those promulgated by the Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA).



COMPLIANCE HOTLINE

AHC is committed to complying with all applicable laws and regulations, including those designed to prevent and deter fraud, waste and abuse. AHC personnel with knowledge of or who in good faith, suspect any wrongdoing are expected to promptly report the matter, using one of the mechanisms described in this section.

WHEN TO SEEK ADVICE

If you have a question or concern about a particular practice or activity, you should not speculate as to the correct answer. Individuals can seek advice in situations where they are unsure of whether to submit a report, including situations where:

- applicable policies seem difficult to interpret under the circumstances;
- the relevant laws or standards are complex;
- you have limited experience dealing with the subject matter; or
- you find yourself in a "gray area" and need guidance.

Alignment staff may ask questions about reporting violations or discuss the matter with:

- Alignment leadership, e.g. your manager, HR, legal, etc.
- The Alignment **Compliance Officer: Cindy Lynch**
- An Alignment Compliance and Regulatory Affairs Department team member

REPORTING SUSPECTED WRONGDOING

There are many ways to report suspected improper conduct. In most cases, concerns should be brought to the attention of a supervisor first. If this does not result in appropriate action, or if personnel are uncomfortable discussing these issues with their supervisors, they can use one or more of the other reporting methods described below.

- Informing Alignment leadership, e.g. your manager, HR, legal, etc.
- Informing the Alignment **Compliance Officer: Cindy Lynch**
- Informing an Alignment Compliance and Regulatory Affairs Department team member
- Emailing the Compliance email box: **compliance@ahcusa.com**
- Anonymously via the Compliance Hotline weblink: **www.reportlineweb.com/ahc** (24/7/365)
- Calling the *anonymous* Compliance Hotline **844-215-2444** (24/7/365)



All individuals are encouraged to use any of these reporting resources above they prefer or feel most comfortable with. Self-reporting is encouraged — anyone who reports their own wrongdoing or violation of law will be given due consideration in potential mitigation of any disciplinary action.

NON-RETALIATION

Alignment has zero tolerance for retaliation in any form against anyone who makes a good faith report of actual or suspected wrongdoing or cooperates in an investigation. Anyone who feels that they have been retaliated against should report this immediately, using any of the methods described in this section.



Alignment Healthcare

The Alignment Healthcare commitment to compliance and ethical conduct depends on all personnel. Should you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, remember the internal processes that are available for guidance or reporting, including reporting to your supervisor or using the toll-free compliance hotline at **(1-844-215-2444)** or via the internet at **www.reportlineweb.com/cchp** available 24/7.

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