



# Code of Conduct



Alignment Healthcare

**A MESSAGE FROM**

*John Kao*

CEO | ALIGNMENT HEALTHCARE, INC.



At Alignment Healthcare, Inc., 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 this Code of Conduct, 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

# Introduction



Alignment Healthcare, Inc. 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, Inc. 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
- Full, fair, accurate, timely and understandable disclosure
- Compliance with all applicable laws, rules and regulations
- Prompt internal reporting of violations and compliance concerns
- Accountability for adherence to the Code of Conduct

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, Inc. personnel, including all those who work on behalf of Alignment Healthcare, Inc.; first tier, downstream, and related entities (FDRs) — our personnel,

vendors, physicians, and others affiliated with us or doing business in Alignment Healthcare, Inc. 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 and expectations for the Company's business dealings. Answering the following questions 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.

Nothing in this Code prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You do not need the prior authorization of the Legal Department to make any such reports or disclosures and you are not required to notify Alignment that you have made such reports or disclosures.

## MISSION STATEMENT

Alignment Healthcare, Inc. and its affiliates 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 Alignment

Healthcare, Inc. Centers and/or third party provider centers within the communities we serve. Such centers are home to a wide array of preventive health services, as well as 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, Inc. and each of its subsidiaries, related entities and affiliates (collectively, "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 role models in every respect. 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 and 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 Fraud, Waste and Abuse that may 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 from 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
- Used as a reference when questions arise

### **CODE OF CONDUCT AND COMPANY POLICIES OUTLINE AHC EMPLOYEE AND FDR COMPLIANCE RESPONSIBILITIES ABOUT:**

- Legal and regulatory requirements that impact every job and function
- How to report suspected improper conduct, potential or suspected instances of Medicare program noncompliance and potential FWA, confidentially or anonymously (if desired) without fear of retaliation
- How complaints and non-compliance will be investigated
- Disciplinary actions when issues are identified
- Penalties for serious violations of the Code of Conduct



# *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, independent accountants, 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:

- Ensure accurate representation in financial reporting
- 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

## AUDITS ARE:

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

## 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.

AHC receives personal information from or about our health plan members, customers, employees or other persons as part of our day-to-day business activities. Personal information includes national identification numbers (such as Social Security Numbers), dates of birth, financial and medical information and other information which identifies or relates to a particular individual. We are trusted and required to reasonably and appropriately safeguard personal information and to use or disclose personal information only as authorized by the individual or in compliance with the Health Insurance Portability and Accountability Act (HIPAA), as well as

other federal and state laws applicable to the protection of personal information.

The IT HIPAA Security Policy is applicable to all Information Technology (IT) resources owned or operated by or on behalf of AHC. All personnel must comply with this policy. Demonstrated competence in the requirements of this policy is an important part of the responsibilities of everyone. Officers, agents, employees, Business Associates, contractors, affected vendors, temporary workers, and volunteers must read, understand, and comply with this policy in full and at all times. Related and specific policies and procedures are published on the Alignment Healthcare Intranet.

When dealing with personal information you must use and disclose only the minimum amount necessary to do the required work including:

- Using health information with all identifiers removed whenever possible.
- Sharing personal information with the minimum number of people.
- Viewing only the minimum amount of information required to do your job.
- Keeping documents with confidential information out of sight in a locked file

cabinet or desk drawer, and never leaving personal information active on computers, in fax machines or other generally accessible areas.

- Ensuring personal transmitted or transported outside AHC is encrypted. This includes not only emails, but also personal information stored on portable devices, such as USB devices, disks, laptops and mobile devices.

When designing or managing systems or sensitive data you must ensure appropriate administrative, facilities and technical controls are in place to include:

- Identify and analyze potential risks to PII and PHI and implement security measures that reduce risks and vulnerabilities to a reasonable and appropriate level.
- Train all users and consumers regarding security policies and procedures.
- Perform a periodic assessment of how well security policies and procedures meet the requirements of the Security Rule.
- Limit physical access to facilities while ensuring that authorized access is allowed and tracked.
- Implement technical access safeguards, policies and procedures that allow only authorized persons to access electronic protected health information (e-PHI).
- Implement hardware, software, and/or procedural mechanisms to record and examine access and other activity in information systems that contain or use e- PHI.
- Employ technical security measures that guard against unauthorized access to e-PHI that is being transmitted over an electronic networks and at rest.

## 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 to 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, avoids 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 Ethics and 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, the 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, personnel should

not, 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.

## **PUBLIC REPORTING**

Full, fair, accurate and timely disclosure must be made in the reports and other documents that AHC files with, or submits to, the SEC and in its other public communications. Such disclosure is critical to ensure that AHC maintains its good reputation, complies with its obligations under the securities laws and meets the expectations of its shareholders. Persons responsible for the preparation of such documents and reports and other public communications must exercise the highest standard of care in accordance with the following guidelines:

- all accounting records, and the reports produced from such records, must comply with all applicable laws;
- all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- all accounting records must fairly and accurately reflect in reasonable detail AHC's assets, liabilities, revenues and expenses;
- accounting records must not contain any false or intentionally misleading entries;

- no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- no information should be concealed from the internal auditors or the independent auditors; and
- compliance with AHC's internal control over financial reporting and disclosure controls and procedures is required.

Individuals who have concerns regarding the accuracy of AHC's books and records, or regarding the propriety of AHC's financial reporting activities, should report their concern via AHC's Financial Governance Hotline at **877-785-5375** or <https://www.whistleblowerservices.com/ALHC>.

## **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. All personnel are responsible for maintaining a positive work environment and ensuring that all individuals are treated with respect and dignity. Employment related decisions must be based upon an individual's skills, qualifications and job performance. 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.

## **NON-HARRASSMENT**

AHC prohibits workplace violence, threats of harm, and harassment of its personnel of any kind. Harassment is not only unacceptable in AHC's offices, but also in any other AHC work setting, at any AHC-sponsored event, or when using AHC's electronic assets (e.g., email, voicemail and internet access). If such conduct is observed, it should be reported to management or human resources.

All personnel must adhere to AHC's Workplace Violence Prevention Policy and Sexual and Other Forms of Harassment Policy (available on the AHC intranet).

## **ENVIRONMENT AND WORKPLACE SAFETY**

AHC is committed to providing a safe and healthy work environment and 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). All personnel must follow AHC's Illness & Injury Prevention Program and be familiar with the Emergency Response Plan (available on the AHC intranet). Any incident that compromises the safety of AHC's workplace must be promptly reported.

AHC workplaces must be free of substance and alcohol abuse. Employees may not be on AHC premises, use organization vehicles, or perform work for AHC if they are using or are under the influence of drugs or alcohol. Personnel are encouraged to seek treatment for any substance-related problem.

## **CONFLICTS OF INTEREST**

All AHC personnel owe a duty to act in the best interests of AHC. This means you must refrain from engaging in activities that may give rise to a conflict of interest. A conflict of interest occurs when your personal interests interfere, appear to interfere or are inconsistent in any way with AHC's interests. You must refrain from any relationships or activities that may, or appear to, prevent you from performing your AHC responsibilities honestly, objectively and effectively.

Conflicts of interest can occur not only in performing your duties for AHC, but when engaging in activities outside of AHC. You are prohibited from taking outside opportunities where your loyalty to AHC may be compromised.

You may not cause AHC to engage in business transactions with a company that you, your friends or your relatives control without having obtained the appropriate prior approvals required. (See also under "Related Party Transactions" below).

AHC personnel also owe a duty to AHC to advance its interests when an opportunity

is presented. You may not use Company property, information or your position with the Company to take advantage of corporate opportunities for personal gain or in competition with AHC.

All personnel must adhere to AHC's Conflict of Interest and Gift Guidelines (available on the AHC intranet).

The safest way to ensure you are not involved in a conflict of interest, or a perceived conflict, is to simply disclose the activity. Failure to promptly disclose information about any actual or potential conflict may affect your employment status AHC. If you have an interest that may create a conflict:

- Promptly inform your supervisor
- Include the name of the third party and description of the conflict

This may include gifts or entertainment that are not nominal. Not sure whether to tell your supervisor? When in doubt, disclose.

## **GIFTS AND BUSINESS COURTESIES**

Modest gifts and reasonable business entertainment can help strengthen business relationships. Whether accepted or offered to you, a gift or entertainment must never improperly influence, or appear to influence, business decisions. The appropriateness of giving and receiving gifts or entertainment can often be dependent on specific circumstances. In general, you must not offer or provide a gift to gain an unfair advantage with a business partner. In addition, you should not seek or accept a gift of greater than nominal value from anyone soliciting business from or doing business with the Company – or from any person or entity in competition with AHC. Special care must be taken when you offer gifts or entertainment to officials or employees of governments or government-owned

enterprises – consult your compliance officer before doing so. See the Conflict of Interest and Gift Guidelines for additional guidance on giving and receiving gifts and entertainment.

## **TRADING SECURITIES**

There are strict laws that prohibit the use of insider information when buying, selling or trading publicly traded securities. You must not buy, sell or trade AHC securities – or the securities of other companies about which you have insider information – until that information becomes public. AHC has a Securities Trading Policy, which sets forth obligations in respect of trading in AHC's securities. Insider information can take many forms, but generally is considered to influence an investor's decision to buy, sell or hold securities in a company. Often, it involves information affecting a company other than AHC but which you learn about as an AHC employee. Examples of insider information include financial information, new contracts, products or business growth plans and major organizational changes. Because insider information is extremely valuable, handle it just like you would handle other AHC confidential information: don't discuss it with family, friends or others; don't talk about it in public places; don't fax it to unattended machines; and don't tell others at AHC unless they must know for business reasons.

Your obligations to maintain the confidentiality of certain information does not prohibit you from engaging in concerted activity protected by Section 7 of the National Labor Relations Act, including relating to wages, hours, and all other terms and conditions of employment.



## ANTITRUST COMPLIANCE

Antitrust laws protect consumers and competitors by promoting competition and restricting unfair business practices. This generally means that you cannot share, or enter into contracts or other agreements with competitors that include pricing, dividing markets by territory or customers, agreeing not to do business with a particular customer or supplier or other information that could be viewed as seeking an unfair competitive advantage. Violations of antitrust laws can result in severe penalties, so you should seek guidance from the Legal Department if you have any questions concerning compliance with Antitrust laws.

## FAIR DEALING

You must not take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of material facts or any other unfair practice. You must deal fairly with your colleagues, business partners, and competitors. You must be truthful when discussing AHC and protect not only AHC's confidential information, but also safeguard confidential information of any business partner with the same degree of care you afford to AHC's confidential information.

## PROTECTION AND USE OF COMPANY ASSETS

AHC personnel must protect Company assets and use them only for legitimate business purposes.

**Physical Property** — AHC property, including real estate, equipment and supplies, must be protected from misuse, damage, theft or other improper handling.

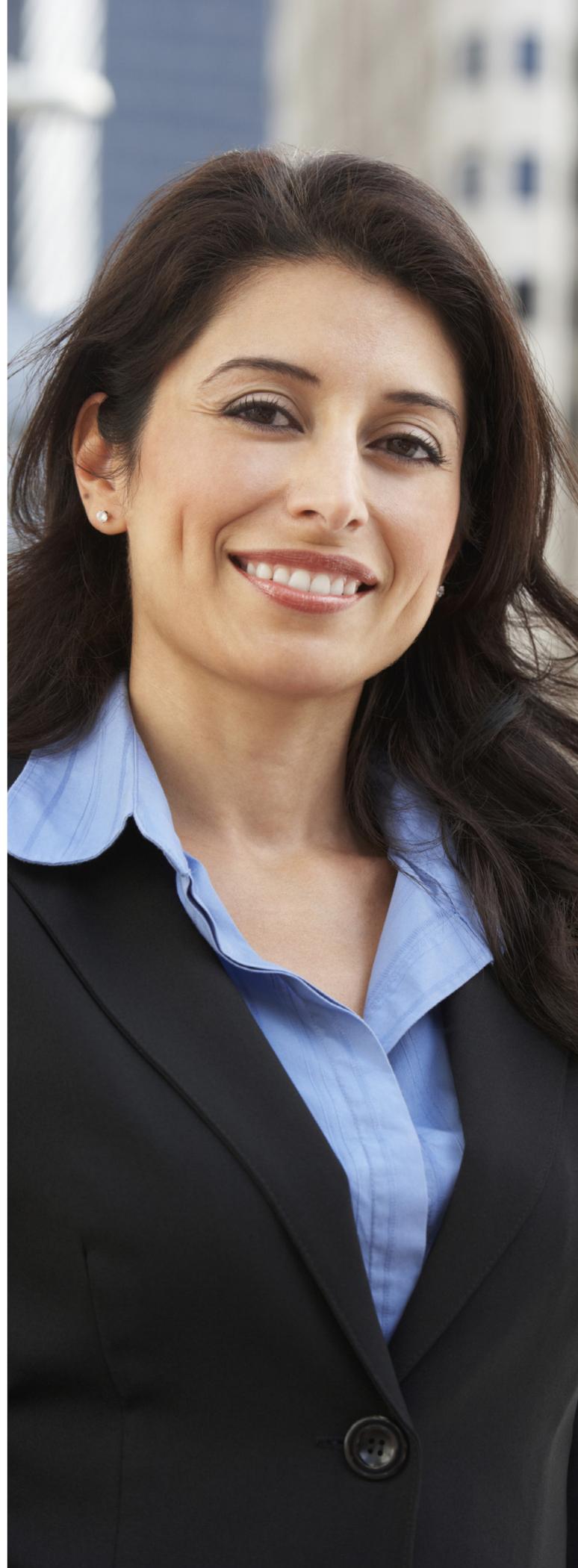
**Proprietary Information and Intellectual Property** — AHC personnel must ensure that sensitive information regarding the Company's business, employees, customers, clients and/or business partners is handled carefully and is only disclosed to authorized persons on a need-to-know basis. AHC's intellectual property consists of any business ideas or information that the Company owns, such as unique products and business methodologies. This information is among the Company's most valuable assets and must be kept confidential. The brand identity and trademarks of AHC are visual representatives of our reputation. We must ensure they are not used without permission. The obligation to use proprietary information only for legitimate business purposes continues even after individuals leave AHC.

**Information Technology** — AHC’s systems include computers, networking resources, email systems, voice systems and other computer-processed information. All AHC personnel have a responsibility to protect these systems and the information within them from improper access, damage or theft. Subject to applicable laws, AHC may have the right to review email and other electronic information to determine compliance with this Code of Conduct and Company policy. These communications may be subject to disclosure to law enforcement or government officials.

## **RELATED PARTY TRANSACTIONS**

AHC has adopted a policy that requires the review and approval of any transaction, arrangement or relationship where AHC was, is or will be a participant and the amount involved exceeds \$120,000, and in which any “Related Person” (generally defined as any director (or director nominee) or executive officer of AHC, beneficial owner of more than 5% of AHC’s stock, any immediate family member of the foregoing and any entity in which any of the foregoing persons is employed or is a partner or principal or in which that person has a 10% or greater beneficial ownership interest) had, has or will have a direct or indirect material interest.

Before entering any such transaction, arrangement or relationship, the Legal Department must be notified of the facts and circumstances of the proposed transaction, arrangement or relationship. If the Legal Department determines that a transaction, arrangement or relationship is indeed a related party transaction, then such transaction will be sent to the Audit Committee (or the Chair of such committee) for their review and approval. Only those transactions that are in the best interests of AHC shall be approved. For more detail, please see AHC’s Related Person Transactions Policy.





# *Ethics and 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. If the concern requires confidentiality, including keeping particular individuals anonymous, then this confidentiality will be protected, except to the extent necessary to conduct an effective investigation or as required by under applicable law, regulation or legal proceedings.

## **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: Cynthia Lynch
- An Alignment Compliance and Regulatory Affairs Department team member

## REPORTING SUSPECTED WRONGDOING

There are many ways for employees and FDRs to ask compliance questions or to report suspected improper conduct, potential or suspected instances of Medicare program noncompliance and potential FWA, confidentially or anonymously (if desired) without fear of retaliation. 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: Cynthia Lynch
- Informing an Alignment Compliance and Regulatory Affairs Department team member
- Emailing the Compliance email box: **[compliance@ahcusa.com](mailto:compliance@ahcusa.com)**
- Submitting a report via the Ethics and Compliance Hotline weblink: **[www.alignmenthealth.ethicspoint.com](http://www.alignmenthealth.ethicspoint.com)** (24/7/365) - confidentially or anonymously (if desired)
- Calling the Ethics and Compliance Hotline **844-297-5948** (24/7/365) - confidentially or anonymously (if desired)



Suspected misconduct relating to AHC's books, records, accounting practices, auditing matters or financial reporting activities should be reported to the Financial Governance Hotline at **877-785-5375** or **<https://www.whistleblowerservices.com/ALHC>** - confidentially or anonymously (if desired).

All individuals are encouraged to use any of the 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.

## **WAIVER**

Any waiver of this Code for any executive officer or director will be made only by AHC's board of directors and will be promptly disclosed as required by law or stock exchange regulation. Any waiver of this Code for any other employee will be made by AHC General Counsel.

## **COMPLIANCE WITH AND AMENDMENTS OF THIS CODE OF CONDUCT**

Failure to comply with this Code of Conduct or applicable laws, rules or regulations may result in disciplinary measures, including discharge from your position with AHC. Violations of this Code of Conduct may also constitute violations of law and may result in civil or criminal penalties for such person, such person's supervisors and/or AHC. AHC's board of directors will determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of a violation of this Code of Conduct in relation to officers and directors. In determining what action is appropriate in a particular case, AHC's board of directors or its designee will consider the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation was intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the

individual in question had committed other violations in the past. Alignment General Counsel will determine appropriate actions to be taken in the event of a violation of this code in relation to all other employees.

This Code of Conduct cannot, and is not intended to, address all of the ethical complexities that may arise during the course of employment or association with AHC. There will be occasions where circumstances not covered by policy or procedure arise, and where a judgment must be made as to the appropriate course of action. In such circumstances, AHC encourages common sense decision-making, and consultation with a manager, member of the Alignment Compliance and Regulatory Affairs Department, or the Alignment Compliance Officer for guidance pursuant to the methods discussed above in "Ethics and Compliance Hotline". Any material amendment of this Code of Conduct will be made only by the Board of Directors and will be promptly disclosed as required by law or stock exchange regulation.



## 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 ethics and compliance hotline at **1-844-297-5948** or via the internet at [www.alignmenthealth.ethicspoint.com](http://www.alignmenthealth.ethicspoint.com) available 24/7.

Suspected misconduct related to the company's accounting practices or financial reporting activities should be reported to the financial governance hotline at **1-877-785-5375** or via the internet at [www.whistleblowerservices.com/ALHC](http://www.whistleblowerservices.com/ALHC) available 24/7.

Alignment Healthcare, Inc.  
1100 West Town and Country Road, Suite 1600  
Orange, CA 92868

**(844) 310-2247**