

POLICY 2.2 CODE OF ETHICS

It is the policy of the Company to communicate the spirit and intent of fundamental ethical standards of the Company to all personnel. Good judgment, adherence to applicable laws and regulations, fairness, and personal integrity are the foundations and essence of ethical business conduct at the Company, and they are the qualities to which all employees are expected to adhere. The Code of Ethics (Code) provides some basic ethical guidelines and examples employees of the Company should follow at all times. Violations of the Code are viewed as serious infractions of company policy and may subject an employee to disciplinary action.

The Company is committed to providing quality service to all business clients. The Company has a responsibility to each client, the public, and the profession to deliver services in a professional manner and in compliance with the law, resisting any pressures to compromise personal values and standards.

All Company personnel must adhere to the Code, which is the standard for each individual to judge his or her own conduct, the conduct of others, and the conduct of the Company. The Company communicates the Code through written policies and procedures, and special orientations.

The Company has the obligation to provide each individual with the opportunity to fulfill his or her responsibility to preserve the integrity of the Code of Ethics. Company personnel can fulfill their responsibility in this regard by reporting any known violations of this Code. Possible violations or questions about the Code can generally be resolved through the formal chain of command. Unusual situations that cannot be handled by contacting the appropriate manager should be discussed with the General Counsel.

Employees are responsible for being aware of the Company policies applicable to their activities and to comply with them fully. Employees shall report apparent misconduct through appropriate management channels in the prevention and correction of these

problems. Managers must ensure that employees under their direction are aware of the Company's basic operating principle – to conduct its business in accordance with the highest level of integrity, legal compliance, and ethical standards possible. Employees seeking further clarification or interpretation of this policy should contact the Corporate Vice President of Human Resources.

Any waiver of this code granted to an executive officer will be subject to public disclosure to the extent required by law or the listing standards of the New York Stock Exchange.

The following is an overview of the select rules of conduct, which the Company has outlined for all employees. The Company reserves the right to broaden the list as business needs arise.

2.2.1 COMPETITIVE PRACTICES (Antitrust Laws)

The Company expects all employees to comply with the letter and spirit of all applicable antitrust laws in the conduct of their duties and business activities. Antitrust laws prohibit any contract, agreement, arrangements, or understanding, whether it is formal or informal, expressed or implied, which has the effect of unreasonably restraining competition. For more details refer to the Corporate Compliance Program, Antitrust Policy.

2.2.2 CONFIDENTIAL INFORMATION

In this Code, the term *confidential* is defined as **all** information of a business, technical, or medical nature available to an employee in the course of employment by the Company which is not generally known to the public including, but not limited to:

- Company business plans
- Matters relating to specific customers or patients

- Matters relating to specific employees
- Client or account listings
- Other matters considered proprietary information, trade secrets by the Company or related matters

Employees will not, during or after employment, use or disclose confidential information without prior written consent from the CEO or designee except as otherwise authorized in connection with the employee's job duties. Confidential information will be used solely for the Company's own internal business purposes and not as a basis for personal gain by an employee. In addition, employees may not access confidential information without a legitimate business purpose.

2.2.3 CONFLICT OF INTEREST

An officer or employee will not engage in any activity or become involved in any arrangement, directly or indirectly, through a family member or through any person with whom they share a household or with any other person acting on his or her behalf, which will conflict, or may reasonably be viewed as conflicting, with the interests of the Company or make it difficult for the officer or employee to perform his or her work objectively and effectively. This conflict may or may not involve the use of the Company's name, information, or good will for personal gain or for the gain of others. The term *family member* means a spouse, a son or daughter (either natural or by adoption), or any blood relative not more remote than a first cousin.

An officer, exempt employee or non-exempt employee must make prior disclosure of any contemplated outside business commitment, consulting representation, or secondary employment arrangement. If the CEO or designee determines that the proposed activity would violate any of the above conditions, the employee may not engage in it and continue Company employment.

A former employee other than a retired employee, who after termination establishes a business, may not be a supplier or consultant to the Company for one year from his or her termination date, except as specially authorized in writing by the CEO or designee.

Whenever it becomes necessary to employ the services of a person or firm as sales agent or consultant, special care must be taken to make sure that there are no conflicts or interest between the Company and the person or firm to be employed.

Employment of the spouse (or person with whom an employee shares a household) of an employee by a competitor or supplier may give rise to a conflict of interest depending on the nature of the position involved. Because of the variety of situations and the potential for sex discrimination claims, questionable situations should be reviewed with the General Counsel.

The Company respects all individuals' rights to engage in activities outside their employment, which are private in nature (social, community, political, or religious). However, each employee is expected to protect corporate information and avoid undue outside influence on his or her work-related decisions or activities. In all business associations, both inside and outside the organization, employees should not permit themselves to be placed in a dual interest or a conflict between self-interest and integrity.

The following are the practices or arrangements barred by this policy:

- A. An employee or an officer may not, directly or indirectly through a family member or other person acting on his behalf:
 - 1. Serve as proprietor, general partner, officer, or director of any corporation without obtaining written consent from the CEO or designee. If the annual gross revenue of the business exceeds \$1 million, or if it is anticipated to exceed that amount, written consent of both the President and Chief Executive Officer is required. In determining whether approval shall be granted, consideration will be given to, among other things:

-- Whether this involvement would interfere with the employee's obligation and responsibilities to the Company.

-- Whether this involvement would be sufficiently advantageous in terms of experience for the employee or other benefit to the Company to justify the diversion of time, interest, and attention of the employee.

-- Whether a possibility exists that the employee's association with the Company might be used to assist the other company in obtaining capital or receiving other usual advantages.

2. Own capital stock or have other investments in any enterprise which is either a competitor of, or supplier to, the Company, if this investment would be significant enough to interfere or conflict with the employee's obligations and responsibilities to the Company as determined by the CEO or designee.
 3. Engage in business as a competitor of the Company.
 4. Be proprietor, partner, officer, or director of a supplier to the Company except as specifically authorized by the CEO or designee.
 5. Use the Company's name, customer or employee lists for any purpose other than Company business or functions without the approval of the Chairman and Chief Executive Officer.
- B. An officer or employee may not be a consultant, employee, or representative of another firm if this service would:
1. Involve providing a service the Company would provide on a commercial or gratis basis, be for a competitor, or involve any other conflicting business relationship.
 2. Interfere with the employee's obligation to the Company because of the demands of time or interest.

3. Involve the use of Company proprietary information or information gained primarily through Company employment.

Identify the Company with an activity or cause it does not want to be identified with.

2.2.4 CORPORATE OPPORTUNITIES Employees and officers have an obligation to advance the Company's legitimate interests when the opportunity to do so arises.

Employees and officers should endeavor to avoid taking for themselves personally opportunities that are discovered in carrying out their duties and responsibilities or using Company property or information or their position for personal gain.

2.2.5 FAIR DEALING

Employees and officers should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

2.2.6 LOANS TO EXECUTIVE OFFICERS

Federal securities laws prohibit the Company from, directly or indirectly (including through subsidiaries), (a) extending or arranging for the extension of personal loans to its executives officers and (b) renewing or materially modifying existing loans to such persons. Executive officers shall not seek or facilitate personal loans from the Company in contravention of the foregoing.

2.2.7 CONSULTANTS, SALES AGENTS, OR OTHER PROFESSIONAL SERVICES

The services of a sales agent, business consultant, or other professional engaged on behalf of the Company shall be based upon a written contract that describes the services to be rendered, the time period involved, and the cost of the services to the Company.

Whenever it becomes necessary to employ the services of a person or firm as sales agent or consultant, special care must be taken to ensure there are no conflicts of interest between the Company and the person or firm to be employed. All expenses or contracts for the services of sales agents, business consultants, or other unusual professional services must be appropriately authorized.

No employee may indirectly, through agents, do anything the employee is prohibited from doing under Company policy or code of business conduct. No payment on behalf of the Company or any of its subsidiaries shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment. Consultants, agents, representatives, etc., shall be required to observe the same standards of conduct as a Company employee when conducting business for the Company.

2.2.8 ENVIRONMENTAL PROTECTION AND CONTROL

The Company and its employees will comply with the Environmental Protection Act of 1972 and all other applicable state and federal environmental statutes.

Employees with potential and/or known exposures, illnesses or injuries related to environmental factors, will be afforded appropriate opportunity for evaluation and treatment in compliance with all applicable state and federal statutes. The Human Resources Occupational Health and Safety Department will coordinate all such activities.

2.2.9 FINANCIAL RECORDKEEPING

The Company's books and records must fully and fairly reflect all receipts and expenditures. No undisclosed and unrecorded funds shall be established for any purpose. Attempts to create false or misleading records are forbidden, and no false or misleading entries shall be made in the Company's books or records for any reason. All transactions must be fully and completely documented and recorded in the Company accounting records. All payments, except those authorized from petty cash, must be authorized through the appropriate document or process.

Although the preparation of financial reports is the duty of each subsidiary's financial officer, each subsidiary president is also responsible for the accuracy and reliability of the financial reports. Consequently, each president must be familiar with those factors, which are involved in the safekeeping of the records and in the care taken in the procurement, handling, upkeep and disposal of all financial information. The objective is the maintenance of reliable financial records at a level of acceptable business risk.

2.2.10 GIFTS AND GRATUITIES

Whenever an officer or employee deals with a supplier, customer, or government agency as an agent of the Company, he or she has an obligation to act solely in the best interest of the Company. This obligation includes not only those acts formalized by written contracts, but also covers every day business relationships with vendors, customers, government officials and government employees.

No Company employee shall directly or indirectly ask for or accept or offer payment, favors, or any other thing of significant value from a current or potential Company supplier, customer, government official or employee, or other person in consideration for assistance or influence, or upon the representation that such assistance or influence has been or will be rendered, in connection with a purchase or any other transaction or proceeding affecting the Company.

This policy does not necessarily bar the acceptance of unsolicited meals, entertainment or promotional favors of negligible value, or courtesies customary in the trade and legally permissible, given or offered without condition that obligated the recipient. However, the employee may be required to report any gift whose value exceeds \$100. Please see the Corporate Compliance Policy for more details.

Receiving or accepting monetary or otherwise expensive gifts from patients/members or family members of patients/members, may give rise to the appearance of impropriety. Therefore, no Company employee may accept or solicit any monetary or otherwise significant gift or gratuity from a patient/member or the family member of a patient/member under any circumstances. All such gifts must be returned immediately with an appropriate note of thanks. Small expressions of gratitude that are negligible in value, such as homemade food items, flowers, plants, etc., need not be returned. Any questions regarding whether or not gifts must be returned to patients/members should be referred to the Corporate Compliance Officer. Violation of this policy will result in disciplinary action, up to and including termination.

2.2.11 GOVERNMENT RELATIONS

The Company has a responsibility to express its views on public policy issues that affect the Company, its clients, members, patients, employees, and shareholders. Direct action by Company executives should be concentrated on major issues where our input may affect the outcome or on issues where the Company brings a unique perspective.

The Company will comply with all federal and applicable state laws governing political contributions and activities. The highest ethical and moral standards will be maintained in all government affairs.

2.2.12 IMPROPER PAYMENTS (Bribes and Kickbacks)

No payment or transfer of Company funds or assets shall be made which is not authorized, properly accounted for, and clearly identified in the Company financial records. Furthermore, no payment or transfer of Company funds or assets shall be made or approved with the intention or understanding that any part of such payment or transfer is to be used as specified in the supporting documents.

No employee shall authorize or accept any payment or use of any federal funds or assets for a bribe, kickback or similar payment which is directly for the benefit of any individual (including a government official), company or organization in the United States or any foreign country, and which is intended to secure favor for the Company.

2.2.13 FOREIGN CORRUPT PRACTICES ACT OF 1977

Any business entity of the Company that anticipates providing services outside of the United States must be familiar with the requirements and restrictions of the Foreign Corrupt Practices Act of 1977. Any questions regarding the Act should be directed to the Sr. Vice President, Legal and Administration.

2.2.14 GOVERNMENT PROCUREMENT

All employees must comply with the letter and the spirit of the various laws and regulations designed to ensure integrity in contracting with governmental customers at federal, state and local levels. In order to support these efforts, the Company has implemented a Corporate Compliance Program, which is intended to encourage the free, open and timely reporting of alleged misconduct internally and to government authorities, where appropriate. Many of the requirements set forth below are also contained in the Corporate Compliance Program.

When involved in any government procurement efforts, all employees are expected to follow the guidelines set forth below and to seek and abide by advice from the General Counsel or the Corporate Compliance Officer.

- A. The Company is required to submit accounting and other records to the federal government as a basis for payment on existing contracts and estimates on future contracts.
- B. No employee shall knowingly include within an indirect cost proposal, costs which have been declared unallowable by statute or regulation.
- C. No employee will knowingly deviate from applicable product specifications and requirements, nor engage in any other form of improper substitution for the product or service specified in the contract.
- D. Company employees are required to be familiar with the government-imposed standards of conduct and regulations applicable to each transaction with government agencies, and to respect and comply with them.
- E. Government employees shall not be offered or given, directly or indirectly, entertainment or gratuities, including meals at business meetings, where prohibited by applicable law. Government employees expect to pay their fair share of the cost of business meetings.
- F. Company employees will abide by any applicable procurement integrity regulations, which place limitations on the hiring of current and former government employees.
- G. Company employees must avoid all actions aimed at acquiring, accepting, or using, directly or indirectly, confidential information that contains either classified government or procurement-sensitive information, or another company's trade secrets or proprietary information.

- H. The prices for services sold to the federal government are typically based upon and must be justified by either the prices being charged to customers in the marketplace or the actual cost of providing those services to the government.
- I. Consultants and agents of the Company who are involved in government contracting matters may be required to comply with applicable laws and regulations, as deemed necessary by the Company.
- J. Any employee, who believes he has knowledge of a potential violation of this policy, must report this information to the Company through normal supervisory channels, the Ethics Line (1-800-637-4454), or directly to the Corporate Compliance Officer (702-242-7186). Violations of this policy or failure to report a known violation of the policy, is considered to be a serious infraction of company procedures and may result in the imposition of disciplinary action. No employee shall be subjected to retaliation solely for the good faith reporting of a suspected violation. (See Corporate Compliance Program, Non-Retaliation Policy.)
- K. Employee compliance with the guidelines set forth in this policy is an indication of his good judgment and competence and shall be considered an element of each employee's annual merit review.

2.2.15 PERSONAL RELATIONSHIPS

Every Company employee has a duty to be free from the influence of personal considerations when conducting business with others. Borrowing money from a customer, supplier, or employee of the Company is prohibited, except borrowing from lending institutions. Special terms or price concessions from customers or suppliers in connection with personal transactions should not be accepted if doing so might be considered to entitle the customer or supplier to special considerations from the

Company. Personal friendships or relationships between employees should never be the basis for business decisions, which affect the Company.

2.2.16 PARTICIPATION IN COMMUNITY AND POLITICAL ACTIVITIES

The Company encourages employees to participate in community service by assisting charitable, educational, fraternal and civic organizations. In addition, the Company may support employee involvement in political activities and believes all employees should become knowledgeable voters. However, there are certain restrictions upon when and how these activities should be conducted during work time. The following guidelines describe these restrictions:

- A. Employee participation in such activity must not adversely affect job performance, be detrimental to the Company or place the employee in a position of serving conflicting interests.
- B. Time spent on these activities, when not undertaken at the Company's request, should be done outside of normal working hours or when the employee is on approved leave.
- C. The Company may identify certain community activities, which it wishes to sponsor. Employees may be designated to represent the Company regarding these organizations and to promote the interests of the Company. Under these circumstances, time spent on such activities will be considered work time for the purposes of salary and wages.
- D. The Company will not reimburse political contributions made by employees. Contributions by employees to the Company-sponsored Political Action Committees are strictly voluntary. No one will be rewarded or penalized for any such contribution, or the decision not to

contribute. The Company may make contributions to a political party or candidate pursuant to the procedures set forth in the Corporate Compliance Program.

- E. Employees planning to campaign for seek or accept appointment to political office must give prior notice of their intentions to their supervisor and to the Human Resources Department. Employees engaging in these types of political activities must do so as individuals on their own time, and not as representatives of the Company. Satisfactory attendance and performance standards must be maintained and conflicts of interest avoided at all times. Employees campaigning for or accepting political office that requires them to be away from work for lengthy periods of time shall apply for a leave of absence (LOA) using thirty day increments. The leave will be without pay and with no guarantee of a job at the conclusion of the leave although placement services through the Human Resources Department will be available.

2.2.17 PUBLIC STATEMENTS

Public statements on behalf of the Company must reflect the policy and opinion of management. Statements to the media by anyone other than the CEO, President, or the Vice President of Public and Investor Relations, must not be made without prior authorization. When contacted by members of the media, employees must immediately notify the Vice President of Public and Investor Relations of any media inquiry.

2.2.18 SAFEGUARDING COMPANY ASSESTS

All Company employees are responsible for the safeguarding of Company assets, especially those that can be easily resold. Special precautions should be taken with items, which if damaged or stolen, could stop or drastically reduce operations for an extended period of time. Current and accurate records of ownership must be maintained. It shall be the responsibility of the Facilities Department to maintain such records.

Examples of assets which require protection are cash, marketable securities, drugs, durable medical equipment, blank checks, stamps/postage meters, common tools and equipment, data processing and other office equipment, vital records, intellectual assets including technology, and unissued bonds, capitol stock and other documents representing debt.

2.2.19 CONTACT WITH CURRENT OR FORMER GOVERNMENT EMPLOYEES REGARDING EMPLOYMENT

Federal law imposes various restrictions on an employer's ability to discuss or offer employment to certain government employees, former government employees and employees of competing contractors. The Vice President of Human Resources shall be responsible for ensuring compliance with these laws at a corporate level. The Director of Human Resources for Sierra Military Health Services, Inc., shall be responsible for ensuring compliance with these laws for that subsidiary. Upon the addition of other federal contracts, which may also require compliance with these laws, appropriate persons shall be designated to fulfill this function within a specific business unit.

2.2.20 CORPORATE COMPLIANCE PROGRAM

The Company has implemented a Corporate Compliance Program to ensure that its business is conducted with honesty and integrity, and in accordance with the highest moral, legal and ethical standards. This program sets forth in detail the responsibilities of the Company and its employees and encompasses a wide variety of policies that cross-departmental lines and affect all Company subsidiaries.

Employees are required to be knowledgeable about and abide by all the policies set forth in the Corporate Compliance Program. Employees with questions or concerns should consult the Corporate Compliance Program Handbook available in the Public Folders on the employee's computer or contact the Corporate Compliance Officer at (702) 242-7186.