

DIPLOMAT® 

CODE OF CONDUCT

# Integrity for All



Dear Colleagues:

Diplomat has changed a lot over its more than 40 years. But our commitment to taking good care of patients continues to guide us in everything we do. I am pleased to present our Code of Conduct, which unites employees in that founding principle.

**This code:**

- **Defines how we do business the right way**
- **Describes the ALIVE values we uphold**
- **Guides the decisions we make every day**
- **Helps us navigate growing industry complexity**

Trust is key to providing quality care. Our patients and partners depend on us to act with integrity and compassion at every step. All of us at Diplomat must use sound judgment and make the right decision — even when it's not easy.

Diplomat is committed to the ethical principles presented in our code. I encourage you to read this document carefully and refer to it often. If you see or hear anything that doesn't seem right, or need further guidance, please contact our Ethics Line.

Our reputation rests on how we conduct ourselves as a company and as individuals. Nothing is more important — to Diplomat, to me, and I hope to each of you — than preserving the quality care that our patients expect from us.

In Health,

A handwritten signature in black ink that reads 'Brian A. Griffin'.

**Brian Griffin**  
Chairman & Chief Executive Officer

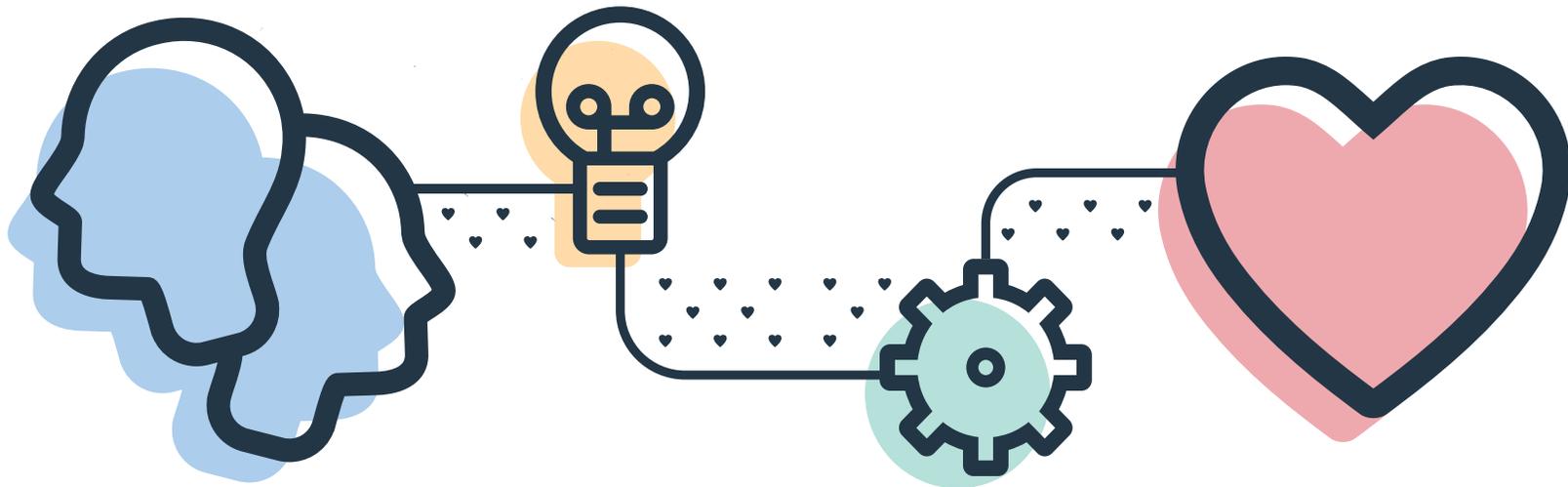


## WHO WE ARE

Diplomat is the nation's largest independent provider of specialty pharmacy and infusion services. Founded by father and son in 1975, we've supported people who have complex and chronic conditions for more than 40 years. Today, that tradition continues — always focused on one patient at a time.

## OUR VALUES

A thriving company culture is more than good practice. It's who we are as passionate employees and caring citizens of the world. Our employees live by the values outlined in our ALIVE model. At Diplomat, we've created an exceptional work environment that provides the best experience for ourselves and the patients and partners we serve.



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# What You Need to Know About Diplomat's Code of Conduct

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## Purpose

At Diplomat, our mission is clear: Provide the best care possible to each patient. While that simple tenet drives us, we face many challenges along the way. Diplomat operates in a complex industry that is subject to a variety of laws and regulations. We must be aware of a variety of legal and ethical issues which are often difficult to understand. This Code is based in large part on those laws and regulations, and exists to assist you in navigating such issues, and to help you make good decisions in pursuit of Diplomat's mission.

Please note that this Code is not intended to be a comprehensive rulebook. No Code can address every scenario we may face. This Code lays out basic principles which define our culture and guide our actions and decisions. It also lays out our expectations that:

- All members of Diplomat's workforce conduct themselves in an ethical manner;
- Issues of fraud, waste, and abuse (FWA) are reported through appropriate mechanisms; and
- Reported issues will be addressed and corrected.

In the same way our patients rely on each of us to provide them with the best care possible, Diplomat relies on each of us to use sound judgement and make the right decision. Sometimes the right decision is not the easy one.

## Scope

This Code applies to Diplomat and all members of its workforce, including all subsidiaries and other business entities controlled by Diplomat. This includes all employees, the Board of Directors, contractors, consultants, volunteers, representatives, agents, and all others who may be temporarily assigned to work for, or provide services to, Diplomat.

The Code applies to all levels at Diplomat. Violations could result in disciplinary action, which may include termination of employment, and where appropriate, possible civil or other legal actions.

## Compliance With the Law and Ethical Standards

Diplomat is committed to conducting itself in accordance with the highest standards of integrity and in compliance with all applicable laws, regulations, company policies, and this Code of Conduct.

## Additional Resources

Diplomat has adopted many policies and procedures designed to ensure ongoing compliance with applicable laws and regulations which, in some instances, supplement or enhance topics in this Code. The policy and procedure library can be found on SharePoint, Diplomat's intranet site, and is searchable by key words.

## Guidance and Reporting

Should an issue arise, you should first discuss with your supervisor. If you are not able to or are uncomfortable discussing with your supervisor, you could attempt to identify another individual within your management chain up to your department head. Depending on the nature of the issue, you may also consult with or report to [Human Resources](#) or another appropriate resource, including [Compliance & Ethics](#).

Of course, Diplomat's [Ethics Line](#) is available to you 24 hours a day, 7 days a week. You can use the Ethics Line to report any issues or concerns, or to ask questions. The Ethics Line is maintained by an external company, is completely confidential, and, if you choose, anonymous.

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### YOU CAN SUBMIT A REPORT OR QUESTION VIA THE ETHICS LINE IN ANY OF THESE WAYS:

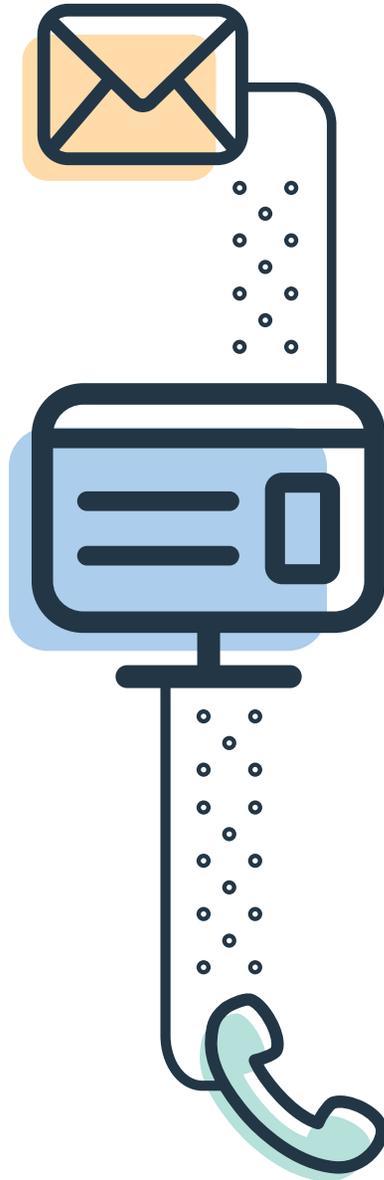
Visit: [dplo.ethix360.com](https://dplo.ethix360.com) via a computer or mobile device

Email: [dplo@getintouch.com](mailto:dplo@getintouch.com)

Phone: 866.FOR.DPLO (367-3756)

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When you submit a report or question, you will receive a unique case number or confirmation number. That number will allow you to track progress as it relates to your issue or question, again, either via telephone or online, and will also provide for anonymous communication with Diplomat's Compliance & Ethics department.



### As members of Diplomat's workforce, we are all required to report the following:

- Any real or suspected wrongdoing, fraud, theft or other illegal or unethical conduct.
- If you have been placed on any state or federal exclusion lists such as:
  - The Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE).
  - The General Services Administration (GSA) Excluded Parties List (EPL).
  - The Specially Designated Nationals List (Department of Treasury).
  - The Sectoral Sanctions Identifications List (Department of Treasury).
  - The Denied Persons List, Entity List, or Unverified List (Department of Commerce).
  - Any other similar list of sanctioned entities or individuals maintained by the United States.
- If your job requires a professional license (Pharmacist, Nursing, Pharmacy Tech, etc.) and your license has expired, has been the subject of any disciplinary action, or has been sanctioned, suspended, or revoked.
- If you have been convicted, pled guilty or no contest, or entered into a plea agreement, deferred adjudication or other similar pardon program for any crime other than a minor traffic violation.

### This does not include:

- Arrests or charges that did not result in conviction
- Convictions that have been judicially dismissed, expunged, erased, or sealed
- Convictions that state law does not permit and employer to consider, except
  - Felony convictions involving controlled substances
  - Convictions involving Medicare, Medicaid, or any state or federally funded program
- Please see the Compliance Program section at the end of this Code for additional information regarding these reporting obligations.

Retaliation against anyone reporting a known or suspected ethical or compliance concern is prohibited.

## Governance

Diplomat's Board of Directors, via its Nominating and Corporate Governance Committee, approves the Code and Diplomat distributes it to all members of its workforce. Workforce members must, as a condition of their employment, attest to reading the Code and agree to abide by it.



# Responsibility to Our Clients

Licensing

Privacy and Security of Personal Information

Therapeutic Interchange

## Licensing

Many jobs at Diplomat require an individual to maintain a professional license or certification, and to follow the ethical principles established by their professional organizations. Diplomat also maintains business licenses as required by its various activities.

You may not provide professional services unless you have the appropriate license or certification. You must keep any licenses or certifications required to perform your job current and in good standing. You are required to notify your supervisor or Compliance immediately if your license is revoked, suspended, or the subject of any other disciplinary actions.



## Privacy and Security of Personal Information

As a healthcare provider, Diplomat collects, maintains, uses, and discloses patient information, such as medical conditions, medical history, and financial information. This data is called Protected Health Information, or PHI, and is protected under federal and state privacy and security laws. These laws lay out requirements for the handling of PHI and how it may be accessed, used, and disclosed. All members of Diplomat's workforce will receive training regarding accessing, using, and disclosing PHI.

We also have a responsibility to protect any information that could be used to identify an individual. This information is called Personally Identifiable Information or PII.

Examples of this type of information are mailing addresses, phone numbers, email addresses, driver's licenses – essentially any piece of information that could be used to identify an individual.

Our customers, as well as our coworkers, trust us with their personal and health information. In order to maintain this trust, it is essential that we only use information about them for valid, business-related purposes. Diplomat does not tolerate inappropriate use, access, or disclosure of protected information.

#### PROTECTED HEALTH INFORMATION (PHI):

Any health information that can be used to reasonably identify an individual.

#### BREACH:

An unauthorized acquisition, access, use, or disclosure of PHI in a manner not permitted by HIPAA, which poses risk to an individual.

#### BUSINESS ASSOCIATE:

A person or entity that performs certain functions or activities on behalf of Diplomat that involve the use or disclosure of PHI. When PHI is shared with another party, Diplomat and the other party must enter into a business associate agreement. This agreement assures that the business associate will appropriately safeguard any PHI it receives or creates on behalf of Diplomat.

#### MINIMUM NECESSARY STANDARD:

A key concept within HIPAA requiring us to limit the use or disclosure of PHI to the minimum amount necessary to accomplish a specific task. Removing all unnecessary information and identifiers helps prevent impermissible disclosures.

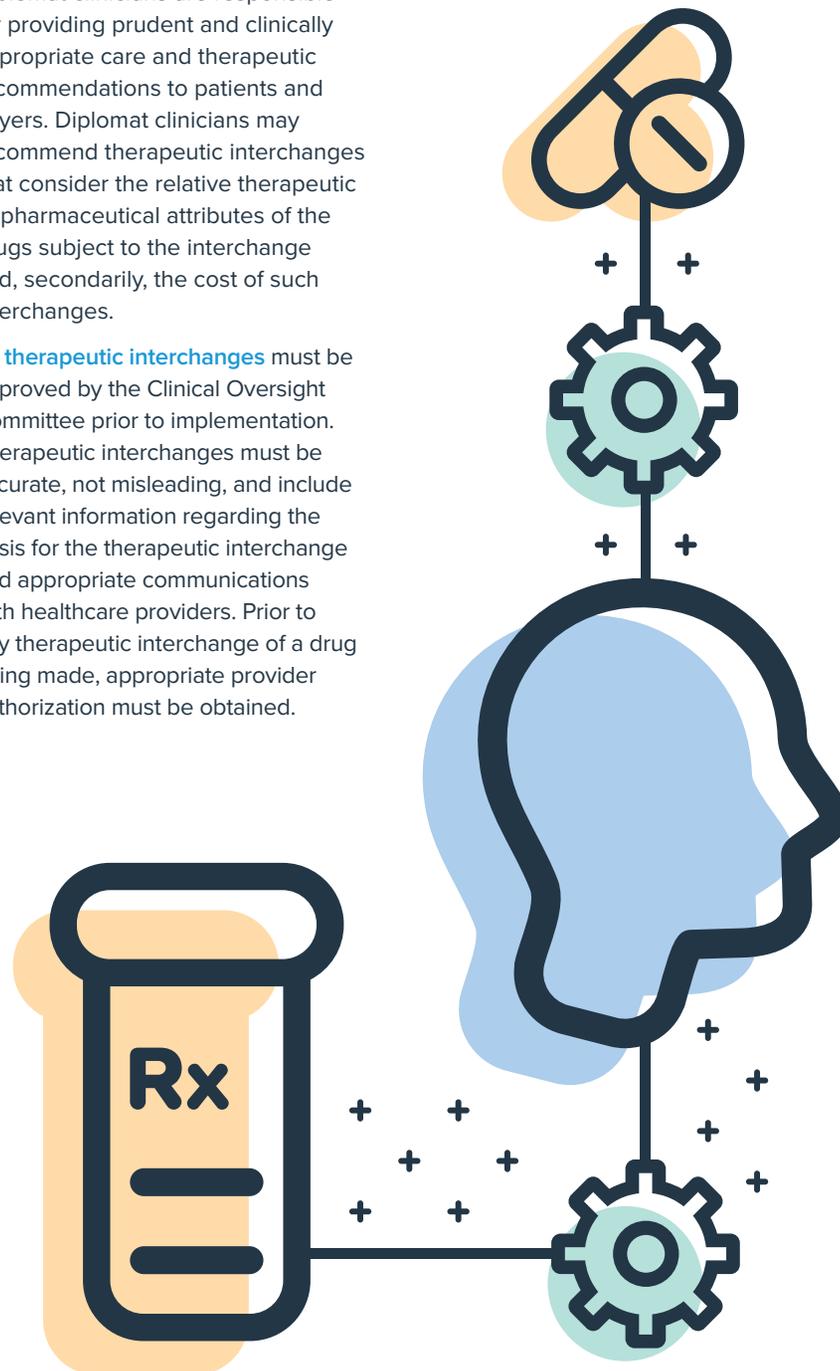
#### PRACTICAL HIPAA SAFEGUARDS

- Place all documents containing PHI into shredding bins — not the garbage.
- Never reuse documents with PHI as scrap paper that might wind up in the trash.
- Never disclose PHI to a third party without the patient's authorization, unless it is for treatment or payment purposes.
- When away from home or Diplomat facilities, always keep laptops and mobile devices in your possession unless properly secured (e.g., in a trunk or hotel safe)
- Take special care to secure PHI when transmitting or transporting it. Verify PHI will be sent to the correct address or keep physical PHI secure in your trunk.
- Never store PHI on portable devices such as USB drives or memory cards unless it is encrypted. These items can store large amounts of information and are easier to lose.

## Therapeutic Interchange

Diplomat clinicians are responsible for providing prudent and clinically appropriate care and therapeutic recommendations to patients and payers. Diplomat clinicians may recommend therapeutic interchanges that consider the relative therapeutic or pharmaceutical attributes of the drugs subject to the interchange and, secondarily, the cost of such interchanges.

All **therapeutic interchanges** must be approved by the Clinical Oversight Committee prior to implementation. Therapeutic interchanges must be accurate, not misleading, and include relevant information regarding the basis for the therapeutic interchange and appropriate communications with healthcare providers. Prior to any therapeutic interchange of a drug being made, appropriate provider authorization must be obtained.





# Responsibility to the Company

Confidential and Proprietary Information

Conflicts of Interest

Proper Use of Corporate Assets, Electronic Resources, and Social Media

Government Matters

## Confidential and Proprietary Information

Some of Diplomat's most valuable corporate assets are its proprietary information, sales, marketing, or business plans, technology and patient care modules, trade secrets, client information, financial data, contracts, and acquisition or integration information. "Confidential information" is any such information which is proprietary or not otherwise known publicly. Disclosure of confidential information, intentionally or inadvertently, can harm Diplomat in a variety of ways. It could provide Diplomat's competitors with an advantage, lead to contract breaches, violate federal fair disclosure rules, harm our clients, and cause Diplomat significant reputational harm. All members of Diplomat's workforce must maintain the confidentiality of information entrusted to them by Diplomat and other companies with which Diplomat does business or considers doing business.

Disclosure of such information is only permissible when disclosure is authorized by a supervisor or legally permitted in connection with reporting illegal activity to the appropriate regulatory authority. You should take appropriate precautions to ensure that confidential information is not communicated internally or externally except to individuals who have a need to know in order to perform their job.

This includes using caution when discussing such information in common areas within Diplomat facilities, as well as in public places. Care should also be taken when transmitting such information via email or facsimile.

You must also abide by any lawful obligations that you have to your former employer. These obligations may include restrictions on the use and disclosure of confidential information, restrictions on recruiting former colleagues, and non-competition agreements. Likewise, your confidentiality obligations to Diplomat continue even after employment is terminated.

**If disclosed, some information might be useful to competitors and harmful to Diplomat or those we serve. Examples include:**

- Patient information
- Sales, marketing, and business plans
- Technological advances
- Customer and client lists
- Material nonpublic information
- Policies and procedures

**Disclosing confidential information can have many consequences for Diplomat, including:**

- Negative publicity with current and potential business partners
- A negative perception of Diplomat within the industry
- Damage to Diplomat's reputation, including appearing untrustworthy
- Breach of contract claims
- Loss of current or future business
- Potential violations of SEC regulations

## Conflicts of Interest

A conflict of interest occurs when a personal interest or outside activity interferes or conflicts with the interests of Diplomat. A conflict of interest can arise whenever you take action or have an interest that prevents you from performing your duties at Diplomat objectively and effectively. You must refrain from engaging in any outside business activities or having a personal interest that presents a conflict of interest, and should seek to avoid even the appearance of a conflict of interest.

All potential conflicts of interest, whether actual or in appearance only, are required to be disclosed. It is your responsibility to report to the Compliance Officer or General Counsel any transaction or financial relationships that reasonably could be expected to give rise to a conflict of interest. If you are an executive officer or director, you may report a potential conflict to the Board of Directors who shall be responsible for determining whether such transactions or relationship constitutes a conflict of interest.

Additionally, executive officer, directors, and shareholders holding more than 5% of Diplomat's securities must also comply with Diplomat's Related Persons Transactions Policy. These obligations include not only those acts formalized by written contracts, but also everyday business dealings.

Disclosure of a potential conflict, and the resulting decision regarding the suggested course of action, will be noted in a log file kept by the Compliance Officer, and will be documented in the individual's personnel file maintained by the Human Resources department. Related Party Questionnaires are administered to appropriate executives and directors and maintained by the Legal department.

Diplomat's commitment to ethics and compliance also extends to the activities of personal friends and relatives. Employees and officers should immediately disclose to Human Resources, the Compliance Officer, or the General Counsel, any relevant facts, or change or expansion of their responsibilities or assignments if this might result in business interaction with a family member or any other person with whom they have a close personal relationship.

Finally, you must not take for yourself personal opportunities that are discovered through your position with Diplomat or through the use of Diplomat's property or information unless disclosed fully in writing to, and approved by, the General Counsel, or, in the case of an executive officer or director, approved by the Board of Directors.

For example, if you are approached about, or otherwise become aware of, a potential investment that may be appropriate for Diplomat, you should not take that opportunity for yourself, but rather bring it to the attention of appropriate Diplomat personnel.



**A conflict of interest might not be obvious or easily resolved. Circumstances that can present an actual, potential, or perceived conflict of interest include:**

- Employment outside of Diplomat
- Participating in outside organizations
- Holding a financial interest in a competitor, vendor, or client
- Accepting gifts, entertainment, or items of value from current or potential clients or business partners
- Using company assets for certain purposes
- Employing relatives or close friends
- Participating in decisions where you or a family member's personal or financial interests are or could be affected
- Intimate or romantic relationships among employees

**These scenarios must be disclosed to your supervisor, Human Resources, or Compliance & Ethics and assessed to determine how best to mitigate potential conflicts.**

**Prohibited activities include:**

- Performing services, other than those requested by Diplomat, for a competitor. Some services are permissible if Diplomat's Board of Directors determines it does not materially conflict with the interests of Diplomat.
- Holding a financial interest in Diplomat's competitors. A financial interest of less than 1 percent of the outstanding shares of a publicly held company is permissible.
- Using your position to influence a transaction with any partners with whom you have a personal or financial interest.
- Using confidential information about Diplomat or its business partners for personal gain.
- Accepting finder-fees from a recruiter, consultant, or employment agency for referring a candidate or potential employee.

## Proper Use of Corporate Assets, Electronic Resources, and Social Media

Diplomat's physical assets include items such as inventory, computers, telephones, office equipment and supplies, records, and other tangible property owned by Diplomat. Non-physical assets include Diplomat's proprietary information and other intellectual property such as trademarks, logos, strategies, and trade secrets. All members of the workforce should seek to protect Diplomat's assets, as theft, carelessness, and waste have a direct impact on Diplomat's financial performance.

Assets should be used solely for legitimate business purposes and not for any personal benefit or the personal benefit of anyone else. However, incidental and minimal use is permitted.

Diplomat provides access to electronic resources for business-related needs and to enhance our access to information important to its operations.

These electronic resources must only be used in a manner that is lawful and in keeping with Diplomat's policies and best interests. This includes Diplomat policies regarding privacy and data protection.

Diplomat reserves the right to require any member of its workforce to submit to a non-invasive inspection of their person, vehicle, clothing, or other personal property when circumstances warrant it.

Additionally, Diplomat reserves the right to monitor communication tools such as email, messaging tools, and telephones.

**You must adhere to certain guidelines when participating in social media. Corrective action will be taken if an employee violates these guidelines. Violations include:**

- Participating on Diplomat's behalf without proper authorization
- Failing to respect copyright, trademark, and intellectual property laws (including regarding Diplomat logos, trademarks, or copyrighted information without permission)
- Posting confidential or proprietary information
- Making maliciously false statements about Diplomat or its subsidiaries
- Engaging in excessive personal use on company time
- Any other violation of Diplomat policies

## Government Matters

If a member of Diplomat's workforce is contacted by a government investigator or obtains any information that would lead one to reasonably believe that a government investigation or inquiry is underway or about to begin, the government investigator should be referred to General Counsel, or the information concerning the investigation or inquiry should be communicated immediately to General Counsel, as the case may be. No response to the inquiry should be made except after consultation with General Counsel.

This policy does not apply (1) to ongoing proceedings when the General Counsel is aware of the need for direct contacts (e.g., IRS Audits), (2) where the matter does not involve a potential violation (e.g., statistical or information requests), and (3) where such contact is in connection with employees' individual or collective exercise of their employment/labor law rights (e.g., contact by an employee in his or her personal capacity (and not on behalf of Diplomat) with labor and employment law attorneys, the Equal Employment Opportunity Commission, the National Labor Relations Board, and similar agencies).





# Responsibility to Our Shareholders

Financial Integrity

Insider Trading

Fair Disclosure

Information Requests

Record Retention

## Financial Integrity

Diplomat's books, records, and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. Financial statements will conform to generally accepted accounting principles and Diplomat's own accounting policies.

Employees, officers, and directors must honestly report all business transactions. You are responsible for the accuracy of your business records and reports. Accurate information is essential to Diplomat's ability to meet legal and regulatory obligations. No undisclosed or unrecorded account or fund (including unauthorized bank accounts) shall be established for any purpose. No false or misleading entries shall be made in Diplomat's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

The Sarbanes-Oxley Act of 2002 (SOX) requires Diplomat's senior managers to certify to the truth and accuracy of Diplomat's financial statements. SOX also requires Diplomat to maintain effective financial controls, report fraud, and keep detailed and accurate records of all business operations. All members of Diplomat's workforce will cooperate fully with internal and external auditors during their examinations of Diplomat's books, records, and operations.

It is Diplomat's policy to provide full, fair, accurate, timely, and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other public communications.

Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints in writing or via Diplomat's [Ethics Line](#). All such concerns and complaints will be forwarded to the Audit Committee of the Board of Directors each fiscal quarter or more promptly based on the specified matter at issue, unless they are determined to be without merit by the Compliance Officer and/or General Counsel. Any such concerns or complaints may also be communicated, confidentially and, if you desire, anonymously, directly to the Chairman of the Audit Committee of the Board of Directors.

The Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint.

Diplomat will not discipline, discriminate against, or retaliate against any employee who reports a complaint or concern in good faith, unless it is determined that the report was made with knowledge that it was false or such action constitutes a violation of law.

## Insider Trading

Members of the workforce who have **material, non-public information** about Diplomat, including any of its clients or business partners, are prohibited by law and company policy from making an investment decision about securities (buy/sell) in Diplomat or other such companies. Additionally, they are prohibited from communicating such information to others who might trade on the basis of that information. Examples of material, non-public information might include earnings forecasts, operating results, contractual matters, changes in senior management, or information pertaining to acquisitions or other strategies. Note that both positive and negative information can be material.

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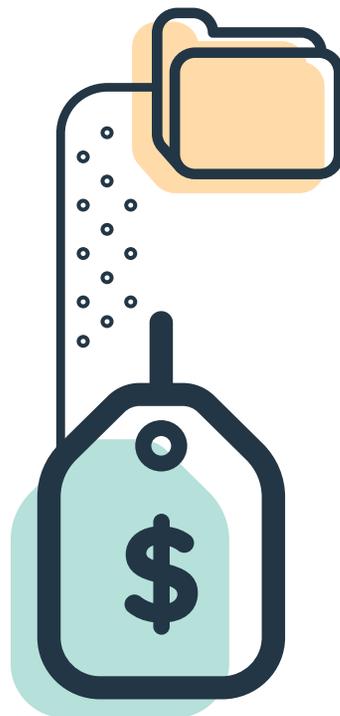
**To help ensure you do not engage in prohibited insider trading and avoid even the appearance of an improper transaction, Diplomat has adopted an Insider Trading Policy.**

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All directors and certain **designated employees** (who have been so designated based on the nature of their job), may only transact in Diplomat securities within designated “window periods,” with limited exceptions, and must confer with Diplomat’s General Counsel prior to engaging in a transaction. Such persons are also prohibited from entering into short-term or speculative transactions, including **hedging** and **short sales**.

Although members of the workforce who are not Designated Employees and are not aware of material, non-public information are free to transact in Diplomat securities at any time, we urge all members of the workforce to limit their transactions to the window periods.

If you are uncertain about the constraints on your purchase, sale, or any other transaction with respect to any Diplomat securities or the securities of any other company that you are familiar with by virtue of your relationships with Diplomat, you should consult with General Counsel before making any such transaction.



## Fair Disclosure

Members of the workforce and Directors are prohibited from making any disclosure of material, non-public information about Diplomat to any person outside of the company. This includes disclosures to family members and friends. If you believe a disclosure of material, non-public information about Diplomat has occurred, you must immediately notify General Counsel.

## Information Requests

Interested individuals and entities may ask you for information concerning Diplomat. Examples might include inquiries from the media, market professionals such as securities analysts and investment advisors, brokers, and dealers, and investors. All responses to inquiries on behalf of Diplomat must be made only by authorized spokespersons.

If you receive any inquiries seeking information or a response on behalf of Diplomat, you must decline to comment and refer the individual to one of Diplomat’s authorized spokespersons – the Chief Executive Officer, the Chief Financial Officer, or the General Counsel. Diplomat’s policies with respect to public disclosure of internal matters are described more fully in Diplomat’s Disclosure Policy.

## Record Retention

There are many laws that govern how to maintain Diplomat’s business documents. Diplomat’s fundamental objective is to retain only those records that are necessary for ongoing business operations, or for compliance with legal, tax, or other regulatory requirements. Diplomat has adopted a Record Retention and Destruction Policy to govern how affected records will be managed.

Records used by professionals, such as pharmacists and nurses, must follow all regulatory and/or accreditation standards and requirements. The Legal Department may determine that certain records are subject to a hold order for litigation, tax issues, government investigation, audits, or other reasons. Records must not be destroyed if they are subject to a hold until the stated activity is completed, even if they have reached the end of the required retention period.



# Responsibility to One Another

Respecting Each Other

Labor Practices and Non-Discrimination

Health and Safety

Drugs and Alcohol

## Respecting Each Other

Diplomat's workforce is made up of individuals from a variety of cultures and backgrounds.

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**We celebrate our diversity and work together to care for our patients, to service our clients, and to execute Diplomat's mission. We treat our colleagues with respect and courtesy and expect the same in return.**

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As such, Diplomat is committed to ensuring that no member of the workforce is subject to any sort of harassment. Diplomat firmly prohibits harassment, including sexual harassment, based on any of the protected classes under federal, state or local law. If an individual believes he or she has been subjected to harassment, the person should immediately report it to [Human Resources](#) or [Compliance & Ethics](#).

### Examples of workplace harassment include

- Inappropriate physical contact and unwelcome sexual advances
- Suggestive comments and requests for sexual favors
- Any other unwelcome verbal or physical conduct of a sexual nature
- Derogatory, vulgar, suggestive, or obscene pictures, cartoons, calendars, posters, drawings, etc.

### Comments, jokes, insults, slurs, offensive language, and other unwelcome actions which are offensive or stereotypical based on:

- Age
- Religion
- Gender
- Race
- Color
- Sexual orientation
- National origin
- Disability
- Veteran status
- Any other protected category or personal characteristic
- Threats or acts of violence and intimidation (threats, stalking, and even suggestions of violence in the workplace are considered violent behavior)
- Retaliation for reporting or threatening to report acts of misconduct.

## Labor Practices and Non-Discrimination

Diplomat is committed to compliance with all applicable labor laws and regulations, including equal employment opportunities, as well as maintaining a workplace free from discrimination. Diplomat will not discriminate against any client, patient, employee, or applicant on any legally recognized basis.

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**No person will be excluded from participation in or be denied the benefits of any services or employment, nor will they be subject to discrimination on the basis of age, religion, gender, race, color, sexual orientation, national origin, disability, military or veteran status or any characteristic protected by applicable laws and regulations. For questions or concerns related to such issues, contact Human Resources.**

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## Health and Safety

We all have a right to work in a safe and healthy environment. Unsafe practices can lead to serious consequences, such as personal injury, injury to colleagues and to Diplomat, or other serious outcomes. Diplomat seeks to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to company property in the event someone seeks to harm Diplomat or any of its employees.

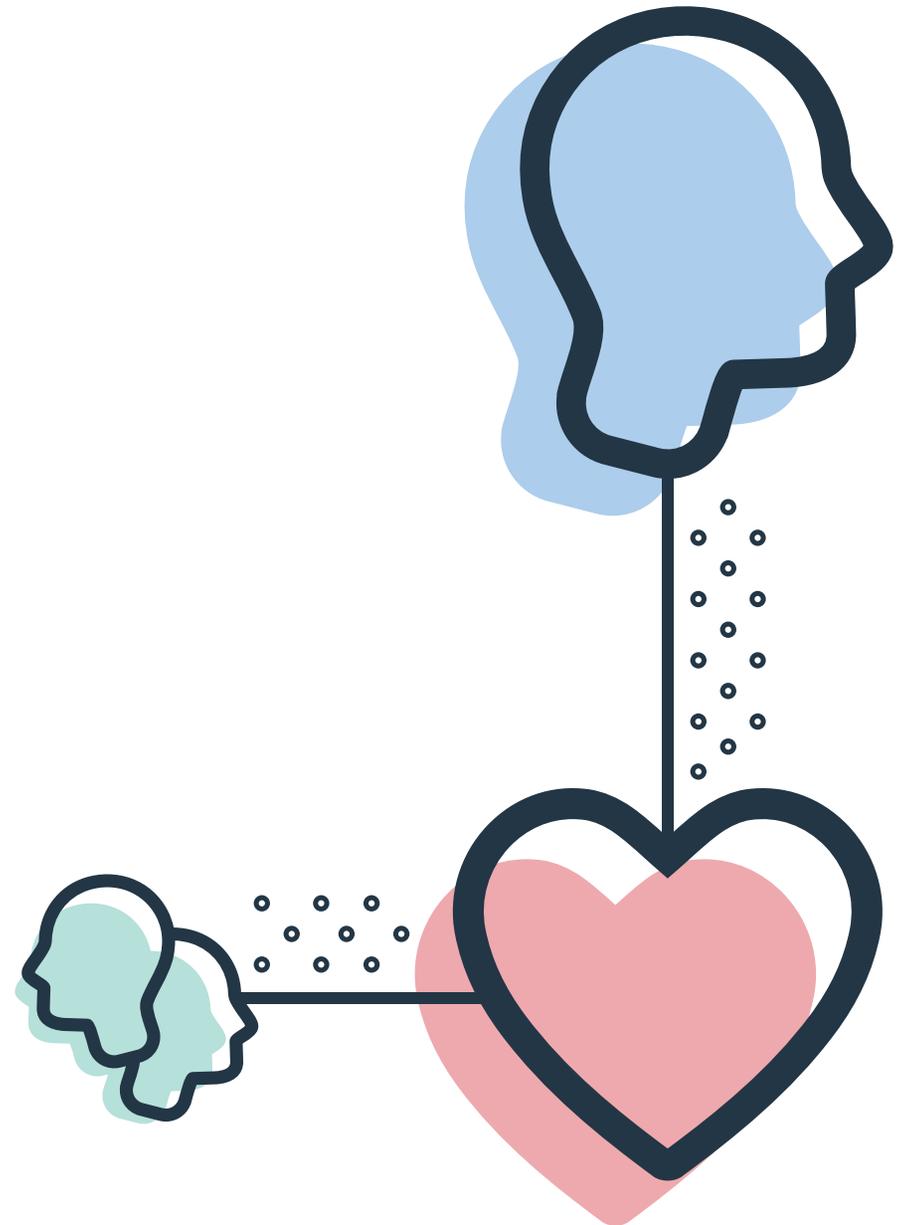
### You should:

- Always follow facility safety rules, regulations, procedures, and warnings, particularly those that cover dangerous equipment and materials.
- When work activities involve medications or other substances that may be toxic if not handled properly, work with and dispose of them safely.
- If you ever witness or suffer an accident, or see unsafe conditions, report the situation immediately.

Violence by an employee or anyone else against a member of the workforce will not be tolerated. If an employee receives or overhears any threatening communications from another individual, it must be immediately reported to a supervisor and/or [Human Resources](#). If there is the threat of immediate harm, call 911 immediately.

## Drugs and Alcohol

Diplomat has vital interests in ensuring a safe, healthy, and efficient working environment for members of its workforce and patients. Diplomat has implemented a comprehensive Drug- and Alcohol-Free Workplace policy and testing procedure. Employees may contact [Human Resources](#) if they have any questions regarding this policy or procedure.





# Interactions with Our Partners

Honest and Ethical Conduct and Fair Dealings

Kickbacks, Bribery, and Unfair Trade Practices

Gifts and Entertainment

Suppliers and Vendors

Payers and Pharmacy Benefit Managers

Government Employees or Public Officials

Providers and Healthcare Professionals

Patients

Broker Compensation

Business Firewalls

Fraud, Waste, and Abuse

## Honest and Ethical Conduct and Fair Dealings

Members of Diplomat's workforce should endeavor to deal honestly, ethically, and fairly with the company's third-party relationships (including any payers, pharmaceutical manufacturers, retailers, and health systems) and competitors. Statements regarding Diplomat's management, products and services must not be maliciously false. Likewise, you must not take unfair advantage of third parties through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

## Kickbacks, Bribery, and Unfair Trade Practices

Bribes and kickbacks are criminal acts, strictly prohibited by law. You must not offer, give, solicit, or receive any form of bribe or kickback anywhere in the world. Kickbacks and bribes may include money, finder or brokerage fees, commissions, credit, gifts, gratuities, or any other transfer of something of value. Kickbacks (payments made after the business is received) and bribes (payments made before the business is received) may fall under the commercial bribery statutes. The Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business.

Commercial bribery may occur, for example, when a member of Diplomat's workforce offers something of value to an employee or agent (such as a consultant) in a business transaction with Diplomat, without the consent of their employer or principal and with the intention of influencing the employee or agent's decisions concerning, for example, a contract award.

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**Violations of the commercial bribery and anti-kickback statutes are punishable by fines and prison terms, as well as discipline by Diplomat, up to and including termination.**

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The Federal Trade Commission also takes the position that "push money" paid to a sales representative who is employed by an independent distributor, without the written consent of that employer, in order to increase their sales of Diplomat's products, is an unfair trade practice.

### The following activities are prohibited:

- Giving or receiving cash, cash equivalents, or anything of value, directly or indirectly, from an external source without any services or services of comparable value.
- Providing or receiving products or services for free or at less than fair market value, such as:
  - Administrative services or other work typically performed by an employee of the external entity.
  - Materials to be distributed internally or externally.
  - Offers to perform member/provider mailings solely on Diplomat's behalf at no cost.
  - Offers to provide research and data results at no cost.
  - Participation in joint activities, such as health fairs or other marketing activities at no cost to one party.
  - Waiver of fees for seminars, educational activities, or other events.
- Giving or receiving anything with more than a nominal value from an external source, for which no payment or payment less than fair market value is involved.



### The following are examples of activities that could potentially be interpreted as kickbacks or bribes:

- Tying payment or incentives beyond fair market value to the volume or value of prescriptions.
- Giving a gift card or certificate to a referral source, provider, or patient.
- Taking a referral source, provider, or patient to an expensive or extravagant dinner.
- Reviewing prescriptions for a provider to determine which pharmacy can fill them.
- Paying travel costs for a referral source, provider, or patient without a valid and reasonable business purpose, or paying beyond fair market value.
- Paying for space at a conference or health fair for a provider or referral source, or allowing them to share space paid for by Diplomat.
- Providing free mailings or free marketing.

## Gifts and Entertainment

When interacting with the various customers, clients, and industries with which we do business, Diplomat is committed to following the highest ethical standards and complying with all applicable laws.

Giving and receiving reasonable gifts and entertainment is a common way to strengthen business relationships. However, these activities also have the potential to be perceived as bribes, kickbacks, inducements, or other unfair sales practices and could violate company policy and the law.

Therefore, the use of Diplomat funds or assets for gifts, gratuities, entertainment, or other favors to government officials, prescribers, patients, payers, suppliers, or vendors is prohibited, except to the extent that such interactions meet the guidelines described below and throughout this section.

- Gifts or entertainment must be in compliance with the law.
- Common sense and moderation must be exercised and evident.
- Entertainment must be infrequent, modest, tasteful, and intended to serve legitimate business goals.
- Gifts must either be authorized by the Board of Directors or insignificant in amount, for example, promotional items of nominal value less than \$25.
- Gifts to a referral source or prescriber that exceed nominal value must have no value outside of the practice. For example, a subscription to a medical journal or scientific model for use with patients hold no value outside of the practice. A DVD player intended to show patients medical videos holds value outside of the practice and is therefore prohibited.
- Gifts or promotional items provided to patients must not exceed \$15 per occurrence and \$75 total annually.

In general, the question of whether gifts or entertainment are of nominal value depends on the actual cash value of the gift, the frequency with which gifts or entertainment are received or provided, and, in the case of commemorative gifts and mementos, the significance of the event marked by the commemorative item. Diplomat will provide case-by-

case advice for these situations. Any impermissible gifts received should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to Diplomat for charitable disposition or such other disposition as Diplomat, in its sole discretion, sees fit.

## Suppliers and Vendors

The following guidelines govern business meals and entertainment with suppliers and vendors. These do not apply to prescribers, patients, or any individual or entity with the ability to refer prescriptions to Diplomat, nor do they apply to government or public officials.

Members of Diplomat's workforce may accept occasional, unsolicited, and reasonable business meals or entertainment, such as tickets to an event or a golf outing if the following guidelines are met:

- The supplier or vendor providing the meal or entertainment must attend the event with the member of Diplomat's workforce.
- The value of the meal or entertainment is modest.
- The entertainment is tasteful.
- The venue is appropriate for communicating business information and business discussions.

Members of Diplomat's workforce may not accept travel or lodging in connection with a meal or entertainment event sponsored by a supplier or vendor nor meals, lodging, tickets, or travel for the individual's spouse, partner, significant other, or any other guest of the workforce member.

## Payers and PBMs

The following guidelines govern business meals and entertainment with payers and PBM clients. These do not apply to providers, patients, or any individual or entity with the ability to refer prescriptions to Diplomat, nor do they apply to government or public officials.

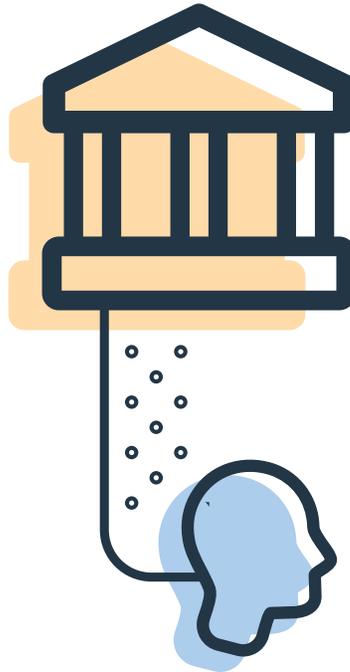
Members of Diplomat's workforce may provide infrequent, reasonable business meals or entertainment, such as tickets to an event or a golf outing if the following guidelines are met:

- The Diplomat workforce member providing the meal or entertainment must attend the event with the payer or PBM representative(s).
- The value of the meal or entertainment is modest.
- The entertainment is tasteful.
- The venue is appropriate for communicating business information and business discussions.

Managers are responsible for reviewing expense reports and ensuring compliance with these requirements. If the manager has any questions about whether a particular event is appropriate under this policy, the question should be directed to the Compliance Officer. Providing payers or PBM clients with travel or lodging is prohibited.

## Government Employees or Public Officials

The provision of meals, gifts, or entertainment to any government employee or public official is highly regulated, often prohibited, and can lead to civil and/or criminal liability. Therefore, the use of Diplomat funds or assets for gifts, gratuities, or other favors to government employees or public officials is prohibited, except to the extent such gifts, gratuities, or other favors are in compliance with applicable law, and, unless authorized by the Board of Directors or insignificant in amount, for example, promotional items of nominal value less than \$25.



Federal law prohibits corporations from donating corporate funds, goods, or services, directly or indirectly, to candidates for elective office. This includes donating employee services as well. No employee, officer, or director of Diplomat may donate company funds or property as a campaign contribution to candidates in federal, state or local election contests.

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**Members of Diplomat's workforce are prohibited from offering or giving, directly or indirectly, any payments, gifts, or favors to a government official, government employee or representative without the express written consent of Diplomat's General Counsel.**

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This policy does not apply (1) to ongoing proceedings when General Counsel is aware of the need for direct contacts (e.g., IRS Audits), (2) where the matter does not involve a potential violation (e.g., statistical or information requests), and (3) where such contact is in connection with employees' individual or collective exercise of their employment/labor law rights (e.g., contact by an employee in his or her personal capacity (and not on behalf of Diplomat) with labor and employment law attorneys, the Equal Employment Opportunity Commission, the National Labor Relations Board, and similar agencies).

## Providers and Healthcare Professionals

The following guidelines govern business meals, gifts, and entertainment with healthcare professionals. Gifts, meals, and entertainment provided in exchange for referrals are strictly prohibited.

Members of Diplomat's workforce may provide infrequent, reasonable business meals as a business courtesy during an informational presentation to a prescriber or healthcare professional if the following guidelines are met:

- The value of the meal is modest.
- The presentation provides informational or educational value.
- The meal is not part of an entertainment or recreational event.
- The meal is limited to in-office or in-hospital setting or is otherwise appropriate for communicating information or educational materials.

If a manager has questions regarding whether a particular event is appropriate, the question should be directed to the Compliance Officer.

Inclusion of a provider or healthcare professional's spouse or other guest in a permitted business meal is prohibited unless the spouse or guest is a member of the office staff.

Diplomat may infrequently provide gifts of nominal value, such as Diplomat-branded pens, mugs, magnets, and other inexpensive promotional items.

Gifts of cash or cash equivalents are strictly prohibited. No gift may be given as a “thank you” or in a manner that takes into account the volume or value of referrals or other business generated by the healthcare professional.

The total value of all expenses provided to a healthcare professional by Diplomat, whether gifts, meals, or entertainment, cannot exceed the non-monetary compensation limit established under Stark Law in a one-year period. This limit is adjusted annually and will be monitored by the Compliance & Ethics department.

## Patients

The following guidelines govern business meals, gifts, and entertainment with patients.

### The following activities are prohibited:

- Routine waiver of copayments.
- Provision of gift certificates, coupons, gift cards, cash and/or any other cash equivalents.

In very limited circumstances, small, nominal payments to resolve patient dissatisfaction concerning the dispensing of medications may be offered or provided. The value of the patient dissatisfaction payment should correlate directly to the nature of the patient service mishap, be well documented, and easily demonstrated. Patient dissatisfaction payments should be reviewed and approved by the Compliance & Ethics department prior to being offered to the patient. Waiver of copayments to resolve patient dissatisfaction is prohibited.



Diplomat may provide a one-time, small, inexpensive gift to pediatric patients intended to provide comfort, such as a stuffed animal. Such gifts will not exceed the monetary guidelines listed below. The total value of all items provided to a patient by Diplomat cannot exceed \$15 per occurrence or a total of \$75 in a one-year period.

## Broker Compensation

As it relates to our PBM business division, Diplomat is committed to disclosing all broker compensation. The policy applies to all individuals and entities paid by Diplomat. This includes, but is not limited to, any payments in the form of:

- Standard and non-standard commissions.
- Override payments, bonus programs, marketing, endorsement, association, services and royalty agreements.
- Trips and prizes.
- Non-monetary compensation in the form of meals, gifts, and entertainment.

## Business Firewalls

Diplomat maintains **firewalls** between select business divisions within the company to separate and protect certain competitively sensitive information that each business may possess. These firewalls become important as it relates to patient information, as well as contract negotiations, where the businesses must compete on the same terms as their competitors.

## Fraud, Waste, and Abuse

Diplomat has both PBM and pharmacy business divisions which can be first-tier, downstream, or related entities to sponsors of government-funded insurance plans. As such, Diplomat maintains a comprehensive Fraud, Waste, and Abuse program. The program includes operational oversight, analysis, risk assessment, training, and investigations. More information about Diplomat’s Fraud, Waste, and Abuse program can be found in the False Claims and FWA policy.

Diplomat is committed to compliance with all applicable federal healthcare program requirements, ERISA requirements, and Diplomat policies and procedures. This includes ensuring that the claims we prepare and submit accurately reflect the items and services we provide.

Employees are expected to be vigilant about billing errors and make every effort to ensure that known errors are appropriately corrected.

Diplomat employees are prohibited from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious, or fraudulent. Diplomat employees responsible for claims submission must ensure information related to the record is retained and considered part of the claim or case file. If an employee discovers an error, this should be reported as soon as possible to a supervisor or to the Compliance Officer.



# Compliance & Ethics Department

Compliance and Ethics Program

Your Responsibilities

Non-Retaliation

Waivers

Review and Acknowledgement



**Diplomat's dedicated Compliance & Ethics team is led by its Compliance Officer, who is responsible for day-to-day operations of Diplomat's Compliance Program.**

**The purpose of the program is to:**

- Convey the expectation that employees understand and comply with all established policies and procedures.
- Raise awareness of applicable laws, regulations, and policies and procedures.
- Ensure employees are informed about compliance as it relates to their specific job duties.
- Foster a culture in which employees feel encouraged to perform their jobs with integrity and report potential or suspected violations.

Diplomat is committed to compliance with all applicable federal and state laws, rules and regulations. In an effort to ensure compliance, Diplomat maintains an effective Compliance and Ethics Program. The key components of this program include this Code, policies, training, communications, auditing, monitoring, and remediation of wrongdoing. The Compliance Officer provides routine reports to the Audit Committee of the Board of Directors regarding the status of the program.

## Your Responsibilities

As a member of Diplomat's workforce, you have certain responsibilities related to compliance and ethics. All members of the workforce must:

- Report if you have been placed on any state or federal exclusion lists, including the U.S. Department of Health and Human Services Office of Inspector General and/or General Services Administration.
- Report if any of your employment-related professional licenses have expired, been revoked, or have been subject to disciplinary action.
- Immediately report any conviction of a criminal offense other than a minor traffic violation.
- Understand and follow this Code of Conduct and all Diplomat policies.
- Conduct your work and professional activities ethically and in accordance with all applicable laws and regulations.
- Speak up and report any business activities that you believe may violate the law or the Code using the resource that is most comfortable for you.
- Cooperate with investigations when requested and protect the integrity of the investigation by maintaining its confidentiality.
- Use resources to ask questions or get help when something is unclear or doesn't feel right.
- Use good judgement in cases where there is no clear rule, law, or policy.

You may report relevant information or violations of this Code, on a confidential or anonymous basis, by using Diplomat's [Ethics Line](#), or by contacting Diplomat's Compliance Officer or General Counsel using the following information:

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**COMPLIANCE OFFICER:**

Diplomat Pharmacy Inc.  
Attn: Compliance Officer  
4100 S. Saginaw St.  
Flint, MI 48507  
Phone: 810.768.9178  
Fax: 810.282.0187  
Email: [compliance@diplomat.is](mailto:compliance@diplomat.is)

**GENERAL COUNSEL:**

Diplomat Pharmacy Inc.  
Attn: General Counsel  
4100 S. Saginaw St.  
Flint, MI 48507  
Fax: 810.282.0187  
Email: [legal@diplomat.is](mailto:legal@diplomat.is)

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Diplomat prohibits retaliation against anyone for raising a legal or ethical concern or cooperating with an investigation. No one may seek revenge against any individual who makes a good faith report of a violation of this Code, company policy, or the law. Retaliation can carry civil and criminal liability, and within Diplomat is grounds for disciplinary action up to and including termination.

## Waivers

In the unlikely event a waiver of, or amendment to, this Code seems to be necessary, please contact Diplomat's Compliance Officer or General Counsel using the information contained herein. The approval of the Compliance Officer or General Counsel must be obtained.

Any executive officer or director who seeks a waiver of any of these policies should contact the Chairman of the Board. Any waiver of this Code for executive officers or directors or any change to this Code that applies to executive officers or directors may be made only by the Board of Directors (or a committee thereof) and will be disclosed as required by law or stock exchange regulation.

## Review and Acknowledgement

This Code shall be distributed to each new member of Diplomat's workforce upon commencement of his or her employment or other relationship with Diplomat. Each workforce member shall certify that he or she has received, read, and understood the Code upon commencement of his or her employment or other relationship with Diplomat, on at least an annual basis, and at any time upon Diplomat's request.

Diplomat reserves the right to amend, alter, or terminate this Code at any time for any reason. The most current version of this Code is available on Diplomat's intranet.

This document is not an employment contract between Diplomat and any of its employees, officers, or directors.

***“Take good care of  
the patients and the  
rest falls into place.”***

— Dale Hagerman, Diplomat cofounder

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