

Highmark Foundation

COMPLAINT REPORTING POLICY

Date Adopted: December 10, 2009

1. Purpose of the Complaint Reporting Policy (the “Policy”). Highmark Foundation (the “Foundation”) shall investigate complaints of wrongful, fraudulent or dishonest conduct, or use or misuse of the Foundation’s resources or property, by management, staff, volunteers, directors or officers. Management and staff found to have engaged in wrongful, fraudulent or dishonest conduct shall be subject to corrective and disciplinary action by the Foundation. Anyone, whether an employee or non-employee, may face civil actions or referrals to criminal prosecution if their conduct warrants such action.

All persons who have interactions or relationships with the Foundation comprise the community of the Foundation (“Foundation Persons”). All Foundation Persons are encouraged to report possible wrongful, fraudulent or dishonest conduct. Employees of the Foundation or any related organization should report such concerns to his or her immediate manager, or to the President of the Foundation. If, for any reason, an employee finds it difficult to report his or her concerns to either such person, the employee must report it directly to the Foundation’s Compliance Officer. The Foundation’s Compliance Officer is the Chief Compliance Officer of Highmark Inc. Other Foundation Persons should report their concerns directly to the President of the Foundation or to the Foundation’s Compliance Officer. Should a complaint implicate Highmark Inc., the complaint must be reported to the Foundation’s Board of Directors.

2. Definitions.

a. Baseless Allegations: allegations made in bad faith or with reckless disregard for their truth or falsity. Employees of the Foundation or any related organization making such allegations may be subject to disciplinary or corrective action, and anyone, whether an employee or non-employee, who makes baseless allegations may be subject to legal claims by individuals recklessly accused of wrongful, fraudulent or dishonest conduct.

b. Wrongful, Fraudulent or Dishonest Conduct: a deliberate act or failure to act with the intention of obtaining an unauthorized benefit (collectively referred to as “misconduct”), or engaging in illegal or otherwise wrongful conduct in the course of conducting duties for the Foundation, or through the use of the Foundation’s resources, including, but not limited to, the use of the Foundation’s facilities and computers. Examples of such misconduct include, but are not limited to:

- Forgery or alteration of documents
- Unauthorized alteration or manipulation of computer files

- Use of the Foundation’s computers or facilities to engage in illegal or illicit activities
- Fraudulent financial reporting
- Pursuit of a benefit or advantage in violation of the Foundation’s Conflict of Interest Policy
- Misappropriation or misuse of the Foundation’s resources, such as funds, supplies or other assets
- Authorizing or receiving compensation for goods not received or services not performed
- Authorizing or receiving compensation for hours not worked, or failing to account for unworked (but paid) hours as vacation, sick leave or other paid time off

c. Complainant: a Foundation Person who informs the Foundation’s manager, President, Compliance Officer or Board of Directors about conduct which that person in good faith believes to be wrongful, fraudulent or dishonest.

3. Rights and Responsibilities.

a. Employees. Employees of the Foundation and related organizations are required to report in good faith suspected wrongful, fraudulent or dishonest conduct, as provided above. Complainants are responsible for being candid, setting forth all known information regarding suspected misconduct to the investigator who is designated by the Foundation’s Compliance Officer. Investigations may not proceed if the complainant refuses to be interviewed by the investigator or refuses to provide further information regarding the complaint. Complainants must not conduct investigation activities themselves, nor do they have the right to participate in investigation activities, unless requested by the investigator. Complainants must refrain from obtaining evidence relating to a complaint for which they do not have a right of access. Such improper access may itself be misconduct and may result in disciplinary or corrective action. Complainants should also refrain from discussing the investigation or their testimony with those not connected to the investigation, unless authorized by the investigator or otherwise required by law. Employees who are not complainants, but who are interviewed as part of an investigation, are expected to not discuss the nature of the evidence or any testimony given in the investigation except with the investigator, or unless otherwise authorized by the investigator or required by law.

Management is responsible for detecting and deterring wrongful, fraudulent and dishonest conduct. Failure by a manager to monitor conduct, or failure to report misconduct within the scope of this Policy, may result in disciplinary or corrective action against the manager, up to and including dismissal. The President of the Foundation is

available to assist other management team members in developing methods for monitoring conduct and recognizing misconduct.

b. Investigations. The Foundation's Compliance Officer shall maintain files of investigations undertaken under this Policy. If complaints of misconduct under this Policy are oral, the Foundation's President or Compliance Officer shall memorialize the substance of the complaint in writing and include that summary in the investigation file. Access to the investigation file should be limited to the Foundation's investigation team and the Foundation's attorneys.

- Reasonable care should be taken in dealing with suspected misconduct to avoid baseless allegations, disclosure of suspected misconduct to others not involved in the investigation and violations of a person's rights under law.
- A person who is concerned about suspected misconduct should not contact the person suspected to further investigate the matter or demand restitution; should not discuss the suspected misconduct with anyone other than the Foundation's President or Compliance Officer, or a duly authorized law enforcement officer; should direct all inquiries from an attorney retained by the suspected individual to the Foundation's Compliance Officer; and should direct all inquiries from the media to the Foundation's President.

c. No Retaliation. The Foundation's policy is to provide a reprisal-free environment that encourages employees to raise ethical or legal concerns without the fear of retaliation for reports that are made in good faith. To that end, the Foundation has a zero tolerance policy with respect to retaliation against complainants who, in good faith, report suspected wrongful, fraudulent or dishonest conduct. In furtherance of that policy, the Foundation shall:

- Use best efforts to protect complainants against retaliation. Complainants who believe that they have been retaliated against must report such retaliation to either the Foundation's President or Compliance Officer. A proven complaint of retaliation shall result in disciplinary or corrective action against the retaliating person. This protection from retaliation is not intended to prohibit management from taking action, including disciplinary or corrective action, in the usual course of their duties based on valid performance-related factors. It is also not intended to prohibit management from taking action, including disciplinary or corrective action, in the matters that are the subject of the complaint or ensuing investigation.
- All reports are handled in a confidential manner, subject to limitations imposed by law or legal process. The Foundation will keep the complainant's identity confidential to the extent practical.

Confidentiality may not be maintained where: (1) the complainant agrees to be identified or otherwise self-discloses his or her identity; (2) identification is necessary to allow the Foundation or law enforcement officials to investigate or respond effectively to the complaint; or (3) identification is required by law or legal process. Complainants also have the option to remain anonymous.

- Complainants must be cautious to avoid baseless allegations (as defined above). Intentionally filing baseless allegations is improper, and may result in disciplinary or corrective action. Knowledge of a possible violation of this Policy that is not reported, however, may also result in disciplinary or corrective action.

4. The Policy and the Highmark Code of Business Conduct. The Board of Directors has adopted, and, on an annual basis, ratifies its adoption of, the Highmark Code of Business Conduct (the “Highmark Code of Conduct”), and approves any material changes thereto. The Highmark Code of Conduct provides guidance as to the business conduct expected of, among others, management, staff, directors and officers of the Foundation. The Foundation’s adoption and reaffirmation of the Highmark Code of Conduct further demonstrate the Foundation’s commitment to the highest standards of ethical business conduct. To the extent that there is any conflict between this Policy and any provision of the Highmark Code of Conduct, this Policy shall control as to the matters set forth herein.

FOR MORE INFORMATION:

Contact the Foundation’s Compliance Officer.