

“ Medco’s reputation is one of its most important assets. It’s up to each of us to do all we can to protect it. ”  
— Dave Snow



Standards of Business Conduct





Dear Medco Employee:

You hold in your hands Medco's *Standards of Business Conduct* — a road map to ethical behavior for representatives of our company. Without question, it is one of the most important documents you will ever receive as a Medco employee.

Medco's leadership team is committed to fostering a culture of ethical business conduct. Medco's reputation is one of its most important assets, and it is up to each of us to do all we can to protect it. Every one of our interactions—whether with clients, individual members, investors, business partners, or each other—presents an opportunity to strengthen our reputation. The decisions we make every day are critical. There is simply no higher priority for us than to conduct Medco's business with integrity and to honor our Company's commitments.

Compliance with the Company policies described within this manual—and with all applicable laws—is at the core of our business functions and a priority for employees at every level within Medco. We expect each employee to make a personal commitment to follow both the letter and the spirit of Medco's *Standards of Business Conduct*.

### A Message from David B. Snow, Jr.

We expect, too, that our employees will take appropriate action if they notice conduct within the company—at any level—that they believe might violate the law or our *Standards of Business Conduct*. A number of options are available to employees who spot questionable activity. Please feel free to contact members of Medco's management, the Human Resources or Legal departments, or the Company's Compliance and Ethics Office. In addition, Medco's confidential Compliance and Ethics Line is available 24 hours a day, 7 days a week, at 1 877 285-4131. No employee who pursues any of these avenues need fear reprisal of any sort.

As a Medco employee, you are one of our Company's most important ambassadors and a role model for your colleagues. The actions we take, both individually and together, demonstrate our good corporate citizenship and form the basis by which we are judged. Please take the time to become familiar with the policy summaries in this guide and the complete policies on Medco's intranet. We can all make a valuable contribution to the continued evolution of Medco's culture of ethical business conduct.

Sincerely,

David B. Snow, Jr.  
Chairman and Chief Executive Officer

## How to Use This Guide

Ethical behavior and compliance with laws are critical to Medco's success. To help you understand our position and identify areas of specific concern for Medco and our industry, we are providing this resource. It includes a description of Medco's compliance and ethics program and resources and summaries of Medco's Code of Conduct and other key policies requiring honest and ethical behavior when you are acting on Medco's behalf. This guide also serves as the basis for Standards of Business Conduct training, which is required for all directors, officers, employees, and contingent workers.

### How the Guide Is Organized

We have divided the policy guide's contents into three chapters of related policies: "Our Conduct Standards," "Our Workplace Standards," and "Our Information Standards." Each chapter contains summarized versions of Medco's corporate compliance policies. You can find complete versions of each on the company's intranet by visiting HR WorkWays at <http://www.hrworkways.com/medcohealth>, or the Compliance website, <http://www.home.medco.com/compliance>.

### To Whom These Compliance Policies Apply

Dave Snow, Medco's chairman and chief executive officer, has emphasized that the policies contained within this guidebook apply equally to all Medco employees, as well as to the employees of its affiliates and subsidiaries.

**Please note that, in all cases, the electronic versions posted to Medco's intranet should be considered the most current and definitive statement of the company's policies.**

As a Medco employee, it is your responsibility to review and become familiar with these policies, and, if you have any questions, see your manager, your Human Resources representative, or the company's Compliance and Ethics Office to have them answered.

## How to Report a Compliance or Ethics Concern

Our top priority is to create an environment in which Medco employees can seek guidance when they face compliance questions or ethics challenges.

The best thing you can do when faced with a compliance or ethics concern is to ask for help and speak to the appropriate people. These include:

- Your manager
- Your local Human Resources representative
- The Corporate Compliance and Ethics Office
- The Medicare Compliance Office
- The Accredo Compliance Office
- A lawyer in the Office of General Counsel

Medco's Compliance Offices—including the Corporate Compliance and Ethics Office, the Medicare Compliance Office, and the Accredo Compliance Office—are available to all employees to help answer questions and address concerns regarding compliance and business ethics conduct.

Generally Medicare questions and concerns, including Medicare fraud, waste, and abuse issues, should be directed to the Medicare Compliance Office. Ethical and Compliance concerns involving Accredo should be directed to the Accredo Compliance Office. The Corporate Compliance and Ethics Office is available to all employees and contractors to help answer questions and address concerns, or to report a suspected compliance violation.

If, for whatever reason, you feel that none of these are appropriate, you can call the Medco Compliance and Ethics Line at 1 877 285-4131. This is a toll-free hotline available around the clock to any employee who has questions or concerns about potentially non compliant or unethical conduct. If you call the Ethics Line, you don't have to give your name unless you want to.

You can use the following resources to reach any of the Compliance Offices:

- You can send an e-mail to "MedcoComplianceandEthics@medco.com" with any compliance or business ethics questions you might have.
- You can speak confidentially to a representative of the Compliance and Ethics Office by calling 1 800 880-6403.

## Nonretaliation

You should not fear retaliation if you make a report. Medco's Code of Conduct and other Human Resources policies prohibit any employee from retaliating or acting against anyone for raising or helping resolve a compliance concern.

## Medco's Compliance and Ethics Program

Medco has been committed to six core values since its inception as an independent public company in 2003:

- Business with integrity
- Ownership of our actions
- Passion for customers
- Strength through teamwork
- Speed without compromise
- Inspiring others to excel

Although each of these values is equally critical, business with integrity is listed first—and for good reason. Among its imperatives are adherence to all company policies, procedures, and regulations; likewise, it also requires employees to promptly report any suspected violations. This value mandates that Medco's employees live up to their promises and commitments.

## Compliance Structure and Support

Medco's Compliance and Ethics Program structure is laid out in its Corporate Compliance and Ethics Program Charter. It is designed to support ethical behavior and compliance with legal requirements. Key elements of the compliance program are:

- **The Audit Committee of the Board of Directors** is responsible for ensuring that Medco maintains an effective compliance and ethics program.
- **The Corporate Compliance Committee (CCC)** consists of members of senior management and is responsible for guiding and reviewing Compliance and Ethics Program direction and for supporting and assisting Medco's compliance officers and compliance initiatives.
- **The Corporate Compliance Officer** chairs the CCC and is responsible for the day-to-day leadership of Medco's overall Compliance and Ethics Program, including maintaining a Compliance and Ethics Office that shall support and monitor or oversee all Medco compliance functions.

- **The Compliance and Ethics Office** develops and implements policies, procedures, and practices to ensure compliance with the requirements of law and regulation—including Medco's legal agreements such as its Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services and with federal and state program requirements—and to foster an appropriate ethical culture.

- **The Medicare Compliance Office** is dedicated full-time to overseeing the compliance program and operations for the Medicare Part D prescription drug benefit and other Medicare and Medicaid operations and to maintain a fraud, waste, and abuse program.

- **The Accredo Compliance Office** is responsible for carrying out the compliance program at Accredo and to develop and implement policies, procedures and practices designed to assure compliance with Medco's requirements as well as those specific to Accredo's business operations.







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## Our Conduct Standards

This document is intended only as a summary of Medco's corporate compliance policies. For complete policy details, please visit Medco's Compliance home page at <http://www.home.medco.com/compliance> or HR WorkWays, Medco's Human Resources home page, at <http://www.hrworkways.com/medcohealth>.

## Code of Conduct

### Policy Summary

Medco is committed to ethical and socially responsible behavior and to full compliance with all applicable statutory, regulatory, and other legal requirements, specifically including federal and state program requirements. Business with integrity is a core value for Medco, and nothing is more important to our Company's success than the strength of its reputation. The Code of Conduct is intended to foster a culture of ethical conduct and to ensure that all members of the Medco community avoid wrongdoing and abide by the highest standards of integrity.

The complete code of conduct can be found on pages 23 to 25 of this Standard of Business Conduct guidebook.

Medco's Code of Conduct applies to its subsidiaries and affiliates, as well as to all employees, officers, directors, and contingent workers.

### Standards of Conduct

Medco is committed to and expects and requires the following of each employee, officer, director and contingent worker:

- Conduct at all times in accordance with ethical principles that reflect the highest standard of corporate and individual behavior.
- Avoidance of all conflicts of interest between work responsibilities and personal affairs or taking for themselves corporate opportunities as provided in the Conflict of Interest policy.
- Obedience to all applicable laws, regulations, policies, and procedures in all business dealings on behalf of Medco and compliance with Medco's policies and procedures regarding the operation of the Medco Compliance and Ethics Program, as provided in the Corporate Compliance and Ethics Program Charter.
- Full compliance with all federal or state program requirements, including the requirements set forth in Medicare Part D, and to prepare and submit accurate claims consistently with such requirements, as provided in the policy on Government Programs and Other Client Commitments.
- Maintaining the confidentiality of information entrusted to them by Medco or its clients or members, as provided in the Policy on Confidentiality of Company Records and Documents, including the protection of member individual health information as provided in

the policy on Use and Disclosure of Individual Health Information.

- Fostering an environment in which all employees of Medco are treated fairly
- Protecting Medco's assets and assuring their efficient use
- Full, fair, accurate, timely, and understandable disclosure in the reports and documents that we file with authorities, such as the Securities and Exchange Commission, and in all of the public communications that we make.

### Fair Dealing:

Each employee, officer, director, and contingent worker should endeavor to deal fairly with Medco's customers, service providers, suppliers, competitors, and employees. No director, officer, or employee should take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or any unfair dealing practice.

Medco competes on the merits of its products and services. It does not make agreements with competitors to "fix" prices or restrain trade. Pricing and bidding information is not shared with competitors and mischaracterizing a competitor's products is not permitted.

### Individual Responsibilities:

Each Medco employee, officer, director, and contingent worker is expected to learn the details of the Code of Conduct and our Standards of Business Conduct, in addition to any policies and procedures that relate to Medco employment. They are expected to seek assistance from managers, Human Resources, the Compliance and Ethics Office, or the Office of General Counsel for anything that is not understood. Each must also promptly:

- Raise any concerns about his or her own conduct or the conduct of others that may appear to violate any Medco policy.
- Report suspected violations of law, regulation, policy, or procedure, including suspected violations of federal or state program requirements, or Medco Policies and Procedures, to the Corporate Compliance Officer, Medicare Compliance Officer, Accredo Compliance Officer, or other individual designated by Medco. That person will, in turn, assure appropriate reporting to the Health and Human Services Office of the Inspector General (OIG), Centers for Medicaid and Medicare Services (CMS), its designees, or other law enforcement.



- Ensure that any concerns raised are adequately addressed
- Cooperate with any investigation activity on behalf of Medco
- Disclose immediately to the Compliance and Ethics Office any debarment, exclusion, suspension, or other event that makes that person ineligible to participate in Medicare, Medicaid, or other federal or state programs or upon conviction of a criminal offense that falls within the ambit of 42 U.S.C. Section 1320a-7(a).

### Further Responsibilities of Leadership

Medco's management team has responsibilities beyond those of employees and contingent workers. Managers and supervisors are expected to help maintain and foster a culture of ethical behavior and compliance and to take active steps to work with employees to detect and respond to compliance issues or concerns.

### Consequences of Noncompliance

Failure to act with integrity, apply appropriate business ethics, or comply with applicable laws and regulations can have a severe adverse impact on Medco and its business and can result in the lost trust of our clients, members, and partners; damage to Medco's reputation; and lost business opportunities.

Further, failure to comply with the specific provisions of law, such as Medicare, Medicaid or other federal or state program requirements, can result in significant loss of business through exclusion or debarment of Medco from providing services under specific federal or state programs as well as potential penalties or even criminal sanctions.

### Penalties for Violations

Anyone who fails to comply with the Code of Conduct, violates Medco policies, or encourages others to violate the Code or other policies shall be subject to disciplinary action up to and including termination of employment. Such discipline also applies for failing to ensure compliance with Medco policies or applicable law, and not cooperating with an investigation or audit.

### No Retaliation

Medco prohibits any employee from retaliating or acting against anyone for raising or helping resolve a compliance concern.

**All employees are to complete the e-learning program "Standards of Business Conduct" within their first 30 days of employment.**

## Compliance With Government Program and Other Client Commitments

### Overview

Medco Health is committed to full compliance with applicable statutory, regulatory and other legal requirements, including Medicare, Medicaid and other federal and state program requirements, and its contractual commitments to all of its clients related to the delivery of the services provided by Medco and its subsidiaries. Failure to comply with Medicare, Medicaid, or other federal or state standards exposes Medco and its subsidiaries to potential loss of its ability to serve clients, such as Medicare Part D contracts, and exclusion from participation in Medicare, Medicaid, and other federal or state programs, and can potentially result in fines or even criminal sentencing against the company or its officers or employees. In addition, non-compliance with client commitments and regulatory standards undermines Medco's business reputation and credibility with members, groups, and providers. This policy is designed to help Medco ensure that it fulfills statutory and contractual obligations to members, groups, and providers fairly, accurately, and consistently. Compliance is not optional.

### Scope

This policy applies to Medco and its subsidiaries and affiliates, as well as to all employees, officers, directors, and contingent workers.

**Examples of program commitments covered by this policy, include, but are not limited to, the requirements in Medco's:**

- Medicare contracts and provider agreements with Center for Medicare and Medicaid Services ("CMS") for its beneficiaries, groups and providers;
- Medicaid contracts and provider arrangements with state Medicaid agencies;
- Contracts with Federal Employee Health Benefit Program sponsors to provide prescription benefit management services; and
- Pharmacy services contracts with state agencies or pension plans for state employees and retirees

### Details

**Medco shall comply with the following statutes to the extent applicable, as well as with the regulations or other guidance related to these statutes:**

- Federal and state false-claims act statutes prohibiting knowingly or recklessly submitting false claims or reports, encounter data, or bid information under federal or state health programs

- Federal and state anti-kickback statutes prohibiting the provision or receipt of anything of value to induce the flow of federal health care program business; the Public Contract Anti-Kickback Act, and similar state statutes
- The Civil Monetary Penalty and similar state statute prohibitions on the provision or receipt of inducements to beneficiaries of Medicare, Medicaid or other health care programs in order to influence the utilization or ordering of healthcare services
- The Federal Anti-Referral law, commonly referred to as the Stark Law, and similar state laws prohibit self-referrals of certain designated health services including outpatient prescription drugs and durable medical equipment and supplies
- Federal and state laws prohibiting theft or bribery concerning programs receiving program funds
- The Health Insurance Portability and Accountability Act (HIPAA), providing mandatory standards for transmission, privacy, and security of electronic health data
- Other applicable criminal statutes
- The Code of Federal Regulations and all sub-regulatory guidance produced by CMS for Medicare Part D, such as manuals, training materials, and guides, in addition to similar guidance under other programs
- Applicable provisions of the Food, Drug, and Cosmetics Act
- Other applicable state laws
- Other contractual commitments to our federal, state, or other clients

Citations to these statutes and discussions of Medco policies and procedures specific to compliance with the above commitments can be found at the Compliance home page (note below). Reference the “Medicare D” tab for policies related to Medicare Part D and fraud, waste, and abuse detection.

Medco is committed to, and expects and requires of each employee, officer, director, or contingent worker compliance with the above commitments and Medco’s policies and procedures regarding compliance with these commitments.

## **Consequences of Non-compliance; Penalties**

Failure to comply with the specific provisions of law, such as Medicare, Medicaid or other federal or state program requirements, can result in significant loss of business through exclusion or debarment of Medco from serving specific programs. It can also result in potential penalties or even criminal sanctions, which can be imposed on individual employees as well as the company. Anyone to whom these policies apply who fails to comply with them shall be subject to disciplinary action up to and including termination of employment. Such discipline may apply to direct violation of a Medco policy or requesting others to violate a Medco policy; failing to demonstrate leadership required to ensure compliance with Medco policies and applicable law; failure to cooperate with an investigation or an audit; and retaliating against an employee for raising a compliance concern.

## **Raising Compliance or Ethics Concerns; Retaliation Prohibited**

Concerns about conduct that falls short of compliance standards can be raised through the management or Compliance resources listed on page 2, including the Medco Compliance and Ethics Line (1 877 285-4131), a toll-free hotline available around the clock that includes a mechanism for individuals to make a report and engage in follow-up communications anonymously. Medco offers the above resources to report concerns and potential non-compliance with government programs and other client requirements, and Medco is committed to promptly reviewing any concerns raised to determine whether action need be taken. In addition to Medco’s internal reporting mechanisms, additional resources include the Health and Human Services/Office of Inspector General Fraud and Abuse Hotline and the various State Attorney General Fraud and Abuse Hotlines.

Medco Health prohibits any employee from retaliating or taking adverse action against anyone for raising or helping to resolve a compliance concern. A number of federal and state statutes include provisions that under specific circumstances provide protections against retaliation for those who raise or help to resolve a violation of those statutes.

## Conflict of Interest

### Overview

All Medco employees, officers, and directors should conduct the company's business with honesty, integrity, and adherence to the highest ethical standards. Employees must avoid situations that create an actual or potential conflict between their personal, social, financial, political, or other interests and the interests of Medco.

Management is responsible for determining whether an actual or potential conflict exists, as well as for establishing guidelines and controls to resolve conflicts. Each individual is responsible for disclosing any activity that may give rise to an actual or potential conflict.

### Policy Summary

Medco officers, directors, and employees are expected to avoid or disclose the following, along with any other activities that may present a potential or actual conflict of interest.

#### Ownership or financial interest in other businesses, such as:

- Suppliers, competitors, or customers, by an employee or an employee's family member
- Companies known to be involved or interested in transactions with Medco
- The receipt of undisclosed fees, commissions, or other compensation or benefits from a company supplier, customer, or competitor

#### Acceptance of gifts, entertainment, loans, or other favors:

- Receipt of gifts, gratuities, entertainment, loans, or guarantees of any obligation or other items of more than token or nominal monetary value
- Any gift that may reasonably be deemed to affect the judgment or actions of the recipient in the performance of his or her duties

#### Outside employment:

- Any outside employment that affects motivation, performance, or the amount of time and attention dedicated to Medco job responsibilities

#### Relatives and personal relationships:

- Directing company business or opportunities to a vendor managed by, or in which an ownership interest is held by, a relative, spouse, or domestic partner

- Employment of a relative, spouse, or domestic partner with a supplier, competitor, or customer
- Direct involvement in the hiring, direct supervision of, or direct responsibility for promotional/compensation determination of relatives, spouses, domestic partners, or close friends

#### Personal use of company assets:

- Taking personal or financial advantage of corporate opportunities while employed with the company
- Using the company's property, information, resources, facilities, or position for personal gain

An annual conflict of interest disclosure questionnaire must be completed and signed upon hire and annually thereafter by members of the board of directors, management, and certain designated employees based on job function.

## Gifts, Entertainment, and Business Courtesies

### Overview

Medco seeks to address and regulate any direct or indirect participation in activities that could impair or be perceived to impair an individual's business judgment. This policy applies to all Medco employees and is overseen by the company's controller and the Corporate Compliance and Ethics Office.

### Policy Summary

Medco discourages the provision or receipt of gifts, gratuities, entertainment, financial consideration of any type, or of items of more than reasonable monetary value (\$150 or less) from actual or potential suppliers, vendors, or customers. Further, no employee may give or receive such a gift more than twice in any calendar year.

#### Providing and receiving gifts or business courtesies:

- **Avoiding impropriety:** No employee should ever give, offer, or accept, nor authorize anyone else to give, offer, or accept, anything of value to a customer, vendor, or other business partner of Medco in order to obtain any improper advantage or if the gift may improperly affect an employee's judgment.

■ **Government officials:** Members of the Medco community should under no circumstances give or authorize anyone to offer any gift, meal, or other thing of value to a government official, except under specific circumstances outlined in the policy or permitted by law.

■ **Business-appropriate gifts or courtesies:** Gifts and business courtesies offered or made shall only be permitted if they are business-appropriate (i.e., those that a reasonable person would expect in a business setting). Invitations from current or potential business associates to social events may be accepted if the cost is reasonable and does not include travel or lodging.

#### Entertainment reimbursement:

- All business meals and entertainment must have a clear business purpose.
- When entertaining a client, an appropriate limit must be placed on the number of Medco employees who attend.
- If more than one employee is present at a meal or entertainment function, the highest-ranking employee must pay the bill and seek appropriate reimbursement.
- An employee who wishes to participate in any activity that may involve the attendance of family members must seek advance permission from his or her senior vice president.

#### Exceptions:

- This policy's monetary limits may be exceeded under limited circumstances. Please view the complete policy for details.

#### Internal gifts:

- Medco discourages internal gifts, which are those exchanged between individual employees or between business areas in which reimbursement is sought from the company.
- Recognition programs, such as the Award for Excellence, can accomplish the objectives of internal gifts.

## Insider Trading

### Overview

Insider trading laws protect both the investing public and the company by helping to preserve fair and open markets for the buying and selling of the Company's securities. Full compliance with these laws is the policy of the company and the obligation of each of its employees, at all levels.

### Policy Summary

#### Interpretation—General Prohibition

Insider trading laws prohibit an insider, such as an employee or director, from buying or selling a company's securities while in possession of material, nonpublic, or "inside" information about that company. Accordingly, all directors and Medco employees, regardless of their level within the company or the duties they perform, are prohibited from buying or selling Medco securities while in possession of material inside information about the company. This policy also applies to family members of Medco employees and directors and anyone sharing their household. Employees and directors are also prohibited from disclosing such information to persons who do not have a need to know the information.

#### Material Information

Information is material if it creates a substantial likelihood that a reasonable investor would attach importance to it in deciding whether to buy, sell, or hold securities. Examples include sales or earnings results, or expectations for the quarter or year; financial forecasts; changes in relationships with major customers, or obtaining or losing important contracts; important product events; potential labor disputes; and proposals or agreements involving an acquisition, divestiture, or joint venture.

#### Public Disclosure

Nonpublic information is information that relates to a company that has not been disclosed to the investing public by such company. Generally speaking, material information has not been disclosed to the public until there has been full dissemination of a press release or other broad-based announcement.

Purchases and sales of company securities by a Medco employee or director while in possession of material company information should only be made when the employee or director is certain that such information has been publicized sufficiently by official announcement. An insider may not attempt to "beat

the market” by trading simultaneously with, or shortly after, the official release of information. It is expected that employees who possess inside information will not trade in the company’s securities until the third full trading day after public disclosure of the material.

### Options and Stock Appreciation Rights

Possession of material, nonpublic information may affect your ability to exercise certain rights granted under the company’s stock incentive plan, such as stock options. Additionally, stock acquired pursuant to options or the company’s employee stock purchase plan may not be sold if the holder is in possession of inside information. Employees and directors who are or believe they may be in possession of inside information are therefore urged to consult the Office of the General Counsel before any such activities.

### Additional Guidance

The company considers it improper and inappropriate for those employed by or associated with the company to engage in short-term or speculative transaction in the company’s securities or in other transactions in the company’s securities that may lead to inadvertent violations of the insider trading laws. Please review the policy for additional guidance.

For specific information or guidance about the insider trading policy and related information, please visit the corporate compliance home page at <http://home.medco.com/compliance>.







## Our Workplace Standards

This document is intended only as a summary of Medco's corporate compliance policies. For complete policy details, please visit Medco's Compliance home page at <http://www.home.medco.com/compliance> or HR WorkWays, Medco's Human Resources home page, at <http://www.hrworkways.com/medcohealth>.

## Harassment

### Policy Summary

Medco strives to maintain a work environment that respects the dignity of all of its employees, is conducive to good job performance, and is free from all types of unlawful discrimination and workplace harassment, including sexual harassment and harassment because of race, color, religion, national origin, age, ancestry, disability, sexual orientation, citizenship status, marital status, or other characteristics protected by law.

Alleged incidents of workplace harassment will be promptly and thoroughly investigated, and management will take appropriate action that is reasonably calculated to end any harassment. Any employee who engages in workplace harassment will be subject to appropriate disciplinary action, up to and including termination. Workplace harassment committed by outside agents will be remedied through appropriate means.

### Workplace Harassment

Workplace harassment is defined broadly to include any verbal or physical conduct that:

- Is not welcomed by or is offensive to the recipient
- Has the purpose or the effect of creating an unreasonably intimidating, hostile, or offensive work environment
- Has the purpose or the effect of unreasonably interfering with the recipient's work performance

Workplace harassment includes any form of harassment or intimidation based on a personal or group characteristic. Examples of prohibited workplace harassment may include the following:

- Name calling, slurs, or derogatory remarks
- Intimidating or hostile acts and verbal abuse focused on a personal or group characteristic
- Physical assault or intimidation
- Jokes or pranks based on a personal or group characteristic
- Placing on walls, bulletin boards, intranet/Internet, or elsewhere, or circulating in the workplace, via e-mail or other communications vehicles, material that denigrates or shows hostility or aversion toward a person or group because of a personal or group characteristic

Prohibited workplace harassment does not include conduct or actions, not otherwise objectionable, that are:

- Part of performance management
- Part of company investigations
- Part of an effort to hold an employee accountable for his or her performance or behavior

## Sexual Harassment

Sexual harassment is a form of workplace harassment prohibited by this policy. In general, sexual harassment is harassment because of one's gender. Prohibited sexual harassment can include the gender-motivated conduct of one individual toward another of either the opposite or the same sex. In general, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature taken because of the recipient's sex, when:

- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an unreasonably intimidating, hostile, or offensive work environment
- Submission to such conduct is made either explicitly or implicitly a term and condition of the individual's employment
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual

Examples of prohibited sexual harassment may include the following:

- Demands for sexual favors in exchange for preferential or favorable treatment
- Unwelcome physical contact
- Unwelcome flirtations, propositions, or advances
- Improper and offensive gestures or remarks, including unwelcome comments about an individual's physical appearance
- Sexual jokes or the inappropriate use of sexually explicit or offensive language
- The display in the workplace of sexually explicit or suggestive objects or pictures

## Consensual Relationships

A romantic or sexual relationship (between either the opposite or same sex), even when consensual, between a manager and an employee that he or she currently supervises is unacceptable. Such relationships may compromise Medco's policy against sexual harassment and present an inherent conflict of interest for the manager or supervisor.

## Retaliation

Retaliation will not be tolerated. Individuals who report harassment or who are involved in a harassment investigation, should immediately report any reprisal or retaliation.

## Employee Responsibility

It is the responsibility of all employees to know, understand, and adhere to this policy and to conduct themselves at all times in a manner that does not violate this policy. It is the responsibility of every employee who believes that he or she has been the victim of harassment or retaliation in violation of this policy or has observed behavior in violation of this policy to report that harassment or retaliation. All employees are expected to cooperate fully in Company harassment or retaliation investigations. Refusal to cooperate or the providing of false, misleading, or incomplete information during an investigation may result in disciplinary action up to and including termination.

## Management Responsibility

In addition to the above, it is the responsibility of every manager and supervisor to ensure that his or her area is free of any form of workplace harassment. It is the responsibility of every manager and supervisor to promptly address any and all violations of this policy that he or she observes or otherwise knows about, regardless of the existence of an official complaint.

All employees are to complete the e-learning program "Preventing Workplace Harassment" within their first 90 days of employment.

## Substance Abuse

### Overview

The company strictly prohibits the unlawful manufacture, distribution, possession, or sale of illegal drugs and the possession or use of illegal drugs or alcohol on company premises or while conducting company business. However,

alcoholic beverages may be served at company-sponsored activities as long as abuse does not occur.

If you're taking medicines prescribed by your doctor, you can report to work if the medicines won't adversely affect your job performance, your safety, or the safety of your coworkers. Every employee is responsible for helping the company maintain a work environment that's free of the effects of substance abuse and abusers.

### Policy Summary

You will not be permitted to work while under the influence of alcohol or illegal drugs. You are subject to disciplinary action, up to and including termination of employment, if:

- You violate the requirements of this policy, as described in the first paragraph, or work under the influence of alcohol or illegal drugs
- You violate or are arrested for or convicted of violating any criminal drug statute while conducting Company business

In addition, as a condition of employment, you must report any such conviction or any DUI or DWI conviction, if driving is required for your job, to the company within 5 days of receiving it. The company may require you to be:

- Tested for drug or alcohol use
- Searched for drugs or alcohol while on company premises

To help employees with drug or alcohol problems, the company offers professional, confidential counseling services through the *Employee Assistance Program (EAP)*. For more information, contact the HR Service Center or call the EAP provider directly at 1 800 888-MEDCO.

## Equal Employment Opportunity

### Overview

Medco is committed to actively promoting equal employment opportunity and a continuing program of affirmative action.

The company's employment practices follow all applicable laws and regulations. The company will work cooperatively with government agencies, educational institutions, civic organizations, and other groups to carry out its equal employment opportunity and affirmative action programs.

## Policy Summary

Medco provides equal employment opportunity for all people without regard to:

- Race
- Color
- National origin
- Gender
- Sexual orientation
- Age
- Marital status
- Religion
- Disability
- Veteran status
- Any other legally protected status
- All legally protected statuses with respect to employment or in any of the Company's terms or conditions of employment, including policies or practices affecting:
  - Recruitment and placement
  - Promotions, demotions, or transfers
  - Layoff, recall, or termination of employment
  - Training, educational, social, and recreational programs
  - Compensation or benefits

## Affirmative Action

Each year, the company and its affiliates develop and implement written affirmative action plans. These plans include goals to fully utilize minorities, females, veterans, disabled persons, and other protected groups.

## Safety, Health, and Environment

### Overview

Medco's safety, health, and environment policy has been drafted to ensure an understanding of the company's philosophy, mission, and commitment to its employees' health and well-being, while also helping to ensure that the company complies with all applicable laws and regulations.

## Policy Summary

Medco's safety, health, and environment policy serves as the foundation on which all Company safety and environmental initiatives and programs are based. Key goals and objectives have been established in support of, and as a framework for, the policy.

### Implementation:

- The Company and its individual employees must be committed to and demonstrate ownership of responsibility for protecting safety, health, and the environment.
- Medco and its employees must comply with all applicable safety, health and environmental regulations and other requirements.
- We must establish programs that minimize our safety, health, and environmental risks.
- We must always strive to improve our safety, health, and environmental performance standards.
- We must train and communicate with our employees to increase their understanding that Medco is dedicated to enhancing safety and protecting their health.

### Responsibilities:

- Management should demonstrate its commitment to safety and the safeguarding of employees against employment injury or illness.
- Employees share the responsibility for acting in accordance with safety, health, and environmental requirements and they shall achieve safety, health, and environmental objectives.

**All employees are expected to conduct themselves in a professional way in the workplace; failure to comply with these policies may lead to disciplinary action up to and including termination of employment.**





## Our Information Standards

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This document is intended only as a summary of Medco's corporate compliance policies. For complete policy details, please visit Medco's Compliance home page at <http://www.home.medco.com/compliance> or HR WorkWays, Medco's Human Resources home page, at <http://www.hrworkways.com/medcohealth>.

## Protecting Confidential Information

### Overview

This policy is intended to provide guidance for handling information that, if improperly disclosed, could directly or indirectly impair the company's competitive business position.

### Scope

Medco's policy governing the protection of confidential information belonging to the company, its clients, and its business partners applies to all the company's officers, directors, and employees, as well as third-party consultants and contingent workers. In the event of a conflict between this policy and any other corporate policy, the one that provides greater restriction on the activity in question shall govern the employee's conduct.

### Summary

Each person employed by or affiliated with Medco must maintain the confidentiality of information obtained through relationships of confidence, and each employee is personally responsible for preserving the confidentiality of information learned in the course of his or her employment. Such information should not be disclosed to anyone who does not have a bona fide need for it.

#### Confidential information may include the following:

- Pricing information for transactions with customers or vendors
- Information concerning lists of Medco customers
- Information on possible, prospective, or actual business acquisitions
- Customer renewal or nonrenewal information
- Contractual disputes with customers or vendors
- Matters in litigation or those that are anticipated to be litigated in the future
- Actual or projected company earnings or other financial information
- Information that may have an impact on the stock market

#### Security measures to preserve confidential information:

- Do not discuss sensitive business matters in public, and keep voice levels down.
- Do not read confidential company documents in public or leave them where they might be retrieved.

- Do not carry confidential information in an exposed manner.
- Clearly mark all sensitive information carried by mail or messenger as either "Restricted Confidential" or "Business Confidential".
- Speakerphones—as well as mobile, car, boat, and airplane telephones—are not secure. Take care to protect confidential information when using such devices.
- Do not leave confidential documents unattended in a conference room or office.
- When appropriate, code names should be used in confidential documents. Other identifying information within them should be camouflaged as well.
- Confidential documents are not to be photocopied for employees' personal use.
- Keep computer log-on information and passwords private, and do not leave a "logged on" terminal unattended for any period of time.
- Computer disks that contain confidential information should receive the same level of care as confidential paper documents.
- Refer all inquiries from the press, securities analysts, and competitors to Public Affairs, Investor Relations, or the General Counsel.

## Use and Disclosure of Individual Health Information (IHI)

### Overview

This policy and other Medco policies with respect to health information are designed to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Standards and to establish limits on the use and disclosure of protected health information as stated in the HIPAA Privacy Standards.

All employees are to complete the e-learning program "HIPAA Privacy" within their first 30 days of employment.

## Policy Summary

### Individual Health Information (IHI):

This is defined as any information that (i) identifies, or could reasonably be used to identify, an individual, and (ii) relates to the individual's health or the provision of healthcare to the individual.

### Medco's Use and Disclosure of IHI:

Medco uses and discloses IHI consistent with its obligations as a provider and as a pharmacy benefit manager. Medco discloses IHI to health plan sponsors and to persons or entities acting for or on behalf of Medco, pursuant to appropriate contractual protections regarding its handling.

- **Access to IHI:** The extent of an employee's access to IHI should be the amount reasonably required to permit that employee to perform the duties of his or her job effectively. Internal distribution of IHI must only be on a need-to-know basis.
- **Restrictions on use and disclosure of IHI:** No employee shall use, access, review, or otherwise disclose IHI to any person or entity, except as reasonably required or permitted to perform the duties and responsibilities of his or her job or with Medco's express prior consent. Internal and external disclosure should be limited to the amount of IHI determined to be the minimum reasonably required to perform an activity. Disclosure of IHI to third-party vendors shall be performed in accord with all applicable Medco policies regarding confidentiality.
- **Compliance and training:** A member of the workforce shall comply with this policy and all policies or procedures that concern the manner in which the member performs his or her job responsibilities. Medco will train members of its workforce as necessary to enable such members to perform their job responsibilities in accordance with this policy and any related policies and procedures.

### Implementing policies and procedures:

Individual Medco departments shall create operating procedures and practices to implement the provisions of this policy.

### Reporting violations:

Any member of the workforce who believes that another member of the workforce—or any Medco

policy, procedure, practice, or method—has violated or is likely to violate this policy, the HIPAA Privacy Standards, or a related policy or procedure should report the matter promptly and completely to his or her supervisor, his or her next level of management, the Medco Ethics Line, Medco's Privacy Office, his or her human resources manager, the Office of Ethics, or the Legal Department. A member of the workforce who is requested or required to perform any act that would, if performed, constitute such a violation should also promptly and completely report the matter to one of the entities listed above. Any supervisor, manager, or other person who receives notice of a potential violation should immediately notify the chief privacy officer or his or her designee.

No member of the workforce shall engage in retaliation in any manner against a member of the workforce who reports such a possible violation or who is involved in any investigation concerning a possible violation. A member of the workforce who believes that he or she has been subject to or is aware of any such retaliation should follow the reporting procedures set forth in this policy.

### Mitigation:

Medco will seek to mitigate the harmful effect, if any, of a use or disclosure of IHI in violation of the HIPAA Privacy Standards, this policy, or a related policy or procedure.

## Record Retention

### Overview

Medco's policy on record retention is intended to allow storage of records for as long as necessary to satisfy legal, business, tax, audit, or regulatory requirements. It has been developed to reduce and control the cost of record storage, to enable Medco to make more efficient use of the documents needed for current operations, and to provide evidence to courts and government agencies that records are maintained according to a meaningful retention schedule and are destroyed in the normal course of business.

Office files should be reviewed periodically, and files for which the retention period has expired should be destroyed. This destruction requirement is suspended for litigation if notice is sent by the Office of General Counsel that records should be retained or provided while a lawsuit is pending.

## Scope

Medco's document retention policy applies to records regardless of where they are stored (i.e., centralized files, office files) and regardless of the form those records take (i.e., paper, electronic, or computer files).

Specific retention schedules apply to documents in the sales/marketing area, the drug manufacturer purchasing and formulary area, the retail/mail service area, and others, and range from 2 years to 10 years or more. For specific requirements, please refer to the record retention policy.

## Electronic Information Asset Security

### Overview

In today's healthcare environment, the ability to safeguard Electronic Information Assets (EIAs), is critical. Medco respects and values the confidentiality, integrity, and availability of our EIAs, and it is Medco's policy to protect such assets. Thus, Medco has established administrative, physical, and technical safeguards for its EIAs, under which employees and contingent workers should hold company EIAs in strict confidence and adhere to EIA security policies, related procedures, and control mechanisms.

All employees are responsible for completing the e-learning program "Information Security" within their first 30 days of employment.

### Policy Summary

#### Definitions:

- Electronic Information Asset—Medco electronic information and its associated computer hardware and software used to process the information for business purposes.
- User—a member of the workforce who uses one or more Medco EIAs, a member of the workforce of a Medco client or vendor, or an entity such as a retail pharmacy that needs access to a Medco EIA.

#### General User Requirements:

- EIAs are used only for business purposes, except as explicitly permitted by other policies, and they require a User ID assigned to the user.
- Each member of the workforce shall understand his or her responsibilities regarding the security of Medco's EIAs and shall participate in EIA Security Awareness and Training offered by Medco.

#### Ownership and Custody:

- Every EIA shall have a single owner and one or more Security Custodians with access control, backup, and other security responsibilities.
- EIA Owner and Security Custodian identification and their relationships are defined by policy and SOP, with the Office of Information Security maintaining an appropriate registry of EIAs, their owners, and Security Custodians.
- Access to EIAs is restricted based on a workforce member's job duties.

#### Information Systems Review of Related Policies:

- The Information Security Policy Board shall review and approve Medco policies that impact the confidentiality, integrity, or availability of Medco's EIAs.
- The Information Security Policy Board is responsible for developing, maintaining, and distributing Medco's Electronic Information Security Policies.

## Copyright Guidelines

### Overview

Works are protected by copyright laws in the United States even if they are not registered with the U.S. Copyright Office, and even if they do not carry the copyright symbol (©). Multiple factors, including the date of creation or publication, determine the length of copyright protection.

Copyrights allow their owner to determine who can reproduce a work; distribute copies of the work; prepare adaptations or other works based on the original; communicate the work to the public; and perform, project, or display the work.

Examples of copyrighted materials include newspaper, magazine, and journal articles; books; Web pages and other computer software; e-mail and other correspondence; and TV and radio programming.

### Policy Summary

#### Use of Another's Copyrighted Work:

No Medco employee or contingent worker may copy, reproduce, distribute, or display any copyrighted work in print, video, or electronic form in violation of the law. In general, laws that apply to print media also apply to electronic media.



■ **Making copies of copyrighted material:**

Photocopying or other reproduction of copyrighted material, for either internal or external use (including electronic storage or transmission), is an infringement of copyright unless consent of the copyright owner has been secured.

■ **Copyright Clearance Center:**

Medco's license with the Copyright Clearance Center allows its employees to reproduce many copyrighted materials without direct contact with the copyright owner. Certain restrictions apply, such as internal use and distribution; photocopying done within Medco; access of publication through a corporate subscription; and non-use of logos, charts, photographs, and other graphics. In other situations, the copyright owner must be contacted directly.

■ **Copyright statements:**

Any authorized reproduction must include the copyright statement as provided by the copyright owner and any other necessary citation.

■ **Distribution of articles outside Medco:**

Permission to distribute articles outside Medco must be obtained by the copyright owner or his or her authorized agent.

**Use of Medco-Owned Copyright Material:**

All original works of authorship created by or for Medco are protected by copyright.

■ **Proper indication of copyright status:**

All Medco-owned copyright material must bear the following notice:

“© 200-\* Medco Health Solutions, Inc.  
All rights reserved.”

- \* The year is the year of first publication. The year remains constant unless there are significant changes made to the work, in which case the year that revisions are made can be added. If the revisions are so major that much of the work is different, a new year should be used.

Medco owns the copyright to all material prepared or created by Medco employees and works prepared by others for Medco if such work is a “work made for hire” and the contract provides for ownership by Medco.

■ **Work prepared by outside vendors:**

Outside vendors should not be authorized to begin work for Medco until a written agreement is in place

stating that the work is a “work made for hire” and that the copyright will be owned by Medco. If the contract does not have this provision, the vendor, as author of the work, can claim copyright.

■ **Presentations by Medco employees:**

Slides, overheads, and handouts should have a copyright notice on them. The copyright notice should appear as a footer on these materials. Also, handouts should include a statement that any copying must be authorized by Medco.

■ **Transfer of Medco copyrights for publication:**

If a Medco employee authors an article that is to be submitted for publication, the article must go through Medco's publication review process prior to submission to a publication. Before an article is published, the publisher will require a transfer of the copyright in the article from the author(s) to the publication. An article written by an employee is considered a “work made for hire” and Medco is the owner of the copyright. Therefore, the copyright transfer must be signed by someone authorized by Medco to transfer these rights. Any transfer forms received from the publisher should be sent to the designated person for signature.

## Use of Technology and Communication Tools

### Overview

Medco provides you with access to a variety of technology and communication tools, such as computers; e-mail; instant messaging; the Internet and the Company intranet; telephones and voicemail; and photocopiers and fax machines.

The company encourages you to use its tools efficiently to meet business needs, and it allows you to use these tools for personal activities, as long as such use doesn't adversely affect productivity or the work environment, nor does it violate company policy. The use of company technology and communication tools is subject to management's discretion.

### Policy Summary

#### Inappropriate Use

You may not use company communication tools for inappropriate purposes. Examples of inappropriate use include:

- Improperly disclosing confidential or proprietary information, including posting company documents on external websites or other external file storage systems



- Participating in unethical or illegal activities
- Engaging in threatening or offensive behavior that violates the company's Harassment or Equal Employment Opportunity policies. This includes:
  - Accessing, forwarding, or photocopying pornographic, sexist, racist, or otherwise offensive or inappropriate material
  - Making derogatory or vulgar statements in any manner regarding sex, race, color, national origin, ancestry, citizenship, religion, age, disability, medical condition, sexual orientation, veteran status, or marital status
- Conducting business activities not related to Medco
- Participating in activities that violate any other company policy

Employees may not engage in conduct, including false or misleading public statements or communications, which is detrimentally disloyal to Medco or brings discredit to or adversely affects the reputation of Medco.

### E-mail and Computer Systems

In addition to the general guidelines listed above, there are some specific things to keep in mind when using the company's e-mail and computer systems, inclusive of its networks, workstations, and servers:

- You may not use company e-mail for distributing chain letters, unauthorized virus warnings, or other nonbusiness messages containing inappropriate sound files, pictures, movies, or screen savers.
- You may not use a company computer system to store personal items not related to company business, such as software applications, games, movies, or similar material.

### Internet-Based and Other External File Storage

Some Internet companies offer free file storage space on their websites. Since all documents created at Medco are company property and are considered confidential and proprietary, you may not:

- Place any company files on any unauthorized third-party websites
- Enter into individual or separate arrangements to store company or client information outside the company

Medco has established procedures for providing work-related remote access to its systems if your job responsibilities require it. The company also has existing systems for you to use to back up and archive files.

### Privacy

When using company technology or communication tools, such as internal e-mail or accessing the intranet or Internet from a Company computer, your privacy is subject to the company's appropriate business and operating needs, company policies, and applicable laws. Company operations and network staff may review your use of these tools in the course of normal system maintenance, network administration, or problem resolution.

In addition, the company may read, decrypt, or otherwise monitor your e-mail use to investigate inappropriate use or theft of the company's intellectual property or for other business reasons.

### Confidential and Proprietary Information

When sending e-mail, you're responsible for considering the sensitivity of the information. You must comply with company policies related to the handling of confidential or proprietary information, as well as with the laws of foreign countries that govern international transmission of data and information.

# Code Of Conduct

Medco is committed to ethical and socially responsible behavior and to full compliance with all applicable statutory, regulatory and other legal requirements, specifically including federal and state program requirements. Business with integrity is a core value for Medco, and nothing is more important to our company's success than the strength of its reputation. This Code of Conduct is intended to foster a culture of ethical conduct and to ensure that all members of the Medco community avoid wrongdoing and abide by the highest standards of integrity.

## Scope

This Code of Conduct is applicable to Medco, its subsidiaries and affiliates, and all employees, officers, directors and contingent workers.

This Code of Conduct sets forth Medco's commitment to compliance and ethics, but Medco in addition has developed more detailed policies and procedures regarding the operation of its Compliance and Ethics program and other key matters. For complete policy details, please contact the Corporate Compliance and Ethics Office, or visit Medco's Compliance home page at <http://www.home.medco.com/compliance> or HR WorkWays, Medco's human resources home page, at <http://www.hrworkways.com/medcohealth>.

In addition, Medco's Standards of Business Conduct (SOBC) contains summaries of Medco's highest profile compliance policies, and Medco has prepared Standards of Business Conduct training which is required of all employees, officers, directors and contingent workers.

## Commitments

**Medco is committed to, and expects and requires of each employee, officer, director, and contingent worker the following:**

- Conduct at all times in accordance with ethical principles that reflect the highest standard of corporate and individual behavior, as provided in this Code and in our SOBC, which summarizes and explains Medco's key compliance policies, including those summarized below.
- Avoidance of all conflicts of interest between work responsibilities and personal affairs or taking for

themselves corporate opportunities as provided in the *Conflict of Interest* policy described within the SOBC.

- Obedience to all applicable laws, regulations, policies and procedures in all business dealings on behalf of Medco and compliance with Medco's policies and procedures regarding the operation of the Medco Compliance and Ethics program as provided in the *Corporate Compliance and Ethics Program Charter*.
- Full compliance with all Federal or state program requirements, including the requirements set forth in Medicare Part D, 42 CFR Section 423, and to prepare and submit accurate claims consistently with such requirements, as provided in the policy on *Compliance with Government Programs and Other Client Commitments*, as described in the SOBC.
- Maintaining the confidentiality of information entrusted to them by Medco or its clients or members as provided in the policy on *Confidentiality of Company Records and Documents*, including the protection of member information as provided in the policy on *Use and Disclosure of Individual Health Information*, described within the SOBC.
- Fostering an environment in which all employees of Medco are treated fairly.
- Protecting Medco's assets and assuring their efficient use.
- Full, fair, accurate, timely and understandable disclosure in the reports and documents that we file with authorities such as the Securities and Exchange Commission, and in all of the public communications that we make.

## Fair Dealing

Each employee, officer, director and contingent worker should endeavor to deal fairly with Medco's customers, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or any unfair dealing practice.

Medco competes on the merits of its products and services, and it does not make agreements with

competitors to “fix” prices or restrain trade. Pricing and bidding information is not shared with competitors and mischaracterizing a competitor’s products is not permitted.

### **Reporting Financial Condition and Results of Operations Fairly and Honestly:**

The Company’s books and records will be kept in accordance with generally accepted accounting principles, and with established finance and accounting policies. Accrual and reserve entries, and the capitalization of costs will be used only for legitimate business purposes. All personnel will cooperate fully with internal and outside auditors during their examinations of the Company’s books, records and operations. Certifications and reports of financial conditions will be true and accurate. Deception is inconsistent with principles of integrity and will not be countenanced.

### **Individual Responsibilities for Assuring this Code of Conduct is Followed**

#### **Each Medco Health employee, officer, director and contingent worker is expected to:**

- Learn the details of this Code of Conduct, our Standards of Business Conduct, and any policies and procedures that relate to Medco employment.
- Seek assistance from managers, Human Resources, the Compliance and Ethics Office, Medicare Compliance Office, Accredo Compliance Office or the Office of General Counsel for anything that is not understood.
- Promptly raise any concerns about one’s own conduct or the conduct of others that may appear to violate any Medco policy or federal or state law or regulation.
- Promptly report suspected violations of law, regulation, policy or procedure, including suspected violations of federal or state program requirements or Medco Policies and Procedures, to the Corporate Compliance Officer, Medicare Compliance Officer or Accredo Compliance Officer or other individual designated by Medco, who will assure appropriate reporting to the Health and Human Services Office of Inspector General (OIG), Centers for Medicaid and Medicare Services (CMS), its designees, or other law enforcement.

- Ensure that any concerns raised are adequately addressed.

- Cooperate with any investigation activity on behalf of Medco.

- Disclose immediately to the Compliance and Ethics Office any debarment, exclusion, suspension, or other event that makes that person ineligible to participate in Medicare, Medicaid, or other Federal or state programs or upon conviction of a criminal offense that falls within the ambit of 42 U.S.C. Section 1320A-7(a).

### **Further Responsibilities of Leadership**

#### **Medco’s management team has responsibilities beyond those of employees and contingent workers. Managers and supervisors are expected to:**

##### **Maintain a culture of compliance by:**

- Communicating corporate policies and procedures and applicable federal and state statutory, regulatory and program requirements to all employees and contingent workers
- Ensuring that employees understand that compliance is never secondary to business results
- Promoting compliance efforts through frequent meetings with direct reports and through employee evaluations
- Encouraging employees to read and follow their individual responsibilities to ensure this code of conduct is followed
- Leading by example, through their own behavior

##### **Detect compliance problems by:**

- Reviewing appropriate internal control measures across all business processes to detect compliance risks or variances
- Ensuring that periodic monitoring and reviews for compliance occur and identifying needed improvements

##### **Respond to compliance problems by:**

- Promptly correcting any identified violations of law or variances in compliance activity
- Identifying any necessary modifications to business processes as a result of a compliance review

- Taking appropriate disciplinary action
- Consulting with the Compliance and Ethics Office and assisting in making appropriate disclosures to governmental authorities

Any waiver of the code, insofar as executive officers or directors are affected, may be made only with the approval of the Board of Directors or a committee of the Board of Directors. Any such waiver will be promptly disclosed to Medco's stockholders and described in a Current Report on Form 8-K or other SEC filing.

### **Consequences of Non-Compliance**

Failure to act with integrity, apply appropriate business ethics or comply with applicable laws and regulations can have severe adverse impact on Medco and its business. Nothing is more important to Medco's success than the strength of its reputation and nothing has a more profound impact on Medco's reputation than outbursts as individuals.

Further, failure to comply with the specific provisions of law, such as Medicare, Medicaid, or other federal or state programs requirements, can result in significant loss of business through exclusion or debarment of Medco from serving specific programs as well as potential penalties or even criminal sanctions.

### **Penalties for Non-Compliance**

Anyone to whom these policies apply who fails to comply with them shall be subject to disciplinary action up to and including termination of employment. Such discipline may apply to direct violation of a Medco policy or requesting others to violate a Medco policy; failing to demonstrate leadership required to ensure compliance with Medco policies and applicable law; failure to cooperate with an investigation or an audit; and retaliating against an employee for raising a compliance concern.

### **Raising Compliance or Ethics Concerns**

In order to ensure ethical conduct throughout all of Medco, employees are encouraged to raise concerns they might have about conduct that falls short of compliance standards. This is one of the most important responsibilities an employee has, in order to protect the health, safety and well-being of fellow employees, the company as a whole, our customers, and the larger community.

**There are a number of ways to raise any concerns or to get answers to any questions about ethical conduct in the work place:**

- The department's supervisor or manager
- The local human resources representative
- The local compliance official
- The Corporate Compliance and Ethics Office
- The Medicare Compliance Office
- The Accredo Compliance Office
- The Office of General Counsel
- The Audit Committee of the Board of Directors

Local management or the local Human Resources representative should be in the best position to resolve most issues. If any compliance issue is not resolved, it should be raised with one of the other contacts listed above.

Above all, concerns should be raised early to allow any problems to be resolved quickly.

### **Anonymous Reporting through the Compliance and Ethics Line**

Medco maintains the Medco Compliance and Ethics Line (1 877-285-4131), a toll-free hotline available around the clock. The Compliance and Ethics Line is a mechanism to enable individuals to disclose to the Corporate Compliance Officer any identified compliance or business ethics issues or questions associated with this Code of Conduct or Medco's policies, conduct, practices or procedures. The Compliance and Ethics Line includes a mechanism for individuals to make a report and engage in follow-up communications anonymously. Substantive matters are promptly reported to the Audit Committee of the Board of Directors.

### **Retaliation Prohibited**

Medco prohibits any employee from retaliating or taking adverse action against anyone for raising or helping to resolve a compliance concern.

## Corporate Compliance Resources

Compliance home page:

<http://home.medco.com/compliance>

To reach any of the following four offices at Medco, please call 1 800 880-6403:

- Compliance and Ethics Office
- Privacy Office
- Medicare Compliance Office
- Accredo Compliance Office

The Medco Compliance and EthicsLine (1 877 285-4131) is a toll-free hotline available around the clock to any employee who has questions or concerns about potentially noncompliant or unethical conduct. If you call the EthicsLine, you don't have to give your name unless you want to.

This document is intended only as a summary of Medco's corporate compliance policies. For complete policy details, please visit Medco's compliance home page (<http://www.home.medco.com/compliance>) or HR WorkWays (<http://www.hrworkways.com/medcohealth>).

*All employees are expected to conduct themselves in a professional way in the workplace. Failure to comply with these policies may lead to disciplinary action up to and including termination of employment.*



# Notes

# Notes





[www.medco.com](http://www.medco.com)

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