



Computer Programs and Systems, Inc. Anti-Corruption Policy

(Adopted on February 4, 2019)

1. Introduction and Purpose.

1.1 Commercial bribery and government corruption occur all over the world, in all industries. Such bribery and corruption raises serious moral and political concerns, undermines good corporate and political governance and economic development, and distorts domestic and international competitive conditions. In recognition of these issues, the United States and countries across the globe, including Canada and the United Kingdom, have passed, and are passing, global anti-corruption and anti-bribery legislation with harsh criminal, civil and monetary penalties, including the loss of government contracting rights, for those businesses and individuals that refuse to comply. The United States and individual states have likewise passed laws aimed at combating domestic bribery and promoting business ethics.

1.2 Computer Programs and Systems, Inc. and its subsidiaries (collectively, "CPSI") intend to comply with all applicable bribery and anti-corruption regulations. Accordingly, CPSI's management has chosen to invest considerable resources into the creation and implementation of this global Anti-Corruption Policy (this "Policy"). This Policy is designed to ensure that CPSI and its employees, representatives and business partners, foreign and domestic, are conducting business legally, ethically and appropriately.

2. Policy Overview.

2.1 Statement of Policy. CPSI's policy is to comply with all anti-corruption laws in the jurisdictions in which it or third parties on its behalf operate and to avoid the appearance of corruption of any kind. CPSI strictly prohibits all forms of bribery in connection with CPSI's business, including bribery of public officials and private parties. Bribery is corruptly promising, offering or giving anything of value to improperly influence an act or decision of the recipient in order to obtain or retain business or a business advantage. CPSI also prohibits facilitation payments. Facilitation or "grease" payments are small payments to government officials for their personal benefit to perform routine, non-discretionary tasks, such as processing a valid permit application. CPSI is committed to accurately reflecting all transactions in CPSI's books and records in reasonable detail. This requirement applies not only to CPSI's reported financial statements and general ledger, but other records kept in the ordinary course of business, such as purchase orders, invoices, expense reports and receipts used to support requests for payment or reimbursements.

2.2 Employee and Third Party Obligations. All employees of CPSI and third parties who act on behalf of CPSI are expected to comply with the law, CPSI's Code of Business Conduct and Ethics, and this Policy. They are expected to (1) read this Policy and ask questions if they do not understand this Policy or its application to a particular set of facts; (2) attend any anti-corruption training that is required; (3) look out for suspicious activities that may violate this Policy and report any concerns regarding potential violations; and (4) cooperate in any related internal investigations.



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2.3 Administration of Policy. CPSI's Compliance Point of Contact shall be responsible for implementing and administering this Policy under the oversight of the Audit Committee of the Board of Directors (the "Board"). CPSI's Compliance Point of Contact shall have the authority to create and maintain procedures to implement this Policy as necessary.

2.4 Enforcement of Policy. Any violations of this Policy will result in disciplinary action, including possible termination of employment or business relationship with CPSI. Conduct that violates anti-corruption laws could also be subject to prosecution by government authorities.

2.5 Employee Awareness and Training. CPSI will make this Policy available to all its employees on CPSI's Intranet and provide training regarding this Policy to all employees. CPSI will provide a copy of this Policy and additional training to select employees whose job duties present greater risk for corruption concerns. These employees will complete the Certification attached hereto as **Appendix A** in order to certify that they have received and read, and will comply with, this Policy.

3. Applicable Laws and Regulatory Framework.

There are numerous state, national and foreign anti-bribery and anti-corruption laws that may govern the conduct of CPSI, its employees and third parties acting on its behalf. Three important anti-corruption laws, the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act of 2010 ("UKBA"), and the Canada Corruption of Foreign Public Officials Act ("CFPOA"), are outlined in more detail below. Keep in mind that these and other anti-bribery or anti-corruption laws may apply regardless of where an employee or third-party representative is located or the conduct in question occurs. Accordingly, all employees and third parties who act on CPSI's behalf should consider themselves subject to the FCPA, UKBA and CFPOA, as well as any state, national and foreign laws specific to their business location.

3.1 U.S. Foreign Corrupt Practices Act. The FCPA is a United States statute that prohibits improper or corrupt interactions with non-U.S. government officials. The FCPA has two main sections.

- **No bribery – directly or indirectly.** The FCPA makes it illegal to knowingly and corruptly pay, offer or promise to pay money, or give anything of value, to a foreign official to improperly influence or obtain or retain business or gain a business advantage. Indirect payments made through a third party are just as illegal as direct offers or payments. The FCPA allows facilitation payments.
- **Books and Records.** The FCPA requires companies to maintain accurate books and records and to establish and maintain a system of effective internal accounting controls.

3.1.1 Anything of Value. The term "anything of value" is interpreted very broadly and includes anything that a foreign official might *subjectively* want no matter its monetary value. Cash and tangible, high-dollar items such as cars and jewelry are things of value, but less obvious gifts such as services, charitable donations and discounts can also be things of value. Payments for travel costs (flights, hotels, etc.) and for entertainment (tickets to events and golf outings) are things of value. ***Hospitality and gifts associated with marketing efforts and client retention may be things of value and can be perceived as bribes.***



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3.1.2 **Foreign Officials.** A “foreign official” is any person employed by, or acting in an official capacity on behalf of, a foreign (non-U.S.) government, any department, agency or instrumentality of a foreign government, or a public international organization, such as the World Bank or World Health Organization. This can include a manager or employee of a government hospital or health entity. An employee at any level can be a “foreign official,” including clerks and contract and administrative employees. Foreign officials who also hold offices in, or are employed by, private companies are still “foreign officials” for purposes of the FCPA.

Businesses and corporations, and in some cases their employees, can be “foreign officials” if they are “instrumentalities of a foreign government.” Whether a business is an “instrumentality” depends on a fact-specific analysis of its ownership, control, status and function. A business may be an “instrumentality of a foreign government” if, for example, (a) it is generally understood to be performing a public function (providing utilities, maintaining roads, etc.) or providing services to the citizens of a certain jurisdiction (a given state, town or province), (b) a foreign government controls a significant portion of the company’s stock, (c) the key officers and directors are, or are appointed by, foreign government officials, (d) a foreign government contributes significant financial support to the organization through government appropriations or by giving it subsidies, special tax treatment or loans, or (e) the entity has an exclusive monopoly in, or control over, its area or industry. ***Government-owned hospitals, physicians’ offices or laboratories abroad and their employees may be considered “foreign officials.”***

3.1.3 **Corruptly and Knowingly.** To violate the FCPA, a gift, offer or payment must be made “corruptly.” This means that the giver must intend the payment to induce the recipient to misuse his/her position, wrongfully direct business, etc. The giver does not have to know that the payment violates the FCPA or any other law. The use of a third party to make a gift will not insulate a company from FCPA liability. A company is liable for a payment corruptly made by a third party for its benefit if the company (a) knows or is substantially certain that a payment or a portion of a payment made to the third party will go to a foreign official for an unlawful purpose, or (b) “sticks its head in the sand” and consciously disregards the risk that a third party will make an improper payment. ***A company or individual may be deemed to be corruptly “sticking its head in the sand” if it does not investigate transactions or payments with “red flags” or conduct adequate due diligence on its third parties.***

3.1.4 **Books and Records.** The FCPA requires all companies publicly traded in the U.S. to maintain and keep books, records and accounts that accurately and fairly reflect the company’s transactions in reasonable detail. The FCPA also requires public companies to maintain an appropriate system of internal accounting controls sufficient to permit preparation of financial statements that conform to generally accepted accounting principles. These provisions are intended to prevent fraudulent accounting practices that may conceal bribes or disguise improper payments or off-the-book accounting. ***The books and records provision applies to all activities of public companies, not just those related to interactions with foreign officials. There is no limit on the amount of transactions that could be subject to scrutiny under this provision.***

Even seemingly small falsifications or omissions could violate the books and records provision of the FCPA and lead to civil and criminal liability. The falsifications or omissions do not need to be related to bribery in order to be a violation of the books and records provision of the FCPA. Examples include:

- Using “off-the-books” accounts or cash pools
- Mischaracterizing payments by recording an improper payment as a “commission” or “bonus”



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- Failing to record a transaction that was used to make an improper payment
- Disguising improper payments as sales and marketing expenses
- Using travel agents or marketing event companies to inflate invoices or prepare false invoices for travel or events that did not take place
- Having vendors or intermediaries hold or “park” CPSI’s funds
- Approving payment of false or fraudulent invoices submitted by a third party
- Miscoding an improper payment in the general ledger
- Falsifying expense reports to hide improper or lavish meals, entertainment or travel for a government official

3.1.5 **Penalties.** For criminal violations of the FCPA, companies and other entities may be subject to a statutory fine of up to \$2,000,000, while individuals (e.g., officers, directors, stockholders, employees and agents) may be subject to statutory fines of up to \$250,000 and imprisonment for up to five years. Courts may impose higher fines up to twice the defendant’s gross gain from the bribe, or twice the victim’s gross loss, under the United States Sentencing Guidelines. 18 U.S.C. § 3571(d). ***Fines assessed against individuals may not be paid by their employer and individuals can be prosecuted even if the company on whose behalf they were acting is not.*** Violators may also have to forfeit or “give up” assets that come from FCPA violations. Civil fines of up to \$16,000 per violation may be imposed for violations of the FCPA’s anti-bribery provisions. SEC enforcement actions for violations of the accounting provisions may result in fines of up to \$5,000,000 (and imprisonment for up to 20 years) for individuals and up to \$25,000,000 for companies. A company that is charged with violating the FCPA, even if not convicted, may be disqualified from obtaining government contracts or enjoying certain export privileges.

3.2 U.K. Bribery Act of 2010. The UKBA is a British law that prohibits bribery similar to the FCPA. However, the UKBA prohibits all bribery (government, private and commercial), more strictly enforces when a company can be liable for corruption committed on its behalf by a third party, and has no exception for facilitation payments. Companies that carry on business in any part of the United Kingdom, no matter where incorporated or located, can be liable for bribery conducted by their employees and agents, no matter their nationality, anywhere in the world. A company can be held liable for the acts of its employees, subsidiaries, agents, distributors, suppliers, contractors, consultants and vendors. Violations of the UKBA are punishable by up to ten years in prison and unlimited fines. The UKBA provides a defense to companies that have implemented “adequate procedures” to prohibit bribery by third parties who are acting on a company’s behalf.

3.3 Canada Corruption of Foreign Public Officials Act. The CFPOA is a Canadian law that prohibits bribery of foreign officials (1) as consideration for an act or omission by the official in connection with the performance of the official’s duties, or (2) to induce the official to use their position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions. S.C. 1998, c. 34, § 3(1). The CFPOA prohibits facilitation payments. The CFPOA applies to Canadian citizens or permanent residents anywhere in the world. Canadian courts also have jurisdiction over foreign nationals for breaches of the CFPOA if the offense has a real and substantial connection to Canada, and the foreigner is present in or can be extradited to Canada. Violations of the CFPOA are punishable by up to 14 years in prison and unlimited fines.



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4. **Gifts, Meals, Entertainment, and Travel Policy.**

Any gift, meal, entertainment, or travel ("GMET") provided to or received from a third party in connection with CPSI's business could be considered a bribe if given or received corruptly. As a result, all GMET must comply with CPSI's separate Gifts, Meals, Entertainment, and Travel Policy (the "GMET Policy").

5. **Working with Third Parties.**

Third parties conducting business on CPSI's behalf can expose CPSI to corruption liability, so CPSI conducts tiered, risk-based anti-corruption due diligence on all third parties acting on its behalf. The due diligence occurs when establishing the business relationship, and may be periodically updated.

Using a due diligence vendor, CPSI will screen all third parties acting on its behalf against public records databases relating to trade sanctions and exclusions, legal and regulatory enforcement actions, government relationships and adverse media. CPSI will also require that all third parties who are operating internationally on its behalf complete the Business Partner Questionnaire (the "BPQ") and Certification attached hereto as **Appendix B**. CPSI may subject such third parties to additional, in-depth anti-corruption due diligence review, compliance measures or training based on their responses to the BPQ. Conducting due diligence may take anywhere from several days to several weeks, depending on the complexity of the risk assessment. Employees who engage third parties should allow adequate time in their transactions for any due diligence review and compliance measures that may be required. All due diligence will be documented and maintained until the later of seven years or the conclusion of the business relationship with the third party.

6. **Charitable Donations and Political Contributions.**

6.1 Charitable Donations. Charitable donations are an important component of CPSI's commitment to the communities in which it operates. While charitable donations are encouraged, they can be perceived as bribes if given corruptly to obtain or retain business or a business advantage. As such, CPSI shall record all charitable contributions in its books and records along with a written justification for such contributions. CPSI shall also consult with the Compliance Point of Contact regarding all charitable contributions over \$1,000 per organization, per year and all charitable contributions, of any amount, made to foreign or domestic officials.

6.2 Political Contributions. U.S. and foreign laws may limit or prohibit corporations from making contributions to candidates for political office, political parties and party officials. In addition, contributions to candidates, political parties and party officials may be perceived as bribes if given corruptly to obtain or retain business or a business advantage.

CPSI does not typically contribute to candidates, ballot initiatives or political action committees, either directly or in kind. CPSI shall consult with the Compliance Point of Contact before making any political contributions.

7. **Reporting and Investigating Concerns.**

7.1 Duty to Report. All CPSI employees and third parties acting on behalf of CPSI shall have the affirmative responsibility and duty to report any violation or suspected violation of this Policy. The failure to report a violation or suspected violation shall itself be a violation of this Policy. Any manager or director who receives a



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complaint regarding a potential violation of this Policy and fails to transmit that report to CPSI's Compliance Point of Contact shall be in violation of this Policy and subject to discipline.

7.2 How to Report a Concern. Directors, officers, employees and third parties who know of or suspect a violation of this Policy or other illegal or unethical business conduct can report their concerns to their supervisor or CPSI contact in the case of third parties or directly to CPSI's Compliance Point of Contact. If anyone does not feel comfortable reporting possible misconduct directly, they may make a report anonymously by using the complaint link on the Corporate Governance page of the Company's Intranet.

7.3 Confidentiality and Prohibition against Retaliation. CPSI will make every effort to protect the reporting party's identity. Under no circumstances will a reporting party be subject to punishment or retaliation of any kind for making a report of a known or suspected violation of this Policy in good faith.

7.4 Record and Investigation of Complaints. All complaints will be retained, logged, and addressed or investigated as appropriate. All reporters will be informed that their complaint has been received and addressed.

8. Auditing and Review.

CPSI is committed to having a robust, current and workable Anti-Corruption Policy that is in line with its current corruption risk. Therefore, CPSI will have the Audit Committee of the Board, or its designee, review a summary of all complaints, if any, submitted over the course of the year under this Policy and all investigations, if any, that are conducted, to identify areas of risk and areas that need improvement. CPSI's Compliance Point of Contact or his or her designee will annually review a summary of relationships and contract provisions with all third parties who are operating internationally on CPSI's behalf that are required to complete the BPQ and Certification.

Every three years, or every time that CPSI decides to conduct business in a new country, the Audit Committee of the Board will evaluate whether, based on the prior years' activities, new risks or changes in the law, this Policy needs to be updated or expanded upon or whether additional employee or third-party training is necessary.



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APPENDIX A

CPSI EMPLOYEE ANTI-CORRUPTION CERTIFICATION

It is the highest priority and policy of Computer Programs and Systems, Inc. (“CPSI”) to comply with all applicable international, national and local laws regarding business corruption and bribery, including, but not limited to, the United States Foreign Corrupt Practices Act (“the FCPA”), the U.K. Bribery Act of 2010 (“UKBA”), and the Canada Corruption of Foreign Public Officials Act (“CFPOA”).

In order to ensure compliance, CPSI has issued an Anti-Corruption Policy and a GMET Policy (the “Policies”). As a CPSI employee, I certify the following:

1. I have received and read a copy of the Policies.
2. If requested, I will complete training on the principles, standards and implementation of the Policies specific to my job function.
3. I will not violate the Policies and will question or report any suspected violations of the Policies by others.
4. I am aware of no existing violations of the Policies which I have not reported.
5. I am aware of the penalties for violating the Policies, up to and including termination.

Name

Date

Signature

On _____ I received training on CPSI’s Anti-Corruption Policy and GMET Policy and had the opportunity to ask questions.

Name

Date

Signature



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APPENDIX B

BUSINESS PARTNER QUESTIONNAIRE

[Form maintained by CPSI's Compliance Point of Contact]