

POLICY:  
CORP002

EFFECTIVE DATE:  
NOVEMBER 18, 2016

AUTHORITY:  
CHIEF COMPLIANCE OFFICER

## 1.0 PURPOSE/SCOPE OF POLICY

- 1.1. The purpose of this policy is to protect any employee or outside third party person (hereinafter "individual") who makes a good faith disclosure of suspected wrongful conduct.
- 1.2. Pursuant to the Sarbanes-Oxley Act of 2002, the Audit Committee of the Company's Board of Directors has adopted Employee Complaint Procedures for Accounting and Auditing Matters, which procedures are attached as Annex A to this Policy. Annex A applies exclusively to complaints by employees regarding questionable accounting or auditing matters ("Accounting and Auditing Matters") and supersedes all other provisions of this Policy with respect to complaints concerning Accounting and Auditing Matters. Any employee of Performant (the "Company") that desires to submit a complaint regarding Accounting and Auditing Matters should refer exclusively to Annex A.

## 2.0 RESPONSIBILITY

- 2.1. Employees are responsible for reporting all personal, business or financial dealings or interests or relationships which could cause a reasonable person with knowledge of the relevant facts to question the integrity or impartiality of those who are or will be acting on the Company or client's behalf.
- 2.2. Employees are responsible for reporting in good faith all known (actual, potential or perceived) violations of law and for following company policies and procedures:
  - Conflict of Interest/Ethics Policy – CORP001
  - Whistleblower Policy (this policy) – CORP002
  - Confidentiality Policy – CORP003
  - Performant Code of Business Ethics and Conduct procedures
- 2.3. All outside third parties representing and/or working for the Company are responsible for reporting all personal, business or financial dealings or interests or relationships which could cause a reasonable person with knowledge of the relevant facts to question the integrity or impartiality of those who are or will be acting on the Company or client's behalf.

POLICY:  
**CORP002**

EFFECTIVE DATE:  
**NOVEMBER 18, 2016**

AUTHORITY:  
**CHIEF COMPLIANCE OFFICER**

- 2.4. The Chief Compliance Officer (also referred to as the “Compliance Officer”) is responsible, under this policy, for establishing, instituting and monitoring procedures to receive, review and determine an appropriate remedy for confidential information received concerning potential corporate indiscretions.
- 2.5. The Compliance Officer is responsible for maintaining this policy and effecting any changes, as necessary.

### **3.0**      **GENERAL INFORMATION**

- 3.1. The Company is committed to compliance with the laws and regulations to which it is subject and to promulgating Company policies and procedures to interpret and apply these laws and regulations in the organizational setting. Laws, regulations, policies and procedures strengthen and promote ethical practices and ethical treatment of the employees of the Company and those who conduct business with the Company.
- 3.2. The Company’s internal controls and operating procedures are intended to detect, prevent or deter improper activities. However, even the best systems of control cannot provide absolute safeguards against irregularities. Intentional and unintentional violations of laws, regulations, policies and procedures may occur and may constitute improper business or governmental activities
- 3.3. Employees and others are encouraged to use guidance provided by this policy for reporting all allegations of suspected improper business or governmental activities. While the scope of this policy is intended to be limited to the statutory definition of improper business or governmental activities, serious or substantial violations of Company policy may constitute improper business or governmental activities determined upon review and/or investigation.
- 3.4. Individual employee concerns and/or complaints regarding terms and conditions of employment will continue to be reviewed under the applicable personnel policies. Any allegations of improper business or governmental activities that may result in subsequent actions bringing disciplinary charges against an employee shall be coordinated with the applicable personnel conduct and disciplinary policies. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and in conformity with this policy and applicable laws and regulations, the appropriate process to be employed by the Compliance Officer, or designee.

POLICY:  
CORP002

EFFECTIVE DATE:  
NOVEMBER 18, 2016

AUTHORITY:  
CHIEF COMPLIANCE OFFICER

## 4.0

### FILING A REPORT

- 4.1. Any person may report allegations of suspected improper business or governmental activities. Knowledge or suspicion of improper business or governmental activities may originate from anyone carrying out their assigned duties, internal or external auditors, law enforcement, regulatory agencies, customers, vendors or other outside third parties. Allegations of suspected improper business or governmental activities may be reported anonymously.
- 4.2. Reports of allegations of suspected improper governmental activities are encouraged to be made in writing so as to assure a clear understanding of the issues raised, but can be made orally. Such reports should be factual rather than speculative or conclusory and contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures.
- 4.3. The Company recommends that any report by persons who are not Company employees be made directly to the Compliance Officer.
- 4.4. Normally, a report by an employee of allegations of a suspected improper business or governmental activity should be made to the reporting employee's supervisor or other appropriate manager within the department, Human Resources, the CFO or to the Compliance Officer. However, in the interest of confidentiality, when there is a potential conflict of interest or for other reasons, such reports may be made directly to the Compliance Officer by:
  - Voice message at 925-960-4787;
  - Email to [COethics@performantcorp.com](mailto:COethics@performantcorp.com);
  - HR/Ethics Hotline on-line submission through the company's intranet site on HR Connect at:  
<https://intranet/sites/hr/hr/SitePages/Home.aspx>;
  - Letter to:  
Performant Financial Corporation  
Attn: COI/Ethics Hotline/Compliance Officer  
333 North Canyons Parkway  
Livermore CA 94551;
- 4.5. All Employees, especially any employee in a supervisory role, should be aware of and alert to either oral or written, formal or informal communications that may constitute a report of allegations of suspected improper business or governmental activities.

POLICY:  
**CORP002**

EFFECTIVE DATE:  
**NOVEMBER 18, 2016**

AUTHORITY:  
**CHIEF COMPLIANCE OFFICER**

- 4.6. Employees who are in supervisory roles shall report to the Compliance Officer any allegations of suspected improper business or governmental activities – whether received as a protected disclosure or reported by their employees in the ordinary course of performing their own duties.
- 4.7. Whistleblowers provide initial information related to a reasonable belief that an improper business or governmental activity has occurred. The motivation of a whistleblower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing is itself considered an improper business or governmental activity which the Company has the right to act upon.
- 4.8. Whistleblowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper business or governmental activity.
- 4.9. Whistleblowers have a responsibility to be candid with the Compliance Officer, or designee to whom they make a report of alleged improper business or governmental activities and shall set forth all known information regarding any reported allegations. Persons making a report of alleged improper business or governmental activities should be prepared to be interviewed by the Compliance Officer or designee.
- 4.10. Anonymous whistleblowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations will not be undertaken without verifiable evidentiary support. Because the Compliance Officer is unable to interview anonymous whistleblowers, it may be more difficult to evaluate the credibility of the allegations and therefore, making it less likely that an investigation will be initiated.
- 4.11. Whistleblowers are “reporting parties”, not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than are requested by the Compliance Officer or designee.
- 4.12. Protection of a whistleblower’s identity will be maintained to the extent possible within the legitimate needs of the law and the investigation. Should the whistleblower self-disclose his/her identity, the Company will no longer be obligated to maintain such confidence. Whistleblowers should be cautioned that their identity may become known for legal reasons outside the control of the investigators or Compliance Officer.

POLICY:  
CORP002

EFFECTIVE DATE:  
NOVEMBER 18, 2016

AUTHORITY:  
CHIEF COMPLIANCE OFFICER

- 4.13. Whistleblowers that have identified themselves have the right to be informed of the disposition of their disclosure absent overriding legal or public interest reasons.
- 4.14. Employees who are interviewed, asked to provide information or otherwise participate in an investigation have a duty to fully cooperate with the Compliance Officer, or designee.
- 4.15. Participants are to refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no case should the participant discuss with anyone about the investigation, the nature of evidence requested or provided or testimony given to the Compliance Officer unless pre-agreed to in writing by the Compliance Officer, or designee.

## 5.0

### INVESTIGATION

- 5.1. An individual is a person who is the focus of investigative fact finding either by virtue of an allegation made or evidence gathered during the course of an investigation. The decision to conduct an investigation is not an accusation; it is to be treated as a neutral fact finding process. The outcome of the investigation may or may not support a conclusion that an improper business or governmental act was committed and, if so, by whom.
- 5.2. Any disciplinary or corrective action initiated against the subject as a result of an investigation pursuant to this policy shall adhere to the applicable normal disciplinary policies and procedures.
- 5.3. Consistent with applicable personnel policies, an employee may be placed on an administrative leave when it is determined by the Company that such a leave would serve the best interests of the employee, the Company or both. Such a leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any individual including the person on leave.
- 5.4. A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation.

## 6.0

### MANAGEMENT RIGHTS

- 6.1. Management reserves the right to use its discretion in applying this procedure under special or unique circumstances, and the right to amend this procedure at any time with or without notice.

PERFORMANT		WHISTLE BLOWER POLICY	
POLICY: CORP002	EFFECTIVE DATE: NOVEMBER 18, 2016	AUTHORITY: CHIEF COMPLIANCE OFFICER	

## Annex A

### PERFORMANT FINANCIAL CORPORATION

#### Employee Complaint Procedures for Accounting and Auditing Matters

The Company is committed to maintaining compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. We believe it is the obligation of our employees to help maintain the integrity of our Company by reporting any misconduct or suspected misconduct. To assist in these efforts, any employee of the Company or any subsidiary of the Company may submit a complaint regarding questionable accounting or auditing matters ("**Accounting and Auditing Matters**") to the Company's Audit Committee, through the procedure described below. The Company's Audit Committee will oversee treatment of employee concerns in this area.

The Company's Audit Committee has established the following procedures for (1) the confidential, anonymous submission by employees of concerns regarding Accounting and Auditing Matters and (2) the receipt, retention and treatment of complaints regarding Accounting and Auditing Matters.

#### *Submission of Complaints*

- Employees may report evidence of wrongdoing, complaints, or concerns relating to Accounting and Auditing Matters to the Chairman of the Audit Committee at any time. This report may be made in person or in writing, and may be anonymous, at the employee's discretion, through the following:
  - Contact the Chairman of the Audit Committee by email at [auditcommittee@performantcorp.com](mailto:auditcommittee@performantcorp.com)
  - Contact the Chairman of the Audit Committee by mail:  
Performant Financial Corporation  
Attn: Audit Committee Chairman  
333 North Canyons Parkway, Suite 100  
Livermore, California 94551.  
(This correspondence will be forwarded directly to the Chairman of the Audit Committee.)
- Employees submitting a report on an anonymous basis are strongly encouraged to keep a copy of the report (if made in writing) and a record of the time and date of their submission, as well as a description of the matter as reported if the report was not in writing.
- Employees are encouraged to provide as much specific information as possible, including names, dates, places, events that took place, and the employee's perception of why the incident(s) may constitute misconduct.

#### *Scope of Matters Covered by These Procedures*

These procedures relate to employee complaints relating to any Accounting and Auditing Matter, including, for example:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;

PERFORMANT		WHISTLE BLOWER POLICY	
POLICY: CORP002	EFFECTIVE DATE: NOVEMBER 18, 2016	AUTHORITY: CHIEF COMPLIANCE OFFICER	

- fraud or deliberate error in the recording and maintaining of financial records of the Company;
- deficiencies in or noncompliance with the Company's internal accounting controls;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- deviation from full and fair reporting of the Company's financial condition.

*Treatment of Complaints*

- Upon receipt of a complaint, the Chairman of the Audit Committee will (i) determine whether the complaint actually pertains to Accounting and Auditing Matters and (ii) when possible, acknowledge receipt of the complaint to the sender.
- Complaints relating to Accounting and Auditing Matters will be reviewed, under Audit Committee direction and oversight, by such persons as the Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.
- Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.
- The Company will not allow retaliation against an employee for reporting a possible violation unless it can be shown that the report was knowingly false. Retaliation for reporting a federal offense is illegal under federal law and prohibited under these procedures. Such retaliation will result in discipline up to and including termination of employment and may also result in criminal prosecution. The employee is protected from retaliation even if the investigator does not agree that there has been a violation. However, if the employee making the report was involved in improper activity, the fact that the employee reported it will not necessarily prevent the employee from being disciplined for the employee's participation in the violation. In these circumstances, the Company may consider the employee's conduct in promptly reporting the information as a mitigating factor in any disciplinary decision. In addition, if an employee files a report that the employee knows to be false or should know to be false, the employee will be disciplined for the employee's participation in making the false report.

*Reporting and Retention of Complaints and Investigations*

The Audit Committee will maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a periodic summary thereof for the Audit Committee.

PERFORMANT		WHISTLE BLOWER POLICY	
POLICY: CORP002	EFFECTIVE DATE: NOVEMBER 18, 2016	AUTHORITY: CHIEF COMPLIANCE OFFICER	

**Approvers**

Executive Approval	
Hal Leach Chief Compliance Officer	
	<u>11/18/16</u>
Signature	Date

Document Owner	
Michele Blake Executive Assistant	
	<u>11/18/16</u>
Signature	Date

This document contains proprietary information and trade secrets, which are the property of Performant Financial Corporation and its subsidiaries. This document is submitted to the recipient in confidence. Information contained herein may not be used, copied, or disclosed in whole or in part except as permitted by written agreement signed by an officer of Performant Financial Corporation.

This document is protected under the copyright laws of the United States of America. Any unauthorized copying of this document is prohibited and may subject the offender to civil liabilities and severe criminal penalties. (Title 12, United States Code, Sections 501 and 503).

Copyright© 2016, Performant Financial Corporation, Livermore, CA  
All Rights Reserved

<b>PERFORMANT</b>		<b>WHISTLE BLOWER POLICY</b>	
<b>POLICY:</b> <b>CORP002</b>	<b>EFFECTIVE DATE:</b> <b>NOVEMBER 18, 2016</b>	<b>AUTHORITY:</b> <b>CHIEF COMPLIANCE OFFICER</b>	

### Revision History

Rev. #	Description	Reviewed By	Approved By	Date
1	Initial Release	B. Calvin	B. Calvin	07/01/09
2	Upon review of the policy, adjustments were made to make the policy up-to-date with current practices.	B. Calvin	B. Calvin	10/30/12
3	With advice from counsel upon compliance review, to include references to related Company policies under Responsibility section.	B. Calvin and T. Fischer	B. Calvin	07/01/14
4	Update Compliance Officer information. This policy replaces the previous version HR021	M. Blake	H. Orvell	09/16/15
5	Annual review and adjustments to make the policy up-to-date with current practices.	M. Blake	H. Leach	11/18/16