

Notice of Privacy Practices

Effective April 14, 2003

This Notice is for BAE SYSTEMS employees/retirees (and their dependents) participating in the BAE SYSTEMS health plans (medical, dental, vision, health care reimbursement accounts and EAP), which together have been designated as the BAE SYSTEMS Organized Healthcare Arrangement (“the Plan”). If you are not currently participating in these plans, but begin participating in the future, this Notice will apply to you once you begin participating.

This Notice Describes How Medical Information About You May Be Used and Disclosed and How You Can Get Access To This Information. Please Review It Carefully.

Under the Health Insurance Portability and Accountability Act (HIPAA), the Plan is required to:

- Make sure that medical information that identifies you is kept private;
- Give you this notice of our legal duties and privacy practices with respect to medical information about you (the participant); and
- Follow the terms of this notice.

If you have any questions about this notice, please contact the Privacy Officer who is the BAE SYSTEMS Vice President of Compensation, Benefits and HRIS. The address to use to contact the Privacy Officer is Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846.

Who Will Follow This Notice

This notice describes the health information practices of the Plan, and that of third parties that provides services to the Plan. All references to “you” include employee/retiree participants and their dependent(s) who participate in the Plan.

Our Pledge Regarding Medical Information

The Plan understands that medical information about you and your health is personal. The Plan is committed to protecting medical information about you. The Plan creates a record of the health care claims reimbursed under the Plan for Plan administration purposes. This notice applies to all of the health records that the Plan maintains. Your personal doctor or health care provider may have different policies or notices regarding the doctor’s use and disclosure of your medical information created in the doctor’s office or clinic.

This notice will tell you about the ways in which the Plan may use and disclose medical information about you. It also describes the Plan’s obligations and your rights regarding the use and disclosure of medical information.

How the Plan May Use and Disclose Medical Information About You

The following categories describe different ways that the Plan may use and disclose medical information. For each category of uses or disclosures, the Plan will explain what is meant and present some examples. Not every use or disclosure in a category will be listed. However, all information the Plan is permitted to use and disclose will fall within one of the categories.

For Treatment. The Plan may use or disclose medical information about you to facilitate medical treatment or services by providers. The Plan may disclose medical information about you to providers, including doctors, nurses, technicians, medical students, or other hospital personnel who are involved in taking care of you.

For Payment. The Plan may use your health information and disclose it to others, as necessary to make payment for the health care services you receive. For example, the Plan may tell your health care provider about your medical history to determine whether a particular treatment is experimental, investigational or medically necessary or to determine whether the Plan will cover the treatment. The Plan may also share medical information with a utilization review or precertification service provider. Likewise, the Plan may share medical information with another entity to assist with the adjudication or subrogation of health claims or to another health plan to coordinate benefit payments.

For Health Care Operations. The Plan may use and disclose medical information about you for other Plan operations. These uses and disclosures are necessary to run the Plan. For example, the Plan may use your health information to review the performance of our staff and vendors. The Plan may also use your information and the information of other members to plan what services the Plan needs to provide, expand, or reduce. The Plan may disclose your health information as necessary to others who the Plan contracts with to provide administrative services. This includes the Plan's lawyers, auditors, accreditation services, and consultants, for instance.

As Required By Law. The Plan will disclose medical information about you when required to do so by federal, state or local law. For example, the Plan may disclose medical information when required by a court order in a litigation proceeding such as a malpractice action.

To Avert a Serious Threat to Health or Safety. The Plan may disclose your health information if the Plan decides that the disclosure is necessary to prevent serious harm to the public or to an individual. The disclosure will only be made to someone who is able to prevent or reduce the threat.

Organ and Tissue Donation. If you are an organ donor, the Plan may release medical information to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

Military and Veterans. If you are a member of the armed forces, the Plan may release medical information about you as required by military command authorities. The Plan may also release medical information about foreign military personnel to the appropriate foreign military authority.

Workers' Compensation. The Plan may release medical information about you for workers' compensation or similar programs.

Public Health Risks. The Plan may disclose medical information about you for public health activities. These activities generally include the following:

- to prevent or control disease, injury or disability;
- to report births and deaths;
- to report child abuse or neglect;
- to report reactions to medications or problems with products;
- to notify people of recalls of products they may be using;
- to notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition;
- to notify the appropriate government authority if the Plan believes a participant has been the victim of abuse, neglect or domestic violence.

The Plan will only make disclosure if you agree or when required or authorized by law.

Health Oversight Activities. The Plan may disclose medical information to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

Law Enforcement. The Plan may release medical information if asked to do so by a law enforcement official:

- in response to a court order, subpoena, warrant, summons or similar process;
- to identify or locate a suspect, fugitive, material witness, or missing person;
- about the victim of a crime if, under certain limited circumstances, the Plan is unable to obtain the person's agreement;
- about a death the Plan believes may be the result of criminal conduct;
- about criminal conduct at the hospital; and
- in emergency circumstances to report a crime; the location of the crime or victims; or the identity, description or location of the person who committed the crime.

Coroners, Medical Examiners and Funeral Directors. The Plan may release medical information to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. The Plan may also release medical information about patients of a hospital to funeral directors as necessary to carry out their duties.

National Security and Intelligence Activities. The Plan may release medical information about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

Inmates. If you are an inmate of a correctional institution or under the custody of a law enforcement official, the Plan may release medical information about you to the correctional institution or law enforcement official. This release would be necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institutions.

Your Rights Regarding Medical Information About You

You have the following rights regarding medical information the Plan maintains about you:

Right to Inspect and Copy. You have the right to inspect and copy medical information that may be used to make decisions about your Plan benefits. To inspect and copy medical information that may be used to make decisions about you, you must submit your request in writing to the Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846. If you request a copy of the information, the Plan may charge a fee for the costs of copying, mailing or other supplies associated with your request.

The Plan may deny your request to inspect and copy in certain very limited circumstances. If you are denied access to medical information, you may request that the denial be reviewed.

Right to Amend. If you feel that medical information the Plan has about you is incorrect or incomplete, you may ask the Plan to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Plan.

To request an amendment, your request must be made in writing and submitted to: Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846. In addition, you must provide a reason that supports your request.

The Plan may deny your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, the Plan may deny your request if you ask the Plan to amend information that:

- is not part of the medical information kept by or for the Plan;
- was not created by the Plan, unless the person or entity that created the information is no longer available to make the amendment;
- is not part of the information which you would be permitted to inspect and copy; or is accurate and complete.

Right to an Accounting of Disclosures. You have the right to request an “accounting of disclosures” where such disclosure was made for any purpose other than treatment, payment, or health operations.

To request this list or accounting of disclosures, you must submit your request in writing to the Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846. Your request must state a time period, which may not be longer than six years and may not include dates before April 14, 2003. Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12-month period will be free. For additional lists, the Plan may charge you for the costs of providing the list. The Plan will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

Right to Request Restrictions. You have the right to request a restriction or limitation on the medical information the Plan uses or discloses about you for treatment, payment or health care operations. You also have

the right to request a limit on the medical information the Plan discloses about you to someone who is involved in your care or the payment for your care, like a family member or friend. For example, you could ask that the Plan not use or disclose information about a surgery you had.

The Plan is not required to agree to your request.

To request restrictions, you must make your request in writing to the Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846. In your request, you must tell the Plan (1) what information you want to limit; (2) whether you want to limit the Plan's use, disclosure or both; and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

Right to Request Confidential Communications. You have the right to request that the Plan communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that the Plan only contact you at work or by mail.

To request confidential communications, you must make your request in writing to the Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846.

The Plan will not ask you the reason for your request. The Plan will accommodate all reasonable requests. Your request must specify how or where you wish to be contacted.

Rights To Paper Copy of This Notice. You have the right to a paper copy of this notice. You may ask the Plan to give you a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice.

You may obtain a copy of this notice on the internet.

To obtain a copy paper copy of this notice, please contact the Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846.

Complaints

If you believe your privacy rights have been violated, you may file a complaint with the Secretary of the Department of Health and Human Services.

To file a complaint with the Plan, contact the Privacy Officer, c/o BAE SYSTEMS BenefitCenter, P.O. Box 4846, Chesapeake, VA 23327-4846. All complaints must be submitted to the Privacy Officer in writing at this address.

You will not be penalized for filing a complaint.

Other Uses of Medical Information

Other uses or disclosures of medical information not covered by this notice or the laws that apply to the Plan will be made only with your written permission. If you provide the Plan permission to use or disclose medical information about you, you may revoke that permission, in writing, at any time. If you revoke your permission, the Plan will no longer use or disclose medical information about you for the reasons covered by your written authorization. You understand that the Plan is unable to take back any disclosures already made with your permission, and that the Plan is required to retain records of the care that the Plan provides to you.

The Plan's Right to Change this Notice

The Plan reserves the right to change our privacy practices, as described in this notice, at any time. The Plan reserves the right to apply these changes to any health information, which the Plan already has, as well as to health information the Plan receives in the future. Before the Plan makes any change in the privacy practices described in this notice, the Plan will write a new notice that includes the change. The new notice will include an effective date. The Plan will provide the new notice within 60 days of the effective date.