



# Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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(as last amended on January 28, 2013)

## **Policy Statement**

Computer Programs and Systems, Inc. and its subsidiaries (collectively, "CPSI") are committed to fair disclosure of information about CPSI without advantage to any particular analyst, securities market professional or investor, consistent with the Securities and Exchange Commission's Fair Disclosure Regulation ("Regulation FD"). The regulation is intended to eliminate situations where a company may selectively disclose important nonpublic information, such as earnings warnings, to analysts, securities market professionals or investors, before disclosing the information to the general public.

It is CPSI's policy to comply with all applicable periodic reporting and disclosure requirements established by the Securities and Exchange Commission (the "SEC"), including Regulation FD. CPSI will continue to provide current and potential investors with information reasonably required to make an informed decision on whether to invest in CPSI securities in its periodic filings, its current reports and as required by law or as determined appropriate by management.

## **Scope**

*Persons Covered.* This policy covers members of CPSI's Board of Directors and all employees of CPSI and its subsidiaries and complements CPSI's Insider Trading Policy.

*Communications Covered.* This policy covers all communications made on behalf of CPSI. The following is a non-exclusive list of some examples of communications covered by this policy:

- speeches, interviews, industry and investor conferences, meetings and conventions;
- news and earnings releases and related conference calls;
- letters to shareholders;
- providing "guidance" as to our operating performance (i.e., systems sales contracts signed) or financial performance;
- oral statements made or presentations provided, in group and individual meetings, with investors, financial analysts or securities market professionals;
- phone calls with investors, financial analysts or securities market professionals;
- reviewing analysts reports on us;
- analyst and investor visits;
- social media communications, including through Twitter, Facebook, YouTube and corporate blogs; and
- postings on our website.



# Computer Programs and Systems, Inc.

## Policy Statement

### Guidelines for Corporate Disclosure

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#### Regulation FD Overview

Regulation FD requires that whenever:

- CPSI or a person acting on behalf of CPSI;
- intentionally discloses material nonpublic information;
- to certain specified persons (including securities market professionals, such as investment advisers and broker-dealers, and investment companies, hedge funds, analysts and shareholders); **then**
- CPSI must **simultaneously** disseminate the information to the public.

If CPSI learns that it or anyone acting on its behalf has unintentionally disclosed material nonpublic information, it must make public disclosure of the information “promptly,” meaning no later than twenty-four (24) hours after discovering the unintentional disclosure or the opening of trading on the Nasdaq Stock Market, whichever is later.

#### **I. Policy Overview**

CPSI’s policies on the communication of material nonpublic information, which are set forth below, are designed to comply with Regulation FD and to provide, where determined appropriate by management or where required by applicable law, for the broad, non-exclusionary dissemination of material nonpublic information.

*Intentional Disclosure.* A selective disclosure of material nonpublic information is “intentional” when the person making the disclosure either knows, or is reckless in not knowing, that the information he or she is communicating is both material and nonpublic.

*Material Information.* Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Materiality with respect to contingent or speculative events depends upon a balancing of the probability that the event will occur and the magnitude of the anticipated impact of the event on CPSI’s business, operations or financial condition. Possible material information or events include, but are not limited to:

- earnings information, quarterly results and guidance on earnings estimates;
- financial condition, including material impairment charges;
- mergers, acquisitions, tender offers, joint ventures or changes in assets;
- institution of, or developments in, significant litigation, investigations, regulatory actions or proceedings;
- new real estate projects, new material contracts or developments (including material changes in previously announced schedules) regarding such projects or contracts;



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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- new products and discoveries;
- major management or organizational changes;
- changes in auditors;
- notification by the CPSI independent auditor that CPSI may no longer rely on the auditor's report;
- events regarding CPSI's securities (e.g., defaults on any outstanding debt, stock repurchase plans or stock splits; changes in dividends; or public or private sales of additional securities); and
- bankruptcies or receiverships.

Furthermore, the Regulation FD adopting release cautions: “[w]hen an issuer official engages in a private discussion with an analyst who is seeking guidance about earnings estimates, he or she takes on a high degree of risk under Regulation FD. If the issuer official communicates selectively to the analyst nonpublic information that the company’s anticipated earnings will be higher than, lower than, or even the same as what analysts have been forecasting, the issuer likely will have violated Regulation FD. This is true whether the information about earnings is communicated expressly or through indirect ‘guidance,’ the meaning of which is apparent though implied. Similarly, an issuer cannot render material information immaterial simply by breaking it into ostensibly non-material pieces.”

*Non-public Information.* Information about CPSI is “nonpublic” if it has not been disseminated in a manner that makes it available to investors generally on a broad-based, non-exclusionary basis.

### **A. Authorized Spokespersons**

No one except (1) the Chief Executive Officer, (2) the Chief Financial Officer and/or (3) the Senior Vice President-Corporate and Business Development (“Authorized Spokespersons”) shall communicate with a member of the Investment Community (as defined below) on matters concerning CPSI. Other CPSI employees may communicate with members of the Investment Community only after an Authorized Spokesperson (i) has authorized such employee to communicate with such member of the Investment Community and (ii) has reviewed and authorized the scope and content of such communication for disclosure to such member of the Investment Community subject to any condition such Authorized Spokesperson deems necessary to comply with this policy. If you receive a request from someone for material nonpublic information, you should not respond. Instead, ask for the person’s name and number and contact an Authorized Spokesperson. Each Authorized Spokesperson is required to receive “Regulation FD training.”



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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### **B. Investment Community**

Regulation FD prohibits selective disclosure to certain enumerated persons, including (i) brokers or dealers, or persons associated with a broker or dealer (which includes buy-side or sell-side analysts); (ii) investment advisers, investment managers or persons associated with an investment adviser or investment managers; (iii) investment companies (including mutual funds) and certain entities that would be investment companies but for certain exceptions (e.g., hedge funds), or an affiliated person of any such entity; and (iv) holders of any of CPSI's securities (collectively, the "Investment Community").

Communications in the ordinary course of business with customers, suppliers or strategic partners, as well as communications with the press or news organizations or the government, are not covered by the regulation. However, as it is difficult to know whether a customer, supplier or strategic partner may also be a holder of CPSI's securities, this policy requires that all material non-public information be communicated in accordance with this policy.

### **C. Authorized Disclosure to the Investment Community**

Authorized Spokespersons, or their designees, may disclose material nonpublic information about CPSI (i) for legitimate business purposes to persons who owe a duty of trust or confidence to CPSI (e.g., attorneys, investment bankers or accountants) and (ii) for legitimate business purposes to persons who have expressly agreed with CPSI in writing to keep CPSI's information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in CPSI's securities on the basis of such information. Prior to disclosing such material non-public information, an Authorized Spokesperson or his or her designee must confirm with the Chief Financial Officer that the person to whom disclosure is being made is a permitted recipient as set forth above.

### **D. Methods of Public Disclosure of Information**

Once CPSI determines to disclose certain material nonpublic information, CPSI may disclose such information through any of the following alternatives:

- "filing" the information under Item 8.01 of Form 8-K (which will result in such information being incorporated by reference into certain securities filings by CPSI);
- "furnishing" the information under Item 7.01 of Form 8-K (which will not result in such information being incorporated by reference into securities filings by CPSI unless the information is later expressly incorporated into a securities filing);
- distributing a press release through a widely disseminated news or wire service;



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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- making an announcement on a conference call or at a webcast event (such as an analyst or investor conference or conference call) to which the public has been provided adequate advance notice and access; and
- disclosing through any other method (or combination of methods) of disclosure that is reasonably designed to provide broad, non-exclusionary distribution of the information to the public.

All such press releases should, at a minimum, be provided to the major wire services (e.g., Dow Jones, Bloomberg, Reuters, AP, UPI and Business Wire). An Authorized Spokesperson must approve the content of all press releases of CPSI relating to financial matters or material developments involving CPSI. At this time, posting information on CPSI's web site would not by itself constitute adequate disclosure. In addition, merely posting information on a social media platform, such as Twitter, Facebook, YouTube or a corporate blog, would not by itself constitute adequate disclosure. Any questions as to whether a procedure will constitute public disclosure should be directed to CPSI's Chief Financial Officer.

## II. Communication Policies

### A. Quarterly Earnings Releases

CPSI will issue a press release disclosing its quarterly results for each quarter of its fiscal year. These press releases will be distributed through widely circulated news and wire services and also furnished to the SEC on Form 8-K as required. The form and substance of each earnings release will be approved prior to release in accordance with procedures separately developed for that purpose, including CPSI's disclosure controls and procedures.

CPSI may conduct an earnings conference call following each such earnings release. CPSI will provide reasonable advance public notice, through a press release and posting on CPSI's website, of each scheduled conference call to discuss the announced results. Such notice will provide the time and the date of the conference call, and instructions on how to access the call and any replay. Any conference call held will be held in an open manner, permitting interested persons to listen in by telephone and/or through Internet webcasting. Senior management may allow a limited group to ask questions of management on the conference call, provided that all listeners can hear the questions and answers.

The introduction to the conference call shall include a disclaimer relating to forward-looking statements, reference a writing (e.g., CPSI's Form 10-K) containing the factors that could materially affect the validity of such forward-looking statements, and include a disclaimer of any duty to update. Any replay of the conference call shall be accompanied by similar caveats, preferably in writing.



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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Following any conference call, an audio recording or transcript, including the questions and answers, of the conference call will be posted on CPSI's website and made available through CPSI's website or an outside service for a period of up to thirty (30) days following the call. After this time, the call will be taken down so that the information does not become stale.

### **B. Participation in Speeches, Interviews and Conferences**

CPSI from time to time may participate in securities firm-sponsored and other investor conferences. CPSI will not provide material nonpublic information at such conferences or events. If participation in such events and conferences will include either question-and-answer sessions after the presentation or any "break out" sessions with members of the Investment Community, CPSI will not provide material nonpublic information during such sessions. If it is determined that material nonpublic information may have been disclosed unintentionally during the event, conference or session, outside securities counsel to CPSI should be notified immediately.

All scripts and/or presentations to be used in any presentation or speech where members of the Investment Community may be in attendance must be previously reviewed and approved by the Chief Financial Officer. If the script, as approved, contains material nonpublic information about CPSI, CPSI will file a Form 8-K with such information prior to the presentation or speech. Authorized Spokespersons shall adhere to the script and not disclose any material nonpublic information about CPSI during any "break out" or question-and-answer sessions.

### **C. Responding to Calls or Questions from the Investment Community; Quiet Period**

Authorized Spokespersons will not disclose material non-public information in meetings, telephone calls or other communications with members of the Investment Community. Participants in such meetings or telephone calls will be limited to Authorized Spokespersons. During these meetings, calls or other communications, Authorized Spokespersons may present historical public information and immaterial background information to help members of the Investment Community understand our business, but they should never provide material non-public information, particularly financial projections, during any such meeting or other communication. While this policy does not prohibit exchanges of e-mail correspondence with members of the Investment Community, Authorized Spokespersons should exercise particular caution in interacting with members of the Investment Community through e-mail.

In general, CPSI's "quiet period" will begin on the last day of each fiscal quarter and end following CPSI's quarterly earnings conference call with respect to such fiscal quarter. CPSI will not discuss with members of the Investment Community, or otherwise comment on, CPSI's financial or business performance or prospects for the current or just-concluded quarter during the quiet period. Access to Authorized Spokespersons will be restricted during the quiet period.



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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Additionally, CPSI should not participate in any investor conference during a quiet period without prior consultation with outside securities counsel to CPSI.

### **D. Site Visits and Non-Deal Roadshow Presentations**

We permit members of the Investment Community to visit our offices and other facilities on a non-discriminatory, appointments-only basis. Additionally, while Authorized Spokespersons may from time-to-time make “road show”-style presentations to members of the Investment Community, it is our policy, in the absence of a confidentiality agreement between the Company and such member of the Investment Community, to never disclose material non-public information during these meetings. Authorized Spokespersons may elect to include certain other officers or representatives in these meetings, provided that such officers or representatives are briefed on their responsibilities under this disclosure policy prior to meetings and an Authorized Spokesperson accompanies them during the meetings. Site visits by and presentations to the Investment Community should not occur during any quiet period without prior consultation with outside securities counsel to CPSI.

### **E. Roadshows for Offerings**

Regulation FD does not apply to statements made in connection with some registered public offerings, but it does apply to oral and written information provided in connection with private placements and other non-registered offerings. Further, the exemption is not available for registered secondary offerings, DRIP plans, employee benefit plan offerings and exercises of outstanding options, warrants or convertible securities. Accordingly, prior to any conference or roadshow associated with a non-exempt offering, CPSI will publicly disclose through the filing of a Form 8-K or a press release or method approved by this policy, any material information that may be discussed or presented.

### **F. Providing “Guidance” as to Performance or Results**

CPSI will not provide guidance regarding unreported performance or results, whether direct, indirect, explicit or implied, to members of the Investment Community, except pursuant to a press release or other SEC filing. CPSI will not provide implicit or “indirect” confirmation that CPSI is, or remains, comfortable with analysts’ consensus on earnings, guidance or other components of CPSI’s expected performance or results, unless simultaneous public disclosure is made. Authorized Spokespersons will not reaffirm, clarify or update any earnings guidance or other information given in CPSI’s publicly disclosed documents.



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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### **G. No Responding to Market Rumors**

CPSI will not confirm or deny or otherwise discuss or comment on rumors in the marketplace (including those that appear in “chat rooms” on the Internet) regarding CPSI or on similar matters. CPSI’s response to inquiries regarding such matters is “no comment” or “we do not comment on rumors.”

### **H. Reviewing Analyst Reports and Similar Materials**

CPSI does not review or comment upon any analyst reports, financial models and similar materials published by members of the Investment Community other than for the limited purpose of ensuring the accuracy of historical data that has been publicly disclosed.

### **I. Forward-Looking Statements**

Subject to compliance with this policy, CPSI may, from time to time, release earnings estimates and make other forward-looking statements regarding its outlook or expectations for revenues, expenses or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory or other matters on its business operations or performance. In connection with these statements, CPSI may rely upon the safe harbor as prescribed in the Private Securities Reform Act of 1995.

CPSI generally seeks to identify forward-looking statements and to accompany such statements with meaningful cautionary language that warns investors regarding risks that such statements could change materially. In the case of oral forward-looking statements, if the cautionary language is not included in a previously released, readily available written document, CPSI will generally seek to include appropriate language along with such statement. In addition, such statements shall also be deemed qualified by applicable cautionary language contained in previous CPSI SEC filings and other readily available written documents, such as a news release.

### **J. Monitoring Postings on CPSI’s Website**

Even if information is accurate, complete and without omission, at this time, we do not consider website posting alone to constitute “public disclosure” for purposes of Regulation FD. Therefore, all financial and business information about CPSI that is proposed to be posted on CPSI’s website must be reviewed by the Chief Financial Officer prior to posting or distribution. The Chief Financial Officer will review this information for accuracy and completeness and will also determine whether “public disclosure” of the information is required. The Chief Financial Officer has primary responsibility to ensure that all of CPSI’s information placed on its website is accurate, complete and up-to-date.



## Computer Programs and Systems, Inc. Policy Statement Guidelines for Corporate Disclosure

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### **III. Policy Implementation**

#### **A. Training**

The Chief Financial Officer will be responsible for providing all employees, including Authorized Spokespersons, periodic training on Regulation FD and this policy. Prior to participating in any approved speech, interview or conference, any Authorized Spokesperson participating in such event must have received Regulation FD training. This training is designed to assist in the identification and prevention of the disclosure of material nonpublic information, as well as the procedures to follow if it is believed that a nonpublic disclosure of material information may have occurred.

#### **B. Unintentional Selective Disclosures**

If any Authorized Spokesperson becomes aware of a possible unintentional disclosure of material nonpublic information about CPSI to a member of the Investment Community, he or she shall immediately inform outside securities counsel to CPSI to permit public disclosure of such material nonpublic information, in accordance with Regulation FD and other applicable law.

If any other employee of CPSI becomes aware of a possible unintentional disclosure of material nonpublic information about CPSI to a member of the Investment Community, he or she shall immediately inform the Chief Financial Officer to permit public disclosure of such material nonpublic information, in accordance with Regulation FD and other applicable law.

#### **C. Posting of this Policy**

This policy shall be regularly disseminated and posted on CPSI's intranet and its external website and must be strictly complied with.

#### **D. Violation of this Policy**

CPSI's Chief Financial Officer is responsible for administering this policy and for monitoring compliance with it by CPSI's directors and employees.

Violations of the policy may constitute grounds for disciplinary action, including dismissal. Violations of Regulation FD are subject to SEC enforcement action, which may include an administrative action seeking a cease-and-desist order, or a civil action against CPSI or an individual seeking an injunction and/or civil money penalties. If an employee or director of CPSI believes that a disclosure of material nonpublic information about CPSI may have occurred, he or she must immediately notify CPSI's Chief Financial Officer so that CPSI can determine whether it is required to make public disclosure of the information in accordance with applicable law.



**Computer Programs and Systems, Inc.  
Policy Statement  
Guidelines for Corporate Disclosure**

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**E. Further Information about Regulation FD**

All inquiries regarding the provisions or procedures of this policy or Regulation FD generally should be addressed to CPSI's Chief Financial Officer.