

NOTICE OF PRIVACY PRACTICES

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.

LANCE, INC. GROUP HEALTH PLANS

Effective as of April 1, 2011

LANCE, INC. (the "Company") maintains group health plans (collectively, the "Group Health Plan") that provide eligible associates and their dependents with medical, dental, prescription drug, vision, employee assistance, and flexible spending account benefits.

The Group Health Plan is required by law to maintain the privacy of protected health information ("PHI") and to provide individuals covered under the Group Health Plan with notice of its legal duties and privacy practices with respect to PHI in accordance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). PHI is information that may identify you and that relates to your past, present or future physical or mental health or condition, health care services provided to you, or payment for health care services provided to you. This Notice of Privacy Practices ("Notice") is provided for the Group Health Plan and applies with respect each benefit in which you are enrolled.

The Notice describes how the Group Health Plan and its Plan Administrator ("we" or "us") may use and disclose PHI to carry out treatment, payment or health care operations and for other specified purposes that are permitted or required by law. The Notice also describes your rights with respect to PHI about you.

The Group Health Plan is required to follow the terms of this Notice. We will not use or disclose PHI about you without your written authorization, except as described in this Notice. We reserve the right to change our practices and this Notice and to make the new Notice effective for all PHI we maintain. If we materially change our practices and this Notice, a revised Notice will be distributed or sent to you if you are still participating in the Group Health Plan at that time. If you have any questions, please contact the Group Health Plan Privacy Official at 704-554-1421 or at Lance, Inc. PO Box 32368 Charlotte NC 28232.

Your Individual Rights

You have the following rights with respect to PHI the Group Health Plan maintains about you:

Receive a copy of the Notice. You have the right to receive a paper copy of this Notice at any time, even if you have previously agreed to receive the Notice electronically, by contacting the Privacy Official. A copy of this Notice is also available on our website at: <https://www.empoweredbenefits.com/EB/new/lance.jsp>.

Request a restriction on certain uses and disclosures of PHI. You have the right to request additional restrictions on our use or disclosure of PHI about you by sending a written request to the Privacy Official. In your request you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure, or both; and (3) to whom you want to limits to apply—for example, disclosures to your spouse. We are not required to agree to the requested restrictions.

Inspect and obtain a copy of PHI. You have the right to access and copy PHI about you contained in a designated record set for as long as the Group Health Plan maintains the PHI. The designated record set usually will include enrollment, payment, claims and case management record systems maintained by or for the Group Health Plan. To inspect or copy PHI about you, you must send a written request to the Privacy Official. We may charge you a fee for the costs of copying, mailing, and

supplies that are necessary to fulfill your request. We may deny your request to inspect and copy in certain limited circumstances. If you are denied access to PHI about you, you may request that the denial be reviewed.

Request an amendment of PHI. If you feel that PHI we maintain about you is incomplete or incorrect, you may request that we amend it. You may request an amendment for as long as we maintain the PHI. To request an amendment, you must send a written request to the Privacy Official. You must include a reason that supports your request. In certain cases, we may deny your request for amendment – for example, if the PHI was not created by us or is not part of the information kept by or for the Group Health Plan. If we deny your request for amendment, you have the right to file a statement of disagreement with the decision and we may give a rebuttal to your statement.

Receive an accounting of disclosures of PHI. You have the right to receive an accounting of the disclosures we have made of PHI about you for most purposes other than treatment, payment, or health care operations. The accounting will exclude certain disclosures, such as disclosures made directly to you, disclosures you authorize, disclosures to family members and other persons involved in your care, and disclosures for other notification purposes. The right to receive an accounting is subject to certain other exceptions, restrictions, and limitations. To request an accounting, you must submit a request in writing to the Privacy Official. You may ask for disclosures made up to six years before your request. The first accounting you request within a 12-month period will be provided free of charge, but you may be charged for the cost of providing additional accountings. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time.

Request communications of PHI by alternative means or at alternative locations. You have the right to request and to receive (if the request is reasonable) confidential communications of PHI by alternative means or at alternative locations. For instance, you may request that we contact you about medical matters only in writing or at a different residence or post office box. To request confidential communications of PHI about you, you must submit a request in writing to the Privacy Official. Your request must state how or where you would like to be contacted and must include a clear statement that communicating PHI by the usual means or at the usual location would endanger you. We will accommodate reasonable requests to the extent practicable.

Examples of How We May Use and Disclose PHI

This Section describes the ways that the Group Health Plan may use and disclose your PHI. Generally, the Group Health Plan will only use and disclose your PHI as authorized by you or as required or permitted by law. Although not every specific use or disclosure is listed, the reasons for which the Group Health Plan is permitted or required by law to use or disclose your PHI generally will fall under one of the categories described below.

HIPAA generally does not take precedence over state or other applicable privacy laws that provide individuals with greater privacy protections. As a result, when a state law requires the Group Health Plan to impose stricter standards to protect your PHI, the Group Health Plan will follow state law rather than HIPAA. For example, where such laws have been enacted, the Group Health Plan will follow more stringent state privacy laws that relate to uses and disclosures of PHI concerning HIV or AIDS, mental health, substance abuse, chemical dependency, genetic testing, or reproductive rights.

For treatment. The privacy rules allow covered entities to use and disclose PHI for treatment. Treatment means the provision, coordination, or management of health care and related services by one or more health care providers. For example, if you are referred to a specialist for treatment, we could share your PHI with the specialist to whom you have been referred so that he can become familiar with your medical condition.

For payment. We may use and disclose your PHI for payment purposes and to otherwise fulfill our responsibilities for coverage and providing benefits. For example, we may use information submitted

by health care providers to determine whether the Group Health Plan covers the services provided and the amount of your copayment (if any). Additionally, we may provide you and the health care provider with an explanation of benefits. The explanation of benefits may include information that identifies you, as well as the health care provider and the cost of the services.

For health care operations. We may use and disclose your PHI for health care operations including, but not limited to, underwriting, premium rating and other activities relating to obtaining or renewing contracts (including stop-loss insurance), disease management, case management, legal services, auditing functions, and general administrative activities. For example, the Group Health Plan may use information in your claims records to manage and administer the Group Health Plan. This information may be used in an effort to continually improve the quality and effectiveness of the health care coverage and administrative services provided under the Group Health Plan.

To the Group Health Plan sponsor: We may disclose PHI to the Company in its role as Group Health Plan sponsor. The Company may not use and disclose the PHI other than as permitted or required by law and must comply with the same restrictions and conditions applicable to the Group Health Plan. PHI will be disclosed only to Benefits, Human Resources, Finance and IT personnel who need access to such information to fulfill their Group Health Plan administration duties. PHI received by these employees will be used exclusively for purposes of carrying out the Company's administrative functions with respect to the Group Health Plan. The Company may not use or disclose PHI for employment-related actions or in connection with any other employee benefit plan of the Company without your specific authorization.

To business associates: Some services are provided by the Group Health Plan through contracts with business associates. Examples include claims administration, case management and utilization reviews, pharmacy benefits management, vision benefits management, COBRA administration, and subrogation. When these services are contracted for, we may disclose PHI about you to our business associates so that they can perform the job we have asked them to do and bill the appropriate party for services rendered. To protect PHI about you, we require business associates to appropriately safeguard the PHI.

Communication with individuals involved in your care or payment for your care: Persons responsible for Group Health Plan administration, using their professional judgment, may disclose to a family member or any person you identify, PHI relevant to that person's involvement in your care or payment related to your care.

In addition to the above, we may use or disclose PHI for the following purposes:

Worker's compensation: We may disclose PHI about you as authorized by and as necessary to comply with laws relating to worker's compensation or similar programs established by law.

Public health risks: As required by law, we may disclose PHI about you to public health or legal authorities charged with preventing or controlling disease, injury, or disability.

Law enforcement: We may disclose PHI about you for law enforcement purposes as required by law or in response to a valid subpoena or other legal process.

As required by law: We must disclose PHI about you when required to do so by law. For example, we may disclose PHI in response to court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury or an administrative body authorized to require production of information; or under statutes or regulations that require the production of information (such as Medicare/Medicaid if payment is sought under such government programs).

Health oversight activities: We may disclose PHI about you to an oversight agency for activities authorized by law. These oversight activities include audits, investigations, and inspections, as necessary for licensure and for the government to monitor the health care system, government programs, and compliance with civil rights laws.

Judicial and administrative proceedings: If you are involved in a lawsuit or a dispute, we may disclose PHI about you in response to a court or administrative order. We may also disclose PHI about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the requested PHI.

National security and intelligence activities: We may release PHI about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

Victims of abuse, neglect, or domestic violence. We may disclose PHI to government authorities, including social services and protected services agencies authorized by law to receive reports of abuse, neglect, or domestic violence. We must inform you (with certain exceptions) that such disclosure has been made.

Decedents. We may disclose PHI to coroners or medical examiners for the purpose of identifying a deceased person or determining cause of death and to funeral directors to carry out their duties.

Organ, eye, or tissue donation. We may use or disclose PHI to organ procurement organizations or other entities for the purpose of facilitating organ, eye or tissue donation and transplantation.

Research. We may use or disclose PHI for purposes of research, subject to approval by institutional or private privacy review boards, and subject to assurances by the researcher regarding the treatment of PHI during research and that the PHI is necessary for the research purposes.

Specialized government functions. We may disclose PHI for specialized government functions, such as (1) about individuals who are Armed Forces personnel for activities deemed necessary by military command authorities for the proper execution of military missions, or (2) to correctional institutions or law enforcement officials having custody of an inmate if necessary for safety, security and other purposes of the correctional institution.

To avert a serious threat to health or safety: We may use and disclose your PHI when necessary to prevent a serious threat to your health and safety, or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat.

Government audits. We are required to disclose your PHI to the Secretary of the United States Department of Health and Human Services when the Secretary is investigating or determining our compliance with the privacy rules.

Other Uses and Disclosures of PHI

The Group Health Plan will obtain your written authorization before using or disclosing PHI about you for purposes other than those provided for above or as otherwise permitted or required by law. You may revoke an authorization in writing at any time. Upon receipt of the written revocation, we will stop using or disclosing PHI about you, except to the extent that we have already taken action in reliance on the authorization.

Note about personal representatives. You may exercise your privacy rights through a personal representative. Your personal representative will be required to produce evidence of his or her authority to act on your behalf before that person will be given access to your PHI or be allowed to take any action for you. Proof of such authority may include a notarized power of attorney for health care purposes or a court order of appointment as your conservator or guardian. In most cases, the parent of a minor child may be the child's personal representative (although certain exceptions apply).

The Group Health Plan retains the discretion to deny your personal representative access to your PHI if the Group Health Plan believes that (1) you have been or may be subject to domestic violence,

abuse or neglect by such person; (2) treating such person as your personal representative could endanger you; or (3) the Group Health Plan determines, in its exercise of professional judgment, that it is not in your best interest to treat the person as your personal representative.

For More Information or to Report a Problem

If you have questions or would like additional information about the Group Health Plan's privacy practices, you may contact the Privacy Official at 704-544-1421 or at Lance, Inc. PO Box 32368 Charlotte NC 28232. If you believe your privacy rights have been violated, you can file a complaint with the Privacy Official at the address indicated above or with the Office for Civil Rights of the United States Department of Health and Human Services (HHS). For information on filing complaints with HHS, please consult the HHS website: <http://cms.hhs.gov/hipaa/hipaa2/default.asp>. The Company and the Group Health Plan will not take any retaliatory action against you for filing a complaint.