

July 2, 2020

Peter B. Pond
Chairman of the Board
MAXIMUS, Inc.
1891 Metro Center Drive
Reston, Virginia 20190

Dear Chairman Pond,

As long term MAXIMUS shareholders, we are concerned that the company has not updated the information available to investors concerning how the company is managing the financial, operational, and reputational risks associated with the COVID-19 pandemic since the posting of its initial policy responses in March. While that initial disclosure indicated a commitment to implementing CDC and other public health guidelines with respect to cleaning and social distancing, in the subsequent three months there have been numerous reports, echoed by elected officials at the state and federal levels, that the implementation of these plans has been slow and uneven.¹ In particular, it is difficult to determine from MAXIMUS' public statements how extensive the discussed shift to remote work has been, or if there are persistent barriers to shifting some operations to remote work. Finally, we would appreciate an public explanation from the board as to why company management has apparently been unwilling to meet with concerned employees to discuss these issues, a request that has again been repeatedly echoed by state and federal elected officials.

The CtW Investment Group works with union-sponsored pension funds to enhance long-term stockholder value through active ownership. These funds have over \$250 billion in assets under management and are substantial MAXIMUS shareholders.

COVID-19 Surge Makes Updated Disclosures Necessary

Since mid-June, reported infection rates have risen sharply in many states, such that now a clear majority of MAXIMUS' call centers are located in states with rising infection rates. Our best understanding of MAXIMUS' operational locations suggest that, of the 38 call centers we can identify geographically, 28 are in states that have seen a large increase in COVID-19 infections in the last two weeks of June. These include 11 locations in Arizona, Florida, and Texas, three of the hardest hit states over the past month. We cannot determine from any information on the MAXIMUS website or from company press releases or statements how many of these facilities are operating, are in transition to remote work, or working on a fully remote basis.

Additionally, as many states move into their budget cycle for the next fiscal year, we are concerned that budget cuts and program changes may impact MAXIMUS financially, with potential implications for its liquidity going forward, including the continued viability of its planned dividend payments.

Implementation Concerns Persist

Moreover, despite MAXIMUS' assurances that it has been implementing social distancing, enhanced cleaning, and other measures to ensure that its employees are able to work safely, there have been

¹ Noah Manskar, "Lawmakers crack down on NY contractor with coronavirus complaints" *NY Post*, May 6, 2020.; Corkey Siemaszko, "Senators urge federal contractor accused of flouting CDC rules to meet with worried workers" *NBC News*, May 8, 2020.

multiple press reports raising concern over the effectiveness with which these policies have been implemented. These have included early reports that social distancing was not practiced during a late-March training, early May protests by employees who have not been allowed to work remotely, and multiple reports over several months suggesting that many employees are unsure as to exactly what paid time off benefits are available.² Finally, we are concerned that despite what appear to be multiple attempts by employees to engage management in a discussion of their concerns over the effectiveness of the company's COVID related policies and their implementation, concerns that have been echoed by elected representatives at the state and national level, the company has apparently been unwilling to meet.

We believe that it would be worthwhile for the company to provide a comprehensive update that includes the following:

- A clear description of the paid time off policy for employees who are unable to work due either to a COVID-19 infection, having to care for an infected family member, or due to fears of working in proximity to infected co-workers. We would appreciate disclosure of any limitations in the amount of paid time off available, any documentary or other requirements employees must present to access this paid time off, and any announced expiration of paid time off benefits MAXIMUS announced in March.
- An update on the extent of remote work at MAXIMUS. While we understand that much call answering work can be performed remotely in principle, it is unclear whether all MAXIMUS employees are able to work remotely now, if a transition to remote work is still underway, or if there are barriers to shifting some operations to remote work.
- Updated information on projected budget reductions in states that utilize MAXIMUS' services, and the company's plans to ensure its financial viability in the face of potential unexpected revenue shortfalls, including changes to its projected dividend payments.
- An explanation for MAXIMUS's apparent unwillingness to meet with concerned employees to discuss the effectiveness with which the company has implemented the plans it announced in March.

Sincerely,



Dieter Waizenegger, Executive Director

² Noah Manskar, "NY Health Dept.'s call center workers fear they're being exposed to COVID-19" NY Post April 10, 2020; Corkey Siemaszko, "CDC contractor failed to follow coronavirus rules, and a worker got sick, whistleblower says" NBC News April 16, 2020; Sarah Jones, "A Call Center Giant Is Responding to COVID-19, But Not Its Own Employees" *New York Magazine*, May 8, 2020.