

***GREATER NEW YORK HOSPITAL ASSOCIATION  
AND ITS SUBSIDIARIES AND AFFILIATES***

***CODE OF CONDUCT***

**January 2018**

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## Article I

### Purpose

The purpose of this Code of Conduct and Conflict of Interest Policy (“**Code**”) is to protect the interests of Greater New York Hospital Association, Inc. and its subsidiaries and affiliates (collectively, “**GNYHA**”) as well as the interests of GNYHA members (“**GNYHA Members**”). This Code reflects and reconfirms the principles of existing GNYHA policies and codifies new provisions based on recent reports on “best practices” from a number of sources. It is intended to supplement but not replace any applicable Federal, state, and local laws governing conflicts of interest as well as other GNYHA policies and industry Codes of Conduct that have been adopted by GNYHA.

This Code, which also applies to Executive Employees of all GNYHA companies, sets forth the minimum standards required of them by GNYHA. GNYHA, of course, expects each person to whom this Code applies to use his or her best judgment and common sense in addressing all matters regarding conflicts of interest, professional conduct, and ethics. GNYHA will review this Code from time to time and update or amend it as necessary. Additionally, nothing in this Code will restrict GNYHA from taking appropriate action in any particular situation, even if it is not explicitly referenced in this Code.

There are a number of capitalized terms defined in this Code. For ease of reference, all such terms are defined at the end of this Code. Also, please note that in this Code the term “GNYHA” may refer to all GNYHA companies or one or more particular GNYHA companies, as the context of the relevant provision requires. If you have any questions about this Code, please contact the Compliance Officer.

## Article II

### Provisions Applicable to All GNYHA Companies

1. **No Equity Interest in Health Care Entities and Other Companies with Which GNYHA May Do Business.** GNYHA is not permitted to have an Equity Interest in (i) any Health Care Entity; (ii) any other party that does or seeks to do business with GNYHA; or (iii) any other entity that GNYHA knows to be a consultant or contractor of a GNYHA Member, unless the holding of such interest is approved by the Audit and Compliance Committee and the Board of Directors of the relevant GNYHA company based on their determination that GNYHA's ownership of such interest is consistent with the principles set forth in this Code and other relevant factors and is being undertaken to meet the needs of GNYHA Members or is otherwise in the best interest of GNYHA Members. The foregoing restriction will not preclude a GNYHA company from (i) holding an Equity Interest in any publicly traded company other than a Health Care Entity (e.g., a utility); (ii) holding an Equity Interest in any entity (including a Health Care Entity) if such interest is part of a blind trust or a publicly available mutual fund that is not controlled by any person affiliated with GNYHA; (iii) continuing to hold any Equity Interest in a publicly traded company that it owned prior to the date this Code first took effect with respect to such GNYHA company; or (iv) owning all or part of a company in which GNYHA directly provides services to GNYHA Members and other third parties (see Article VIII).
  
2. **Sponsorship of GNYHA Programs by Health Care Entities and Other Third Parties.** No GNYHA company will accept any grants, fees, or other funds from any Health Care Entity or party that does or seeks to do business with GNYHA, for the sponsorship of GNYHA educational programs or other GNYHA programs or projects, unless the receipt of such funds is approved by the Audit and Compliance Committee and the Board of Directors of the relevant GNYHA company based on their determination that the acceptance of such funds is consistent with the principles set forth in this Code and other relevant factors and is being undertaken in the best interest of GNYHA Members. In making their assessment, the Board and the Audit and Compliance Committee should take into consideration the source of the funds; the intent of the potential grantor; identification of, and ability to address, potential conflicts of interest; and all other relevant circumstances.
  
3. **Other Sources of Funds from Third Parties.** All funds from parties that do or seek to do business with GNYHA, other than fair market value payments to GNYHA for services rendered or goods provided by GNYHA to such parties or payments otherwise allowed

by this Code, shall be reviewed by the Compliance Officer and the Audit and Compliance Committee prior to the commencement of such an arrangement and/or the receipt of such funds. GNYHA shall not accept such funds if in the reasonable judgment of the Compliance Officer and the Audit and Compliance Committee the receipt of such funds would create a conflict or the appearance of a conflict of interest.

4. **Multiple Relationships with Third Parties.** Potential conflicts may arise when a company that GNYHA does business with for one purpose also has an ownership interest in, or contractual or other business relationship with, GNYHA for another purpose. Such situations shall be reviewed by the Compliance Officer prior to the commencement of the arrangement. In such cases, the terms of the relevant arrangements shall explicitly provide that they are completely independent of each other, and to the extent necessary, provide for termination or modification of any such arrangement independent of any other arrangement. Additionally, GNYHA shall review all such situations periodically, but no less than annually, with the Audit and Compliance Committee or any other appropriate committee of the Board of the relevant GNYHA company and disclose all such arrangements to Participants and/or GNYHA Members, as appropriate.
5. **Conflicts Involving Companies that May Differentially Affect One or More GNYHA Members.** In reviewing business opportunities, GNYHA should be mindful of becoming engaged with companies that offer a product or service that is competitive with a health care product or service that is offered by one or more GNYHA Members. Prior to entering into such an arrangement, GNYHA shall review the arrangement with the Audit and Compliance Committee. Similarly, in reviewing business opportunities, GNYHA should be mindful of becoming involved with companies that are owned by or would otherwise benefit a subset of the GNYHA membership. Prior to entering into such arrangements, GNYHA shall review the arrangement with the Audit and Compliance Committee.
6. **Responsibilities of Third Parties.** Relevant third parties to which this Code applies shall be notified about the principles contained in this Code and shall be expected to comply with the letter and spirit of this Code.

## Article III

### Certain Terms Applicable to the Conduct of GNYHA's Executive Employees

At all times when acting on behalf of GNYHA, all Executive Employees are expected to have undivided loyalty to GNYHA and to act in the interest of GNYHA, without favor or preference to any outside party based on possible direct or indirect personal gain. GNYHA requires absolute integrity from all of its Executive Employees and will not tolerate any conduct that falls short of that standard. GNYHA expects that no Executive Employee will knowingly place himself or herself in a position that would have the appearance of being, or could be construed to be, in conflict with the interests of GNYHA.

While it is impossible to specify all situations in which a conflict of interest might arise, there are a number of situations that may be impermissible under this Code or in which an Executive Employee must, at a minimum, disclose and seek guidance or approval from the relevant GNYHA officer, supervisor or manager. Most obviously, a conflict of interest may arise whenever an Executive Employee or a member of his or her Immediate Family has an existing or potential interest that may affect his or her independent judgment in the discharge of his/her responsibilities to GNYHA or derives benefit from an outside source in connection with the execution of his/her responsibilities at GNYHA.

The following lists examples of situations in which an Executive Employee may have a conflict of interest. We emphasize that in addition to these examples, each Executive Employee has a duty to assess all situations in which he/she is involved and to perform his/her responsibilities in a manner that is free of all conflicts of interest and/or the appearance of conflicts.

1. **Financial Interest in Health Care Entities and Other Third Parties.** No Executive Employee or any member of his or her Immediate Family may have a financial or management interest in or relationship with (i) any Health Care Entity or (ii) any other party that to the knowledge of the employee does or seeks to do business with GNYHA, unless the Executive Employee fully discloses such interest to the Compliance Officer and obtains his/her approval regarding the interest. With respect to any actual or potential conflict of interest, the Compliance Officer will determine the appropriate course of action based on all relevant factors, including whether the Executive Employee is able to remove himself or herself from a position capable of influencing or affecting the business relationship between GNYHA and the relevant entity.

For the purposes of this Code, a financial or management interest or other relationship, includes any investment or ownership interest (including stock ownership, also discussed

in Article III, Section 5 below), employment or consulting arrangement, potential employment or consulting arrangement, or compensation or fee arrangement between an outside party and the Executive Employee or any member of his/her Immediate Family.

2. **Compensation from Outside Parties.** Executive Employees may not receive any payment, compensation, bonus, or other form of remuneration, whether in cash, equity or otherwise, from any outside party for any services rendered by such employee in connection with his/her responsibilities to GNYHA. For example, an Executive Employee who serves on the Board of Directors of another company at the request of GNYHA or otherwise may not receive compensation for such service by the outside company (see Article III, Section 10 below).
3. **Gifts.** GNYHA's Executive Employees are not permitted to accept from Health Care Entities and other parties that do business or seek to do business with GNYHA, Gifts of more than Nominal Value. (See discussion of related issues in Article IV – Gifts, below.)
4. **Honorarium; Outside Speaking Engagements.** (a) Except in the conduct of official GNYHA business, GNYHA staff may not participate in speaking engagements on any health care topic including presentations to professional organizations, business groups, Health Care Entities, parties that do or seek to do business with GNYHA, and other organizations without the approval of the Compliance Officer. If such participation is approved by the Compliance Officer, GNYHA employees may participate in the engagement, but may not accept honoraria for such participation. If honoraria are usually paid for such engagements, upon the approval of the Compliance Officer, the relevant GNYHA employee may make arrangements to receive the honoraria and have it directed to the Greater New York Hospital Foundation. Please note that the opportunity to direct an honorarium to a third party (e.g., a favorite charity) would be viewed as a benefit to the person directing the request. Therefore, GNYHA employees may not have honoraria directed to any other party, including not-for-profit organizations outside of GNYHA.  
  
(b) If a GNYHA employee participates in a speaking engagement or other event as part of his or her official job responsibilities and an honorarium is paid for the engagement, the employee should consult the Compliance Officer with regard to whether GNYHA desires to accept the honorarium and, if so, to which GNYHA company the honorarium should be paid. In assessing whether or not GNYHA should accept an honorarium, the Compliance Officer should consider the factors set forth in Article II, Section 2 regarding grants and other sponsorship of GNYHA programs.
5. **Ownership of Equity Interest in Health Care Entities and Certain Other Entities.** All Executive Employees of all GNYHA companies and members of their respective



Immediate Families are prohibited from owning any Equity Interest, including stock in a publicly traded company, in (i) any Health Care Entity; or (ii) any other party that to the knowledge of the employee does or seeks to do business with GNYHA.

Executive Employees and members of their Immediate Families may not purchase Equity Interests, including stock, in Health Care Entities. Any Executive Employee who owns an Equity Interest in a Health Care Entity as of the commencement of his or her employment with GNYHA or who receives such interest by gift or otherwise after the Effective Date of this Code shall, at his or her own expense, dispose of his/her interest within 30 days of the relevant date or such other time as required by the Compliance Officer. Nothing in this Section or elsewhere in this Code shall preclude any Executive Employee from owning an Equity Interest in any Health Care Entity as part of a publicly available mutual fund that is controlled or managed by a Person who is outside of the Executive Employee's Immediate Family or as part of a blind trust in which the Executive Employee has no knowledge of or control over the trust investment portfolio.

6. **Interest in a Competing Company.** No Executive Employee, or any member of his or her Immediate Family, may have any interest in or relationship with a competing company without the permission of the Compliance Officer.
7. **Hiring of Immediate Family Members.** No Executive Employee may do business with or hire a member of his or her Immediate Family (or a company with which an Immediate Family member is associated) on behalf of GNYHA unless the facts are disclosed and written approval is received in advance from the Compliance Officer. An Executive Employee must disclose to his or her immediate supervisor if assigned to work on a matter involving a firm where an Immediate Family member is currently employed.
8. **Outside Employment.** If an Executive Employee wishes to accept concurrent employment with any person or business outside of GNYHA, permission must be granted by the Compliance Officer. Concurrent employment as a consultant or advisor must also be disclosed and approved, as must self-employment, or other gainful occupation. Employment or personal business commitments outside regular hours of employment will be prohibited if they would be likely to impair an individual's ability to meet his or her regular job responsibilities to GNYHA, involve organizations that are doing or seek to do business with GNYHA, or otherwise violate GNYHA's policies and procedures.
9. **Volunteer Work.** GNYHA encourages volunteer work and other participation by its Executive Employees in civic, welfare, political, and similar activities. Most activities regarding charitable, religious, and other non-profit organizations will be in compliance with this Code and need not be specifically disclosed. However, those situations of

possible sensitive or controversial nature (for example, situations that could cause embarrassment to GNYHA as a result of an Executive Employee's association with outside organizations that may be identified with GNYHA) must be disclosed to the Compliance Officer prior to the Executive Employee's making a commitment to the organization.

- 10. Board Memberships.** Executive Employees are not permitted to serve on the Board of any for-profit company or on the Board of any not-for-profit Health Care Entity without the prior approval of the Compliance Officer. Directorships in not-for-profit organizations other than Health Care Entities are not likely to conflict with an Executive Employee's responsibilities to GNYHA and do not require advance approval unless such approval or disclosure would otherwise be required under this Code.

Where approval for service on Boards of outside companies is required, such approval will be considered on a case-by-case basis, based on all relevant factors including those related to the approval of outside employment (see Article III, Section 8 above). As indicated in Article III, Section 2 above, Executive Employees may not receive compensation for Board service with an outside company.

If approved, an Executive Employee's service on the Board of an outside company must otherwise be in accordance with this Code, and the Executive Employee must take appropriate steps to disclose and/or recuse him or herself from addressing particular matters regarding the outside company, as appropriate, in relevant situations.

- 11. Use of GNYHA's Name.** Executive Employees may not use GNYHA's name or their association with GNYHA in any context outside of their professional responsibilities to GNYHA, including activities related to welfare, civic, political, or other volunteer activities or outside Board service, nor may they speak to the press on any GNYHA matter or use GNYHA's name in the press without the express permission of the President of GNYHA, the Senior Vice President, Government and Public Affairs, or the Compliance Officer.
- 12. Ownership of Equity Interest in GNYHA Companies.** No Executive Employee may receive an Equity Interest in any GNYHA company, unless the grant of such interest has been approved by the Compensation Committee of the Board of the relevant GNYHA company.
- 13. Other Activities.** In addition to the situations discussed above, Executive Employees should, of course, see to it that their personal financial circumstances and transactions do

not jeopardize their independence of judgment or adversely affect their job performance with GNYHA.

Any Executive Employee who believes that he or she may be involved in a conflict or potential conflict of interest should immediately report the situation to the Compliance Officer making full disclosure of all relevant information. Because each such situation may involve special circumstances, GNYHA will judge each on its own merits with due attention to the duties of the Executive Employee and the relative significance of the factors involved.

GNYHA Executive Employees and certain other employees in positions of significant responsibility or contact with outside parties will be asked to complete a conflict of interest disclosure statement on an annual basis. The procedures regarding that statement are discussed below.

## Article IV

### Gifts, Payments for Meals, and Entertainment by Health Care Entities and Other Parties with Which GNYHA May Do Business

Gifts, payment for meals, entertainment, and favors by Health Care Entities and other parties that do or seek to do business with GNYHA, all of which are included in the definition of “Gifts” for the purposes of this Code, may raise conflict of interest issues in that they may serve as an improper inducement from a party, alter an employee’s independent judgment, and/or cause him or her to act in a less than objective manner. They also raise issues regarding inappropriate personal inurement and the appearance of a conflict of interest, whether or not one may in fact exist. Additionally, in some circumstances, gifts from third parties may constitute an improper “kickback” under the applicable Federal and State anti-kickback laws.

1. **Prohibition on Gifts of More than Nominal Value.** Executive Employees may not accept any Gift of more than Nominal Value from any Health Care Entity or any party that does or seeks to do business with GNYHA. Gifts include free or below market value goods or services from third parties, discounts, tickets to entertainment events, payment for meals, and other remuneration, and in their most extreme and insidious form, bribes, which are obviously impermissible under this and all other GNYHA policies. Pens, notepads, and other small desk items having a value of \$50 or less fall within the definition of Nominal Value and are acceptable up to the \$50 per instance and \$100 aggregate per calendar year limits.

Gifts of cash and cash equivalents (e.g., gift certificates) are never acceptable. Executive Employees may not accept anything else of value in connection with their employment from an outside party without approval from the Compliance Officer. Honoraria for speaking engagements may be viewed as gifts in some instances. For details on the policy relating to Honorarium, see Article III, Section 4 of this Code.

Additionally, no personal Gifts (including Gifts of Nominal Value) should be offered or received if done under circumstances that would raise a reasonable question concerning whether the Gift was offered or received improperly to influence a person in the exercise of proper business or professional judgment. Your judgment should tell you when a Gift is improper and should be refused to prevent embarrassment and to avoid what may be an unintentional violation of this Code or the law.

2. **Meals and Events.** GNYHA’s Executive Employees are not permitted to participate in meals or events that are paid for by a Health Care Entity or any party that does or seeks to

do business with GNYHA, except if such attendance is of benefit to GNYHA's members and the amount paid by such party on behalf of the employee is \$50 or less per person. If in the opinion of the Compliance Officer, GNYHA's attendance at an otherwise prohibited event that is paid for by a third party would benefit GNYHA's members, GNYHA may make arrangements to have the relevant staff attend and, to the extent feasible, reimburse the sponsor for the costs of such attendance.

3. **Widely-Attended Events.** Notwithstanding the foregoing, GNYHA Executive Employees may be permitted to attend a third party-sponsored widely-attended event that would otherwise be prohibited under the provisions of this Article IV if attendance at the event is for a legitimate business purpose of GNYHA, and the event takes place during regular business hours (or on weekday evenings), is conducted in a modest setting that is conducive to business purposes, and does not involve travel other than that which is paid for by GNYHA.
4. **Entertainment.** GNYHA's Executive Employees and members of their respective Immediate Families may not attend entertainment events that are paid for by a Health Care Entity or any party that does or seeks to do business with GNYHA if the per person cost of the event is more than Nominal Value.

## **Article V**

### **Lawsuits and Other Proceedings**

Involvement of an Executive Employee or his or her Immediate Family in a lawsuit may constitute a conflict of interest or the appearance of a conflict of interest. Therefore, Executive Employees must disclose to the Compliance Officer when they or any member of their Immediate Family are a party to a lawsuit, claim, or other proceeding before any court, judicial, or adjudicatory body involving a Health Care Entity or any party that to their knowledge does or seeks to do business with GNYHA.

## **Article VI**

### **Certain Disclosure by Board Members and Advisors**

Members of the Boards of GNYHA and its subsidiaries, respectively, and all consultants and advisors of GNYHA who are in the position to influence contracting and other business decisions of GNYHA must disclose the receipt of Gifts of more than Nominal Value from, and the holding of any financial or management interests (including any Equity Interests) they or members of their Immediate Family have in (i) any Health Care Entity or (ii) any party that to their knowledge does or seeks to do business with GNYHA, and must recuse themselves from any negotiations or decisions relating to such party(ies).

## Article VII

### Certain Terms Applicable to the Conduct of GNYHA's Group Purchasing and Certain Other Businesses

GNYHA serves not-for-profit and publicly sponsored hospitals and long term care members and assists them in providing high-quality and accessible health care. Through its for-profit subsidiaries, GNYHA operates a number of businesses and other member services, including group purchasing services. The purpose of these services is to provide high-quality, cost-effective products and services to its members.

1. (a) **No Administrative Fees in Excess of 3%.** GNYHA will not accept vendor-paid group purchasing administrative fees (“Administrative Fees”) in excess of 3% of the dollar volume of purchases by Participants from any Participating GPO Vendor. Vendor participation in any additional services for which fees may be charged (i.e., services outside of those for which administrative fees are usually paid, such as payment for exhibit booths at trade shows) shall be voluntary, and a vendor’s participation (or non-participation) shall have no bearing upon GNYHA’s contracting decisions. Additionally, all Administrative Fees received by GNYHA must meet applicable safe harbor provisions, including disclosure provisions, and must otherwise be consistent with this Code.
- (b) **No Equity Interests in Participating GPO Vendors.** GNYHA will not accept any Administrative Fee in the form of an Equity Interest or otherwise have any Equity Interest in any Participating GPO Vendor that sells or offers products or services to GNYHA Members, customers, or Participants through or in connection with any GNYHA group purchasing contract. GNYHA is permitted to accept non-equity-based Administrative Fees in connection with its group purchasing services provided that the receipt of such fees meets applicable safe harbor provisions, including disclosure provisions, and are otherwise consistent with this Code.
2. **Standardized Administrative Fees.** GNYHA will maintain policies to ensure that the selection of Participating GPO Vendors is not based on differential administrative fees offered by such vendors.
3. **No Up-Front Administrative Fees.** GNYHA will not accept any “up-front” Administrative Fees, sign-on bonuses, or similar fees paid by Participating GPO Vendors



upon the execution of an agreement with GNYHA or otherwise prior to purchases by Participants.

4. **No Marketing Fees.** GNYHA will not accept any marketing fees or other fees paid in lieu of or in addition to Administrative Fees in return for marketing or promotional services provided by GNYHA.
5. **No Private Label Programs.** GNYHA will not engage in private label programs, meaning that it shall not enter into any arrangements with a Participating GPO Vendor in which it sells such vendor's products under its own label.
6. **Vendor or Public Ownership.** GNYHA will not authorize any Participating GPO Vendor to become an owner in any of GNYHA's group purchasing or other businesses that may make such vendor's products or services available to Participants, nor will it allow public ownership of such businesses.
7. **No Bundling.** GNYHA will not "bundle" products across different Participating GPO Vendors, meaning that it will not require Participants to purchase a menu of a multi-vendor group of products in order to have access to the best pricing on any one or more of the products in such group. Additionally, GNYHA will not offer vendor contracts that allow any particular Participating GPO Vendor to "bundle" its own products in such a manner that would result in higher prices for Participants than they would pay absent such practices.
8. **Fair Practices; Technology.** All contracting processes, including technology breakthrough, technology assessment, and related programs operated by GNYHA that assess new medical devices, will be fair, timely, confidential, and unbiased, with an opportunity for review of decisions.
9. **Physician Preference Items.** All contracts for Physician Preference Items that first take effect after January 1, 2003 will be based on the following practices, except to the extent that GNYHA determines that its members' interest in obtaining high-quality products and services at the lowest possible prices will not be served by the use of such practices:
  - a. Multi-source contracting;
  - b. No commitment levels; and
  - c. No "bundling" with unrelated products (See also, Section 7 above).

**10. Contract Terms.** Absent extraordinary circumstances in which Participants would materially benefit from the existence of a longer term contract, group purchasing contracts entered into on or after January 1, 2003 shall have terms of 3 years or less.

**11. Other Business with Participating GPO Vendors.** GNYHA's group purchasing businesses will not have other business relationships with Participating GPO Vendors unless those relationships are necessary to achieve core goals of the relevant GNYHA company and are in the best interest of GNYHA Members and Participants. Such relationships shall be disclosed to all Participants, all fees received by GNYHA shall be reasonably related to the value received, and participation of Participating GPO Vendors or lack thereof in such other relationships shall have no bearing on GNYHA's contracting decisions. If other GNYHA companies, such as its not-for-profit organizations, have business relationships with Participating GPO Vendors, these relationships must be reviewed by the Compliance Officer and the Board (or appropriate committee) of the relevant GNYHA companies to insure that such relationships do not improperly influence GNYHA's contracting or other decisions.

**12. Vendor Responsibilities.** Participating GPO Vendors shall be notified about the principles contained in this Code and shall be expected to comply with the letter and spirit of this Code.

**13. Vendor Grievances.** If any Participating GPO Vendor has any grievance regarding access by such vendor to contracting opportunities by GNYHA, the vendor shall provide a detailed description of its grievance in writing to the relevant GNYHA company at the following address:

555 West 57<sup>th</sup> Street  
Suite 1500  
New York, NY 10019  
Attention: Lee H. Perlman, President GNYHA Ventures, Inc.  
cc: General Counsel

Upon receipt of such written description, the relevant GNYHA company will review the complaint and respond appropriately within 30 days. GNYHA shall publish this procedure on all of its relevant Web sites.

**14. Compliance with Safe Harbor Provisions and Other Disclosure.** All GNYHA companies shall, to the extent applicable, comply with the Medicare and Medicaid regulatory safe harbor provisions contained in 42 USC §1001.952(j) regarding group purchasing organizations, including provisions regarding vendor-paid Administrative

Fees. Additionally, GNYHA shall make full disclosure to its Participants of all payments from Participating GPO Vendors, whether or not such payments are allocable to a specific Participant, and shall disclose Equity Interests, if any, in Participating GPO Vendors.

- 15. Annual Reports.** GNYHA's group purchasing businesses will make annual reports about the GPO's compliance program to all Participants. GNYHA's group purchasing businesses will also make annual reports or other summaries of its compliance program available to the public on its Web site or by some other means. The content of each of such reports shall be determined by the Audit and Compliance Committee.
- 16. Endorsement of Certain Other Principles and Policies.** GNYHA's group purchasing businesses have endorsed the Health Industry Group Purchasing Association ("HIGPA") Code of Conduct Principles adopted by HIGPA on July 24, 2002 (the "Industry Code"); the Statement of Principles put forth jointly by Premier, Inc. and Premier Purchasing Partners, LP, dated August 5, 2002 (the "Additional Premier Principles"); the Best Ethical Practices for the Group Purchasing Industry contained in the October 2002 Report to the Audit Committee of the Board of Directors of Premier, Inc. (the "Best Practices"); and the Core Principles of the Healthcare Group Purchasing Industry Initiative adopted as of May, 2005 ("Industry Initiative Principles"), with respect to all GNYHA group purchasing activities. Each relevant GNYHA company shall act in a manner that is consistent with the aforementioned principles and shall adopt such additional policies, procedures, and/or practices as may be required from time to time to comply with the intent of said principles.

## **Article VIII**

### **Certain Terms Regarding Businesses in Which GNYHA Provides Direct Services**

The foregoing provisions in Article VII regarding GNYHA's group purchasing business do not directly apply to situations in which GNYHA provides a service directly to its members or others, in which case GNYHA may charge appropriate service fees and otherwise conduct business as appropriate.

Further, subject to applicable laws, GNYHA may enter into a joint venture with a third party to offer direct services, in which case it may own a portion of such company. Unless restricted by applicable provisions in this Code such as those regarding multiple business relationships with a party, nothing shall preclude GNYHA from developing a business with a third-party in connection with which GNYHA receives compensation, an ownership interest, or other interest in an entity, provided that interest is commensurate with the value of GNYHA's contribution to or services performed with regard to such company.

## **Article IX**

### **Annual Disclosure Form; Acknowledgement and Questionnaire**

GNYHA requires that its Executive Employees sign an acknowledgement confirming that they have received and read this Code and that they understand it and will comply with it (“Acknowledgement”). All new Executive Employees will be required to sign an Acknowledgement as a condition of employment.

Additionally, all Executive Employees will be required to complete an Annual Disclosure Statement regarding conflicts or potential conflicts of interest they may have and to continuously update the information in the statement as necessary. Failure to complete the form or failure to provide complete and accurate information in the Annual Disclosure Statement may result in disciplinary action, including in certain circumstances, termination of employment. In addition to the information requested of all Executive Employees, GNYHA may from time to time ask certain Executive Employees in very senior level or sensitive positions to provide additional information.

## **Article X**

### **Procedure for Evaluating Conflicts of Interest**

Conflicts or potential conflicts disclosed in accordance with this Code, including those identified in an Annual Disclosure Statement or any updates to it, will be evaluated and reviewed by the Compliance Officer, who, in consultation with the Legal Department, may take action including but not limited to making a determination (i) that the relevant Executive Employee not be involved in decision making situations relative to those companies or individual(s) identified by him/her, (ii) that the individual be requested to resolve the conflict to the satisfaction of GNYHA; (iii) that disciplinary action be taken; or (iv) that no action be taken. When necessary, an investigation shall be conducted to determine the facts and circumstances surrounding the conflict or alleged conflict and for recommendation of action warranted, if any. All Executive Employees shall have an obligation to answer inquiries in this regard. To the extent possible, dissemination of information regarding those inquiries will be limited to those GNYHA employees and outside advisors with a need to know.

## **Article XI**

### **Oversight by Compliance Officer**

A duly appointed Compliance Officer will report to the Board (or the Audit and Compliance Committee or any other appropriate committee of the Board) of each of the GNYHA companies. Additionally, the Compliance Officer shall review all material issues of interpretation of this Code with the Audit and Compliance Committee or other appropriate committee of the Board of GNYHA and each of the relevant GNYHA companies. The Compliance Officer may in his or her discretion delegate responsibilities related to the implementation of this Code to the Deputy Compliance Officer.

## **Conclusion**

The foregoing guidelines reflect what GNYHA believes to be in the best interest of its employees, members, customers, those with whom it does business, and the public at large. Ultimately, however, in addition to the specific directives set forth in this Code, each employee's own individual judgment is critical in determining the correct course of action for a particular situation. As each employee contemplates a situation, the employee should consider whether the proposed action is consistent with GNYHA practices and whether it conforms to the letter and the spirit of this Code. Additionally, whenever an employee sees a situation in which this Code does not appear to be served, the employee shall have the responsibility to bring the concern to the attention of the Compliance Officer.

***GNYHA thanks you for your cooperation with this Code and for upholding the high standards of GNYHA.***



## APPENDIX A

### Definitions

**Audit and Compliance Committee** – means the Audit and Compliance Committee of GNYHA.

**Code** – means this Code of Conduct and Conflict of Interest Policy.

**Compliance Officer** – means the Compliance Officer of GNYHA or the relevant GNYHA subsidiary or affiliate, as the context indicates. If there is no one with the title of Compliance Officer of the relevant company or if the Compliance Officer is unavailable, the permission sought or disclosure required under this Code may be made to the President or General Counsel of the relevant GNYHA company.

**Deputy Compliance Officer** – means that individual appointed by the Compliance Officer to assist in the implementation of this Code.

**Equity Interest** – means any securities, including stock, options, warrants, debt instruments, or rights to acquire any of the foregoing.

**Executive Employee** – means any management or executive level employee of GNYHA or any subsidiary or affiliate of GNYHA that has adopted this Code, and any other GNYHA employee who is in a position to influence contracting decisions of any GNYHA company.

**General Counsel** – means the General Counsel of GNYHA and/or the relevant GNYHA subsidiary or affiliate.

**Gift** – any gift, meal, entertainment, favor, or other item or thing of value.

**GNYHA** – means Greater New York Hospital Association, Inc. and any of its subsidiaries and affiliates that adopt this Code.

**GNYHA Member** – means a hospital, long-term care facility, or any other member of GNYHA.

**Group Purchasing Organization** – means group purchasing organization that, as all or part of its business activities, is authorized to act as the agent of a provider of health care services to enter into contracts with vendors pursuant to which such vendors agree to sell or furnish goods or services consistent with the terms set forth in such contracts.

**Health Care Entity** – means any (i) pharmaceutical company, medical surgical products supplier, or other supplier of health care products or services, including a Participating GPO Vendor (ii) hospital, long term care facility, or other health care provider or (iii) health care insurance company. The term “Health Care Entity” does not include GNYHA or any of its subsidiary or affiliated companies.

**Immediate Family** – means the spouse, children, and any other dependents of the relevant employee and/or persons living within the same household as the employee.

**Legal Department** – means the office of the General Counsel of GNYHA or the relevant GNYHA company, as the context indicates, including the General Counsel and any designees of the General Counsel.

**Nominal Value** – means a fair market value of any item, service, or other thing of value (not including cash or cash equivalents) that does not exceed \$50 per instance or \$100 in the aggregate in any given calendar year from any Health Care Entity or any party that does or seeks to do business with GNYHA. Any item, service or other thing of value that costs \$10 or less shall not be counted toward the \$100 annual limit.

**Participants** – means those health care provider facilities, organizations and individuals, if any, that purchase through or otherwise participate in a GNYHA group purchasing organization or other business pursuant to which GNYHA makes a vendor’s or vendors’ products or services available.

**Participating GPO Vendor** – means a manufacturer, distributor, supplier, or other vendor of health care services and/or products that has a contract or submits a formal bid or offer to contract with GNYHA to provide goods or services to GNYHA’s Participants.

**Person** – means any individual, organization, corporation, or entity.

**Physician Preference Items** – means those clinical products or services that require substantial training by a physician to learn to use and that have demonstrable effect on patient care outcomes. Accordingly, they are products or services for which there may be a particular preference based on factors such as a provider’s training and experience, the performance or functionality of such products in a clinical setting, and patient clinical outcomes.