

**Hackensack University Health Network
Governance Policy Manual**

Vendor Relationships

Policy #: 0011

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Page 1 of 4

PURPOSE

All Hackensack University Health Network and its Subsidiaries (the "Corporation) including but not limited to Hackensack University Medical Center (HUMC) and the HUMC Foundation.

1. To articulate the Corporation's expectations of Vendors in their interactions with the Corporation and its colleagues.
2. To establish parameters for seeking and accepting funds from Vendors for conferences, educational programs and other events.
3. To make clear that, other than as permitted herein, the Corporation does not wish to place extra-contractual demands on Vendors.

POLICY

The Corporation expects Vendors to respect the Code of Conduct and policies and procedures. It also encourages Vendors to commit in contracts with the Corporation to adhere to the provisions of the Code of Conduct and policies and procedures which address Vendor interaction with colleagues and facilities. Vendors who wish to report a violation of this policy are encouraged to call the Compliance hotline.

The Corporation will comply with The PhRMA Code on Interactions with Healthcare Professionals, and the Advamed Code of Ethics.

The Corporation will accept Vendor funding for certain events (e.g., educational events, charitable events, trade shows and conferences) only as outlined below, provided that the Vendor's funding and/or participation is not inappropriately offered by the Vendor or solicited by the Corporation. In no event is any request for, or acceptance of, a Vendor contribution to be connected in any manner, implied or express, with the conduct of business with the Vendor. The Corporation's goal is to have discounts, rebates, administrative fees (GPO Fees), and any other payments received from Vendors to be structured to comply with the Discount Safe Harbor Regulations and the GPO Safe Harbor Regulations, to the extent practical.

ADMINISTRATION

Any exceptions to this policy must be approved in writing by the President and CEO and the Chief Compliance Officer.

DEFINITIONS

Colleague, for purposes of this policy, is defined as any employee of the Corporation.

Vendor, for purposes of this policy, is defined as an entity doing or seeking to do business with the Corporation.

PROCEDURE:

Expectations of Vendors

The Corporation expects its Vendors to be familiar with our Code of Conduct and policies and procedures which relate to our colleagues'

Vendor Relationships

interaction with Vendors and other business associates. Hackensack University Health Network encourages its Vendors to have an ethics and compliance program, a code of conduct, or other policies and programs demonstrating their commitment to ethical business practices.

Permissible Arrangements for Vendor Funding of Events

The only permissible arrangements for Vendor funding of events are those listed below unless an exception is approved in writing by the President and CEO and the Chief Compliance Officer. Any arrangement involving payment or provision of services directly to physicians must include fair market determination and should take into consideration the value of like training or equipment offered by other entities. The fair market value determination should not be reduced by Vendor funding.

Vendor Funded Educational Programs

The Corporation may not contract with a Vendor for goods and/or services and at the same time obligate Vendor to provide funding for educational programming in connection with its agreement to provide such goods and/or services. This is not intended to address programs to train colleagues and staff professionals on use of the Vendor's goods and/or services.

The Corporation may not accept funds from Vendors to help underwrite the cost of educational programs sponsored at least in part by the facility, provided that:

- Facility is a sponsor of the Educational Event;
- Educational Event content and speakers are determined by the facility and not the Vendor;
- Primary purpose and content are for education and not a marketing vehicle for the Vendor;
- Educational Event funds are not connected with any other business transaction;
- Facility and the Vendor enter into a written agreement; and
- Educational Event is otherwise legitimate and bona fide.

Under no circumstances shall a decision to buy products and/or services from a particular Vendor be contingent upon a Vendor's contribution to any education program.

Research Grants

The Corporation must not contract with a Vendor for goods and/or services and at the same time obligate Vendor to provide funding for research grants in connection with its agreement to provide such goods and/or services.

The Corporation may accept funds from Vendors to help underwrite the cost of research grants sponsored at least in part by the facility provided facility. Under no circumstances shall a decision to buy products and/or services from a particular Vendor be contingent upon a Vendor's contribution to any research grant.

Vendor Relationships

Gifts

A gift from a Vendor to the Corporation is permissible provided such gift was not solicited and is not provided in connection with a decision to buy products and/or services from the Vendor. This section pertains solely to gifts to the Corporation and **not** to individual employees. Gifts to employees are addressed in the Code of Conduct.

Trade Shows, Conferences and Meetings

The Corporation must not permit Vendors to participate in events that the facility sponsors, such as trade shows, conferences for colleagues or meetings provided that the Vendors receive something of commensurate value in exchange for their contributions.

The Corporation must not request any Vendor to subsidize meeting or conference activities. Vendors may purchase exhibit opportunities at an event the facility is sponsoring provided that the facility charges all Vendors a like amount for like opportunities. The Corporation must use the money from the sale of exhibit opportunities to offset costs of any portion of the meeting and related activities.

A Vendor may provide materials or samples to be distributed at the affiliate-sponsored event provided it is clear that the materials or samples were supplied by the Vendor and provided that if given to a colleague the value does not exceed the de minimis gift limit under the Code of Conduct.

A Vendor may fund a reception or meal at a meeting or conference provided such is done pursuant to an offer made by the Vendor and not pursuant to a request by the Corporation.

Charitable Functions

The Corporation may be asked to support fundraising efforts on behalf of the Corporation. These efforts will be coordinated through the Purchasing department and in no case will a decision to do business or a continued business relationship from a particular Vendor be contingent upon a Vendor's contribution. Failure or refusal to contribute will not affect the recipient's business relationship with the Corporation.

The Corporation may be asked by charitable organizations to contribute to their organization or participate in a fundraising event of their organization, including asking or encouraging others outside of the Corporation to participate in the charitable function. The Chairman of the Hackensack University Health Network Board or the President and CEO of HUMC approve the use of the Corporation's resources to support charitable organization that is affiliated or has a similar charitable mission. Such support includes encouraging Corporation colleagues as well as others outside of the Corporation to participate in a charitable organization's fundraising efforts. Failure or refusal to contribute will not affect the recipient's business relationship with the Corporation. Any funds a Vendor or other non-Corporation entity chooses to provide the charitable organization must be provided directly from the Vendor to the charitable organization.

Vendor Relationships

Business Courtesies from Vendors

Vendor-Sponsored Entertainment: Consistent with Corporation policy, a Vendor may provide colleagues with meals and entertainment in the normal course of business which should be reciprocated when practical.

Gifts: Consistent with the Code of Conduct, a vendor may not provide gifts to a colleague other than gifts of de minimis value.

Vendor Promotional Training: Vendors may provide bona fide training regarding new products or services it wishes to promote and associated travel, meal and entertainment costs provided the recipient's manager and the Chief Compliance Officer determine that the substantive portions of such event outweigh any entertainment portions.

Vendor Attestation and Reporting

Vendors will attest to compliance with this policy as part of the vendor qualification process (see Administrative policy 520-26.1) and will be required to report violations of this policy via the Corporate Compliance Hotline (see HUMC Administrative policy 703).