

**CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY  
OF INNOVATIX, LLC**

**I. Purpose**

The purpose of this Code of Conduct and Conflict of Interest Policy (“Code”) is to protect the interests of Innovatix, LLC (“Innovatix”) as well as the interests of its members, customers, and Participants. This Code reflects and reconfirms the principles of the existing Innovatix policies and adds some 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 Innovatix policies and industry Codes of Conduct that have been adopted by Innovatix.

This Code, which applies to all Executive Employees of Innovatix, sets forth the minimum standards required of them by Innovatix. Similar policies also apply to Innovatix’s non-Executive staff. Innovatix, 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. Innovatix will review this Code from time to time and update or amend it as necessary. Additionally, nothing in this Code shall restrict Innovatix from taking appropriate action in any particular situation, even if it is not explicitly referenced in this Code.

Further, this Code may be adopted by relevant subsidiaries and/or affiliates of Innovatix. To the extent so adopted, all references in this Code to Innovatix shall apply to the relevant Innovatix subsidiary or affiliate.

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. If you have any questions about this Code, please contact the Compliance Officer.

**II. Certain Terms Applicable to the Conduct of Innovatix’s Business**

Innovatix is a group purchasing organization whose purpose is to provide high-quality, cost effective products and services to its members.

**1. (a) No Administrative Fees in Excess of 3%.** Innovatix 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 entirely voluntary, and a vendor’s participation (or non-participation) shall have no bearing upon Innovatix’s contracting decisions. Additionally, all Administrative Fees received by Innovatix 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.** Innovatix 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 Participants through or in connection with any Innovatix group purchasing contract. Innovatix 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.** Innovatix 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.** Innovatix 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 Innovatix or otherwise prior to purchases by Participants.

**4. No Marketing Fees.** Innovatix 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 Innovatix.

**5. No Equity Interests in Health Care Entities.** Innovatix is not permitted to have an Equity Interest in (i) any Health Care Entity; or (ii) any other party that does or seeks to do business with Innovatix, unless the holding of such interest is approved by the Audit and Compliance Committee and the Board based on their determination that Innovatix’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 Participants or is otherwise in the best interest of Participants. The foregoing restriction will not preclude Innovatix from 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 (other than a health care specific mutual fund) that is not controlled by any person affiliated with Innovatix; or (iii) owning all or part of a company in which Innovatix directly provides services to Participants and other third parties.

**6. No Private Label Programs.** Innovatix 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.

**7. Vendor or Public Ownership.** Innovatix will not authorize any Participating GPO Vendor to become an owner in any of Innovatix’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.

**8. No Bundling.** Innovatix will not ‘bundle’ unrelated 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, Innovatix 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.

**9. Fair Practices; Technology.** All contracting processes, including technology breakthrough, technology assessment, and related programs operated by Innovatix that assess new medical devices, will be fair, timely, confidential and unbiased, with an opportunity for review of decisions.

**10. Physician Preference Items.** All contracts for Physician Preference Items will be based on the following practices, except to the extent that Innovatix 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, Article II, Section 8 above).

**11. Physician Preference Products.** Innovatix shall follow the policies and practices set forth in the Premier Code with respect to multi-source contracting, commitment levels, and bundling of Physician Preference Products.

**12. 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.

**13. Other Business with Participating GPO Vendors.** Innovatix's group purchasing businesses will not have other business relationships with Participating GPO Vendors unless those relationships are necessary to achieve core goals of Innovatix and are in the best interest of Innovatix's members and Participants. Such relationships shall be disclosed to all Participants, all fees received by Innovatix 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 Innovatix's contracting decisions. If other Innovatix companies, have business relationships with Participating GPO Vendors, these relationships must be reviewed by the Compliance Officer and the Board (or appropriate subcommittee) of Innovatix to insure that such relationships do not improperly influence Innovatix's contracting or other decisions.

**14. Sponsorship of Innovatix Programs by Certain Health Care Entities and Other Third Parties.** Innovatix will not accept any grants, fees, or other funds from any Health Care Entity or party that does or seeks to do business with Innovatix, for the sponsorship of Innovatix educational programs or other Innovatix programs or projects, unless the receipt of such funds is approved by the Audit and Compliance Committee and the Board 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 Innovatix Participants. 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.

**15. Other Sources of Funds from Third Parties.** All funds from parties that do or seek to do business with Innovatix, other than fair market value payments to Innovatix for services rendered or

goods provided by Innovatix 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. Innovatix 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.

**16. Multiple Relationships with Third-Parties.** Potential conflicts may arise when a company that Innovatix does business with for one purpose also has an ownership interest in, or contractual or other business relationship with, Innovatix 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 such arrangements. Additionally, Innovatix shall review all such situations periodically, but no less than annually, with the Audit and Compliance Committee or any other appropriate subcommittee of the Board and disclose all such arrangements to Participants, as appropriate.

**17. 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.

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

75 Ninth Avenue  
2<sup>nd</sup> Floor  
New York, NY 10011  
Attention: John P. Sganga, President and Chief Executive Officer  
cc: Lori R. Levinson, Esq., Compliance Officer

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

**19. Compliance with Safe Harbor Provisions and Other Disclosure.** Innovatix 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, Innovatix shall make full disclosure to its Participants of all vendor payments, whether or not such payments are allocable to a specific Participant, and shall disclose equity interests, if any, in Participating GPO Vendors.

**20. Annual Reports.** Innovatix will make annual reports about the GPO's compliance program to all Participants. Innovatix 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 or the Board.

**21. Endorsement of Certain Other Principles and Policies.** Innovatix has 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 Innovatix group purchasing activities. Innovatix 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.

### **III. Certain Terms Applicable to the Conduct of Innovatix’s Executive Employees**

At all times when acting on behalf of Innovatix, all Executive Employees are expected to have undivided loyalty to Innovatix and to act in the interest of Innovatix, without favor or preference to any outside party based on possible direct or indirect personal gain. Innovatix requires absolute integrity from all of its Executive Employees and will not tolerate any conduct that falls short of that standard. Innovatix 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 Innovatix.

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 Innovatix 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 Innovatix or derives benefit from an outside source in connection with the execution of his/her responsibilities at Innovatix.

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 (defined below); or (ii) any other party that to the knowledge of the employee does or seeks to do business with Innovatix, 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 Innovatix 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 3 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 its responsibilities to Innovatix. an Executive Employee who serves on the Board of Directors of another company at the request of Innovatix or otherwise may not receive compensation for such service by the outside company (see Article III, Section 10 below).

**3. Gifts.** Innovatix's Executive Employees are not permitted to accept from Health Care Entities and other parties that do business or seek to do business with Innovatix, 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 Innovatix business, Innovatix 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 Innovatix, and other organizations without the approval of the Compliance Officer. If such participation is approved by the Compliance Officer, Innovatix 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 Innovatix employee may make arrangements to receive the honoraria and have it directed to an appropriate charitable entity at the request of Innovatix. Please note that the opportunity for an employee to direct an honorarium to a third party selected by the employee (e.g., a favorite charity) would be viewed as a benefit to the person directing the request. Therefore, Innovatix employees may not have honoraria directed to any other party, including not-for-profit organizations outside of Innovatix without the consent of the Compliance Officer.

(b) If an Innovatix 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 Innovatix desires to accept the honorarium. In assessing whether or not Innovatix should accept an honorarium, the Compliance Officer should consider the factors set forth in Article II, Section 13 regarding grants and other sponsorship of Innovatix programs.

**5. Ownership of Equity Interest in Health Care Entities and Certain Other Entities.** All Executive Employees of Innovatix and members of their Immediate Family are prohibited from owning any Equity Interest, including stock in publicly traded companies, 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 Innovatix.

Executive Employees and members of their Immediate Family may not purchase Equity Interests, including stock, in Health Care Entities. Any Executive Employee who owns such stock as of the

Effective Date or who receives such stock by gift or otherwise after the Effective Date shall, at his or her own expense, dispose of his/her interest by within 30 days or such other time prescribed by the Compliance Officer. Nothing in this Section or elsewhere in this Code shall preclude any Executive Employee from owning the stock of any Health Care Entity as part of a publicly available mutual fund (other than a health care specific 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 Relatives.** No Executive Employee may do business with or hire a relative (or a company with which a relative is associated) on behalf of Innovatix 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 a relative is currently employed.

**8. Outside Employment.** If an Executive Employee wishes to accept concurrent employment with any person or business outside of Innovatix, 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 Innovatix, involve organizations that are doing or seek to do business with Innovatix, or otherwise violate Innovatix's policies and procedures.

**9. Volunteer Work.** Innovatix 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 Innovatix as a result of an Executive Employee's association with outside organizations that may be identified with Innovatix) must be disclosed to the Compliance Officer or 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 Innovatix and do not require advance approval unless such approval or disclosure would otherwise be required under this Code.

When 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 corporation 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 Innovatix's Name.** Executive Employees may not use Innovatix's name or their association with Innovatix in any context outside of their professional responsibilities to Innovatix, including activities related to welfare, civic, political or other volunteer activities or outside Board service, nor may they speak to the press on any Innovatix matter or use Innovatix's name in the press without the express permission of the President of Innovatix or the Compliance Officer.

**12. Ownership of Equity Interest in Innovatix Companies.** No Executive Employee may receive an Equity Interest in any Innovatix company, unless the grant of such interest has been approved by the Board or the Compensation Committee of the Board of the relevant Innovatix 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 Innovatix.

Any Executive Employee who senses 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, Innovatix 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.

Innovatix 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.

**IV. Gifts, Payment for Meals, and Entertainment by Health Care Entities and Other Parties With Which Innovatix 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 Innovatix, all of which are included in the definition of "Gifts" for 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 Gifts of more than Nominal Value from any Health Care Entity or any party that does or seeks to do business with Innovatix. Gifts include free or below market value goods or services from third parties, discounts, and other remuneration, and in their most extreme and insidious form, bribes, which are obviously impermissible under this and all other Innovatix 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 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. Each employee's judgment should tell him or her 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.** Innovatix'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 Innovatix, except if such attendance is of benefit to Innovatix's members, and the amount paid by such party on behalf of the employees is \$50 or less per person. If in the opinion of the Compliance Officer, Innovatix's attendance at an otherwise prohibited event that is paid for by a third party would benefit Innovatix's members, Innovatix 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, Innovatix's 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 Innovatix, 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 Innovatix.

**4. Entertainment.** Innovatix'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 Innovatix if the per person cost of the event is more than Nominal Value.

## **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 Innovatix.

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

Members of the Board of Innovatix and all consultants and advisors of Innovatix who are in the position to influence contracting and other business decisions of Innovatix 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 Innovatix, and must recuse themselves from any negotiations or decisions relating to such party(ies).

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

Innovatix requires that its Executive Employees, including all employees in a position to influence Innovatix's decision making regarding contracts, 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, Innovatix may from time to time ask certain Executive Employees in very senior level or sensitive positions to provide additional information.

#### **VIII. 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 Innovatix; (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 Innovatix employees and outside advisors with a need to know.

## **IX. Oversight by Compliance Officer**

A duly appointed Compliance Officer will report to the Board (or an appropriate committee of the Board) of Innovatix. Additionally, the Compliance Officer shall review all material issues of interpretation of this Code with the Board or appropriate committee of the Board of Innovatix and each of the relevant Innovatix companies.

## **X. Consistency with the Codes of Premier and GNYHA**

This Code is intended to be consistent with the principles set forth in the respective Codes of Conduct and related policies of Innovatix's owners, GNYHA and Premier, and their respective affiliates. If any provision hereunder differs in substance from either of such Codes, the more restrictive provision will apply to the activities of Innovatix, unless the Innovatix Audit and Compliance Committee and the Board of Innovatix approve of the provision or application thereof after considering the intent of each of the Codes, the best interest of the Innovatix Participants, and any other relevant factors.

Nothing herein is intended to modify the provisions of the Premier Code or the GNYHA Code. To the extent that Innovatix utilizes the contracts, programs, or resources of either Premier or GNYHA, the provisions of the Premier Code or the GNYHA Code, as applicable, will govern with respect to the particular contract, program, or resource of the party making such resource available to Innovatix. Employees of Innovatix will comply with the relevant provisions of this Code with respect to all Innovatix activities, including activities undertaken in conjunction with or relating to Premier or GNYHA. Employees of Premier and GNYHA will continue to be subject to the provisions of their respective Codes of Conduct even if undertaking activities in conjunction with or relating to Innovatix. In the event of a material inconsistency among the Codes, the parties will in good faith attempt to reconcile the differences in a manner that is in the best interests of each of their respective members.

## **Conclusion**

The foregoing guidelines reflect what Innovatix believes to be in the best interest of its employees, members, customers, Participants, 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 Innovatix practices and whether it conforms to the letter and the spirit of this Code. Additionally, whenever an employee sees a situation in which the purpose of 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.

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

**CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY  
OF INNOVATIX, LLC**

**Definitions**

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

**Board** – means the Board of Managers of Innovatix or other governing body or managing entity.

**Code** – means this Code of Conduct and Conflict of Interest Policy, as it may be amended from time to time.

**Compliance Officer** – means the Compliance Officer of Innovatix. If there is no one with the title of Compliance Officer 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 Innovatix.

**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 Innovatix, and any other Innovatix employee who is in a position to influence contracting decisions of Innovatix.

**General Counsel** – means the General Counsel of Innovatix.

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

**GNYHA** – means GNYHA Ventures, Inc. and its subsidiaries and affiliates.

**GNYHA Code** – means the Code of Conduct and Conflict of Interest Policy of GNYHA, as it may be amended from time to time.

**Group Purchasing Organization or GPO** – 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 Innovatix or any subsidiary or affiliated company of Innovatix.

**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.

**Innovatix** – means Innovatix, LLC.

**Legal Department** – means the office of the General Counsel of Innovatix, 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 Innovatix. 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 Innovatix group purchasing organization or other business pursuant to which Innovatix makes a vendor's or vendors' products or services available.

**Participating GPO Vendor** – means a vendor that has a contract or submits a formal bid or offer to contract with Innovatix to provide goods or services to Innovatix'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 which 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.

**Physician Preference Products** – shall have the meaning set forth in the Premier Code.

**Premier** – means Premier, Inc. and its subsidiaries and affiliates.

**Premier Code** – means the Code of Conduct for Premier, as it may be amended from time to time.

*Last Amended On: November 20, 2007*