

## 2019 PUBLIC ACCOUNTABILITY QUESTIONNAIRE

This Questionnaire Covers Calendar Year 2018.

Please return your response to [sonja.nesbit@arentfox.com](mailto:sonja.nesbit@arentfox.com) no later than  
**June 3, 2019.**

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Vizient Supply, LLC (“Vizient Supply”) is a wholly-owned subsidiary and the supply chain contracting arm of Vizient, Inc. (“Vizient”). For the purposes of this questionnaire, all answers reflect Vizient and, where applicable, Vizient Supply, and its structure and national contracting practices as they existed in 2018.

### OWNERSHIP AND ORGANIZATIONAL STRUCTURE

**1. Describe the ownership structure of your GPO and/or its parent or affiliated companies, including details regarding the following:**

- **Person(s) or entities that control the majority of voting interests in your GPO;**  
Vizient is the largest member-owned healthcare company in the U.S. with approximately 317 common stockholders (as of December 31, 2018).
- **The types of equity holders of your GPO (e.g., publicly-held company, healthcare providers, individuals, for-profit and/or not-for-profit entities);**  
Vizient’s stockholders are all member institutions, made up of community-based healthcare providers and academic medical centers.
- **The corporate form of your GPO and/or its parent or affiliated companies – such as corporation, partnership, limited liability company, co-op;**  
Vizient is a Delaware corporation.
- **Whether the GPO is organized as a for-profit or not-for-profit organization; and**  
Vizient is a private, for-profit company.
- **Location of corporate headquarters.**  
Vizient is organized in Delaware and headquartered in Irving, TX.

**2. Describe the composition of your Board of Directors or other governing body and reflect any changes from the previous HGPII reporting year. Include the following in your response:**

- **Number of individuals serving on your Board;**  
Vizient is governed by a 21-member Board of Directors representing diverse experience and professional backgrounds from for-profit and not-for-profit health systems and educational and research centers of varying sizes across the nation.

- **Percentage of Board representing GPO customers;**  
Approximately seventy-five percent (75%) of the members of the Board represent entities that participate in Vizient.
- **Percentage of Board that are employees of the GPO; and**  
Byron Jobe, the President and CEO of Vizient, was the only member of the Board that was an employee of Vizient during 2018.
- **Percentage of Board members also serving as employees, officers, or directors of a participating vendor.**  
None of Vizient’s Board members serve as employees, officers or directors of any participating vendor.

**3. Indicate whether any equity holder of your GPO and/or its parent or affiliated companies is a physician (or an immediate family member of a physician).**

No physician (or immediate family member of a physician) owns an equity interest in Vizient.

**CONFLICT OF INTEREST**

**4. Describe the GPO’s policies and procedures that address conflicts of interest for:**

- **Employees in a position of influence with regard to contracting decisions;**
- **Clinical Advisory Members; and**
- **Members of the GPO’s Board of Directors or other governing body.**

**As part of your response, provide details about reporting requirements for conflicts and provide a copy of written policies.**

Vizient’s Standards of Business Conduct and Conflicts of Interest Policy cover all employees and officers. In addition, Vizient has conflict of interest policies for members of its Board of Directors and clinical advisory committees.

The primary conflict of interest constraints for each of these categories of individuals are as follows:

- (a) **Ownership of Individual Equity Interests in Participating Vendors.**  
Officers and employees (and their spouses and minor children) may not own an Individual Equity Interest (as defined below) in a vendor if they are in a position to influence a Vizient contracting decision with such vendor.

Employees who do not influence contracting decisions must disclose individual equity interests in participating vendors and recuse themselves from any negotiations or decisions regarding those participating vendors. The term “Individual Equity Interest” means securities, options, warrants, debt instrument (including bonds and loans) or rights to acquire any of the foregoing; provided, however, that the term shall not include (i) interests in publicly traded mutual funds, (ii) interests held in blind trust, or (iii) interests held in a professionally

managed fund or account where the employee has (a) no control over decisions to buy or sell Individual Equity Interests, and (b) no communication with the manager regarding the security to be purchased or sold by the account/fund (a “Managed Account”) shall not be included. Members of Vizient’s Board of Directors and advisory committees must adhere to conflicts of interest policies that require the member to disclose ownership of an Individual Equity Interest in a participating vendor and be recused from any decisions relating to such vendors.

(b) Service on Boards of Participating Vendors.

Employees and officers are prohibited from serving as an officer, director, employee or consultant of any company whose business interests materially conflict with the interest of Vizient, including any participating vendor. Members of Vizient’s Board of Directors and advisory committees must adhere to conflicts of interest policies that require the member to disclose service on any board of directors of any participating vendor and be recused from any decisions relating to such vendors.

(c) Vendor Gifts, Services, Entertainment and Favors.

Employees and officers may not accept or provide gifts of cash or cash equivalents to any vendors. Employees and officers may not accept gifts, services, entertainment, favors, honoraria from a participating vendor, unless the item or service is of Nominal Value. The term “Nominal Value” means any item, service or other thing of value (not including cash or cash equivalents) that does not exceed \$50 per instance or \$100 in any given calendar year. The total retail value of all Nominal Value gifts received by each employee during each calendar year from all sources shall not exceed \$300. Members of Vizient’s advisory committees must adhere to conflicts of interest policies that require the member to disclose the acceptance of any gifts, favors, honoraria or personal services payments, other than those of Nominal Value, from any participating vendor to the appropriate governing body. The member is then recused from any decisions relating to such vendors.

(d) GPO’s Process for Addressing Ethics Violations.

Reports of potential ethics violations can be made to any member of management; a member of the Human Resources, Legal or Compliance Departments; or through Vizient’s compliance hotline/website managed by Navex. All potential ethics violations are reviewed by the Compliance Department. In the Compliance Officer’s discretion, independent outside counsel may be utilized to investigate potentially serious issues. Action is taken on a case-by-case basis depending on the nature of the report and the results of the investigation. All reports of ethics violations and management’s responses thereto are reported to the Audit & Compliance Committee of the Board of Directors.

An electronic copy of Vizient’s Conflict of Interest, Advisory Body Conflict of Interest, and Board of Directors Conflicts of Interest policies are included with this response.

**5. Describe actions the GPO takes to avoid conflict of interest issues for members of the Board of Directors (e.g. disclosure and/or prevention of equity investments in participating vendor relationships and acceptance of gifts/meals/travel/entertainment paid for by vendors).**

Vizient has a conflict of interest policy for members of its Board of Directors. Generally, directors must avoid situations in which their personal interests or interests of other organizations they represent conflict, or appear to conflict, with the interests of Vizient. Members of Vizient's Board of Directors must complete annual disclosure statements of potential conflicts of interest and adhere to policies that require the member to disclose ownership of an Individual Equity Interest in a participating vendor and be recused from any decisions relating to such vendors. See also response to Question 4.

**6. Describe the GPO's policies and procedures that address activities, including other lines of business of the GPO and/or its affiliates (including non-GPO services and strategic investments) that might constitute conflicts of interest to the independence of its purchasing activity. [1]**

Vizient does not offer services that might constitute conflicts of interest with its contracting activities. Vizient maintains and continues to develop its Analytics and Advisory Services function, which offers consulting, clinical and supply chain data analytics and other related services that facilitate and enhance supply chain operations and drive the highest quality of care. Participation in these programs is voluntary and at the sole discretion of the member. In addition, Vizient offers non-GPO contracting services through a subsidiary, aptitude, LLC.

Information regarding activities and other lines of business of Vizient may be found at [www.vizientinc.com](http://www.vizientinc.com). Information regarding Provista, Inc. ("Provista"), a subsidiary of Vizient that primarily services the non-acute marketplace, is available at [www.provistaco.com](http://www.provistaco.com). In addition to providing supply chain services to Vizient and Provista, Vizient Supply provides supply chain services to three additional GPOs. Through a February 2016 acquisition, Vizient Supply now serves as the supply chain contracting agent of MedAssets Performance Management Solutions, Inc. ("MedAssets"). Vizient Supply is also the exclusive contracts management and supply chain partner for Children's Hospital Association ("CHA"), a network of children's hospitals and a member of HGPII. In addition, during 2013, Vizient entered into a joint venture with the Cleveland Clinic to develop a specialty GPO, Excelerate Strategic Health Sourcing LLC ("Excelerate"). Vizient Supply provides contracting and supply chain services to Excelerate. All contracting services provided by Vizient Supply to Vizient, Provista, MedAssets, CHA, and Excelerate are conducted in accordance with Vizient's policies and procedures. See also response to Question 9. In addition, Vizient and its affiliates do business with various channel partners, as is typical in the industry, and some of those channel partners may also function as GPOs.

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<sup>1</sup> Business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, (1) either one controls or has the power to control the other, or (2) a third party controls or has the power to control both. (See 48 CFR, Section 9.403 (2007): Securities Act, Sec. 16, 15 USC 77p(f)).

## **OTHER LINES OF BUSINESS**

- 7. Describe other lines of business or investments of the GPO and its affiliates. We are interested in hearing about new as well as nontraditional GPO services that your company and its affiliates are involved with.**

See response to Questions 6 and 11.

- 8. What policies or guidelines does the GPO have to address potential conflicts of interest with regard to other lines of business engaged in by the GPO and/or its parent or affiliated companies?**

See responses to Questions 6 and 9.

## **MONIES FROM VENDORS**

- 9. Describe the GPO's policy with respect to the receipt of sponsorship funds, grants for research or other educational programs, or any other source of non-administrative fee revenue from vendors. What policies does the GPO have to guard against any potential conflict of interest relating to such payments?**

Under limited circumstances, Vizient will accept sponsorship funds and/or educational grants from current or prospective vendors for member meetings (e.g., tradeshow), clinical programs or educational events (e.g., continuing medical education). Such funds are accepted pursuant to a written Supplier Sponsorship Policy that includes detailed controls to avoid even the appearance of impropriety, including but not limited to prohibitions on: selecting sponsors based on the volume or value of sales or administrative fee revenue; providing sponsors any preferential treatment or access during Vizient's open and competitive bid process; allowing sponsors to influence the outcome of research; allowing sponsors to influence the substance of educational materials; and requiring vendors to participate in sponsorship activities. In addition, the dollar value of all contributions for a given activity may not exceed 100% of the total project expenses for the activity and must be appropriately documented in writing. In addition to the Standards of Business Conduct and Conflicts of Interest Policy, the Supplier Sponsorship Policy ensures that sponsoring vendors are not given preference in the vendor selection process. The Supplier Sponsorship Policy applies to any type of vendor sponsorship, including donations for educational programs. As for other "non-administrative fee revenue," Vizient does not accept partnership incentives, vendor equity, or any "sign-on bonus" or other "up front" lump sum fees of any kind that are paid prior to inception of the contract. See also response to Question 11.

A copy of the Supplier Sponsorship Policy is attached.

- 10. Does the GPO and/or its parent of affiliated companies accept vendor fees relating to conference sponsorship or exhibit booth space? What policies does the GPO have to guard against a potential conflict of interest relating to vendor participation in industry trade shows, and donations in general?**

See response to Question 9. In addition, these sponsorships and registration fees are used to cover costs of meetings that provide educational opportunities. Vendors are not required to participate, and a vendor's participation or non-participation is not a factor taken into consideration during the contract award process.

- 11. Describe any services or products the GPO or its affiliates provide to vendors on a fee-for-service basis (e.g. data, claims processing, etc.).**

Vizient offers pharmacy spend data to vendors on a fee-for-service basis which helps facilitate supply chain operations. In addition, Vizient offers additional marketing specifically for pediatric products and services under the Vizient Preferred Pediatrics Program™ to vendors on a fee-for-service basis. SG-2, LLC, a wholly-owned subsidiary of Vizient, also provides subscription-based market research and analytics to vendors.

- 12. Does the GPO make annual disclosures of administrative fees received from vendors for contracting activities with respect to the member's purchase of products and services (e.g. safe harbor reports)? If this document is publicly available, provide an electronic link to this information.**

Members receive two types of disclosures for GPO administrative fees: First, members may view the administrative fee provisions of vendor contracts with fee provisions that are not fixed at three percent or less of the dollar value of member purchases through a secure internet database that is available 24 hours a day, 365 days a year. In addition to this "up-front" notice of vendor contract administrative fee provisions, members receive annual fee disclosure reports that indicate, on a contract-by-contract basis, the amount each member purchased in the previous year and the amount of administrative fees Vizient received in connection with those purchases.

- 13. Does the GPO disclose to members all payments other than administrative fees the GPO receives from any vendor in the course of the GPO's group purchasing activities (e.g. booth space, educational grants, marketing fees, honoraria, etc.) whether from the purchasing activity of those members or not? Describe your disclosure practices.**

In addition to the administrative fee disclosures described in response to Question 12, Vizient reports information regarding vendor sponsorship, grant, and exhibition fees to Members upon request.

- 14. Describe the GPO's policy with respect to returning administrative fees to an ineligible vendor.**

In the event that Vizient receives administrative fees from a vendor that does not have an active GPO agreement with Vizient, Vizient requires the return of those administrative fees

to the applicable vendor. Vizient has optional tools that allow vendors to upload and validate their administrative fee reporting to prevent errors.

## **MEMBER FEES**

- 15. Does the GPO pay fees or offer equity to members upon the signing or re-signing of a participation agreement with the GPO or the joining or renewal of membership in the GPO program?**

Vizient does not pay fees or offer equity to members upon the signing or re-signing of a participation agreement with the GPO or the joining or renewal of membership in the GPO program.

## **BID AND AWARD/CONTRACTING ISSUES**

- 16. Does the GPO have a publicly-available description of its bid and award process? If so, provide a link and written description of your bid and award process. If not, describe how it may be obtained.**

Vizient utilizes a Request for Proposal (“RFP”) Process that follows principles similar to those embodied in the ABA Model Procurement Code. Information regarding Vizient’s RFP process and its bid calendar are publicly-available at [www.vizientinc.com](http://www.vizientinc.com). In addition, any vendor who registers to participate in a particular RFP receives an “RFP Package,” which includes instructions for the particular procurement.

- 17. Describe the GPO’s requirements for how products or services are published so they are accessible to potential vendors. If a bidder is not awarded a contract, is that bidder able to review the decision criteria used to evaluate the bid? Include in your response a general description of the GPO’s criteria for vendor selection.**

Vizient’s RFP Package contains (i) bid specifications for the product being procured, (ii) basic qualifying factors that vendors must meet, and (iii) the criteria that will be used to evaluate proposals. The RFP Package is sent to all interested vendors who register to participate in a particular RFP. RFP proposals are evaluated in accordance with the evaluation criteria and procedures set forth in the RFP Package.

Yes, if a bidder is not awarded a contract, that bidder is able to review the decision criteria. Not only are decision criteria included in the RFP Package, Vizient will also accommodate any vendor requests for a verbal debrief following an unsuccessful attempt to gain an award through a Vizient contracting process. This feedback is also available for any vendor who makes an unsuccessful submission to the Innovative Technology process. Vendor debriefs are designed to discuss the criteria Vizient used for evaluating the bid and assure vendors that they have been treated in a fair and open way according to the Vizient contracting process. The debrief also provides an opportunity for general guidance about how the vendor could expect to be most successful in future Vizient RFP submissions. Contracting process debriefs are regularly conducted by the Vizient Procurement Director and representatives from the Vizient business unit. During a debrief, the following topics

are usually covered: (1) identification of weaknesses or deficiencies in a vendor's bid/proposal with a focus on areas where vendor could be likely to be more successful in their next RFP attempt, (2) responses to questions about Vizient's contracting process, and (3) responses to questions from vendor about its submission. At the debrief, the vendor is also made aware of the vendor grievance process to review lingering concerns regarding Vizient's application of its contracting process. Vizient is also careful not to share information of other bidders that could be competitively sensitive or proprietary.

The criteria by which a winning vendor will be selected is identified to all bidders through the instructions included in the RFP Package. To assure that the criteria are followed in the actual awards, the appropriate member council or task force reviews information regarding the RFP prior to the announcement of winning vendors.

The RFP process follows principles similar to those embodied in the Federal Competition in Contracting Act and is modeled upon, to the extent possible, the requirements of the ABA Model Procurement Code. Awards may be made without using this process in unique circumstances where they enhance member choice or flexibility and/or to promote Vizient's supplier diversity initiative. For example, non-competitive contract awards are provided: (i) to innovative medical products which offer incremental benefits to patient care, patient safety or health care worker safety; (ii) to small, women-owned, minority-owned, or veteran-owned businesses; and (iii) to innovative proprietary products which have no alternatives. In addition, all non-competitive contracts are clearly identified to members.

**18. Describe the GPO's policy with regard to the use of single, sole, dual, and multi-source procurement and provide an example or two to support use of these contracting tools.**

With the active input of its member councils and task forces, a number of factors are carefully considered when evaluating whether to contract with one vendor (a single-source contract) or with more than one vendor (multi-source contracts) for a given product category. Single-source contracts are entered into when a member council or task force determines that such an agreement would provide substantial member value without compromising patient care, patient safety, or health care worker safety. Note, Vizient does not distinguish between "single-source" or "sole-source" terminology.

Sole-source contracts are only awarded under the following circumstances: (1) when a product has no other generic equivalent competition or is viewed in the marketplace similarly to branded products (examples include branded pharmaceuticals or innovative technology products); (2) when no competing vendors respond to the RFP; or (3) when a sole-source supply contract is determined by a member council or task force to provide substantial member value without compromising patient care or safety or health care worker safety in conjunction with a competitive bid process.



- 19. Does the GPO permit bundling of unrelated products or services from the same vendor or from different vendors? If so, under what circumstances would the GPO consider bundling to be appropriate?**

Multi-product contract discounts are quite common in the health care and other industries because they can promote competition and can help suppliers lower the costs of health care by offering lower prices to hospitals that prefer to standardize their purchases using a single supplier's products. Vizient carefully assesses all proposed multi-product proposals in an effort to avoid those that would unreasonably limit member choice or flexibility, prevent innovative technology from reaching members, or unreasonably foreclose competition. Multi-product packages that combine clinical preference and non-clinical preference categories are not offered. However, multi-product packages for a group of functionally-related products may be offered when consistent with the overriding objective to provide members with the most innovative, cost-effective products possible.

- 20. Describe the process for contracting for clinical preference items. Describe the GPO's policy guiding the appropriate length/term of contracts for clinical preference products.**

Members are free to evaluate products from, communicate and contract with vendors of any products, regardless of the vendor's contracting status with Vizient or the product's classification as an innovative or clinical preference product.

In order to ensure that contract length does not encumber member access to innovative technology, with rare exception that must be approved by executive management, Vizient Supply's contracts are generally limited to an initial term of three years or less. Additionally, contracts permit termination without cause, upon no more than 180 days written notice, and include a provision permitting the addition of other vendors or the termination and re-bid of the contract if products that offer incremental patient care or safety benefits are introduced.

#### **ADMINISTRATIVE FEES**

- 21. What is the GPO's practice regarding the amount of administrative fees accepted? If there is a written policy, please provide an electronic link or copy of the GPO's policy regarding these fees.**

The fee rates are offered by suppliers in their response to Vizient's invitation to bid and are based upon the value they attribute to the agreement. Vizient does have a written policy, but that policy contains proprietary and competitively sensitive information and is therefore internal-facing only.

- 22. Describe the conditions in which the GPO accepts administrative fees beyond 3 percent, requiring specific (not blanket) disclosure under the Federal Regulatory Safe Harbor provisions?**

92% of Vizient contracts have administrative fees of 3% or less. All fees are disclosed and reported per Federal Regulatory Safe Harbor provisions. See also response to Question 21.

- 23. Describe the range of administrative fees accepted and examples of the types of contracts (without specifying specific proprietary information) that have administrative fees greater than 3 percent.**

See responses to Questions 21, 22 and 25.

#### **PRIVATE LABEL PROGRAMS**

- 24. Describe whether the GPO has a private label program and if so, describe the products the private label program covers.**

Yes, Novaplanus® is Vizient's private label brand. The Novaplanus brand is founded on providing members substantial savings on high quality products members use daily. It encompasses a broad range of categories needed across the care continuum, such as: anesthesia, business products and services, diagnostic imaging, food, laboratory, medical, orthopedic, pediatric, pharmacy, respiratory and surgical.

- 25. Describe the GPO's practice regarding administrative fees derived from a private label program.**

In addition to traditional administrative fees, Vizient receives a trademark license fee for the use of the Novaplanus brand name, packaging and sales and marketing support.

#### **VENDOR GRIEVANCE PROCESS**

- 26. Describe the GPO's policy and process with respect to responding to a vendor's grievance regarding the bid/award process.**

Information regarding Vizient's Vendor Grievance Process is available under the "Suppliers" tab at <https://www.vizientinc.com/>. A copy of Vizient's Vendor Grievance policy is also available on Vizient's compliance hotline website at [vizientinc.ethicspoint.com](http://vizientinc.ethicspoint.com).

- 27. Did any supplier, since submission of the last GPO's Public Accountability Questionnaire, request an evaluation pursuant to the HGPII Independent Evaluation Process? If so, please provide information regarding the outcome of such evaluation.**

As of May 1, 2019, no supplier has requested an evaluation pursuant to the HGPII Independent Evaluation Process.

- 28. Does the GPO participate in HGPII's Independent Evaluation Process?**

Yes. Vizient (through its legacy organizations) played a leading role in the development of the HGPII Independent Evaluation Process and continues to participate.

- 29. Is the HGPII Independent Evaluation Process displayed on the GPO's public website? If so, please provide an electronic link to this information.**

Yes. Vizient's public website ([www.vizientinc.com](http://www.vizientinc.com)) discusses the HGPII Independent Evaluation Process and includes a link to the HGPII website.

## INNOVATION

**30. Describe the GPO's policy and process to evaluate and provide opportunities to contract for innovative products and services.**

Vizient has a detailed process for evaluating innovative technology. Vendors may submit information concerning potentially innovative technology for contract consideration outside of the normal contracting cycle at any time. Submissions are evaluated to determine whether the solution offers incremental benefits to patient care, patient safety or health care worker safety or has a positive impact on the business models of healthcare organizations. If the solution does offer such benefits, a contract will be awarded, even if the new technology determination is made outside normal contracting cycles. Innovative technology contracting recommendations are made by the appropriate member council. Vizient also actively monitors and evaluates the medical product development pipeline to identify potentially innovative products and devices for contract opportunities and operates a Web-based Technology Forum on which vendors can post information about new products. Further information regarding Vizient's innovative technology process is available at <https://www.vizientinc.com/Our-solutions/Supply-Chain-Solutions/Supply-Chain-Programs/Innovative-Technology-Program>.

Additionally, Vizient promotes innovative technology through its highly successful annual Innovative Technology Exchange event. Attendance at the Vizient Innovative Technology Exchange event in 2018 included 81 suppliers showcasing 100 technologies to approximately 2,500 members, vendors and staff in attendance.

**31. Does the GPO have the right to enter into a GPO contract for innovative technology at any time during its bid and award cycle? Describe the process the GPO has for fostering the development of GPO contracts for innovative products.**

Yes. Vizient retains the right to execute new agreements for innovative technology products that offer incremental benefit to patient care, patient safety or health care worker safety at any time. Virtually all Vizient Supply agreements for medical or surgical products contain provisions authorizing Vizient to add new vendors of innovative technology products or to terminate the agreement and re-bid the affected product category. See also response to Question 30.

**32. Are GPO members allowed to evaluate products and/or communicate with vendors, regardless of whether a vendor has a contract with the GPO?**

Yes. Vizient in no way restricts the members of Vizient, Provista, MedAssets, CHA, or Excelerate from evaluating products from, communicating with, or contracting with vendors of any products. Members are free to communicate and contract with vendors regardless of the vendor's contracting status with Vizient or the product's classification as an innovative product.

**33. Are GPO members allowed to purchase non-contracted products or services directly from non-participating vendors?**

Yes.

**VENDOR DIVERSITY PROGRAMS**

**34. Describe the GPO's program or activities that encourage contracting with Diverse Vendors (small, women-owned, veteran owned, minority-owned). Explain how you promote or market those programs to the GPO's membership and to Diverse Vendors.**

Established in 1999, the focus of Vizient's supplier diversity program is to support members' inclusion and use of diverse firms, resulting in economic development in their communities. Vizient does this by identifying, vetting, and contracting with certified diverse suppliers on national, regional, and local levels.

Vizient's supplier diversity program is designed to expand business opportunities for qualified and certified minority-, women-, and veteran-owned businesses, with a focus not only on distribution and supplies, but also encompassing service and technology providers to provide a comprehensive program.

The mission of the Vizient supplier diversity program is to help its members champion inclusion in their supply chains and accelerate economic growth in their local communities through the engagement and empowerment of high-quality and cost-competitive diverse suppliers. Vizient's program has three foundational pillars – mentoring and enrichment, maximizing opportunities, and fostering collaboration between members and diverse suppliers.

Vizient supports members' supplier diversity objectives by providing Tier I and Tier II reporting through its online portal, *Vizient Supplier Diversity Connection*. Diverse supplier contracts are highlighted for members in the *Vizient Catalog*. For example, Vizient's diverse supplier Tier I contract portfolio is highlighted on the landing page of the *Vizient Catalog*. Members are able to quickly link to all Vizient national diverse supplier contracts with one click.

Multiple forums to share best practices and increase opportunities for diverse suppliers are provided through various events and meetings throughout the year.

Vizient promotes its program and offerings through participation in member-specific, regional and national outreach, electronic and print media, a member-led Supplier Diversity Advisory Council, and a supplier-focused Supplier Diversity Roundtable.

All diverse suppliers are encouraged register with Vizient's supplier diversity program through the supplier portal at [vizientinc.com](http://vizientinc.com) regardless if they plan to participate in a national bid. Vizient offers a database of all qualified diverse suppliers – whether on contract or not – to members through its online portal, *Vizient Supplier Diversity Connection*.

Vizient is active in supplier diversity advocacy groups such as the National Minority Supplier Development Council, the Women's Business Enterprise National Council, and the Healthcare Supplier Diversity Alliance.

**35. Has the GPO increased contracting with Diverse Vendors over the prior year(s)? If so, quantify these increases within each Diverse Vendor category (SBE, WBE, VBE, and/or MBE).**

In 2018, Vizient's diversity spend with minority-owned, women-owned, and veteran-owned business enterprises totaled \$241,824,623, which represents an increase of 27% as compared to Vizient's spend with these types of business enterprises in 2017. In addition, Vizient's spend with small business enterprises during 2018 totaled \$1,019,341,837, which represents an increase of 10% as compared to Vizient's spend with small business enterprises in 2017. In 2018, Vizient's Tier II diversity spend was approximately \$300 million.

**36. Does the GPO have a Vendor Diversity Committee or other program or group for developing diversity goals and expanding opportunities? If so, describe. What are its mission, goals, and objectives? Does it work directly with the GPO's sourcing team in developing its goals and expanding opportunities? What are the Committee's significant achievements over the GPO's last fiscal year? If it is a Committee, who are its members and how frequently does it meet?**

Vizient has distinct committees in support of its foundational pillars of mentoring and enrichment, maximizing opportunities, and fostering collaboration between members and diverse suppliers.

The Supplier Diversity Advisory Council (SDAC) is composed of supplier diversity and supply chain professionals from member hospitals. The SDAC meets monthly including two "in-person" meetings a year. The SDAC is focused on sharing best practices and identifying those high-performing and high-potential suppliers within the members' local communities interested in and capable of becoming a Vizient-contracted supplier.

The SDAC works directly with Vizient's supplier diversity team, who in turn works directly with the Vizient portfolio executives leading various national bids.

Significant achievements of the SDAC include the creation of supplier diversity best practices (for use by all members) and a comprehensive member survey which provides important insights and direction to Vizient's strategy.

The Supplier Diversity Champions Committee is composed of contracting professionals internal to Vizient. Their primary role is to provide intelligence on upcoming contracting opportunities and to keep supply chain inclusion top of mind within their respective business units.

**37. Does the program described in the previous question provide education to member health systems regarding diversity program best practices and/or how to establish a Vendor Diversity Program within their system? Does it solicit member feedback to ensure it is meeting member expectations?**

The Vizient supplier diversity program provides education to member health systems through multiple channels. One primary avenue is through Vizient's supplier diversity portal – Supplier Diversity Connection (SDC). Through the SDC, Vizient provides a Supplier Diversity Toolkit, in essence "Supplier Diversity 101". The SDC provides guidance and documentation for launching and managing a supplier diversity program. The five modules of the toolkit are "Build, Launch, Utilize, Manage, and Evaluate."

Vizient also provides consultancy services through electronic and face-to-face interaction. In its member-only, password protected *Catalog*, diverse supplier contracts are highlighted on the landing page and the contracts are identified as diverse with a special symbol. These contracts are filterable and sortable, and members can download details if they wish. Finally, Vizient offers a separate supplier diversity catalog in both electronic and print versions.

Vizient also gathers member feedback through recurring surveys.

**38. Describe any other actions concerning Vendor Diversity you think are important that are not covered by the preceding questions.**

In 2018, Vizient partnered with Inner City Capital Connections (ICCC) to mentor and educate diverse suppliers in eleven of its markets.

ICCC offers a comprehensive, 40-hour curriculum featuring top-tier business school faculty, practitioners, CEOs, and capital providers. The program offers participating businesses a full-day executive education seminar, which includes interactive panel discussions on debt and equity capital, exposing participants to the various types of capital that might be appropriate for their needs. This, coupled with in-person group advising, sets the foundation for the rest of the program.

The program culminates with a national capital matching conference in November, where participants from each of the ICCC markets hear from expert speakers, gain national visibility, and showcase their businesses. The conference is an opportunity to apply what they have learned by pitching to capital providers and receiving live feedback. By the end of the program, participants gain a new network of peers, mentors, and potential capital investors.

In August 2018, Vizient implemented contract terms requiring suppliers to report their Tier II spend. Previously, providing such data was optional for suppliers. Vizient expects to significantly increase Tier II reporting for its members as a result of this new supplier requirement based on initial positive results.

Tier II spend is a critical initiative for Vizient's members, and it allows Vizient to capture a clearer picture of the true economic impact of the supplier diversity program across the country. In addition to capturing subcontracting spend, the Tier II initiative encourages large suppliers to partner with diverse suppliers upfront and pursue contracting opportunities as a team.

The supplier diversity initiative within health care has been challenged over the past several years by the acquisition of high-performing diverse suppliers by larger, non-diverse suppliers and continued supply chain consolidation.

## **ENVIRONMENTALLY-PREFERRED PRODUCTS AND SERVICES**

### **39. Have members of your GPO expressed a preference for environmentally-preferred products and services?**

Yes. It is very common for members across the nation to request details of the environmental attributes of products they are considering purchasing. Not only do members want to know the attributes of a product, they also want to be confident that such claims are certified by independent third parties. In addition, members want to know the percentage of their overall spend represented by products with environmentally-preferred attributes. Some members have included support of their environmentally-preferred purchasing and sustainability goals in their member agreements with Vizient.

### **40. Describe your GPO's approach in identifying and satisfying the desires of your various members for environmentally-preferred products and services. Provide examples of environmentally-preferred products and services within your current portfolio.**

Vizient has 23 standardized medical/surgical environmentally-preferred attributes, which range from waste reduction techniques to safer chemical utilization and the conservation of natural resources. In addition, Vizient has created additional attributes regarding specific product categories such as food, cleaning chemicals, and furniture. Vizient offers the broadest, most cost-effective portfolio of environmentally-preferred products from energy star rated equipment to anesthesia masks and kits without the use of PVC, BPA, and DEHP. Currently, nearly 450,000 products in Vizient's catalog clearly identify the environmentally-preferred attributes that each product contains. This number will continue to grow. Each Vizient RFP requires vendors to provide details regarding the environmentally-preferred attributes of its products, and those attributes are an element of the non-financial criteria in all bids. In select bids, additional points will be considered when the supplier answers positively for the environmentally-preferred attributes.

### **41. What challenges, if any, have you experienced in identifying or contracting for working a variety of environmentally-preferred products and services to your members? How have you responded to such challenges?**

Members have requested environmentally-preferred products with the greatest number of attributes in all product categories. At times, a price increase has been witnessed for these products, which makes it difficult to implement at the majority of health care

organizations. Vizient has worked both through its Environmental Advisory Council and with additional members to identify cost-effective, environmentally-preferred products. Once identified, this information has been shared within Vizient's membership to encourage growth of the environmentally-preferred sourcing program. Vizient continues to work with suppliers who offer costly products with environmentally-preferred attributes to lower prices and/or to identify environmentally-friendly updates that can be made. In addition, some suppliers do not offer a broad category of environmentally-preferred products. Members want to be able to choose from many environmentally-preferred products while viewing the cost and impact of those products. Vizient's environmentally-preferred sourcing team will communicate in a transparent manner with suppliers to request a larger breadth and depth of product offerings to satisfy member requests. There is also a lack of cross references from "brown" products to cleaner, healthier "green" products. Such cross references are currently in development as part of Vizient's broader strategy in environmentally-preferred sourcing.

In addition, there is currently no industry standard for environmentally-preferred attributes. To address this, Vizient was the first GPO to adopt environmentally-preferred attributes from Kaiser Permanente's best practice model in environmentally-preferred purchasing. Vizient advocated for the implementation of these attributes by all GPOs in an effort to standardize them across the industry. Ultimately, several GPOs adopted these environmentally-preferred attributes, which will provide transparency and clarity to both members and suppliers. Further industry standardization in this regard would better enable members to know the top characteristics to request for environmentally-preferred products, and it would better enable suppliers to create safer products for both human and environmental health.

**42. Has your GPO designated someone to:**

- **Identify your GPO's environmentally-preferred objectives;**

Yes.

- **Explore environmentally-preferred products and services; and/or**

Yes.

- **Develop initiatives to help educate your members about the value of using environmentally-preferred products and services?**

Yes.

All of these are elements of Vizient's annual goals. A senior director and program manager are fully dedicated to achieving our environmentally preferred goals. They are supported by a senior vice president, associate vice president, and an analyst.



## CODE OF CONDUCT

- 43. Provide a copy of and an electronic link to your GPO's written code of business ethics and conduct. Describe any changes made to it from the previous HGPII reporting year.**

The Standards of Business Conduct and other Compliance Program information are posted and available on Vizient's employee intranet site and the external, publicly-available website for all vendors, contractors and others with whom Vizient does business at <https://www.vizientinc.com/About-us/Governance>. There were not any significant changes to the overall content included within the Standards of Business Conduct.

- 44. Describe whether and in what manner the GPO distributes its written code of business ethics and conduct to all applicable employees, agents, contractors, clinical advisory committees, and others involved in group purchasing activity. How often is the code of conduct provided to employees? Do employees receive annual refresher training on the GPO's ethics and the code of conduct? Describe the content of the training and the method of delivery.**

Vizient distributes the Standards of Business Conduct, Conflict of Interest Policy and other Compliance Program information to all employees. Compliance Program information is provided in electronic form and is publicly available at <https://www.vizientinc.com/About-us/Governance>. In addition, all employees receive training on the Standards of Business Conduct, Conflict of Interest Policy, and other key elements of the Compliance Program. This information and training is provided to all new employees upon employment. Supplemental compliance training is provided to all employees at least annually. Additionally, Vizient distributes a copy of the conflict of interest policy to all members of its Board of Directors and advisory committees upon selection and on an annual basis thereafter.

In 2018, training on the Standards of Business Conduct was provided by the Vizient compliance team. This training covered: Vizient's culture and values; standards of business conduct; conflicts of interest; HIPAA; anti-fraud program; anti-harassment and anti-discrimination; intellectual property; non-retaliation; reporting violations and compliance hotline; and cultivating a culture of ethical behavior. All employees were required to certify completion of the training. Additionally, all employees are required to certify compliance with the Standards of Business Conduct and Conflicts of Interest Policy on an annual basis.

- 45. Describe the mechanism (e.g., a corporate review board, ombudsman, corporate compliance or ethics officer) for employees to report possible violations of the written code of business ethics and conduct to someone other than one's direct supervisor, if necessary.**

Vizient employees are required to report any conduct that they believe may violate the Standards of Business Conduct, other elements of the Compliance Program, and/or any laws or regulations. Suspected misconduct may be reported: (i) to management or a member of the Human Resources Department, Compliance Department or Legal Department; (ii) through Vizient's Compliance Hotline (800-750-4972); (iii) through

Vizient's customized web-based reporting system at [vizientinc.EthicsPoint.com](http://vizientinc.EthicsPoint.com); or (iv) to the employee's direct supervisor. If a direct supervisor receives a report of suspected misconduct, he or she must report the suspected misconduct to the Compliance Department. See also response to Question 4.

## **REPORTING POTENTIAL ETHICAL VIOLATIONS**

**46. What process is used to protect the confidentiality of the reporting employee's identity and what safeguards are in place to mitigate the opportunities for retaliation?**

The identities of individuals who report suspected misconduct are maintained as confidential to the fullest extent possible. Employees who wish to remain anonymous are able to anonymously report suspected misconduct through Vizient's Compliance Hotline or web-based reporting system. Vizient has a strict non-retaliation policy against any employee who makes a good faith report of suspected misconduct. This is clearly stated in the Company's Standards of Business Conduct and other related policies.

**47. Describe how the GPO follows up on reports of suspected violations of the code of business ethics and conduct to determine if a violation has occurred and if so, who was responsible. Describe corrective and other actions taken in such circumstances.**

Vizient's Compliance Officer is required to promptly and thoroughly investigate reports of suspected misconduct to determine whether there has been a probable and material violation of any laws, regulations, or Vizient's policies and procedures. The Compliance Officer may also, on his/her own initiative, investigate instances of suspected misconduct that have not been reported. The Compliance Officer is supported internally by Vizient's Compliance Department and the Legal Department. Depending on the nature and severity of the suspected misconduct, the Compliance Officer may utilize outside legal counsel to assist in conducting internal investigations. If the Compliance Officer determines that there has been a material violation of any laws, regulations or Vizient's policies and procedures, Vizient must take appropriate remedial actions, which may include programmatic corrective action and/or personnel disciplinary action, and must report any such actions to the Audit & Compliance Committee of the Vizient Board of Directors.

**48. Describe the processes the GPO follows up on, to monitor on a continuing basis, adherence to the written code of business ethics and conduct, and compliance with applicable federal laws.**

Employees are required to report any suspected misconduct and such reports are investigated. Additionally, all employees in a position to influence contracting decisions are required to execute quarterly compliance certifications regarding their knowledge of any deviations from Vizient's internal policies and procedures. Any issues identified on quarterly compliance certifications or otherwise are investigated by the Compliance Department with the assistance of the Legal Department and/or outside legal counsel, as appropriate. All employees are also required to execute annual certifications regarding compliance with the Standards of Business Conduct and Conflicts of Interest Policy. In addition, the Vizient Legal Department conducts a vendor contract compliance review

before each of its vendor contracts is executed to ensure compliance with Vizient's policies and procedures, as well as relevant laws and regulations. Finally, the Vizient Compliance Department conducts periodic compliance audits to ensure compliance with applicable laws and regulations and adherence to its Compliance Program policies and procedures.

- 49. Are periodic reports on the GPO's ethics and compliance program made to the GPO's Board of Directors or to a committee of the Board? If so, please state how often and in general, what information is reported? Are periodic reports on the company's participation in HGPII made to the GPOs Board of Directors or to a committee of the Board? If so, please state how often and in general, what information is reported.**

The Compliance Officer reports to the Audit & Compliance Committee of the Board of Directors at least four times per year regarding compliance issues and the status of the Compliance Program. Also, the results of compliance investigations and audits are reported to the Audit & Compliance Committee of the Board of Directors. In addition, periodic reports on Vizient's participation in HGPII are made to the Audit & Compliance Committee during its meetings.

- 50. How many of your GPO employees attended the most recent Best Practices Forum? Include the name of the most senior executive who attended.**

Ten Vizient personnel attended the Best Practices Forum in 2018. The most senior Vizient executive attendee was Jody Hatcher, President, Sourcing and Collaboration Services.

- 51. List the name, title and contact information of the senior manager assigned responsibility to oversee the business ethics and conduct program. Provide the name, title and contact information for the individual(s) responsible for responding to this report.**

Individual responsible for Vizient's Compliance Program:

Rodney Waller,  
Associate Vice President, Compliance Officer  
290 E. John Carpenter Freeway  
Irving, TX 75062-2710  
(972) 830-0329  
rodney.waller@vizientinc.com

Individual(s) responsible for responding to this report:

David Berry  
Chief Legal Officer  
290 E. John Carpenter Freeway  
Irving, TX 75062-2710  
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## Standards of Business Conduct





## A message from Byron Jobe

Ethics start inside: a belief and a corresponding commitment to do the right thing for individuals and society as a whole. It is the essence of health care and the core of how Vizient operates.

Our Standards of Business Conduct are foundational principles for how we think and act day to day. From employee to Board director, we are responsible for modeling the company's values and demonstrating ethical practices in all aspects of our business.

On behalf of Vizient, I thank you for upholding our standards for the benefit of our members, their patients and communities nationwide.

A handwritten signature in black ink, appearing to read "Byron Jobe". The signature is fluid and cursive, with the first name "Byron" and last name "Jobe" clearly distinguishable.

Byron Jobe  
President and Chief Executive Officer

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# Introduction: our purpose, mission and values

Vizient is the nation's leading health care performance improvement company. We serve more than half of the health care organizations across the United States – from large integrated delivery networks and academic medical centers to community hospitals, pediatric facilities and non-acute care providers.

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We have refined our mission to define the value we bring:

Vizient strengthens members' delivery of high-value care by aligning cost, quality and market performance.

---

## Values

At Vizient, we adhere to a set of values that drives both the performance of our organization and the exceptional experience we want to provide for members and each other.

Our values are more than words. They are cultural cornerstones for how we engage each other, flex to the needs of any situation and align together to elevate performance.

These permission-to-play values are our baseline expectations, and all employees must demonstrate these in daily interactions.

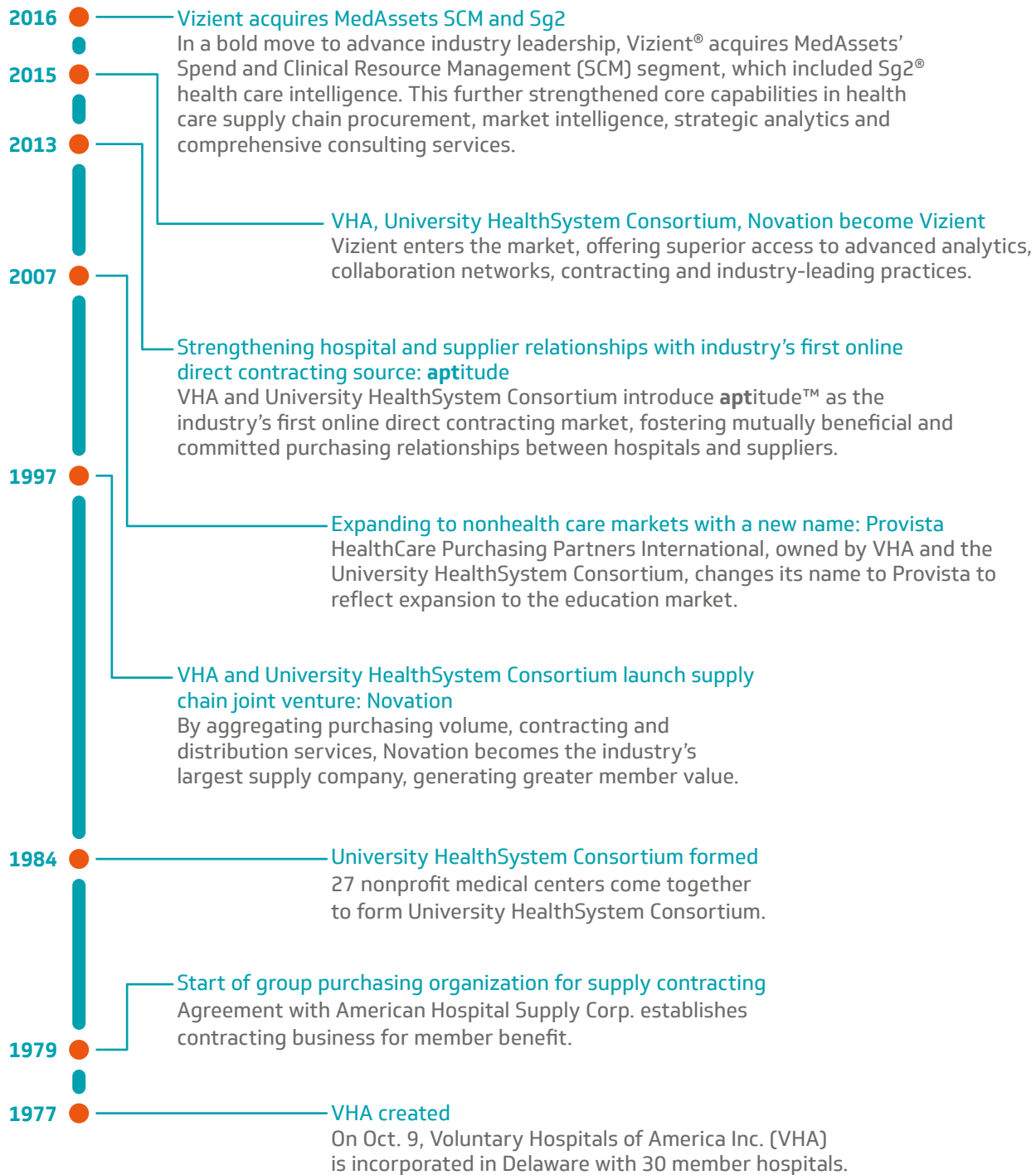
- **Respect:** Treat others as you would like to be treated
- **Integrity:** Be honest, ethical and trustworthy
- **Service:** Diligently meet the needs of others
- **Judgment:** Make wise decisions





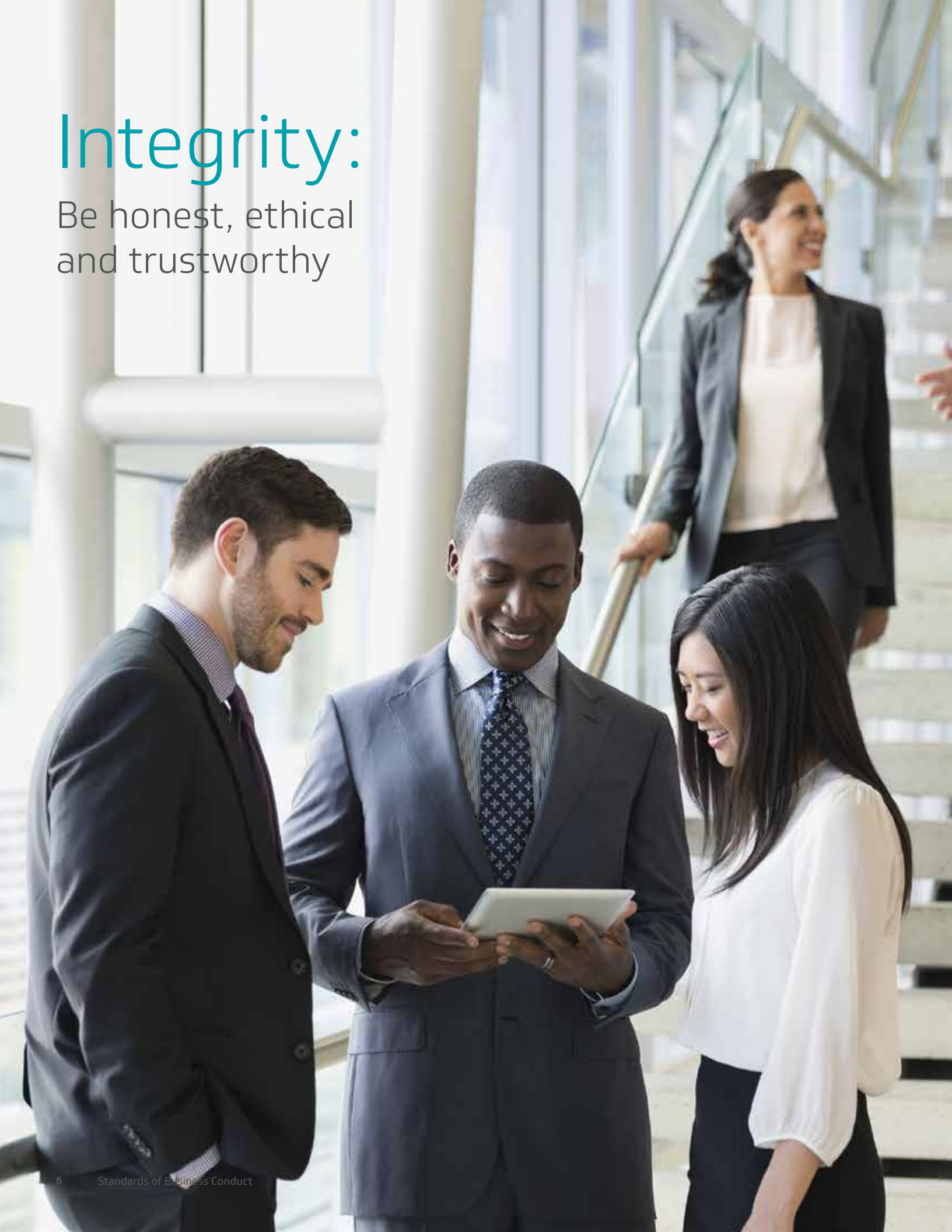
# A company with deep roots

Our legacy companies have a combined history of innovation and industry firsts. Each milestone shows how we paved new roads in the health care industry for approximately 40 years.



# Integrity:

Be honest, ethical  
and trustworthy



## Standards of Business Conduct

Our Standards of Business Conduct are the set of values, principles and expectations we define for ourselves and to which we hold employees and management accountable. They go above and beyond what the law requires or what others may do—and align the organization with our permission-to-play value of integrity.

These Standards of Business Conduct:

- Clearly define our values and principles as a company
- Introduce some of the laws and regulations that we must follow
- Set clear expectations for our employees and the part we all play in fulfilling these values and principles
- Give each of us guidance on how to make the right decisions that are consistent with our standards
- Identify resources to report concerns and provide guidance on the company's nonretaliation policy

Whenever you are at work, representing the company in an official or unofficial capacity, your actions represent the company and help form the image that both employees and those outside our organization have of us.

## Policies and procedures

We have corporate policies and procedures (collectively, the policies and procedures) that address in greater detail many issues covered by these standards as well as other topics not addressed here. Our standards are not intended to recite all of the policies and procedures that apply to you or every law that applies to our business, but help us to maintain an honest, ethical and trustworthy organization. However, guidance on specific policies is available by visiting our internal website. We encourage employees to visit the company intranet periodically to find the most current policy information. Failure to comply with these standards or the policies and procedures may result in disciplinary action, up to and including termination of employment.

---

**Our responsibility:** Each of us is responsible for reviewing, understanding and complying with the company's policies and procedures.

## Compliance with all laws and regulatory requirements

All employees are expected to comply fully with all applicable federal, state and local laws and regulations. In addition to potential civil and criminal penalties against individual employees and the company, violations of law can compromise our reputation and our ability to conduct business.

Because of the governmental scrutiny and regulation in the health care and group purchasing industries, it is critical that we conduct business in line with these standards and with the utmost sense of ethics and integrity to avoid even the perception of impropriety.

---

**Our responsibility:** Each of us must ensure that all activities in which we engage comply with applicable laws and regulations. If you have any doubt, you should speak with a member of the compliance or legal departments.

## GPO contracting process

We use a high-integrity, open and competitive contracting process that complies with the principles and guidelines of the American Bar Association Model Procurement Code for our group purchasing organization (GPO) related contracts. The primary objectives of this contracting process are to promote a truly voluntary group purchasing program, maintain an integrity-driven bid process that fosters a competitive marketplace, ensure fair and equitable treatment for all suppliers and promote transparency.

---

**Our responsibility:** Those responsible for facilitating or approving GPO contracts are required to follow the appropriate contracting process and, on a quarterly basis, attest that all activity was done in accordance with the relevant contracting policies.

***See Contracting Process Toolkit, Contracting Standards and other related policies.***

Conflicts of interest

We must, at all times, preserve and protect the integrity and independence of all decisions affecting the company so that the interests of the company, and not those of any individual, prevail. The mere appearance of a conflict of interest or a breach of confidence can often be as serious as an actual conflict and can result in irreparable damage to the company and our reputation.

**Our responsibility:** We all must avoid situations that may cause an actual or perceived conflict of interest. We must ensure that business decisions are free from any actual or perceived conflict of interest. If you are ever confronted with a potential conflict of interest, you should speak to your supervisor or a member of the compliance or legal departments.

*See Conflicts of Interest and Meeting, Events and Member Interaction policies.*

Political contributions

We encourage employees, as private citizens, to participate in the electoral process. This includes making contributions to political causes of their choice, outside of business hours. Federal law prohibits corporations from making contributions or spending money to influence federal elections.

**Our responsibility:** If you ever become aware of any political contributions made at the company’s expense, you are individually responsible for reporting them to the public policy department.

*See Conflicts of Interest policy.*

Business meals and entertainment

Business meals and entertainment can constitute inappropriate inducements that violate our policies and procedures as well as applicable laws and regulations. In accordance with our policies and procedures, employees may provide or accept reasonable meals and business entertainment that are not intended to influence the outcome of any phase of a contracting decision or other business decision.

**Our responsibility:** We should use sound judgment regarding participation in recreational or social outings and/or any other type of business entertainment, and we must take care to avoid even the appearance of impropriety.

*See Conflicts of Interest, Meeting, Events and Member Interaction, and Travel and Expense policies.*

Gifts

Except in certain limited circumstances, we prohibit employees from giving gifts to or receiving gifts from members or suppliers. In accordance with our policies and procedures, you may give or receive gifts of nominal value that are not intended to influence the outcome of any phase of a contracting decision or other business decision. This also means you may not use your own money to provide gifts.

**Our responsibility:** Any gifts provided to or received from members, suppliers, or other vendors must be in line with our policies and procedures. The gift or receipt of cash or cash equivalents (i.e., gift cards) is prohibited.

*See Conflicts of Interest and Meeting, Events and Member Interaction policies.*

| Maintaining our integrity  |   |  |
|--|---|--|
| <ul style="list-style-type: none"><li>• Set the tone by establishing company values</li><li>• Provide a hotline and keep policies clear and accessible</li><li>• Maintain a strict nonretaliation policy</li></ul> | <ul style="list-style-type: none"><li>• Model the Vizient values</li><li>• Be aware and listen</li><li>• Maintain an open-door policy and encourage employees to voice concerns and ask questions</li><li>• Escalate issues, as necessary</li></ul> | <ul style="list-style-type: none"><li>• Understand and follow the company values</li><li>• Be aware and listen</li><li>• Be willing to speak up and raise concerns</li></ul> |
| Company’s role   | Manager’s role  | Employee’s role  |

## Charitable contributions and promotional activities

Company employees must route any charitable contribution made in the company's name through the community outreach department before making such charitable contribution to another person or organization. This includes any contributions expensed through the company or paid for by the employee without reimbursement.

---

**Our responsibility:** Any charitable contribution you make on the company's behalf must be reviewed and approved by the community outreach department prior to you making the contribution.

*See Conflicts of Interest and Meeting, Events and Member Interaction policies.*

## Intellectual property

Trade secrets and other types of intellectual property provide our company with a competitive advantage. Patents, technical knowledge, know-how, trademarks, service marks, company names, supplier lists, member lists, copyrights and other trade secrets are valuable assets, and protecting them is essential to our continued business success.

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**Our responsibility:** An employee who becomes aware of any misuse of the company's intellectual property must immediately notify his or her supervisor and our legal department. You are also expected to respect the intellectual property of others and refrain from infringing upon valid patents, trademarks, service marks, copyrights or other intellectual property not owned by or licensed to our company. If you have questions about whether using certain material violates the intellectual property of our company or others, you should contact our legal department for guidance.

*See Intellectual Property policy.*

## Confidentiality

In the course of your employment, you will have access to and possess confidential and proprietary documents related to our company, members and suppliers. You may not divulge such information to any third party or use such confidential or proprietary information for your personal advantage, under any circumstances, except as necessary for the normal course of business, required by law or as directed by our legal department.

---

**Our responsibility:** We are all required to maintain the confidentiality of the company's proprietary information.

*See Conflicts of Interest policy.*

## Recordkeeping and document retention

The company's Records Management policy relates to the creation, maintenance, retention and destruction of corporate documents. This includes but is not limited to member agreements, accounting and finance records, information technology-related data, supplier contracts, correspondence and bid materials.

---

**Our responsibility:** We are each required to review, understand and adhere to all recordkeeping and document retention policies.

*See Records Management policy.*

## Litigation holds

In certain circumstances, the company may become involved in litigation or other matters requiring the special preservation of certain documents. In such instances, our legal department will notify all affected employees requesting preservation of all records relating to a specific event. In the event of a conflict between a litigation hold and the Records Management policy, the litigation hold will govern.

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**Our responsibility:** Each of us must comply fully with all litigation holds. If you have any doubt whether you are required to retain a document pursuant to a litigation hold, preserve the document and contact our legal department for guidance.

*See Records Management policy.*



## Travel- and business-related expenses

Entertainment, meals and travel expenses reported on expense reports must have a legitimate business purpose and not be lavish or extravagant.

---

**Our responsibility:** It is incumbent upon each employee to review, understand and adhere to all policies related to travel- and business-related expenses. Further, you should record business expenses promptly, completely and accurately through our expense reporting system in accordance with our policies and procedures.

*See Travel and Expense policy.*

## Use of company resources

The company provides property, including systems, supplies and equipment, intended to assist you in the performance of your job responsibilities. This allows us to serve members' needs effectively and conduct business in an efficient and professional manner.

---

**Our responsibility:** Our assets are intended to be used for legitimate business purposes of the company. As a result, while incidental and occasional personal use is permitted, it should never be disruptive or interfere with the conduct of company business or employee performance, nor should it create or appear to create a conflict of interest.

## Inquiries from the media, financial analysts or market researchers

During your employment, you may receive inquiries from the media, financial analysts or market researchers. Our public relations staff is solely responsible for coordinating a response to these types of inquiries or requests.

---

**Our responsibility:** Please direct all media contact, inquiries and requests for interviews to an appropriate member of the public relations department. If you receive email solicitations from unfamiliar parties requesting information about our business or our industry, do not respond until you receive guidance from our public relations department.

## Inquiries from the government

The health care and group purchasing industries are highly regulated. Among the many requirements the company must follow, we are required to (1) compile and maintain numerous records and other information; and (2) provide information and file reports with governmental agencies and other parties. We require all employees who compile, maintain or prepare information, records or submissions for governmental agencies or other parties to do so promptly, accurately and with the highest integrity.

---

**Our responsibility:** Inquiries from any governmental agency should be forwarded promptly to our legal department for handling.

## Insider trading

Insider trading is prohibited by federal law. The act of insider trading occurs if you become privy to nonpublic information about a public company we do business with, and then use that information to trade stocks or other securities for the purpose of financial gain. We strictly prohibit this type of activity.

---

**Our responsibility:** We shall comply with all insider trading laws. Seek guidance from our legal or compliance departments if you have questions regarding compliance with this standard.

## Vizient social media channels



Vizient, Inc.



Vizient, Inc.



@VizientInc  
@VizientIncJobs



Vizient, Inc. videos

## Social media

The company understands and respects that employees use social media for personal purposes. Social media can be used for business purposes and can shape the way the public views the company, products, employees, vendors, partners and members. Although we respect employees' personal use of social media and the right to self-expression, we are also committed to ensuring that the use of social media serves the needs of our business by maintaining the company's identity, integrity and reputation in a manner consistent with our values and policies.

Even if your social media activities take place completely outside of work, what you say can influence your ability to conduct your job responsibilities, your teammates' abilities to do their jobs and the company's business interests. Therefore, all social media communication in which an individual is representing the company or acting in his or her capacity as a company employee is an official company communication and must be approved by our strategic communications team.

**Our responsibility:** Always be fair and courteous and refrain from using statements, photographs, video or audio that infringe on the rights of others or could be viewed as malicious, harmful, embarrassing, profane, obscene, discriminatory, threatening or intimidating.

*See Social Media policy.*

## Anti-corruption and bribery

We are committed to conducting business transactions and practices in compliance with the federal Anti-Kickback Statute and similar state laws. The company also conducts any operations and activities outside the United States in compliance with the letter and spirit of the Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, which prohibit U.S. companies and individuals (as well as foreign subsidiaries of U.S. companies) from bribing foreign officials in exchange for receiving business. Specifically, employees are prohibited from giving, offering, soliciting or accepting anything that could be construed as a bribe, kickback or an illegal or unethical payment in connection with the company and its businesses.

**Our responsibility:** Employees should not offer or accept any form of a bribe or kickback from any individual or government official. Seek guidance from our legal and compliance departments if you have any questions or a situation arises in which you are confronted with this type of scenario. Also, remember that the company has a strict nonretaliation policy for reports made in good faith.

*See Anti-corruption and Bribery policy.*

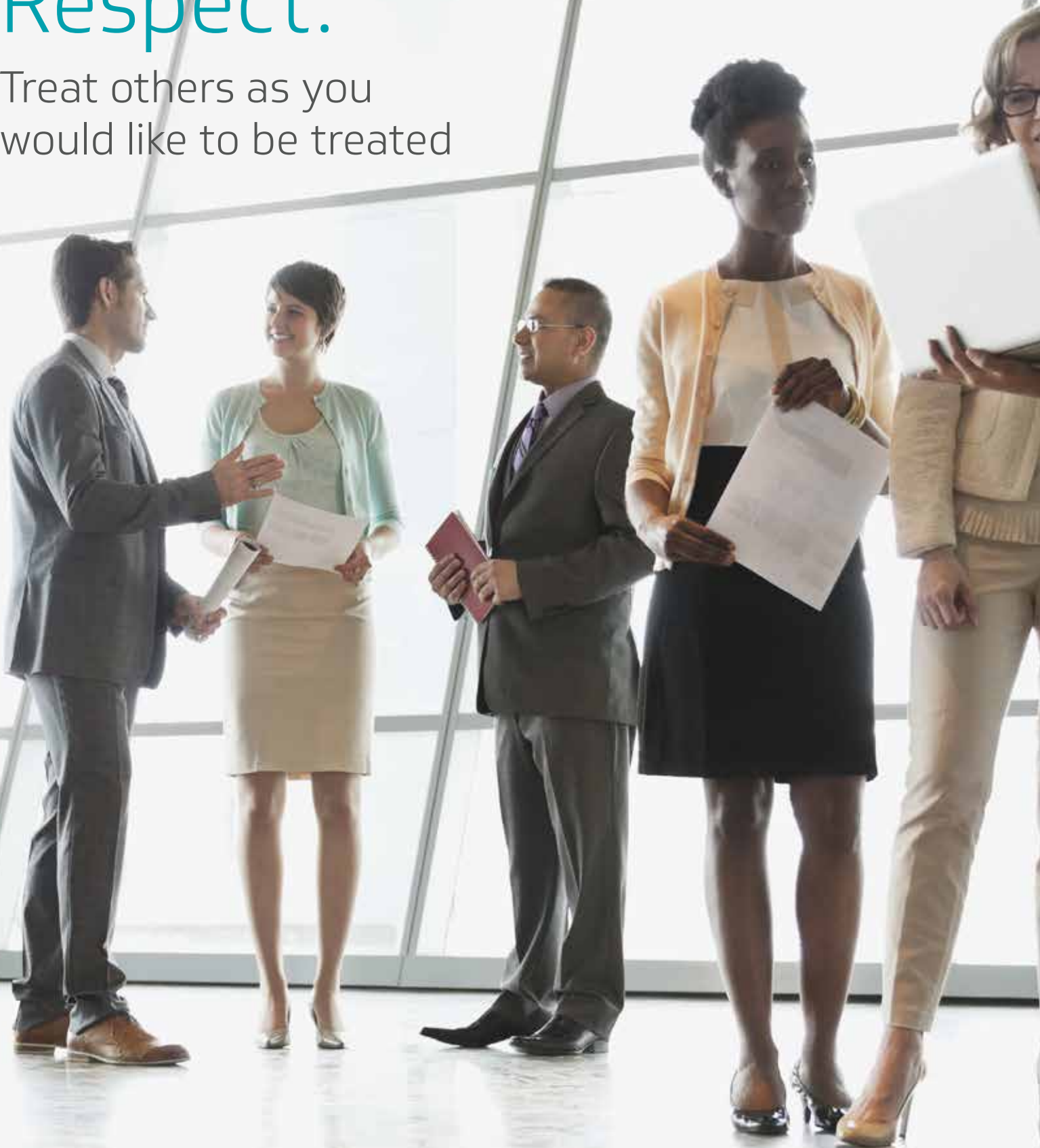
### Q&A

**Question:** The company has filed an application for a government permit that is essential to our business. The approval is taking longer than expected and there are concerns that the application may be rejected or substantially delayed. Is it acceptable to offer to pay the agent processing or approving our application \$1,000 to ensure that it is approved?

**Answer:** No. This would be an illegal bribe.

# Respect:

Treat others as you  
would like to be treated





## Employee relations

At our organization, we treat others as we would like to be treated by respecting each other and our diversity. Our work environment is intended to be inclusive, safe and nonthreatening. We have adopted policies and procedures to comply with applicable laws and ensure civility in the workplace.

Not all human resources policies and procedures are set out in our Standards of Business Conduct. For more information on all of these policies and procedures, please refer to the applicable human resources policies available on the company's intranet.

## Equal employment opportunity

The company provides and promotes equal opportunity for all its employees and applicants for employment. Therefore, we do not tolerate harassment or unlawful discrimination on the basis of race, religion, color, creed, sex, age, national origin, disability, marital status, veteran status, sexual orientation, gender identity or any other legally protected characteristic. Our policies are intended to ensure that all company employees are treated equally, without consideration of any protected characteristic, in hiring, training, promotion, transfer, demotion, discipline, compensation, use of facilities, access to benefits and termination.

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**Our responsibility:** We are required to adhere to all equal opportunity employment principles. You are encouraged to report any instances in which you feel you may have been a witness to or a victim of workplace discrimination.

*See Equal Employment Opportunity policy.*

## Harassment and workplace violence

We are committed to providing employees with an environment that encourages efficient, productive and creative work. To demonstrate this commitment, we strictly prohibit workplace violence and sexual or other harassment of any employee by another employee or employees, contract personnel or vendors. Violence against, or harassment of, any employee that occurs in the workplace or in other settings in which our employees may find themselves in connection with their employment, is unlawful and will not be tolerated.

Additionally, the company prohibits the possession, use or distribution of weapons by anyone while on company premises, in accordance with applicable laws and regulations.

Remember, harassment is anything someone does that creates a hostile or intimidating work environment for one of our employees on the basis of a protected characteristic. This can happen in any aspect of the employment process or relationship. Some examples of harassment include:

- Making offensive jokes
- Posting offensive materials
- Using epithets or slurs
- Insulting someone
- Displaying offensive pictures, cartoons or other material
- Transmitting offensive or derogatory information
- Mocking or mimicking another's culture, accent, customs or appearance
- Making unwelcome physical contact
- Intimidating someone
- Threatening or committing actual violence
- Threatening termination of employment or change in employment status based on one of the protected characteristics above

Sexual harassment includes, but is not limited to:

- Unwelcome sexual advances
- Suggestions or requests for sexual favors
- Verbal or physical conduct of a sexual nature

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**Our responsibility:** We must adhere to all policies and procedures that prohibit workplace violence and sexual or other harassment of any employee. You are encouraged to report any instance in which you feel you may have been a witness to or a victim of sexual harassment or workplace violence. Remember, the company has a strict nonretaliation policy for reports made in good faith.

*See Anti-harassment policy.*

### Q&A

**Question:** Can I email an inappropriate joke to a work colleague if I think he or she will find it funny?

**Answer:** No. This is disrespectful and viewed as harassment.

## Safety and security

We comply with all applicable environmental, health and safety laws. If you are involved in an accident or if you see any condition that may impact the safety of employees, contractors or visitors, please contact the human resources or risk management teams. The company is committed to resolving any unsafe practices or conditions in the workplace.

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**Our responsibility:** Potentially unsafe work conditions or situations should be immediately reported to our risk management team.

*See Work-related Injury and Accident Reporting policy.*

## Open-door policy

All supervisors and managers are expected to act as ethical role models and maintain an “open-door policy” permitting employees to voice concerns or ask questions related to company business. To encourage candid conversation between employees and their supervisors and ensure that employees’ concerns are addressed promptly, it is our policy that no employee be retaliated against for raising, in good faith, what he or she believes to be a genuine issue or concern.

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**Our responsibility:** You are encouraged to voice any concerns or questions about company business directly to your supervisor. However, if your supervisor cannot help or is part of the problem, you are encouraged to speak with another member of management or our human resources team. You can also contact our compliance department with complaints or questions relating to our standards or the company’s compliance with governing laws and regulations.

## Drug- and alcohol-free workplace

Our company is committed to protecting the health, safety and welfare of our employees and members by providing a work environment that is drug- and alcohol-free in accordance with applicable state and federal law. Accordingly, the unlawful or unauthorized possession, use or dispensing of controlled substances or alcohol is prohibited on company premises and at company-sponsored functions. Note that the prohibition of alcohol does not apply to appropriate use at company-sponsored functions or while engaged in company business away from company premises. However, any use should not interfere

with an employee’s job performance or create a potential safety risk to other people, the company or company property.

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**Our responsibility:** You are required to comply with all applicable state and federal laws to maintain a drug- and alcohol-free environment. Furthermore, you are encouraged to report any instance in which you observe controlled substances or alcohol being illegally or inappropriately used or dispensed on company premises. Remember, the company has a strict nonretaliation policy for reports made in good faith.

*See Alcohol and Drug-free Workplace policy.*

## Reporting violations

### Duty to come forward

We are committed to open communication with our employees about ethical and legal issues. As an employee, you are expected to report any potential legal or ethical wrongdoing to your supervisor, management, or the legal or compliance teams. We strongly encourage you to speak up and ask questions if you have any concerns about compliance with the law, these standards or applicable policies and procedures. Remaining silent about an issue prevents the company from addressing the situation and may subject the company to liability. Speaking up about a concern also helps us maintain the ethical culture within our organization.

### Investigation of complaints

We are committed to thoroughly investigating every inquiry and complaint an employee makes. Each complaint will be fully investigated on its merits and appropriate action will be taken, depending on the results of the investigation. It is important for our employees to understand that confidentiality obligations may prevent our compliance team from sharing the results of the investigation. However, please know that we take every complaint seriously and will do our best to keep you informed.

### Knowing when to raise issues

We strongly encourage employees to ask questions or report any concerns they may have. You are also expected to bring to management’s attention any known instances of conduct that violate these standards, company policies

and procedures, or applicable laws and regulations. Furthermore, you should raise any concerns you may have as to whether proper procedures are being followed, even if you are not certain that legal or ethical standards are being violated. If you don't, the company may be unable to address the issue. It is also important that you make management aware if you believe resources or training are inadequate to enable employees to comply with legal standards applicable to the company.

### Nonretaliation

We strictly prohibit harassment of or retaliation against any employee or person who, in good faith, reports a known or suspected violation of the law, these standards or company policies and procedures.

Subject to our obligations under applicable laws and regulations, as well as our need to investigate the issue, we take every step possible to ensure the confidentiality of our employees. Although coming forward will not immunize an employee from the consequences of his or her own misconduct, the employee's good-faith reporting of an incident will be protected.

Any employee who engages in malicious or false reporting of violations will be subject to discipline, up to and including termination of employment.

Any supervisor who engages in, or condones, any form of retaliation against an individual in response to a good-faith report of a violation or suspected violation will be subject to discipline, up to and including termination of employment.

### Procedures for raising issues

Employees are encouraged to raise issues or concerns with their immediate supervisors. If you are uncomfortable approaching your supervisor for any reason, you may also speak with:

- Any member of our human resources team
- Any member of our senior management
- Any member of our compliance or legal teams

Alternatively, employees, members, suppliers and other interested parties may submit concerns through: (1) the company's compliance website, [vizientinc.ethicspoint.com](http://vizientinc.ethicspoint.com); or (2) the company's toll-free compliance hotline, (800) 750-4972. Both are available 24 hours a day, seven days a week. To ensure that you are not discouraged from filing a report, all reports remain confidential to the maximum extent possible; and you have the option to remain anonymous. To ensure confidentiality in reporting, all reports filed through these resources are managed by a third-party vendor and forwarded to our compliance team for review and investigation.

Compliance hotlines

- Managed by an independent third party
- Toll-free, available 24 hours/day, 7 days/week
- Callers may remain anonymous if they choose
- All reports are reviewed by the compliance department
- Vizient has a strict nonretaliation policy

**Vizient:** (800) 750-4972

**aptitude:** (855) 327-4484

**Apexus:** (877) 226-2332

**Excelerate:** (855) 419-3602

**Online reporting option:** [www.ethicspoint.com](http://www.ethicspoint.com)

Compliance hotlines are used to report any potential ethical or legal wrongdoing. Types of reports may include: vendor grievances, employee relations, harassment, fraud and abuse, conflicts of interest, etc.

Hotline review process:

Call received →

Compliance notified →

Investigation →

Resolution →

Case closed

# Service:

Diligently meet the  
needs of others



## Business and government relations

### Advocating for Vizient and our members

We collaborate with several industry organizations in Washington, D.C., to promote our members' policy priorities to policymakers. In doing so, we will at all times represent ourselves with the highest ethics and integrity while vigorously defending our rights.

### Antitrust

The company believes in succeeding on our merits and competing fairly in the marketplace and in accordance with all applicable laws and regulations. The company is required to respect the principles and rules of fair competition and is not permitted to violate applicable antitrust laws. The antitrust laws apply to all business arrangements, irrespective of their form, as well as to business conduct in general. The antitrust laws are complex and violations can result in severe penalties for both the company (e.g., substantial fines and penalties) and our employees (e.g., substantial fines and penalties and potential imprisonment). Accordingly, it is extremely important for the legal team to review and approve all agreements with members, suppliers, competitors or other third parties.

### Health care fraud and abuse compliance

The company is committed to complying with all laws and regulations governing our group purchasing organization (GPO) activities, which are commonly referred to as the "GPO Safe Harbor." We have implemented specific practices to facilitate compliance, including written agreements with our members authorizing us to act as a purchasing agent for them. For additional information, contact the compliance or legal teams.

### Business relationships

Our relationships with business partners, government authorities and members is always managed with the highest ethical standards and business practices.

## Lobbying and other contacts with government officials

The company employs registered federal lobbyists and is registered under the Federal Lobby Disclosure Act. As a result, we are required to file periodic reports of time and expenses associated with contacts made with members of the U.S. Congress and some officials within the Executive branch. Failure to file such reports on a timely and accurate basis can result in the imposition of criminal and other penalties against the company. Consequently, all contacts with elected members of the U.S. Congress, their staff members and other officials of the administration (including employees of federal agencies) must be promptly documented and forwarded to our company's vice president, public policy and government relations. If you have questions about these restrictions or whether a proposed contact with a member of Congress or other government official must be reported, contact the vice president, public policy and government relations, or the chief legal officer

### Supplier sponsorship

We must avoid any appearance of impropriety that may arise from the perception of special treatment of current or prospective suppliers that are, or seek to be, sponsors of sponsored activities. The company has developed policies intended to ensure that all sponsorship activity is treated fairly and in accordance with applicable laws and regulations.

*See Supplier Sponsorship policy.*



## HIPAA and HITECH Act

The company provides a wide variety of offerings and services to our member hospitals. In providing some of these services, some employees may have access to sensitive health information, and data protected by the Health Insurance Portability and Accountability Act (HIPAA) as well as the Health Information Technology for Economic and Clinical Health (HITECH) Act. Whether we are providing clinical improvement consulting services, hosting member forums, aggregating and/or deidentifying patient data, or performing other types of data analysis on behalf of our health care member organizations, we must always protect the confidentiality of all types of health-related information entrusted to us, particularly protected health information (PHI). We are committed to handling such information with the greatest possible sensitivity and protection. Our members depend on us to use and safeguard such information appropriately, and agreements with our members (as well as state and federal laws) may limit how we use and disclose such information. For more information, contact the compliance team.

*See Privacy and Security policies.*

### Good to know

The Vizient public policy and government relations team engages with Congress and the administration through direct advocacy and working through coalitions in Washington. With letters, regulatory comments and other activities, Vizient works to form constructive relationships with lawmakers in both parties in the House and Senate, as well as with regulatory agencies and administration officials.

Vizient is most closely engaged in matters of health care reform, drug pricing, drug shortages and the 340B Drug Discount Program.

To see past advocacy initiatives and public comments, visit our website: [www.vizientinc.com/About-us/Public-policy/Advocacy](http://www.vizientinc.com/About-us/Public-policy/Advocacy)

## Corporate social responsibility

### Our commitment

We believe that our commitment to a culture of ethics extends well beyond our own internal practices and that our company as a whole also must uphold its social responsibility to our members, suppliers and communities. We lead by example through initiatives like those in the following descriptions. Our company operates from a dynamic set of values that inspire us to act as good corporate citizens and to embrace the knowledge, skills, cultural perspectives and experience of others.

### Social responsibility and our sustainability vision

We will take to new levels our commitment to community, pledge to ethical leadership and desire to become an indispensable partner. The plan models and enhances the distinctive competence of our stakeholders, including employees, members, community partners and suppliers who are dedicated to building better, stronger, healthier communities.

Our program includes the following integrated set of environmental, social and governance categories:

- Environmental: energy, waste, water, climate and pollution
- Social capital: community engagement, volunteerism and philanthropy
- Human capital: labor practices, inclusion and diversity, talent development and employee engagement
- Business model and product stewardship: supply chain and environmentally preferred purchasing
- Leadership and governance: oversight, lobbying and business ethics

### Environmental stewardship

We care about the environment and the communities of our employees, members and suppliers. Corporate social responsibility is a strategic commitment for the company, as can be seen in our sustainability report, published at [vizientinc.com](http://vizientinc.com).

Our company is committed to reducing our environmental footprint and supporting business partners who work to reduce waste to improve the health of the communities they serve. The company's longstanding commitment to environmentally responsible practices has been repeatedly recognized by leading environmental advocacy groups.

## Charitable contributions and volunteer activities

We are committed to supporting charitable causes in the communities where our employees live, work and serve. In this regard, we support various programs designed to create healthier communities, and we match our employees' volunteer time with employee-directed investments in community projects. In addition, we support the efforts of our employees to participate in volunteer activities with an annual CEO-led day of service. At management's discretion, we also allow employees up to five days off work to volunteer in the community.

## Innovative technology

We are committed to ensuring that our members have access to savings on, and information about, new and potentially innovative health care technology. We are able to meet these needs by:

- Providing an online forum for our members and health care vendors to exchange information about health care technology
- Inviting suppliers to submit products for consideration for an Innovative Technology award

## Quality assurance

One of our top priorities is to select and promote manufacturers that provide safe, effective, readily available and cost-effective products for use by member institutions. To deliver on this commitment, we evaluate every incumbent supplier and potential new supplier to ensure that it has no prior record of exclusion or debarment by the federal government. We also review suppliers' regulatory history of U.S. Food and Drug Administration inspections, agency observations and product recalls. Our member councils or task forces also evaluate suppliers.

In addition, we have a Quality Assurance Program in place whereby we monitor suppliers' quality and regulatory performance, overall industry standards and, where appropriate, proactively notify members of any material quality or regulatory issues or trends.

We do not manufacture, label, package, repack, maintain, inventory, sell, distribute or control specifications for any product. All such activities are the sole responsibility of the product's manufacturer, distributor or other seller.

## Supplier Diversity Program

The mission of our Supplier Diversity Program is to help our members champion inclusion in their supply chains and accelerate economic growth in local communities through the engagement and empowerment of high-quality, cost-competitive small minority, woman and veteran-owned (collectively, small and diverse) businesses.

The program's objectives—which include creating a robust contract portfolio of certified small and diverse supplier manufacturers, distributors and service providers; driving member usage with contracted firms; and enhancing second-tier supplier diversity participation of our nonprogram suppliers and distributors—generate significant growth within the program. The company also formally launched its tier II reporting program in 2014. Tier II spend refers to a contracted supplier's expenditures with their own diverse suppliers and subcontractors.

In addition to adopting internal practices that support the diverse supplier community, we also designed and launched a website to help health care organizations with their supplier diversity efforts. Over the years, our support of diverse suppliers has been recognized by many important advocates of supplier diversity.

# Judgment:

Make wise decisions





## Facilitating trust and protecting assets

### Business Conduct, Compliance and Ethics Program

Employee commitment to compliance is an essential component of our core business practices. To that end, we developed a comprehensive Business Conduct, Compliance and Ethics Program. Our Standards of Business Conduct serve as the foundation for this program, which is supported by the company's board of directors and management.

The program reflects the principles outlined in these standards, the Code of Conduct adopted by the Healthcare Supply Chain Association (HSCA) and the Healthcare Group Purchasing Industry Initiative (HGPII), and other related industry and governmental compliance guidance and applicable law. The program includes the following key elements as outlined by the federal sentencing guidelines:

- Standards of Business Conduct
- Policies and procedures
- Confidential procedure for asking questions and investigating compliance concerns
- Compliance hotline and website for asking questions and reporting compliance concerns
- Ongoing monitoring and auditing education and training

The compliance department, led by the compliance officer, works with Vizient senior management to ensure compliance with the program. The company's board of directors and its Audit and Compliance Committee provide additional oversight.

### Accounting, finance and tax

It is imperative that we maintain accurate books and records on the financial condition of the company at all times. In addition, we have periodic reporting responsibilities to our members, financial institutions and to taxing authorities.

---

**Our responsibility:** Even if you don't have direct responsibility in these areas, you play a role in accurate reporting and disclosure. Each employee has a duty to:

- Report business information accurately and consistent with company policies
- Conduct business without manipulating transactions to misrepresent the financial aspects of transactions
- Report cost, expense, invoice and sales information, accurately and correctly without it being inflated or otherwise manipulated
- Report in a timely manner any financial or other business information that the company needs to maintain and report accurate and timely financials
- Report accurate work hours and paid time off
- Submit accurate travel and business expense reports that reflect the actual expenses incurred that are consistent with company policies
- Refrain from providing any information that would assist members or suppliers in manipulating their own financial information
- Maintain all records related to these subjects in accordance with the company's Records Management policy

*See Accounting and Finance policies.*

#### Q&A

**Question:** I have \$50,000 in signature authority to process vendor invoices. I have received a \$165,000 invoice, but my senior vice president is not here and I really want to get this done. Can I process the invoice to get it taken care of quickly?

**Answer:** No. You must follow the applicable signature authority guidelines set by the Accounting and Finance policy.

## Safe computing

Employees are required to follow safe computing practices that minimize risks to our technology systems, which include company computers, networks, mobile devices, applications and data, as well as all other computers or devices connected to these company computer systems. Safe computing practices also allow our organization to comply with legal and contractual obligations related to their usage.

*See Safe Computing Standard and other security policies*

## Fraud risk management

We are committed to ensuring our company follows through with our commitment to ethical business practices. We have established certain expectations for the prevention and detection of fraud and misconduct within the company. This includes protocols for monitoring and addressing fraud risks.

*See Fraud Risk Management Program*

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# Determining when your ethics are being challenged and what to do

**It isn't always easy to determine the right thing to do.**

**You are on an ethical tightrope if you are thinking the following or if someone says to you:**

- "Maybe just this once."
- "No one needs to know about it."
- "It doesn't matter how it gets done, just as long as it gets done."
- "It sounds too good to be true."
- "Everyone does it."
- "No one will get hurt."
- "The tape of this conversation will self-destruct in three minutes."

**Ask yourself:**

- "Are my actions legal?"
- "Am I being fair and honest?"
- "How would I feel about myself afterward?"
- "What would I advise my child or best friend to do?"
- "How would it look on the evening news or in tomorrow's newspaper?"
- "How would I feel if my parents, spouse, children and friends knew what I was doing?"

# Conclusion

The Standards of Business Conduct outline the company's expectations for all of us as employees. We should always strive to conduct ourselves in accordance with our company values of integrity, respect, service and judgment. The various components of these standards set forth guidelines and expectations concerning business ethics and conduct; however, they cannot anticipate every situation that you may face. No concern is too small or unimportant if it implicates our company's policies on proper conduct. If you are uncertain about a given situation, you should consult your supervisor and/or the compliance, legal or human resources departments.

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## Resources and contact information

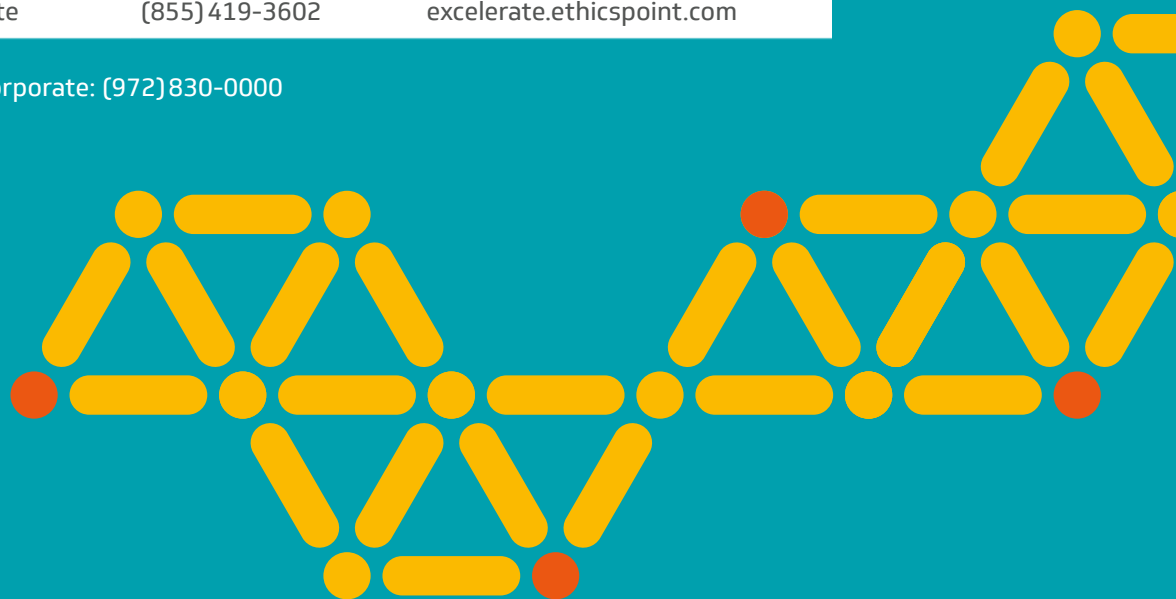
We are committed to open communication with our employees on ethical and legal issues. If you have any questions or concerns about compliance with the law, these standards or applicable policies and procedures, here are several resources available to you.

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### Compliance hotlines and websites:

| Company         | Phone          | Website                    |
|-----------------|----------------|----------------------------|
| Vizient         | (800) 750-4972 | vizientinc.ethicspoint.com |
| Apexus          | (877) 226-2332 | apexus.ethicspoint.com     |
| <b>aptitude</b> | (855) 327-4484 | aptitude.ethicspoint.com   |
| Excelerate      | (855) 419-3602 | excelerate.ethicspoint.com |

Vizient corporate: (972) 830-0000





290 E. John Carpenter Freeway  
Irving, TX 75062  
(972) 830-0000  
[www.vizientinc.com](http://www.vizientinc.com)



|  |               |  |
|--|---------------|--|
| <b>Policy Name:</b> Conflicts of Interest Policy |               |  |
| <b>Issue Date:</b>                               | April 1, 2009 | <b>Dept / Functional Org:</b> Legal & Compliance |
| <b>Revision Date:</b>                            | July 1, 2018  | <b>Policy Owner:</b> Rodney Waller               |
| <b>Confidential and Proprietary</b>              |               |  |

## CONFLICTS OF INTEREST POLICY

### I. PURPOSE

It is vital to the Company's success and its ability to make sound, objective decisions that Employees avoid Conflicts or even the appearance of such Conflicts. The purpose of this policy is to describe the Company's expectations for Employees with respect to any competing financial, professional or personal interests that may impact their ability to do their job without bias.

The spirit of this policy is to preserve and protect the integrity and independence of all decisions affecting the Company made by Employees so that the interests of the Company, and not that of any individual, prevail. The mere appearance of a Conflict or a breach in confidence can damage the Company and its reputation.

### II. POLICY STATEMENT AND SCOPE

**A. Policy Statement:** Employees should avoid situations in which a competing financial, professional or personal activity or relationship could:

- create a Conflict;
- appear to create a Conflict;
- make it difficult to objectively carry your job responsibilities; or
- make it difficult to act in the best interest of the Company.

**B. General Guidelines:**

1. As an Employee, you should always act in the best interests of the Company.
2. You should avoid situations in which a competing financial, professional or personal activity or relationship could:
  - a. create a Conflict;
  - b. appear to create a Conflict;
  - c. make it difficult to objectively carry your job responsibilities; or
  - d. make it difficult to act in the best interest of the Company.
3. You should use sound judgment and exercise reasonable business discretion in all of your business interactions.
4. Failure to comply with this policy may result in disciplinary action up to and including termination, as well as legal action if deemed appropriate.

**C. Individual Equity Interests:**

1. Employees should always be sensitive to the general guidelines described in Section B regarding Individual Equity Interests.

2. Employees may not own an Individual Equity Interest in any Supplier if they are in a position to influence a Company contracting decision with such Supplier.
3. If an Employee owns an Individual Equity Interest in a Supplier, but is not in a position to influence a Company contracting decision with such Supplier, the Employee must disclose the Individual Equity Interests and recuse themselves from any discussions and/or decisions regarding such Supplier.

**D. Property or Services Transactions:** Employees may not buy, sell, or lease any kind of property or services (i) from or to the Company, or (ii) from or to a Supplier or Vendor, except when authorized by the Compliance Officer.

**E. Gifts and Entertainment:**

1. The gift or receipt of cash or cash equivalents (i.e., gift cards), even nominal in value, is prohibited from all members, Vendors, Suppliers, and Government employees or officials.
2. Employees may not accept from a Supplier any gifts, entertainment, favors, personal services or payments that exceed the nominal value of \$50.
3. The total retail value of all nominal value gifts, entertainment, favors, personal services or payments received by an Employee during each calendar year from a single Supplier may not exceed \$100.
4. The total retail value of all nominal value gifts received by an employee during each calendar year from all Suppliers shall not exceed \$300.

**F. Honorariums:**

1. Honorariums may only be provided or accepted in the form of paid travel expenses and must be approved by the Compliance Officer or his/her designee before they are provided or accepted. All other types of Honorariums may not be provided or accepted.
2. Exceptions: Honorariums may be paid directly to you as an individual only if both of the following conditions are satisfied:
  - a. The services are performed based on activities unrelated to Company activities; and
  - b. You used Paid Time Off (PTO) to prepare for and deliver the services.

**G. Personal Relationships:**

1. While the Company does not wish to infringe upon the personal lives of its Employees, situations may arise involving personal or family relationships that may impact the business or its environment. Please refer to the appropriate Human Resources policies regarding internal personal relationships within the Company.
2. Employees who have personal or family relationships with: (i) another Employee, (ii) an employee of a member, Supplier or Vendor, or (iii) employee of a competitor, must disclose such relationship to their supervisor and avoid situations that could cause an actual or perceived Conflict.

**H. Employment or Consulting Relationships:**

1. Employees should not engage in any business activity that is competitive or potentially competitive with the Company's business.
2. A full-time Employee should not engage in any business activity (including secondary employment) that materially conflicts with the Employee's obligations to the Company. For exempt Employees, such obligations may include, as requested by Employee's manager, work outside traditional business hours, including nights and weekends to meet the needs of our business.

**I. Employees Serving as Officers or as Members of Board of Directors Outside of the Company:**

1. Employees may not serve as an officer or a member of the board of directors for any company whose business interests materially conflict with the interest of the Company.
2. Employees may serve as an officer or a member of the board of directors for any company whose business interests do not materially conflict with the interest of the Company, if the Employee obtains prior approval from his/her supervisor and the Compliance Department.
3. If an Employee, in his or her capacity as an approved outside officer or board member, is faced with a Conflict, or a potential Conflict, with the interest of the Company, the Employee must refrain from influencing or participating in any votes on the matter in question.
4. If approved by the employee's supervisor and the Compliance Department, Employees must notify, and provide all material facts regarding his/her potential service as an officer or member on an outside organization board of director's to the Risk Management Department.

**J. Political Contributions and Unethical Payments:**

1. Employees should not make direct or indirect political contributions, of any kind, at the Company's expense.
2. Employees should not give, offer, solicit or accept anything that could be construed as a bribe, kickback, or an illegal or unethical payment in connection with the Company's business.
3. Employees that receive such offers of/or solicitations for bribes, kickbacks or illegal or unethical payments must report the offers or solicitations immediately to their supervisors and the Compliance Department.

**K. Lobbying and Other Contacts with Government Officials:**

1. When dealing with government officials, foreign or domestic, business activities should be carried out in accordance with the highest ethical standards, and should not create or appear to create a Conflict.
2. No gifts shall be made to federal elected officials without the prior written approval of the Vice President, Public Policy.

3. The Company employs registered federal lobbyists and is registered under the Federal Lobby Disclosure Act. As a consequence, the Company is subject to limits on contacts which may be made with elected members of the United States Congress and other high-ranking federal officials. We are required to file periodic reports of its time and expenses associated with such contacts. Failure to file such reports on a timely and accurate basis can result in the imposition of criminal and other penalties against the Company. Consequently, all contacts with elected members of the U.S. Congress, their staff members and other officials of the administration (including employees of federal agencies) must be promptly documented and forwarded to the Vice President, Public Policy. If you have questions about these restrictions or whether a proposed contact with a member of Congress or other government official must be reported, please contact the Vice President, Public Policy.

**L. Exceptions:** Exceptions to the Conflict of Interest Policy may be granted upon approval by the Compliance Officer or his/her designee. Any exceptions must be documented and signed in writing by the Employee and the Compliance Officer.

**M. Policy Scope:** The policy applies to all Employees.

### III. DEFINITIONS

**“Company”** means Vizient, Inc. (“Vizient”), its subsidiaries and affiliates.

**“Conflict”** means any circumstance where an Employee has a financial, professional or personal interest in, or connection with, any company or individual, if the interest is of such a nature that it might influence, or appear to influence, the independent judgment of the Employee.

**“Employees”** means all officers and employees of the Company, including, without limitation, all full-time, part-time and temporary employees.

**“Honorarium”** means any form of payment for services for which custom prohibits setting a price. (e.g. honorarium for presenting at a conference or giving a speech)

**“Individual Equity Interests”** means any securities, options, warrants, debt instruments (including bonds and loans), or rights to acquire any of the foregoing owned by the Employee, his/her spouse, or his/her minor children, provided, however that the term shall not include:

- interests in publicly traded mutual funds (“Mutual Funds”), or
- interests held in a blind trust (a “Blind Trust”), or
- interests held in a professionally managed fund or account where the employee has (i) no control over decisions to buy or sell Individual Equity Interests, and (ii) no communication with the manager regarding the security to be purchased or sold by the account/fund (a “Managed Account”).

**“Supplier”** means any company that the Company has a contract with or that submits an offer, formally or informally, to provide goods or services to the members and customers served by the Company.



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| <b>Policy Name:</b> | <b>Conflicts of Interest Policy</b> |
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“Vendor” means any company that the Company has an agreement with or that submits an offer, formally or informally, to provide goods or services to the Company (e.g. consulting firms).

#### **IV. PROCEDURE**

##### **A. Disclosure Obligations:**

1. Employees should disclose and discuss with his/her supervisor and the Compliance Department any situation where an actual or even potential Conflict exists.
2. Employees are required to review this policy and disclose any potential or actual conflicts to the Compliance Department within the first 30 days of employment as a regular part-time, regular full-time, or temporary Employee.
3. Employees are also required to review this policy each year and disclose any potential or actual conflicts to the Compliance Department.

#### **V. RELATED FORMS AND OTHER RESOURCES**

1. Standards of Business Conduct
2. Anti-Corruption and Bribery Policy
3. Quarterly Lobbying Survey
4. Meetings, Events and Member Interaction Policy

#### **VI. FREQUENTLY ASKED QUESTIONS**

The examples below are intended to assist Employees in complying with this policy and identify circumstances where a Conflict or the appearance of a Conflict exists. Be aware that other circumstances not described below may also create a Conflict. If an Employee has any doubt whether a Conflict exists, the Employee should disclose the potential Conflict to their supervisor and/or a member of the Compliance Department.

##### **I received a holiday gift basket from a Supplier. Do I have to send it back?**

Possibly, but the answer will depend on the value of the gift basket. If the estimated value does not exceed \$50 and the value will not otherwise cause you to exceed the annual limits noted above, you may keep the basket. If you believe the value of the gift basket exceeds \$50, then contact the Compliance Department for further guidance, which may include returning the gift.

##### **I received a gift basket made up of perishable items. What should I do with it?**

If the estimated value of the gift basket exceeds \$50, you should leave the perishable items out in a public area like the coffee pods or break room for others within the organization to share.

##### **I am on the board of a local non-profit charity organization. Do I have to disclose that?**

Yes, you should seek approval from your supervisor and the Compliance Department and include this board membership on your annual conflict of interest disclosure form. If the non-profit's business conflicts, or potentially conflicts, with the Company's business, you are not permitted to serve on the board.

**Policy Name:**

**Conflicts of Interest Policy**

**I was offered tickets to a Supplier's corporate box at a Dallas Cowboys game. Is it ok to accept them and give them to a friend, since it's not appropriate for me to use them?**

No, the value of these tickets would obviously exceed the limits established within our business meals, gifts and entertainment policy. You may not give or receive entertainment or gifts, unless otherwise allowed by the policy. Your gift of the tickets to a friend does not eliminate the Conflict.

## **VII. CONTACT FOR QUESTIONS**

Any questions regarding this policy or procedure may be directed to representatives of the Legal or Compliance Department at (972) 581-5966.

**Vizient, Inc. (“Vizient”)**  
**CONFLICTS OF INTEREST AND CONFIDENTIAL INFORMATION POLICY**  
**FOR THE MEMBERS OF THE BOARD OF DIRECTORS**

**(revised August 23, 2016)**

Financial Interest

A director has a “Financial Interest” if the director has, directly or indirectly, through business, investment or family:

- (1) A compensation arrangement with Vizient or with any entity or individual with which Vizient has a transaction or arrangement, which includes both direct and indirect remuneration, as well as gifts or favors that are material.
- (2) An ownership or investment interest in any entity with which Vizient has a transaction or arrangement; provided, however, that interests held in a blind trust or in a publicly traded mutual fund shall not constitute a Financial Interest for purposes of this policy.
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Vizient is negotiating a transaction or arrangement.

A Financial Interest is not necessarily a conflict of interest.

Conflicts of Interest Generally

To enable Vizient to conduct its business effectively and to promote confidence in the integrity of its directors, the highest standards of loyalty and ethical principles must be maintained. A director assumes an obligation when joining the Board to avoid conflicts with Vizient's business interests. The guiding principle of this policy is that all directors must avoid situations in which their personal interests or interests of other organizations they represent conflict, or appear to conflict, with the interests of Vizient. Responsibility for conduct within the letter and the spirit of this policy rests with individual directors.

This policy applies to the directors of Vizient and of all subsidiaries of Vizient, and to the directors' Immediate Family Members. “Immediate Family Members” shall mean a director’s spouse, domestic partner, and/or children.

The Vizient Compliance Officer, in conjunction with the Audit & Compliance Committee of the Board, will establish procedures to implement and monitor adherence to this policy, consider exceptions, if any, and assure that any apparent or actual conflict of interest is avoided. Directors will complete annual disclosure statements of potential conflicts of interest. The Compliance Officer will review the disclosure statements, address any issues in accordance with these policies and make an annual report to the Audit & Compliance Committee of the Board.

Conflicts of Interest

Directors and their Immediate Family Members owning an Individual Equity Interest (as defined below) in any company in which Vizient or any of its subsidiaries own securities, warrants, options, debt instruments (including loans) or rights to acquire any of the foregoing shall be considered to have a Financial Interest giving rise to the disclosure and recusal requirements set forth below. “Individual Equity Interest” shall mean securities, options, warrants, debt instruments (including loans) or rights to acquire any of the foregoing; provided, however, that (a) interests in mutual funds or (b) interests held in a blind trust are excluded.

A conflict of interest resulting from a director’s or his/her Immediate Family Member’s Financial Interest, or the appearance of such conflict of interest, may arise under a variety of circumstances. Conflicts may be more difficult to detect; sometimes it is only a matter of degree between an acceptable and an unacceptable activity. It is not practical to describe every situation which might be considered to be in conflict with the business interests of Vizient, but generally the following activities may be considered a conflict of interest giving rise to the disclosure and recusal requirements set forth below:

- (1) Director and/or Immediate Family Member Financial Interest in any outside business activity which is competitive with any of Vizient's business, which takes advantage of a corporate opportunity of Vizient or which could otherwise result in a conflict between the private interests of the director and the business interests of Vizient;
- (2) Director and/or Immediate Family Member service on any board of directors of any competitor; and
- (3) Director and/or Immediate Family Member conducting business on behalf of Vizient with a third party (or arranging for or recommending that Vizient conduct business with such third party) if a director has a relative who is a principal, officer or member of management of that third party.

#### Disclosure and Recusal

In connection with any actual or possible conflict of interest, a director must disclose the existence of the matter, disclose all material facts and, as appropriate, recuse himself / herself from any discussions or Board votes related to the actual or possible conflict of interest.

If the Board or the Audit & Compliance Committee has reasonable cause to believe that a director has failed to disclose an actual or possible conflict of interest, it shall inform such director of the basis for this belief and afford the director an opportunity to discuss the material facts with the Audit & Compliance Committee. The Audit & Compliance Committee has the ability to investigate further as warranted by the information disclosed by the director and report its findings to the Board. If the Board determines that the director failed to disclose an actual or potential conflict of interest, the Board shall take appropriate corrective action.

On an annual basis, directors shall complete a disclosure statement identifying any conflicts of interest as defined by this policy. The disclosure statement shall include an affirmation that such director has received a copy of this policy, has read and understands this policy and has agreed to comply with this policy.

#### Recordkeeping Requirements for Reviews of Actual or Possible Conflicts of Interest

In instances where the Audit & Compliance Committee reviews possible or actual conflicts of interest, the minutes of the Audit & Compliance Committee shall contain:

- (1) The names of the persons who disclosed or were determined to have a Financial Interest,
- (2) the nature of the Financial Interest, and
- (3) the determination by the Board or committee as to whether a conflict of interest in fact existed.

#### Compensation

A director who receives compensation, directly or indirectly, from Vizient for services is precluded from voting on matters pertaining to his / her compensation. In addition, a member of any committee whose responsibilities include compensation matters and who receives compensation, directly or indirectly, from Vizient for services is precluded from voting on matters pertaining to his / her compensation.

#### CONFIDENTIAL INFORMATION

In the performance of Board responsibilities, directors obtain confidential information. Directors shall not divulge confidential information of Vizient unless the disclosure is consistent with the business needs and in the best interests of Vizient. Directors may not use confidential information for their personal advantage or the advantage of any other person or organization.



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| <b>Policy Name:</b> <b>Advisory Body Conflict of Interest Policy</b> |                  |  |
| <b>Issue Date:</b>   | January 31, 2015 | <b>Dept / Functional Org:</b> Legal & Compliance |
| <b>Revision Date:</b>  | January 1, 2019  | <b>Policy Owner:</b> Rodney Waller               |
| <b>Confidential and Proprietary</b>                                  |                  |  |

## **ADVISORY BODY CONFLICT OF INTEREST POLICY**

### **I. PURPOSE**

The purpose of this policy is to describe the Company's expectations for Participants with respect to any competing interests that may impact their ability to fulfill their duty as a Participant without bias.

### **II. POLICY STATEMENT AND SCOPE**

**A. Policy Statement:** Participants should avoid situations in which a competing professional or personal activity or relationship could:

1. create a Conflict;
2. appear to create a Conflict;
3. make it difficult to objectively carry out your responsibilities as a Participant; or
4. make it difficult to act in the best interest of the Company.

#### **B. General Guidelines**

1. In your role as a Participant, you should always act in the best interests of the Company.
2. Participants should avoid situations in which a competing professional or personal activity or relationship could:
  - (i) create a Conflict;
  - (ii) appear to create a Conflict;
  - (iii) make it difficult to objectively carry out your responsibilities as a Participant; or
  - (iv) make it difficult to act in the best interest of the Company.
3. Participants should use sound judgment and exercise reasonable business discretion.
4. Failure to comply with this policy may result in removal from the Advisory Body as well as legal action if deemed appropriate.

#### **C. Disclosure Obligations**

1. Participants must disclose to his/her Advisory Body facilitator on an annual basis, and promptly as necessary to reflect changes during the course of the year, any actual or potential conflict of interest with the Company.
2. Participants are required to review this policy and submit a completed Conflicts of Interest Disclosure Form and Confidentiality Agreement within the first 30 days of participation in an Advisory Body.

**D. Individual Equity Interests:** If a Participant owns an Individual Equity Interest in a Supplier, the Participant must disclose the Individual Equity Interests and refrain from influencing or participating in any discussions or votes on any matter relating to such Supplier.

**E. Gifts and Entertainment**

1. Participants may not accept anything of value from a Supplier in return for an evaluation or recommendation given his/her capacity as a Participant.
2. Participants must disclose to the Company any gift, entertainment, favor, personal services or payments received from a Supplier that exceeds the nominal value of \$50.

**F. Confidential or Proprietary Information**

1. Participants may not divulge confidential or proprietary information of the Company, unless the disclosure has been appropriately authorized and the recipient has a need to know the confidential or proprietary information.
2. Participants may not use confidential or proprietary information for their personal advantage or the advantage of any other person or organization.

**G. Personal Relationships:** Participants who have personal or family relationships with an employee of a Supplier must disclose such relationship to their Advisory Body facilitator and avoid situations that could cause an actual or perceived Conflict.

**H. Participants Serving as Officers or as Members of Board of Directors Outside of the Company**

1. Participants who serve as an officer or member of another advisory group or board must disclose such participation in accordance with the Disclosure Obligations.
2. No Participant or a member of his or her Immediate Family may serve as an officer or a member of the board of directors, hold office at, participate in the management of, or provide consulting services to any company whose business interests materially conflict with the interest of the Company.
3. If a Participant, in his or her capacity as an outside officer or board member, is faced with a Conflict, or a potential Conflict, with the interest of the Company, the Participant must refrain from influencing or participating in any discussions or votes on the matter in question.

**I. Political Contributions and Unethical Payments:** Participants should not give, offer, solicit or accept anything that could be construed as a bribe, kickback, or an illegal or unethical payment in connection with their role in an Advisory Body.

**J. Policy Scope:** Participants should always act in accordance with their organization's Conflict of Interest policies. This policy only applies to interactions involving your participation on an Advisory Body. It does not override or affect your organization's Conflict of Interest Policy or other policies.

### III. **DEFINITIONS**

**“Advisory Body”** means an advisory group, council, task force, or group serving in a similar capacity.

**“Company”** means Vizient, Inc. (“Vizient”), its subsidiaries and affiliates.

**“Conflict”** means any circumstance where a Participant has a professional or personal interest in or connection with, any company or individual, if the interest is of such a nature that it might influence, or appear to influence, the independent judgment of the Participant.

**“Individual Equity Interests”** means any securities, options, warrants, debt instruments (including bonds and loans), or rights to acquire any of the foregoing owned by the Participant, his/her spouse, or his/her minor children, provided, however that the term shall not include:

- interests in publicly traded mutual funds (“Mutual Funds”), or
- interests held in a blind trust (a “Blind Trust”), or
- interests held in a professionally managed fund or account where the Participant has (i) no control over decisions to buy or sell Individual Equity Interests, and (ii) no communication with the manager regarding the security to be purchased or sold by the account/fund (a “Managed Account”).

**“Participant”** means any individual asked to participate in an Advisory Body.

**“Supplier”** means any company that the Company has a contract with or that submits an offer, formally or informally, to provide goods or services to the members and customers served by the Company.

### IV. **RELATED FORMS AND OTHER RESOURCES**

1. Conflicts of Interest Disclosure Form
2. Conflict of Interest Policy for your organization
3. Code of Conduct for your organization

### V. **FREQUENTLY ASKED QUESTIONS**

The examples below are intended to assist Participants in complying with this policy and identify circumstances where a Conflict or the appearance of a Conflict exists. Be aware that other circumstances not described below may also create a Conflict. If a Participant has any doubt whether a Conflict exists, the Participant should disclose the potential Conflict to their Advisory Body facilitator or the Compliance department.

**I received a holiday gift basket from a Supplier. Do I have to send it back?**

Possibly, but the answer will depend on your company’s policy and if the Supplier is sending you the basket to obtain information related to your participation in an Advisory Body. If the gift basket is not in response to your participation in the Advisory Body and it does not otherwise violate your company’s policy for gifts and entertainment, you may keep the basket. If you believe the value of

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| <b>Policy Name:</b> | Advisory Body Conflict of Interest Policy |
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the gift basket exceeds \$50, then you should disclose this to your council facilitator or the Company's Compliance Department.

**I am on the board of a local non-profit charity organization. Do I have to disclose that to the Company?**

Yes, you should include this board membership on your annual conflict of interest disclosure form in case your board membership non-profits business conflicts, or potentially, conflicts with your role as a Participant.

**I was offered tickets to a Supplier's corporate box at an NFL game. Is it ok to accept them?**

First, check with your organization's conflict of interest policy as accepting the gift may be prohibited by that policy. As for your role as a Participant, taking anything of value in return for your recommendation is prohibited. The best practice is to turn down the tickets especially if you think there is any quid pro quo expected. If you do accept the tickets, you will need to disclose as the value of the tickets certainly exceeds the nominal value of \$50.

**How can I get a list of Suppliers?**

You may contact your council facilitator or the Company's Compliance Department during the disclosure process to obtain a list of Suppliers.

**VI. CONTACT FOR QUESTIONS**

Any questions regarding this policy or procedure may be directed to your council facilitator or representatives of the Compliance Department at (972) 581-5966.





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| <b>Policy Name:</b> Supplier Sponsorship Policy |                  |  |
| <b>Issue Date:</b>                              | October 28, 2013 | <b>Dept / Functional Org:</b> Legal & Compliance |
| <b>Revision Date:</b>                           | August 27, 2018  | <b>Policy Owner:</b> Rodney Waller               |
| <b>Confidential and Proprietary</b>             |                  |  |

## SUPPLIER SPONSORSHIP POLICY

### I. PURPOSE

The foundation of the Company's success is trust. Our stakeholders trust that we are committed to bringing them tremendous value and doing it with honesty and integrity. Our employees trust that we are committed to ethical behavior and that every individual is treated with respect. Maintaining that trust means how we do things is as important as what we do. We do business in a way that complies with the letter and spirit of the law, meets the highest ethical standards, and avoids even the appearance of impropriety. As such, we must avoid any appearance of impropriety that may arise from a perception of special treatment of current or prospective suppliers that are or seek to be Sponsors of Sponsored Activities.

### II. POLICY STATEMENT AND SCOPE

**A. Policy Statement:** Supplier sponsorship must meet the criteria outlined below to be accepted.

#### **B. General Principles**

1. Sponsor Contributions may be structured to include more than one Sponsored Activity occurring over an extended period of time such as two years, so long as all of the activities are part of one program. For example, acceptable activities falling within one program would include market research and staff time to set up events and develop program materials.
2. Multiple tiered sponsorships are allowed for Sponsored Activities that occur on a single calendar date, or that occur as a program over a period of time, such as two years. An example of a tiered structure is: "gold \$10,000", "silver \$5,000" and "bronze \$1,000" levels. Criteria used to structure the tiers must avoid barriers to participation, favoritism and large dollar commitments (e.g., \$500,000 or more).
3. A Sponsor may receive tactful recognition such as an attribution in Sponsored Activity program brochures and advertisements and desirable booth space. However, the Sponsored Activity's agenda and content must be controlled solely by the Company. The Sponsored Activity may not be oriented around the Sponsor or its products, and the Sponsored Activity may never be, or be perceived to be, a sales forum for the Sponsor's products.
4. Sponsored Activities should not be extravagant or used as a pretext for entertainment, such as short meetings in exotic locations or luxurious venues.

**Policy Name:**

Supplier Sponsorship Policy

**C. Selection of Sponsors:** Managers are required to consider as potential Sponsors those companies that have then- current GPO contracts with the Company. These companies are referred to as “On-Contract Suppliers.” In addition, as indicated below, certain types of activities require managers to also give good-faith consideration to companies that do not have contracts with the Company. These companies are referred to as “Non-Contracted Suppliers.” The Company is not required to actively solicit any types of companies to be Sponsors, but they are required to give good-faith consideration to any company that requests to be a Sponsor, subject to the rules below and the Company’s rights to give first preference to On-Contract Suppliers.

1. For the following types of sponsored activities, the Company is required to consider the participation of Non-Contracted Suppliers upon their request:
  - a) Continuing Medical Education (“CME”) training sessions
  - b) Educational grants
  - c) Health care industry issues symposia (e.g., emergency department, patient safety, supply chain, new and innovative technology)
  - d) General trade show exhibits space (to the extent adequate space is available)
2. For the following types of sponsored activities, the Company is NOT required to consider the participation of Non-Contracted Suppliers, even if they request it. This exemption also applies to any of the activities listed in “1” above that may be conducted as part of the activities below:
  - a) Annual Leadership meeting
  - b) On-Contract Suppliers meetings
  - c) Regionally-based meetings
  - d) Strategic planning meetings
  - e) Network services content and product advertorials programming

**D. In Kind Contributions:** Acceptance of Sponsor Contributions in the form of in-kind goods such as food, drinks, business equipment or personal consumer products must be provided on a per-Sponsored-Activity basis to avoid any perception of undue influence arising through stockpiling. In-kind goods that are surplus after a Sponsored Activity may not be kept or consumed by one individual. They must be held for use in a future event, used in operations, given to charity or, if they are consumables such as food or drinks, distributed for consumption to a wide range of Company employees.

**E. Coverage of Expenses:** The dollar value of all Sponsor Contributions in the form of cash solicited by the Company in advance of any Sponsored Activity may not exceed one hundred percent (100%) of the total projected expenses of the Sponsored Activity. Upon completion of the Sponsored Activity, in the unusual event that the amount of the Sponsors’ Contributions exceed the amount of expenses (“Cash Surplus”), the Company may either retain the Cash Surplus and use it for any purpose, or return the Cash Surplus to the contributing Sponsors on a pro rata basis.

**F. Sponsorship Contribution Document:** All managers accepting Supplier Contributions must use a written contribution document for each contribution. This ensures that the scope of

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| <b>Policy Name:</b> | Supplier Sponsorship Policy |
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authorized use and refund issues are adequately identified. Managers may use the Sponsor Contribution Receipt Form. Use of a Sponsor's form of agreement or another version is acceptable so long as it includes the substantive elements of our form

**G. Policy Scope:** This policy applies to any supplier sponsorship monies.

### III. **DEFINITIONS**

**"Company"** means Vizient, Inc. ("Vizient") and its subsidiaries and affiliates.

**"Employees"** means all officers and employees of the Company, including, without limitation, all full-time, part-time and temporary employees.

**"Supplier"** means any company that the Company has a contract with or that submits an offer, formally or informally, to provide goods or services to the members served by the Company.

### IV. **RELATED FORMS AND OTHER RESOURCES**

1. Standards of Business Conduct
2. Conflicts of Interest Policy
3. Meetings, Events and Member Interaction Policy
4. Supplier Standards

### V. **CONTACT FOR QUESTIONS**

Any questions regarding this policy or procedure may be directed to representatives of the Legal or Compliance Department at (972) 581-5966.