



POLICY ON BUSINESS CONFLICTS OF INTEREST
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MOUNT SINAI
SCHOOL OF
MEDICINE

PREAMBLE

Mount Sinai Medical Center has an obligation to ensure that its trustees, faculty, employees and other staff adhere to the highest standards of ethical conduct free from any improper external influence or any appearance of impropriety. Situations can occur in which an independent observer might reasonably conclude that the potential for individual or institutional conflict could influence the manner in which individuals carry out their responsibilities or the decisions made by the institution. Even in the absence of an actual conflict of interest, such situations may require actions to minimize the appearance of a conflict.

At the same time, Mount Sinai understands that such individuals and their close family members may have relationships that could raise perceived or actual conflicts of interest, but could benefit Mount Sinai if carefully examined and properly managed.

In order to safeguard the integrity of both Mount Sinai and its constituents, Mount Sinai has adopted a rigorous conflicts policy predicated on full disclosure and appropriate management of any possible conflict of interest. This Policy on Business Conflicts of Interest (the "Policy") identifies those persons or entities covered by this Policy, sets out the requirements for disclosing potential business conflicts of interest, and specifies the procedures for reviewing such disclosures and determining what measures, if any, should be instituted to manage the conflict.

This Policy is intended to cover conflicts that arise out of business relationships. Mount Sinai has related policies that cover other types of conflicts, such as Mount Sinai's Policy on Financial Conflicts of Interest in Research and its Policy regarding Financial Relationships with Outside Entities.

I. Definitions

A. Mount Sinai or Medical Center or Institution shall mean: The Mount Sinai Medical Center, Inc., Mount Sinai School of Medicine of New York University, The Mount Sinai Hospital, MSMC Realty Corp., Mount Sinai Children's Center Foundation, Inc., MSMC Residential Realty LLC, MSMC Residential Realty Manager, Inc., Mount Sinai Diagnostic & Treatment Center, Mount Sinai Independent Practice Association, and any subsidiary, corporation or other entity owned or controlled by any of the foregoing.

B. Covered Person shall mean:

1. Trustees;
2. Full-time and part-time faculty or medical staff;
3. Other employees, including Institutional Leaders (as defined below);
4. Non-employees who are members of Institutional committees; and
5. Members of the voluntary faculty or medical staff.

C. Institutional Leader shall mean any Mount Sinai employee who holds one or more of the following titles/positions:

1. Chief Executive Officer;
2. Dean; and/or
3. Executive Vice President.

D. Related Party shall mean:

4. Spouse or same-sex partner of a Covered Person;
5. Dependent children (natural or adopted) of a Covered Person; and
6. Any Entity (as defined below) or account that a Covered Person controls (directly or indirectly through other Entities or otherwise) or of which any of them is a beneficiary.

E. Business Conflict of Interest (sometimes also referred to as a "Conflict of Interest" or "Conflict"), including an Institutional Conflict of Interest, is defined in Section II.

F. Entity shall mean: any for-profit or not-for-profit entity, including, without limitation, any corporation, partnership, sole proprietorship, firm, franchise, association, organization, institution, holding company, limited liability company, trust or estate, excluding entities whose sole relationship with Mount Sinai is limited to making philanthropic gifts to Mount Sinai.

G. Outside Entity shall mean any person or Entity that:

1. Provides goods or services to, or otherwise does business with, Mount Sinai;
2. Competes with Mount Sinai;
3. Sponsors or supports research, education or clinical services at Mount Sinai; or
4. Has any other business or financial relationship with Mount Sinai.

H. Staff Conflicts of Interest Review Committee (“SCCOM”) is defined in Section V.B.1.a.

I. Trustee Conflicts of Interest Review Committee (“TCCOM”) is defined in Section V.B.2.a.

II. Business Conflict of Interest

A. General Standards

1. All Covered Persons shall discharge their duties and responsibilities to Mount Sinai in the best interests of Mount Sinai and Mount Sinai’s patients, students, employees, and other constituents, and without favor or preference to any Outside Entity or person.
2. No Covered Person shall use his/her positions at Mount Sinai, or confidential information obtained at or in connection with Mount Sinai, for personal advantage.
3. No financial interest, personal activity or relationship shall impair or appear to impair the judgment of Covered Persons in the discharge of their duties and responsibilities to Mount Sinai or the conduct of their activities at or relating to Mount Sinai.

B. Definition of a Business Conflict of Interest

A Business Conflict of Interest arises when (and is defined as):

1. A Covered Person violates the General Standards set forth in Section II.A above.
2. A Covered Person or one or more of his/her Related Parties (individually or in combination with others) has a relationship with or a financial interest in an Outside Entity, where that relationship could be reasonably perceived as influencing that Covered Person’s duties and responsibilities to Mount Sinai or the conduct of his/her activities at or relating to Mount Sinai. Accordingly, a Business Conflict of Interest arises when a Covered Person or one or more of his/her Related Parties:

- a. Owns, controls, or has the right to own or control, any stock, stock options, warrants, convertible notes, or other securities or ownership/equity interests (collectively, "securities") of any Outside Entity, excluding (i) securities in mutual funds or retirement accounts over which neither the Covered Person nor any of his/her Related Parties has control and (ii) stock of publicly traded companies if the Covered Person and his/her Related Parties together do not own, control, or have the right to own or control, 5% or more of any class of stock of such Outside Entity, and do not have any intention to seek to control or influence the board or management of such Outside Entity; or
 - b. Is a trustee, director, officer, employee, agent, partner, scientific advisor, or limited liability company member of, or consultant to, any Outside Entity; or
 - c. Has the right to nominate or elect, or seeks to nominate or elect or influence the nomination or election of, any director or officer of any Outside Entity; or
 - d. Receives any compensation (salary, bonus, fees, options, etc.), loans (other than from established banks or financial institutions on arm's length terms), gifts, royalties, honoraria or other cash or in-kind payments, or anything else of value, from any Outside Entity.
3. A Trustee and/or any one of his/her Related Parties (a) engages in, or proposes to engage in, a business transaction or arrangement with any full-time or part-time Mount Sinai employee, or (b) asks a full-time or part-time Mount Sinai employee to engage in a business transaction or arrangement with a third party, including, without limitation, asking a full-time or part-time Mount Sinai employee to join the board of a company or compensating a full-time or part-time Mount Sinai employee for services rendered (other than paying for healthcare services in the ordinary course).

C. Institutional Business Conflict of Interest

In contrast to an individual Business Conflict of Interest, an Institutional Business Conflict of Interest arises when the Medical Center itself has a Business Conflict of Interest.

The following are examples of the types of conflicts that may occur involving the Medical Center:

1. Mount Sinai ownership of a greater-than-5% direct or indirect equity interest in publicly traded companies that are Outside Entities.
2. Charitable donations made to Mount Sinai by Outside Entities.

3. Licensing and technology transfer activities involving the Medical Center and Outside Entities.

III. Specific Activities Prohibited

The following activities are so inherently inconsistent with the norms of proper and ethical behavior that they almost invariably will be prohibited:

A. Acceptance of Gifts¹, etc:

1. Solicitation or acceptance of gifts, gratuities, payments or consideration of any kind (collectively, "gifts") or other favors from any person or organization arising because such person or organization does or is seeking to do business with, or establish a relationship with, Mount Sinai. Unsolicited gifts must be returned and the Compliance Department will advise on the best method for returning such gifts.
2. Other than *de minimis* non-cash gifts from patients, the solicitation or acceptance by full-time and part-time faculty and other employees of gifts from patients, former patients, their friends and relatives and Members of the Boards of Trustees. Donors should be directed to the Development Office so that such gifts can be made to the appropriate Mount Sinai entity.

B. Use of Confidential Information:

Disclosure or other use of confidential or privileged information gained because of such person's relationship to Mount Sinai for direct or indirect personal advantage or gain, including, without limiting the generality of the foregoing, the use of any such information in connection with the purchase or sale of securities or other investment activities.

IV. Disclosure and Reporting of Business Conflicts of Interest

A. Covered Persons

1. Immediate Reporting Obligation

¹ A gift is defined as anything of value that is given by a business or individual that does or seeks to do business with Mount Sinai to either the recipient or his/her close family members, and for which the recipient neither paid nor provided services. Gifts from vendors are strictly prohibited regardless of value. More information regarding gifts is available in the Institutional policy on **INTERACTIONS WITH VENDORS AND OTHER COMMERCIAL ENTITIES**, which may be requested directly from the Mount Sinai Compliance Department via E-mail at compliance.info@mountsinai.org.

This Policy requires disclosure of all Business Conflicts of Interest by Covered Persons. Covered Persons must also disclose any Business Conflict of Interest of Related Parties. Such disclosures must occur at the time that a Business Conflict of Interest arises.

At the time a Covered Person becomes aware of a Business Conflict of Interest or reasonably anticipates the possibility that a Business Conflict of Interest is likely to arise, it is the responsibility of the individual to report immediately such Business Conflict of Interest or reasonably anticipated Business Conflict of Interest as follows: in the case of Trustees, to the Chairman of the Board of Trustees and to the General Counsel, and, in the case of other Covered Persons, to the Compliance Department and the Chief Compliance Officer. All such reports shall be made in writing.

2. Annual Reporting and Certification by Covered Persons Other Than Trustees

In addition to the immediate reporting obligation, Covered Persons (as selected by the Staff Conflicts of Interest Advisory Committee (defined below)), with the exception of Trustees, are required to complete (and to submit to the Compliance Department) an annual disclosure form and certificate of compliance.

3. Annual Reporting and Certification by Trustees

In addition to the immediate reporting obligation, Trustees are required to complete (and to submit to the Chairman of the Board of Trustees, the General Counsel and the Compliance Department) an annual Business Conflicts of Interest disclosure form and certification of compliance disclosing all Conflicts of Interest.

B. Institutional Business Conflicts of Interest

In addition to the immediate reporting obligation, corporate officers, Covered Persons from the Office of Technology and Business Development ("OTBD"), Covered Persons from the Development Office, and other Covered Persons as selected by the Staff Conflicts of Interest Review Committee (defined below) must complete (and submit to the Compliance Department) an annual disclosure form and certification of compliance disclosing all Institutional Business Conflicts of Interest.

V. Review Procedure/Management of Conflicts

The Chief Compliance Officer (and the Chairman of the Board of Trustees and the General Counsel in the case of Trustees) will review all Business Conflicts of

Interest disclosure documents and forward those that report a Business Conflict of Interest to the appropriate conflicts of interest review committee as follows:

A. Research

The review procedures for the management of a conflict of interest involving **research** are set forth in the Policy on Financial Conflicts of Interest in Research.

B. Business

All Business Conflicts of Interest, including Institutional Business Conflicts of Interest, will be carefully scrutinized and either prohibited or appropriately managed, depending on the facts and pursuant to the following procedures:

1. Covered Persons (other than Trustees, Institutional Leaders and their Related Parties)

a. Staff Conflicts of Interest Review Committee (the “SCCOM”)

The SCCOM is a review committee established to review potential Business Conflicts of Interest involving Covered Persons (other than Trustees and Institutional Leaders (and their respective Related Parties)). The SCCOM reports its recommendations to the CEO, whose decisions are final. The SCCOM's membership includes the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Vice President and Chief Compliance Officer, the Vice President Audit Services, a representative from the Office of Technology and Business Development, and such other persons as may be chosen by the CEO. The SCCOM will provide a quarterly report of its activities to the Audit and Compliance Committee of the Boards of Trustees (“Audit and Compliance Committee”).

b. Review/Procedure

The Chief Compliance Officer will forward all disclosure documents relating to potential Business Conflicts of Interest involving Covered Persons (excluding Trustees and Institutional Leaders (and their respective Related Parties)) to the members of the SCCOM for review and to recommend the steps needed to manage or eliminate the conflicts. All recommendations of the SCCOM will be forwarded to the CEO whose decisions are final.

2. Trustees and Institutional Leaders

**a. Trustee Conflicts of Interest Review Committee
(the "TCCOM")**

The TCCOM is a subcommittee of the Executive Committee of the Boards of Trustees ("Executive Committee") appointed by the Chairman of the Boards. The TCCOM is a review committee established to review potential Business Conflicts of Interest involving Trustees and Institutional Leaders (and their respective Related Parties). The Chairman of the Boards shall appoint at least one member of the Audit and Compliance Committee to the TCCOM, provided, however, that such member shall not be the Chair or the co-Chair of the Audit and Compliance Committee.

b. Review/Procedure

The General Counsel, in conjunction with the Chief Compliance Officer, and with the advice of outside counsel as appropriate, will forward all disclosure documents relating to Business Conflicts of Interest involving Trustees and Institutional Leaders (and their respective Related Parties) to the members of the TCCOM for review and to recommend the steps needed to manage or eliminate the conflicts. The TCCOM may resolve any specific Business Conflict of Interest itself or may refer Business Conflicts of Interest in appropriate circumstances to the full Executive Committee for final resolution. The TCCOM may consult the advice of independent outside counsel as appropriate, and will provide a quarterly report of its activities to the Executive Committee and to the Audit and Compliance Committee.

VI. Other Provisions

A. Records

Records of all disclosures and actions taken by the SCCOM, by the TCCOM, by the CEO and/or by the full Executive Committee will be kept for a period of six years after the review is complete.

B. Audit Review

All management plans that are adopted are subject to review and audit by the Compliance Office.

C. Report to the Board of Trustees

A report of all Conflicts of Interest shall be made by the Chief Compliance Officer on a quarterly basis to the Audit and Compliance Committee.

D. Violations

This Policy will be strictly enforced. Violation of this policy will subject the individual to disciplinary action including possible dismissal and members of the Boards of Trustees will be subject to removal.

E. Other Policies

Covered Persons are responsible for complying with this Policy and with Mount Sinai's Policy on Financial Conflicts of Interest in Research and with Mount Sinai's Policy regarding Financial Relationships with Outside Entities. In the event that a potential Business Conflict of Interest implicates more than one of these policies, then the SCCOM and the Financial Conflict of Interest in Research Committee will coordinate their respective decisions with respect to managing such conflicts.

F. Questions

Any questions regarding this Policy should be directed to Mount Sinai's Compliance Department's Helpline at (800) 853-9212.

G. Examples

A non-exclusive list of hypothetical examples describing potential Business Conflicts of Interest (and how they might be managed or eliminated) is annexed hereto as Exhibit A.

EXHIBIT A

The following examples are illustrative in nature and do not in any way limit the general principles or the definition of "Business Conflict of Interest" contained in the Policy. In other words, **conduct that does not technically fall within the fact patterns below still might in fact constitute a Business Conflict of Interest.**

- i. A member of the Pharmaceutical and Therapeutic ("P&T") Committee has a consulting agreement with a pharmaceutical company that sells drugs to Mount Sinai. This individual will notify the Chair of the P&T Committee of his agreement with the company and must recuse himself from deliberations of the P&T Committee when this company's product(s) or a competitor's product(s) are reviewed for inclusion in the Mount Sinai formulary.
- ii. A member of the Device Review Committee ("DRC") has a consulting agreement with a device company that competes with a company seeking to put its device in the Mount Sinai formulary. This individual must recuse himself when the competing company's products are reviewed by the DRC.
- iii. A department chairman is on the scientific advisory board ("SAB") of a medical instrument company that currently sells products to Mount Sinai and is seeking to increase its business with Mount Sinai. The chairman might be asked to resign from the company's SAB. If he is allowed to remain on the advisory board, both the Materials Management and Purchasing Departments will ensure that all purchases of medical instruments (including from this company) are subjected to a rigorous competitive bidding process and that the chairman remain recused from any selection process.
- iv. A member of Mount Sinai's Finance Committee owns greater than 5% of a publicly traded insurance brokerage company. That company, along with other firms, is under consideration by Mount Sinai in connection with obtaining a particular type of insurance coverage or policy. The Trustee must disclose the potential Business Conflict of Interest to the Chairman of the Board of Trustees and to the General Counsel and must recuse himself from the Committee's evaluation of the brokerage firms that are under consideration. If, ultimately, the Trustee's company is selected to provide services to Mount Sinai, then Mount Sinai must receive a quantum of services that is of at least fair market value for the compensation provided, and Mount Sinai must monitor the services provided in order to ensure that they remain high quality in nature.

- v. A Trustee works at an investment firm that underwrites certain Mount Sinai securities. The Trustee stands to receive compensation upon the sale of those securities. The Trustee must disclose the potential Business Conflict of Interest to the Chairman of the Board of Trustees and to the General Counsel and must take steps to ensure that his access to confidential Institutional information does not influence the circumstances surrounding the sale of those securities. In addition, the Trustee must not participate in Mount Sinai's deliberations over whether or not to utilize his investment firm. If, ultimately, the Trustee's investment firm is selected to provide services to Mount Sinai, then Mount Sinai must receive a quantum of services that is of at least fair market value for the compensation provided, and Mount Sinai must monitor the services provided in order to ensure that they remain high quality in nature.
- vi. A Trustee serves on Mount Sinai's Legal Committee. The Trustee's spouse is a partner at a law firm that provides legal services to Mount Sinai in connection with an ongoing real estate transaction. The Trustee must disclose the potential Business Conflict of Interest to the Chairman of the Board of Trustees and to the General Counsel and must recuse himself from any decisions to select his spouse's firm to provide services in the future, from any assessments regarding the performance of his spouse's firm and from decisions about the compensation of the firm. In addition, if the Trustee's spouse's firm is selected to provide services to Mount Sinai in the future, then Mount Sinai must receive a quantum of services that is of at least fair market value for the compensation provided, and Mount Sinai must monitor the services provided in order to ensure that they remain high quality in nature.
- vii. A Trustee is the chairman of a biotechnology company that sponsors research at Mount Sinai. The Trustee must disclose the potential Business Conflict of Interest to the Chairman of the Board of Trustees and to the General Counsel, and must not involve himself in deliberations with respect to Mount Sinai's selection of companies to fund research of the type that his company typically sponsors. In addition, the Trustee must not participate in Mount Sinai's deliberations over whether or not to permit his specific biotechnology company to sponsor research at Mount Sinai. If, ultimately, the biotechnology company is selected to sponsor research at Mount Sinai in the future, then such sponsorship must be of at least fair market value for the compensation provided, and Mount Sinai must monitor the research that the biotechnology company sponsors in order to ensure that the research and its sponsorship remain high quality in nature.
- viii. A Trustee works in a service organization that provides high quality services to Mount Sinai at a discount from fair market value. The Trustee must disclose the potential Business Conflict of Interest to the

Chairman of the Board of Trustees and to the General Counsel, and Mount Sinai must monitor the services provided in order to ensure that they remain high quality in nature. In addition, the Trustee must not participate in Mount Sinai's deliberations over whether or not to utilize his service organization.

- ix. A Trustee is an investment advisor at a financial services firm that is under consideration to serve as a broker and/or manager of some portion of Mount Sinai's investment pool. The Trustee must disclose the potential Business Conflict of Interest to the Chairman of the Board of Trustees and to the General Counsel and must not participate in any decision with respect to whether or not Mount Sinai utilizes his firm's services. If, ultimately, the Trustee's firm is selected to provide services to Mount Sinai, then Mount Sinai must receive a quantum of services that is of at least fair market value for the compensation provided, and Mount Sinai must monitor the services provided in order to ensure that they remain high quality in nature.

- x. A Trustee serves on the board of a pharmaceutical company that does not currently have a business relationship with Mount Sinai. The Trustee proposes to the company that he approach a member of Mount Sinai's faculty about the possibility of serving on the company's scientific advisory board, and the company consents to the Trustee's proposal. This is a Business Conflict of Interest under Section II.B.3. of the Policy because the Trustee plans to engage in the solicitation of a Mount Sinai employee for the scientific advisory directorship, which would constitute a "business transaction or arrangement" with a third party. Therefore, the Trustee must disclose (i) his/her membership on the board of the pharmaceutical company, and (ii) his/her plan to recruit the faculty member to the company's scientific advisory board, to the Chairman of the Board of Trustees, to the General Counsel and to the faculty member. In the case of the Trustee, the TCCOM would then review the Business Conflict of Interest and consider how (if at all) the Business Conflict of Interest can be managed. In the case of the faculty member, the faculty member (assuming he/she wishes to serve on the company's scientific advisory board) would disclose the relevant facts to the SCCOM and to the Chairman of his Department and/or the Dean as required by this Policy and other institutional policies governing outside activities. The SCCOM would consider how (if at all) the Business Conflict of Interest can be managed, which would be taken into account by the Department Chair and/or the Dean, as appropriate. Such reviews by the TCCOM and the SCCOM should be coordinated.

- xi. In the event Mount Sinai and the company described in example "(x)" above later consider a sale of any of the company's products to Mount Sinai, such proposed business relationship is a further Business Conflict of Interest and must be disclosed by both the Trustee and by

the faculty member (in the event he/she receives institutional approval to proceed with the proposed arrangement and subsequently is elected to the company's scientific advisory board) in the same manner described in example ("x") above. The management of such Conflict will include recusal by the Trustee and the faculty member at both the company and at Mount Sinai from any decision with respect to the sale and purchase of such products and a requirement that the products be sold at fair market value, and Mount Sinai must monitor the products that it buys from the company in order to ensure that they remain high quality in nature. In addition, the management of such subsequent Conflict may include requiring the withdrawal of the faculty member from the company's scientific advisory board depending on all of the facts and circumstances at the time.

- xii. The spouse of an executive vice president (i.e., an Institutional Leader as defined in the Policy) is a principal in a firm that provides consulting services for academic medical centers such as Mount Sinai. All decisions to use the spouse's firm must be made pursuant to a competitive bidding process and the executive vice president must be recused from the review and hiring process.

