

NYU LANGONE HEALTH SYSTEM

POLICY ON CONFLICTS OF INTEREST FOR TRUSTEES AND KEY EMPLOYEES

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I. Applicability

This Policy applies to Trustees and Key Employees of NYU Langone (together, “Covered Persons”). All capitalized terms shall have the meaning set forth in Section VI below.

II. General Policy

A. Covered Persons have a primary obligation to serve the purposes to which NYU Langone is dedicated. As part of this obligation, each Covered Person has a duty to conduct his or her NYU Langone duties and the affairs of NYU Langone in a manner that promotes the best interests of the organization and that complies with legal and regulatory requirements. Covered Persons have a duty to disclose on an ongoing basis any current, proposed or pending situations that may be a Conflict of Interest.

B. A “**Conflict of Interest**” means any circumstance in which the personal, professional, financial, or other interests of a Covered Person (including his or her Immediate Family) may potentially or actually diverge from, or may be reasonably be perceived as potentially or actually diverging from, his or her obligations to NYU Langone and the interests of NYU Langone. A Conflict of Interest may exist whenever an independent observer might reasonably question whether the Covered Person’s actions or decisions are determined by considerations of personal benefit, whether financial or otherwise. Any business transaction which involves NYU Langone and the Covered Person, a member of his or her Immediate Family, or an entity in which he or she has a Material Interest gives rise to a Conflict of Interest. Examples of Conflicts of Interest are set forth in Section VII below. This Policy applies to any circumstance that may constitute a Conflict of Interest, regardless of whether it is specifically described in this Policy.

C. NYU Langone does not enter into any Related Party Transactions, or other business transactions with Covered Persons, members of their Immediate Family, or entities in which any Covered Person has a Material Interest which give rise to a potential Conflict of Interest, or other matters which give rise to

a potential Conflict of Interest. An exception to this Policy may be made only when the Audit and Compliance Committee of the Board of Trustees of the System (the “Audit and Compliance Committee”) determines that extraordinary circumstances merit an exception as provided in Section IV (B) below.

D. The Audit and Compliance Committee will oversee the implementation of and compliance with this Policy.

III. **Procedures for Disclosure**

A. Disclosure – General on Appointment and Annually thereafter. Covered Persons must submit a general disclosure questionnaire upon appointment, annually thereafter, and upon request by the Conflicts of Interest Management Unit (the “CIMU”) with the Office of Internal Audit, Compliance & Enterprise Risk Management (the “IACERM”). In the applicable general disclosure questionnaire, a Covered Person must certify compliance with this Policy and disclose all entities in which he or she holds a Material Interest which he or she reasonably believes does or may do business with NYU Langone or competes or may compete with NYU Langone. All disclosures require detailed answers. The Covered Person must disclose any entity in which the Covered Person and/or any member of his or her Immediate Family:

- (i) has a director, officer, or trustee position;
- (ii) has a family or business relationship with a Trustee, or an employee of NYU Langone, including a Key Employee;
- (iii) has a direct business relationship with an NYU Langone Entity or any competitor;
- (iv) is a grantor or recipient of funding to or from NYU Langone; or
- (v) is a Related Party of the Covered Person and in a Related Party Transaction with NYU Langone.

The general disclosure questionnaire will be provided to each Covered Person by the CIMU and must be completed and returned within thirty (30) days of receipt and prior to the first meeting of the System’s Board of Trustees (or a Committee thereof) following his or her appointment or reappointment. Covered Persons may also be required to disclose additional personal interests, activities and relationships as mandated by regulatory requirements (e.g., IRS Form 990).

B. Disclosures - Periodic Updates between Submissions. Covered Persons have an ongoing obligation throughout the year to disclose anticipated Conflicts of Interest, as well as to disclose Conflicts of Interest of which they may not have been initially aware.

C. Specific Disclosures. Covered Persons must disclose to the CIMU any specific situation that gives rise to a potential Conflict of Interest involving the Covered Person.

D. Confidentiality. All disclosures will be kept confidential and divulged by NYU Langone solely for review under this Policy on a need-to-know basis or as required by applicable laws and regulations.

IV. **Procedures for Review and Evaluation**

A. **CIMU Initial Review**. The CIMU is responsible for reviewing each disclosure received from any Covered Person and for determining whether a potential Conflict of Interest exists under the circumstances. In cases where the CIMU believes that a Conflict of Interest exists, the CIMU will submit the matter to the Audit and Compliance Committee for review in accordance with this Policy.

B. **Audit and Compliance Committee Review**. The Audit and Compliance Committee is responsible for reviewing and evaluating each potential Conflict of Interest involving a Covered Person submitted to it by the CIMU. As matter of policy, if the Committee finds that a Conflict of Interest exists, and for any Related Party Transactions, NYU Langone will not approve the matter unless the Committee has made a determination that the transaction is fair, reasonable, and in NYU Langone's best interest and the Committee determines, after reviewing all material facts, that extraordinary circumstances merit an exception. The Committee shall also adopt a plan for managing, reducing, or eliminating the Conflict of Interest which is fully consistent with the best interests of NYU Langone. In addition, for Related Party Transactions, the Committee must, prior to NYU Langone entering into the transaction, (1) consider alternatives to the transaction to the extent available; (2) approve the transaction by not less than a majority vote of the Committee members present at the meeting; and (3) contemporaneously document in writing the basis for the Committee's approval, including its consideration of alternative transactions. Any management plan will depend upon the facts and circumstances of the specific matter. The Committee must report to the System's Board of Trustees all findings it makes arising from its review and evaluation responsibilities under this Policy.

V. **Recusal**

No Covered Person shall be present or participate in the deliberation or vote by a Board of Trustees, or committee thereof, on a matter giving rise to their own potential Conflict of Interest, or attempt to influence improperly the deliberation or voting on the matter. In such event, the Covered Person must recuse himself or herself from participation in the deliberation and vote of the matter and notify the CIMU as provided under Section III(B) above.

VI. **Definitions**

A. **"Conflict of Interest"** shall have the meaning ascribed to it in Section II(B) above.

B. **"Covered Person"** means a Trustee or Key Employee of any NYU Langone Entity.

C. **"Immediate Family"** means the Covered Person's spouse, ancestors, domestic partner, children (whether natural or adopted), parents, grandchildren and great-grandchildren, siblings (whether whole or half- blood), or equivalents by marriage, or other individuals residing in the person's household.

D. **"Key Employee"** means any person who is in a position to exercise substantial influence over the affairs of NYU Langone or any NYU Langone Entity, as defined in the Intermediate Sanctions provisions of the Internal Revenue Code, including but not limited to the executive leadership of NYU Langone as defined from time to time by the CEO of the System.

E. A **"Material Interest"** in an entity is held when a Covered Person and/or a member of his or her Immediate Family (a) is, or was in the preceding twelve (12) months, a director, trustee, partner, officer or senior executive in the entity or (b) has, or had in the preceding twelve (12) months, a financial interest of any kind in the entity which, in view of all the circumstances, is substantial enough that it might affect, or reasonably be perceived to affect, the Covered Person's judgment with respect to transactions

between NYU Langone and the entity, or when the entity is, or has been in the preceding twelve (12) months, a Related Party of the Covered Person. A “financial interest” includes all forms of direct and indirect compensation, remuneration, ownership or control of the entity.

F. “**NYU Langone**” means, collectively, (a) the System, (b) entities controlled, directly or indirectly, by the System, which includes, as of the date hereof, NYU Hospitals Center (“NYUHC”), 34th Street Cancer Center, Inc., Lutheran Augustana Center for Extended Care and Rehabilitation, Inc., Sunset Bay Community Services, Inc., Shore Hill Housing Company, Inc., Sunset Gardens Housing Development Fund Corporation, Lutheran CHHA, Inc., Community Care Organization, Inc., Harbor Hill Housing Development Fund Corporation, and NYU Langone IPA, (c) entities controlled by NYUHC, which include CCC 550, Inc. and OHP PHSP, Inc., (d) NYU School of Medicine (“NYUSoM”) and its affiliate, NYU Imaging, Inc., and (e) such other entities as may in the future be controlled, directly or indirectly, by any of the entities named above.

G. “**NYU Langone Entity**” means each individual entity that is part of NYU Langone.

H. “**Related Party**” means a Covered Person, a member of his or her Immediate Family, or any entity in which a Covered Person or a member of his or her Immediate Family has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

I. “**Related Party Transaction**” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which any NYU Langone Entity is a participant, within the meaning of Sections 102 and 715 of the New York Not-For-Profit Corporation Law. A Related Party Transaction does not include (a) de minimis transactions; (b) transactions or activities that are undertaken in the ordinary course of business by staff of NYU Langone; (c) benefits provided to a Related Party solely as a member of a class that NYU Langone intends to benefit as part of the accomplishment of its mission; or (d) transactions related to compensation of employees or Trustees or reimbursement of reasonable expenses incurred by a Related Party on behalf of NYU Langone.

J. “**Trustee**” means a voting member of the governing body of the System and each NYU Langone Entity.

VII. **Examples of Conflicts of Interest**

The following are situations that give rise to a Conflict of Interest and require disclosure to the CIMU in accordance with this Policy. This list is by no means all-inclusive. In case of uncertainty as to whether or not a Conflict of Interest exists, a Covered Person should disclose the matter to the CIMU. Some potential Conflicts of Interest occur when:

A. A Covered Person or a member of his or her Immediate Family has a Material Interest in an entity or vendor that NYU Langone is contemplating doing business with (e.g., NYU Langone is contemplating purchasing or selling of goods, services, or real estate, or making or receiving a loan to or from such individual or entity, or is contemplating accepting a grant from such individual or entity for sponsored research).

B. A Covered Person or a member of his or her Immediate Family proposes that NYU Langone use or purchase goods in which the Covered Person has a proprietary interest (e.g., a Covered Person advocates the use of a device designed by a member of the Covered Person’s Immediate Family).

C. A Covered Person, a member of his or her Immediate Family, or any entity in which he or she has a Material Interest engages in competition with a service NYU Langone offers (e.g., by working for an organization which competes directly with NYU Langone or appropriating or diverting a business or financial opportunity that the Covered Person knows NYU Langone is pursuing or is considering pursuing or reasonably might be interested in pursuing if it were aware of the opportunity).

D. A Covered Person, a member of his or her Immediate Family, or any entity in which he or she has a Material Interest recruits any NYU Langone faculty member or employee or solicits business which knowingly disturbs, or could be expected to disturb, the existing professional or business relationships of NYU Langone with any faculty member, employee, health care provider or referral source.

E. A Covered Person proposes that NYU Langone hire or contract with a member of his or her Immediate Family for a position or activity that is within a Board of Trustees' or the Covered Person's direct supervision or control. The employment of a member of a Covered Person's Immediate Family by NYU Langone must be in accordance with NYU's *Policy on the Employment of Members of the Same Family*.

F. A Covered Person solicits or accepts a gift, favor, loan or anything of monetary value from a contractor, vendor, patient, co-worker, volunteer or other person seeking a benefit from NYU Langone if the offer or acceptance of the gift, favor or loan could be viewed by an independent observer as intending to influence NYU Langone to act favorably toward the person or entity and except as specifically provided in NYU Langone's *Policy on Acceptance and/or Solicitation of Gifts or Benefits From Vendors, Patients and Others*.

G. A Covered Person uses any assets, property or labor of NYU Langone to his or her personal advantage.

H. A Covered Person discloses or uses any non-public confidential information obtained in the course of discharging his or her duties and responsibilities at NYU Langone to his or her personal advantage or for a purpose that may be detrimental to NYU Langone.

I. A Covered Person or a member of his or her Immediate Family is the controlling owner of a company with which NYU Langone is considering engaging in a Related Party Transaction.

J. A Covered Person or a member of his or her Immediate Family has any ownership interest in a start-up company that is seeking to license intellectual property rights from NYU Langone.

VIII. **Annual Report by the Vice President, IACERM**

The Vice President of IACERM will review all initial and annual disclosure forms and all Conflicts of Interest being managed and other Conflicts of Interest for which reporting is requested by the System's Audit and Compliance Committee, CEO, and/or General Counsel. The Vice President, IACERM will submit an annual report to the Audit and Compliance Committee regarding Conflicts of Interest involving Covered Persons, including any that may be reported on New York University's or any NYU Langone Entities' Form 990.

IX. **Enforcement**

Violations of this Policy are subject to corrective action up to and including termination of association with NYU Langone in accordance with the policies and procedures applicable to the Covered Person.

X. **Questions**

Any questions relating to this Policy should be directed to the Office of Legal Counsel or the CIMU.

XI. **Restatement**

A. This Policy replaces the System's *Conflict of Interest Policy* dated April 1, 2015 and NYU Langone Medical Center's *Policy on Trustee Conflicts of Interest* dated April 23, 2009, as updated July 1, 2014, and supersedes all other policies of the NYU Langone Entities that cover Conflicts of Interest related to Trustees or Key Employees and/or Related Party Transactions.

B. Key Employees are subject to both this Policy and NYU Langone's *Policy on Conflicts of Interest in Business Affairs*. For any matter related to a Key Employee, to the extent there is any issue about whether the requirements of this Policy conflict with the requirements of the *Policy on Conflicts of Interest in Business Affairs*, this Policy is to be interpreted to assure compliance with this Policy.