



POLICY ON BUSINESS CONFLICTS OF INTEREST

PREAMBLE

Mount Sinai Health System has an obligation to ensure that its 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, although they may raise perceived or actual conflicts of interest, nevertheless 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 and 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.

Please note that Mount Sinai’s trustees, officers and key employees are subject to heightened reporting obligations, which are set forth in the separate Policy on Trustee/Institutional Leader Conflicts of Interest (the “Trustee/Institutional Leader Policy”). Trustees, officers and key employees (as defined by the Trustee/Institutional Leader Policy) should review the Trustee/Institutional Leader Policy to understand their ethical and reporting obligations with respect to potential conflicts of interest.

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 Health System or Institution** shall mean: Mount Sinai Health System, Inc., Mount Sinai Hospitals Group, Inc., The Mount Sinai Medical Center, Inc., Icahn School of Medicine at Mount Sinai, The Mount Sinai Hospital, Beth Israel Medical Center, St. Luke's-Roosevelt Hospital Center, The New York Eye & Ear Infirmary, MSMC Realty Corp., The Mount Sinai Children's Center Foundation, Mount Sinai Proton Holding Corp., MSMC Residential Realty LLC, MSMC Residential Realty Manager, Inc., Mount Sinai Diagnostic & Treatment Center, Mount Sinai Independent Practice Association, Mitral Foundation, Mount Sinai Care, LLC and any subsidiary, corporation or other entity in control of, or owned or controlled by, any of the foregoing.
- B. Covered Person** shall mean an individual, other than a trustee, officer or Key Employee (as defined in the Trustee/Institutional Leader Policy) of Mount Sinai, who is:
1. a full-time or part-time faculty or medical staff member;
 2. an employee;
 3. a non-employee who is a member of an Institutional committee; or
 4. a member of the voluntary faculty or medical staff.
- C. Related Party** shall mean:
1. Spouse, same-sex partner or domestic partner of a Covered Person;
 2. Dependent children (natural or adopted) of a Covered Person; and
 3. 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.
- D. 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.**
- E. 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, or any governmental or quasi-governmental advisory committee or group, excluding entities, committees or groups whose sole relationship with Mount Sinai is limited to making philanthropic gifts to Mount Sinai.
- F. 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.

G. Trustee/Institutional Leader Policy shall mean Mount Sinai's Policy on Trustee/Institutional Leader Conflicts of Interest.

H. Staff Conflicts of Interest Review Committee ("SCCOM") is defined in Section V.B

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 is or may become engaged in a business transaction, agreement or arrangement, involving or affecting Mount Sinai, with any employee or faculty member of Mount Sinai.

C. Institutional Business Conflict of Interest

In contrast to an individual Business Conflict of Interest, an Institutional Business Conflict of Interest arises when Mount Sinai itself has a Business Conflict of Interest.

The following are examples of the types of conflicts that may occur involving Mount Sinai :

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 Mount Sinai 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

This Policy requires disclosure of all Business Conflicts of Interest by Covered Persons to the Compliance Department. 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 or when Covered Persons reasonably anticipate that a Business

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.

Conflict of Interest is likely to arise. All such reports must be made in writing.

2. Annual Reporting and Certification

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

B. Institutional Business Conflicts of Interest

In addition to the immediate reporting obligation, corporate officers, Covered Persons from Mount Sinai Innovation Partners (“MSIP”), 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 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 procedures set forth below.

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. The SCCOM reports, as appropriate, its recommendations to the Dean and/or 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 MSIP, and such other persons as may be chosen by the CEO. The SCCOM will provide a periodic report of its activities to the Audit and Compliance Committee of the Boards of Trustees (“Audit and Compliance Committee”).

Review/Procedure: The Chief Compliance Officer will forward all disclosure documents relating to potential Business Conflicts of Interest involving Covered Persons 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, as appropriate, to the Dean and/or CEO, whose decisions are final.

Recusal/No Attempt to Influence: In all cases, anyone with a potential Business Conflict of Interest must not be present at or participate in any Board or committee deliberation of, or vote on, the matter giving rise to the potential Business Conflict of Interest. The Board or relevant committee may, however, request that the person with a potential Business Conflict of Interest present information concerning the matter giving rise to the potential Business Conflict of Interest at a Board or committee meeting prior to the commencement of deliberations or voting related thereto. Further, anyone with a potential Business Conflict of Interest is prohibited from making any attempt to influence the deliberation of, or voting on, the matters giving rise to such potential Business Conflict of Interest.

VI. Other Provisions

A. Records

Records of all disclosures and actions taken by the SCCOM, by the CEO, by the full Executive Committee, by the Audit and Compliance Committee and/or any other committee authorized to review potential Conflicts of interest, including the minutes thereof, 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 periodic 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.

E. Other Policies

Covered Persons are responsible for complying with this Policy, Mount Sinai's Policy on Financial Conflicts of Interest in Research and 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.