I. **PURPOSE:**
   A. The purpose of this policy is to clarify and provide guidance on Northwestern Memorial HealthCare’s (“NMHC”) position on the acceptance of gifts or business courtesies from vendors and referral recipients and to ensure compliance with all applicable federal and state laws and regulations and NMHC’s Code of Ethics.

II. **POLICY STATEMENT:**
   A. NMHC is committed to the highest standards of honesty, integrity and fairness. Consistent with this commitment, anyone subject to this policy may not accept or solicit any personal gift or other benefit from a vendor or referral recipient that (a) he or she knows or should know is being offered with the intent to influence his/her decision-making or (b) might influence or be perceived as influencing his/her decision-making responsibilities on behalf of NMHC, and/or any of its direct or indirect subsidiaries or its patients.

III. **PERSONS AFFECTED:**
   A. This policy affects all covered persons defined as: directors, officers, members of committees with Board-delegated authority, employees and volunteers of the Northwestern Memorial HealthCare (NMHC) and its subsidiaries, as well as all members of the Northwestern Memorial Hospital (NMH) House Staff and medical staff who: (1) hold paid or unpaid NMH medical administrative positions (e.g. NMH clinical department chairs, section and division chiefs, or special care unit directors); (2) have NMH procurement responsibility or the authority to recommend such procurement responsibility or the authority to recommend such procurement; or (3) participate on boards or committees.

IV. **PROCEDURAL RESPONSIBILITIES:**
   A. **ACCEPTANCE OF GIFTS AND/OR BUSINESS COURTESIES:**
      1. Direct Gifts or Business Courtesies to Covered Persons.
         a. A Covered Person may not accept any Gift or Business Courtesy from a Vendor or Referral Recipient except as specifically allowed under another section of this policy.
         b. The following are examples of Gifts or Business Courtesies that are prohibited:
            i. Personal acceptance of Gifts in the form of cash, checks, negotiable instruments, gift certificates or cash related items, property, or securities. All gift certificates should be returned to the source.
            ii. Gifts such as holiday gift baskets or thank you gifts such as food baskets, flowers or souvenirs.
iii. Personal acceptance of a Vendor’s or Referral Recipient’s goods, services, facilities or equipment that are discounted significantly below market value or at no cost.

iv. Any personal use of a Vendor or Referral Recipient’s (or their respective representative’s) personal facilities, equipment or vacation home.

v. Any personal trips, vacations, hotel or resort accommodations paid for by a Vendor or Referral Recipient.

vi. De minimus office items (e.g. pens, notepads, mugs, calendars)

vii. Gifts for the individual recipient’s personal benefit, including Gifts in recognition of a personal life event (e.g., birthday, anniversary), such as floral arrangements, artwork, golf balls, or tickets to sporting, concert or other entertainment events.

viii. Acceptance of any Gift or Business Courtesy that takes into account the volume or value of referrals, purchases, or other business generated, or that is given in exchange for the purchase, lease, recommendation, or use of any good, service or item.

ix. Any Gift given to a spouse or other Immediate Family Member that could not be accepted directly by a Covered Person.

c. The prohibition discussed in (i) above does not apply to drug samples, as long as the Covered Person abides by the Corporation’s guidelines for maintaining and dispensing drug samples.

d. As a general rule, if a Covered Person receives a gift, he or she must return it. However, gifts such as holiday gift baskets or thank you food baskets, flowers or souvenirs may be donated, disposed of or shared with the Covered Person’s department where return is impractical. Prior to sharing, any name or other identification of the Vendor or Referral Recipient must be removed.

2. Solicitations for Fundraising. Vendors may be solicited for funds or gifts-in-kind only on the following conditions: (i) the solicitation is made in the name of the Corporation to support and advance the Corporation’s mission, values, programs, and related needs; (ii) the solicitation clearly indicates that the Vendor’s response is voluntary and that an affirmative or negative response will not factor into the Vendor selection determination; (iii) the solicitation is organized or otherwise overseen and sponsored by the Northwestern Memorial Foundation; and (iv) the solicitation clearly indicates that there will be no link or relationship with or between the contribution from a Vendor and the volume of business with a Vendor. Referral Recipients should not be solicited for funds or gifts-in-kind.

3. Meetings, Conferences, and Training and Educational Programs and Associated Travel, Lodging and Meal Expenses. Gifts to support attendance by Covered Persons at educational conferences or meetings, including medical device manufacturer-sponsored training and education, may be accepted so long as the conference or meeting meets the definition of appropriate (as defined below). With respect to Covered Persons who are employees of the Corporation or are otherwise offered such a Gift in their capacity as a Covered Person such as their medical administrative position, such a Gift may be accepted only if (i) the selection of attendees is made by the Corporation and (ii) the Gift is approved by the Vice President or designee to whom the Covered Person reports in such capacity. For purposes of this policy, "appropriate" means educational, scientific or policy-making meetings, conferences or courses given by faculty recognized as experts in their field; conferences or meetings which deal solely with the
marketing of a Vendor’s product(s) or services are not appropriate. This policy is not intended to discourage attendance at conferences or meetings that focus on Vendor-sponsored training and education programs in order to further knowledge on the subject(s) presented; it is only intended to prohibit the acceptance of inappropriate Gifts or Business Courtesies in connection with attending such conferences or meetings.

a. Covered Persons may attend meals and receptions provided by a Vendor in connection with an educational conference, training or professional meeting. However, the meals and receptions must be incidental and subordinate to the educational content or bona fide business purpose of the meeting with most of the time dedicated to the educational or business purpose. In addition, meals, such as lunches, refreshments, and receptions that are included in the conference fee and available for all attendees are appropriate.

b. Meetings, training and educational programs must be conducted in settings that are conducive to the effective transmission of knowledge, which could include, but are not limited to a hotel or other commercially available meeting facility, medical institution, laboratory, corporate office or other training facility.

c. Subject to the exception below for medical device training, Covered Persons may accept reasonable honoraria and reimbursement for travel, lodging and meal expenses to attend conferences or meetings only if the individual lectures, makes a presentation, moderates or participates in a panel or otherwise performs a substantive educational role. If the individual's role at a conference/meeting is solely as an attendee or key opinion leader, he/she may not accept either honoraria or reimbursement for travel, lodging and meal expenses. Covered Persons may accept reimbursement for reasonable travel, lodging and similar expenses in connection with a medical device manufacturer-sponsored training and education programs. Such programs should contain objective scientific and educational information that will benefit patients. No reimbursement for travel, lodging and meal expenses may be accepted if the purpose of the travel or meeting is to view equipment or products the Corporation is considering purchasing. Meals may be paid for by a Vendor or Referral Recipient in compliance with paragraph (3) (a) above and paragraph () below, as applicable.

d. Covered Persons may not allow a Vendor or Referral Recipient to pay for meals, lodging, travel or other expense for a spouse, other immediate family member or other guests who do not have a bona fide professional interest in the information being provided at a meeting, conference or educational program.

e. If there is any question regarding the appropriateness of accepting the reimbursement, the situation should be discussed with the individual's Vice President and/or the Office of Corporate Integrity.

4. Meals

a. Subject to Section (3) (a) above, if a Covered Person attends a meal to discuss business-related matters with a Vendor or Referral Recipient, then the Covered Person must pay for his or her own meal.

b. Industry-supplied food is not permitted at the Corporation’s facilities other than in connection with a conference or other similar event as set forth in Section (3) or (7) herein. Accordingly, sales representatives are not permitted to bring food on site.
5. **Charitable Events.** Covered Persons may accept invitations to fundraising events for the benefit of the Corporation or for other entities the mission of which is related to, complementary to or otherwise compatible with that of the Corporation when: (a) the charity is a bona fide charitable organization, (b) the event is intended solely for the benefit of the charitable organization, (c) no Gifts in addition to any meal or other event program, except items without significant value, are provided to the Covered Person; and (d) the Covered Person does not accept multiple invitations on an annual basis from any one source.

6. **Gifts to Support Research or Education.** All Gifts from Vendors or Referral Recipients to support research or education must be administered through the applicable policies and procedures of the Northwestern Memorial Foundation.

7. **Gifts to Underwrite Educational Conferences at Corporation Facilities or Otherwise Sponsored by the Corporation.** An offer from a Vendor or Referral Recipient to underwrite the costs of an educational conference or a professional meeting may be accepted so long as: (a) the subsidy is accepted by the Corporation (through the NM Academy, Physician Support Services or Northwestern Memorial Foundation); (ii) the Corporation retains responsibility for and control over the selection of content, faculty, education methods and ownership of the materials; (iii) program speakers are required to disclose any financial relationships with the Vendor or Referral Recipient providing the Gift and any other relevant financial relationships; and (iv) any program support by the Vendor or Referral Recipient is disclosed to the program attendees and any recipients of program materials. In no event should a subsidy ever be paid directly to an individual Covered Person involved with the conference or meeting. Please also refer to the Northwestern University Feinberg School of Medicine Conflict of Interest and Professional Integrity Policy.

B. **REVIEW OF VENDOR/REFERRAL RECIPIENT OFFERS OR INVITATIONS:**

1. Any questions regarding an offer or invitation by a Vendor or Referral Recipient should be directed to the Covered Person’s supervisor or the Office of Corporate Integrity.

C. **ENFORCEMENT AND VIOLATIONS:**

1. Directors are responsible for ensuring that this policy is communicated to and understood by the employees in their department and that it is effectively enforced. Violations of this policy are subject to disciplinary action in accordance with applicable disciplinary policies.

V. **DEFINITIONS:**

A. **Gifts or Business Courtesies:** Goods, services or other items of value received from a Vendor or Referral Recipient in their capacity as such without exchange of consideration of comparable or equal value. This may include but not be limited to the following: cash, checks, gift certificates, securities, property, honoraria, favors, prizes, services, referrals, employment, food, tickets for plays, concerts, sporting events, golf outings or any other entertainment events or hospitality, or any other benefits or tangible items or monetary gain and/or advantage. Gifts or Business Courtesies, as defined above, do not include those paid for at the recipient’s own expense. Such payment should be consistent with the fair market value of the Gift or Business Courtesy.

B. **Covered Person:** Defined in Section III. Persons Affected herein.

C. **Immediate Family Member:** Immediate Family Members include a Covered Person’s spouse and children. Immediate Family Members also include the following persons if they (1) live with the Covered Person, (2) the Covered Person manages their financial affairs, or (3) the Covered Person is aware without inquiry that they have solicited or accepted the Gift.
or Business Courtesy in question: the (a) Covered Person’s parents, siblings, grandchildren, and their spouses; and (b) the Covered Person’s spouse’s parents, siblings, children, grandchildren, and their spouses.

D. **Vendor**: A Vendor is a person or entity or an employee or representative of a person or entity that provides, has provided or could provide or influence decisions about the selection of goods or services by the Corporation.

E. **Referral Recipient**: A Referral Recipient is a person or entity or an employee or representative of a person or entity that receive or could potentially receive patient referrals from the Corporation.

VI. **POLICY UPDATE SCHEDULE**:  
A. This policy will be updated every three years or more often as necessary.

VII. **RELEVANT REFERENCES**:  
A. None

VIII. **APPENDICES**:  
A. None

IX. **APPROVAL**:  
Responsible Party/ies: William G. Kistner  
Chief Integrity Executive

Reviewer/s: NM Academy  
Northwestern Memorial Foundation  
Office of General Counsel

Approval Party/ies:  
Peter J. McCanna  
Executive Vice President, Administration and Chief Financial Officer  
Electronic approval: March 19, 2010

Dennis M. Murphy  
Executive Vice President, Administration and Chief Operating Officer  
Electronic approval: March 18, 2010

Dean M. Harrison  
President and Chief Executive Officer  
Electronic approval: March 23, 2010

X. **REVIEW HISTORY**:  
Written:  
Revised:  
Reviewed: