I. Policy Statement:
   A. The Board of Directors deems it appropriate to adopt a policy regarding full, complete and accurate disclosure of conflicts of interest by “Covered Individuals” (as defined in Article III of this Policy). Potential conflicts of interest are required to be completely and accurately disclosed to avoid potential damage to Cedars-Sinai Medical Center (the “Medical Center”) from activities, interests, relationships and situations that might compromise or be perceived to compromise the interests of the Medical Center or its “Affiliated Organizations” (as defined in Article III of this Policy).

   B. The Board of Directors deems it appropriate to adopt this Policy because:
      1. There exists a fiduciary relationship which requires a strict duty of loyalty and fidelity by and between the Medical Center and Covered Individuals.
      2. It is the responsibility of Covered Individuals to administer and discharge their respective obligations and responsibilities honestly and economically, exercising their best care, skill and judgment for the benefit of the Medical Center.

II. Purpose:
   The purpose of this Policy is to provide clear and consistent guidance to Covered Individuals on the obligation to report various types of interests identified in this Policy.

III. Definitions of Key Terms and Concepts:
   A. Affiliated Organizations: Affiliated Organizations include entities owned, controlled or managed by the Medical Center or any of its departments, divisions or sections.

   B. Covered Individuals:
      • Members of the Board of Directors;
      • Members of Board committees (including individuals who are members of the Board of Governors);
      • Officers and key personnel;
• Members of the faculty;
• Members of the Medical Staff with administrative responsibilities;
• Members of Medical Staff committees;
• Members of Medical Staff seeking election to Medical Staff offices;
• Members of Medical Staff engaged in research;
• Research Investigators (as defined by NIH policy guidance);
• Consultants and employees working on grant-supported projects or activities as designated by the Senior Vice President for Academic Affairs; and
• Any other individuals identified by the Chairperson of the Board of Directors, the Board of Directors, the Medical Center President or any Medical Center Senior Vice President.

C. Medical Center: For purposes of this Policy, the Medical Center refers to Cedars-Sinai Medical Center, a California nonprofit public benefit corporation and its Affiliated Organizations.

D. Relatives: For purposes of this Policy, “relatives” are defined as: an individual’s spouse, including common law spouses and same-sex partners, ancestors, children, grandchildren, great-grandchildren, siblings (brothers and sisters), father, mother, sister, brother, in-laws, grandparents, or any of these in a step relationship or through legal adoption.

E. Conflict of Interest: A conflict of interest can be considered to exist in any instance when the actions or activities of any Covered Individual: has a real or potentially negative impact upon the interests of the Medical Center; or involve the obtaining by a Covered Individual of a gain or advantage; or which result in an adverse effect on any Medical Center interests. The Medical Center reserves the right to determine if other acts or omissions rise to the level of a conflict of interest and to require their disclosure.

IV. Policy Implementation:

A. A full written disclosure of any transactions or business affiliations which may constitute a conflict of interest must be made to the Board of Directors (through the
office of the President) by each Covered Individual. Such transactions or business affiliations include, but are not limited to, all outside professional arrangements resulting in the receipt of direct or indirect remuneration of any kind. The nature of disclosures, transactions, business affiliations or other situations that may constitute a conflict of interest will be determined by the Medical Center from time to time. In this regard, it is the Covered Individual’s duty to disclose any and all outside interests and activities indicated by the annual Conflict of Interest Questionnaire or by conflict of interest guidance issued by the President and CEO under the terms of Paragraph J below. Covered Individuals should not judge on their own whether such interests or activities constitute an actual or potential conflict of interest as defined in Article III.

B. No member of the Board of Directors or Board of Governors should receive, directly or indirectly, any compensation whatsoever from the Medical Center for his or her service as a member of the respective Board although actual expenses may be reimbursed.

C. The Medical Center should not enter into any transaction or contract with a Covered Individual unless the following facts are established to the satisfaction of a majority of the Board of Directors (this requirement does not apply to members of Medical Staff committees and/or members of the Medical Staff seeking election to Medical Staff office who fall under no other category of "Covered Individual"):

1. There has been full disclosure of the existence and nature of the interest of the person involved;

2. The Medical Center has entered into the transaction for its own benefit;

3. The transaction was fair and reasonable to the Medical Center at the time it entered into the transaction and the Board of Directors obtains reasonable assurances and reasonably expects that the transaction will remain fair and reasonable during its course;

4. Prior to consummating the transaction, or any part thereof, the Board of Directors has authorized or approved the transaction, in good faith, at a duly held meeting by a vote of a majority of the members of the Board of Directors then in office (excluding any member of the Board of Directors who has a conflict of interest as defined in Article III).
who is interested in the transaction) and with knowledge of the material facts concerning the transaction and the person's interest in the transaction.

a) Interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies a contract or transaction.

5. Prior to authorizing or approving the transaction, the Board considered, and in good faith determined after reasonable investigation under the circumstances, that the Medical Center could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

6. The Board delegates its authority under Paragraph C to the President and CEO in the case of transactions and/or contracts with individuals who are not Board members or members of Board Committees but who are otherwise obligated under this Policy to disclose potential conflicts of interest.

D. The requirements of Article IV, Paragraph C above do not apply to any transaction or contract approved or authorized by the Board of Directors, in good faith and without unjustified favoritism, as part of a public or charitable program of the Medical Center even though the transaction or contract results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the public or charitable program.

E. If it is not reasonably practicable to obtain approval of the Board prior to entering into a transaction or contract described in Article IV, Paragraph C above, the following must occur: (a) approval by the Executive Committee of the Board of the transaction in a manner consistent with the standards set forth in Paragraph C, parts 1 through 6; and (b) ratification of the transaction or contract by the Board, after determining in good faith that the conditions of Paragraph C, parts 1 through 6 have been satisfied, at its next meeting by a vote of the majority of the directors then in office without counting the vote of the interested director or directors.

F. No spouse or economic dependent of any County employee may be employed in any capacity by the Medical Center if the County employee has any influence in the awarding of a County of Los Angeles Contract with the Medical Center. No officer
or employee of the Medical Center who may benefit from a Los Angeles County Contract with the Medical Center may in any way participate in the County’s approval, ongoing evaluation, or attempt to influence the County’s approval or ongoing evaluation.

G. Relatives, as defined in Article III of this Policy, may not be hired or continue employment at the Medical Center without disclosure of the potential conflict of interest and without the express written approval of the Medical Center’s President (or the Chairperson of the Board of Directors in the event Relatives of the Medical Center’s President are involved), when: (a) they have a supervisory relationship with each other; (b) they have the same immediate supervisor; (c) they work in the same subunit; or (d) there is a substantial probability of regular personal contact in or relating to the business of the Medical Center or a substantial potential for conflicts of interest. Relatives of members of the Board of Directors shall not be hired in any capacity at Medical Center unless the employee was hired before the date the relative became a member of the Board of Directors. Members of the Medical Staff and physicians-in-training (including fellows) are not considered to be “hired” by the Medical Center. Full-time and part-time members of the faculty, however, are considered to be “hired” for purposes of this Policy. The Medical Center reserves the right to determine that other relationships that are not specifically covered by this Policy represent actual or potential conflicts of interest as well. In any case where the Medical Center determines, in its sole discretion that a relationship between two individuals associated with the Medical Center presents an actual or potential conflict of interest, the Medical Center may take whatever action it determines to be appropriate to avoid the actual or potential conflict of interest.

H. Those individuals covered by this Policy are precluded from holding an ownership interest in, serving as a member of the governing body, or providing direct consultative services to any other hospital that has operations in geographic areas served by the Medical Center, except in such situations which the Audit Committee of the Board determines that such involvement will result in direct, substantial and beneficial advantage to the Medical Center. The initial standard for determining the geographic area served by the Medical Center shall be a 10-mile radius from any facility owned or substantially managed by the Medical Center.

I. Any disclosed interest or activity approved as “managed” by the Board of Directors pursuant to the Conflict of Interest Policy must be reviewed on an annual basis.

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basis to assure that circumstances have not changed to alter the approval.

J. The President and CEO, or his/her designee, will regularly provide guidance and direction on the types of financial interests and professional activities that should be reported by Covered Individuals in their annual disclosures as required under this Policy, or in other instances where disclosure of such interests and activities are also required.

K. Full disclosure of any situation in doubt should be made so as to permit an impartial and objective determination. Activities which have been reported in past years, must be reported again so long as the underlying activity continues. The disclosure relates not only to the interests and activities of Covered Individuals, but also to the interests and activities of the relatives of Covered Individuals as defined in Paragraph 7 above.

V. Policy Compliance:

A. The President shall be promptly notified of any violations of this Policy on Conflicts of Interest. Appropriate administrative action will be taken by the President with respect to officers and key personnel; members of the faculty; members of the Medical Staff with administrative responsibilities; members of Medical Staff Committees; members of the Medical Staff seeking election to Medical Staff offices; members of the Medical Staff engaged in research; research investigators (as defined by NIH policy guidance); consultants and employees working on grant-supported projects or activities as designated by the Senior Vice President for Academic Affairs; and by the Board of Directors with respect to members of the Board, members of Board Committees (including individuals who are members of the Board of Governors) against any individual who violates this Policy on Conflicts of Interest. Administrative actions may include oral admonishment, written reprimand, discipline, reassignment, demotion, suspension, removal, termination, or separation. The Medical Center reserves the right to pursue other action against anyone who violates this Policy to the detriment of the Medical Center.

B. A copy of this Policy shall be delivered annually to each Covered Individual, together with a request that each person complete and deliver to the Board of Directors through the office of the President conflict of interest-related
disclosures on a Conflict of Interest Questionnaire approved by the President and CEO, or his/her designee. Changes required by law or of a non-material nature may be approved by the President and CEO, or his/her designee. Changes approved by the President and CEO must be reported to the Audit Committee of the Board of Directors at that Committee’s next regularly scheduled meeting subsequent to the changes taking effect.

C. The end users of this Policy are all Covered Individuals, as defined in this Policy.

D. Implementation of this Policy will include (i) periodic communications to end-users of the Policy’s provisions, and (ii) an scheduled review of the Policy’s terms and enforcement.

E. This Policy may be revised during its scheduled review or at any time needed.

VI. **Required Review**

Prior to its approval and upon its periodic review, this Policy will be reviewed by the Audit Committee of the Board of Directors and the Board Executive Committee.

VII. **Author and Approving Authority:**

A. **Author:**
   
   Thomas M. Priselac President and CEO

B. **Approving Authority:**
   
   Board of Directors
   Cedars-Sinai Medical Center

Verification of approval on file with Corporate Compliance Department.

-**Last Review Date:** June 23, 2008