



PARTNERING WITH INTEGRITY

Supplier Standards

Expectations for Prospective and Contracted Suppliers



Mission

To improve the health of communities.

Vision

Through the collaborative power of the alliance, we will lead the transformation to high-quality, cost-effective healthcare.

Values

- **Integrity** of the individual, the enterprise and the alliance
- A **passion for performance** and a bias for action, creating real value for all stakeholders, and leading the pace
- **Innovation** – Seeking breakthrough opportunities, taking risks, and initiating meaningful change
- **Focus on people** – Demonstrating respect for all and mutual commitment to the success of the alliance, our employees, our business partners and the communities we serve

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INTRODUCTION

In order to meet on our commitments and fulfill our important role in improving and transforming healthcare, Premier is committed to conducting business each and every day with the highest degree of integrity, strictly adhering to all applicable federal and state statutory and regulatory requirements. We hold ourselves, alliance members and suppliers (both prospective and contracted) to our high professional and ethical standards.

We want to ensure that, from the outset, all parties understand the expectations of the business relationship we are building. The following Supplier Standards | Partnering with Integrity communicate our values and expectations, and emphasize the responsibilities and obligations of suppliers when doing business with Premier and our alliance members. Suppliers are expected to uphold these standards.

Health Group Purchasing Industry Initiative (HGPII)

Premier is a founding member of the Healthcare Group Purchasing Industry Initiative (HGPII), a voluntary association dedicated to ethical conduct and business practices, and to serving the confidence of the public and government officials. The initiative is based on six core purposes, including creation of and adherence to a written code of business conduct that establishes high ethical values, quality healthcare, cost-effectiveness, an open and competitive purchasing process, sound business practices and public accountability. HGPII supports the inclusion of a strong code of conduct by suppliers and encourages its members to consider whether suppliers have adopted the AdvaMed code of conduct or a similar code. More information about HGPII can be found at www.hgpil.com.

STATEMENT OF SUPPLIER RIGHTS AND RESPONSIBILITIES

Suppliers Have the Right To:

- Receive all information necessary to offer a competitive bid.
- Have bids kept confidential throughout the competitive bidding process.
- Receive a timely and accurate evaluation of their bid.
- Expect that no Premier employee will use his or her purchasing authority for personal gain.
- Receive ample notice of a bidder's meeting, if that is part of the competitive bidding process.
- Receive an extension to the bidding date if an extension is offered to any other bidder.
- Be treated with honesty, good faith and devoid of intentional misrepresentation during the competitive bidding process to reach a mutually agreeable settlement.
- Receive prompt notification of the member sourcing committee's award decision.

Suppliers Have the Responsibility To:

- Provide accurate and fair bids based on job objectives and specifications.
- Strive to provide the maximum value for each dollar of expenditure.
- Respect Premier's commitment to comply with our [Group Purchasing Code of Conduct](#).
- Conduct business honestly, in good faith and devoid of intentional misrepresentation.
- Act honestly in sales representations whether offered verbally, in written statements, advertisements, sample products or descriptions of services to be provided.
- Meet all deadlines for submission of bids and promptly provide additional information about the bid if requested by Premier.
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement.
- Have the financial and personnel resources to provide the products or services promised.

TERMS AND CONDITIONS

Suppliers are expected to honor the terms and conditions of all agreements with Premier and our alliance members. Suppliers are required to provide certificates of insurance evidencing contractual coverage. Suppliers must provide Premier with sales tracings made to our alliance members that include the full member name and address, product level and invoice detail, if applicable, information of products sold to our alliance members. Additionally, a Global Location Number (GLN) number or Entity Code, found on our membership roster, is necessary to identify the Premier alliance member. A Health Industry Number (HIN) or Drug Enforcement Administration (DEA) number will also be accepted.

ETHICAL BEHAVIOR

Compliance with Applicable Laws and Regulations

Premier is committed to conducting its operations and activities with the highest level of integrity, and in compliance with legal and regulatory requirements. Similarly, suppliers must fully comply with all applicable federal, state and local laws and regulations, including without limitation to antitrust and fair competition laws, the federal Anti-Kickback Statute, safe harbor regulations relating to group purchasing organizations, data privacy laws and regulations, the Physician Payments Sunshine Act, and anti-money laundering and counter-terrorist financing laws.

Compliance with Anti-Corruption Laws

The Foreign Corrupt Practices Act (FCPA) is a U.S. law that prohibits offering or paying anything of value to a foreign government official for the purpose of obtaining, retaining or directing business, or to secure any improper advantage. Premier will not tolerate bribery in any form. Premier will (i) not pay bribes, directly or indirectly, to any party within the private or public sector; (ii) not receive bribes, directly or indirectly, from any party; and (iii) follow the letter and spirit of all company policies and procedures that support these prohibitions. Suppliers are expected to comply with all local anti-bribery regulations, including without limitation to the Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, and to prevent payments made for the purpose of obtaining or retaining business.

Eligibility to Participate in Federal and State Health Care Programs

Premier will not conduct business with any supplier excluded, debarred, suspended, or otherwise ineligible to participate in federal and/or state programs or has been convicted of any crime relating to any federal and/or state program. In the event a supplier becomes ineligible to participate, is convicted of any crime relating to any such program or is being investigated in relation to any federal and/or state program, the supplier must immediately notify Premier in writing.

Fraud, Waste and Abuse (FWA)

Premier is committed to complying with all applicable federal and state laws, particularly those that are designed to address identified instances of healthcare fraud, waste and abuse. We support the efforts of federal and state authorities in identifying incidents of fraud and abuse. Premier promptly investigates all reports of potential fraud law violations. Suppliers are expected to fully cooperate in such investigations and, where appropriate, take corrective actions in response to confirmed violations.



Confidential Information and Intellectual Property

Premier employees are obliged to protect confidential information provided by suppliers in conjunction with our business relationship. Suppliers are expected to protect Premier and alliance members' proprietary and confidential information, and must enforce policies that comply with the confidentiality of the information. Confidential information includes contract terms and supply chain data. Any use, disclosure and handling of Premier's confidential information must be in accordance with any applicable agreements. Premier employees have a duty to protect Premier's intellectual property, just as they have the obligation to respect that of others. Suppliers must safeguard Premier intellectual property rights.

Conflict of Interest

Employees working with suppliers should not have relationships with suppliers that could constitute a conflict of interest. Such relationships may include equity investments in the supplier, providing services for the supplier, family members working for the supplier or any other relationship or situation that is likely to be perceived as conflicting with the employee's duty to Premier and our alliance members. Suppliers should avoid any transactions, relationships or other activities that influence or appear to influence the ability to act in the best interests of Premier.

Exchanging Gifts and Entertainment with Premier Employees

Our guidelines on gifts and entertainment apply to anything given as a result of a business relationship for which the recipient does not pay fair market value. The guidelines apply at all times and do not change during traditional gift-giving seasons, or during the planning of a company event. Gifts and entertainment can include items such as meals, beverages, travel and accommodations for business or vacation purposes, tickets to sporting or cultural events, discounts not available to the general public, cash, and any other merchandise or services. Premier recognizes that giving and receiving small gifts and entertainment is a courtesy designed to build goodwill. Premier also recognizes that these activities can create the potential for conflicts of interest. For this reason, we never accept gifts, favors, entertainment or hospitality that is expressly intended to influence our decision-making, regardless of value.

Gifts

In order to protect our contracting processes and to avoid real and perceived conflicts, Premier employees decline gifts of more than nominal value. "Nominal value" is defined as any item, service or other thing of value (not including cash or cash equivalents) that does not exceed \$50 per instance or \$100 in any given calendar year. Inexpensive promotional items that contain company logos (such as pens, mugs or calendars) and are worth less than \$10 do not apply. Under no circumstances do Premier employees accept cash or cash equivalents, such as gift cards or certificates.

Entertainment

Business entertainment is often used as a way to support relationships with our suppliers. As long as the entertainment is reasonable, in good taste, and clearly intended to facilitate business goals, it may be acceptable for us to participate. As a general guideline, the entertainment should be modest and infrequent.

Q&A

Are Premier employees allowed to attend a supplier-sponsored meeting?

Yes, Premier employees are permitted to attend meetings that suppliers hold for their customers, provided that the supplier does not provide travel or rooming accommodations for any Premier employees.

Can a supplier pay an employee's travel or accommodations for a supplier-sponsored meeting?

No, Premier employees must remain objective and impartial in their decision-making. Premier employees are not permitted to accept travel or rooming accommodations from suppliers, including any travel or accommodations for which the supplier does not incur a cost.

Will Premier solicit a supplier to make a charitable donation?

No, Premier will not request that suppliers donate to charitable causes that Premier supports.

SOCIAL RESPONSIBILITY

Compliance with Applicable Labor and Employment Laws

Suppliers must fully comply with all applicable labor and employment laws and regulations to provide a safe and healthy working environment free from any form of abuse. Premier prohibits any form of child labor or other exploitation of children. Suppliers must only use workers who meet the minimal age for employment as defined by local law where they work for the type of work being performed.

Human Trafficking

Premier has a zero-tolerance policy prohibiting human trafficking. We do not and will not permit suppliers doing business with Premier to engage in any form of slavery or human trafficking, as well as any form of forced, exploitive or slave labor. Additionally, suppliers may report possible human trafficking violations to the Global Human Trafficking Hotline at 844.888.FREE (3733) or help@befree.org.

ENVIRONMENTAL STEWARDSHIP

Premier supports the healthcare industry's effort to reduce or eliminate products deemed harmful to the environment. Environmentally preferred purchasing encompasses products and packaging that are, in general, less toxic, more energy efficient, minimize pollution and are safer for patients, workers and the environment when compared to competing products and services. This includes products that are biodegradable, contain less toxic and hazardous chemicals and additives, do not contain mercury, promote good indoor air quality and/or can be re-used or recycled to minimize waste. Premier gives special consideration to suppliers that support environmentally friendly products and packaging, and works actively to identify companies that can provide environmentally preferred solutions.

INTERACTING WITH OUR ALLIANCE MEMBERS

Hospital Policies

Each of our member hospitals and facilities has their own standards of conduct. When working with alliance members, suppliers should be aware of the standards that govern their employees' conduct. When in doubt, ask your primary contact about what the organization's standards of conduct will or will not permit.

Accreditation and Compliance

Suppliers are expected to cooperate with reasonable request(s) for assistance and information from alliance members in connection with their efforts to comply with the requirements and standards of The Joint Commission, NIAHO (DNV Healthcare's National Integrated Accreditation for Healthcare Organizations) or similar accreditation organization.

Providing Business Considerations to Sourcing Committee Members

Premier's conflict of interest policies govern the conduct of those who serve on our sourcing committees. Committee members or their spouses and dependents should not accept gifts, entertainment, favors, honoraria or personal services payments (except of nominal value) from vendors in the general product area of the committee on which the committee member serves.



Examples of conflicts of interest might include:

- Situations where a vendor has made significant contributions or otherwise provided significant financial support to the committee member's employer.
- Situations where a committee member's employer owns a significant equity interest in a vendor.

TECHNOLOGY BREAKTHROUGHS

An essential element of advancing the mission and vision of Premier is to encourage the development of health care technologies and innovations which significantly improve the quality, process and/or outcome of care. Created in 1997, our Technology Breakthroughs Program improves Premier alliance members' access to new technologies and provides a mechanism for suppliers to introduce breakthrough products. Each Premier group purchasing agreement contains a Technology Breakthroughs clause that supports the review of breakthrough products and new agreements meeting breakthrough requirements.

Products using innovative technology to significantly provide any of these benefits may be considered for an expedited agreement:

- Improves patient or healthcare worker safety
- Improves clinical outcomes
- Improves non-clinical operational efficiencies
- Bridges a gap in care
- Offers a dramatic process-of-care cost savings

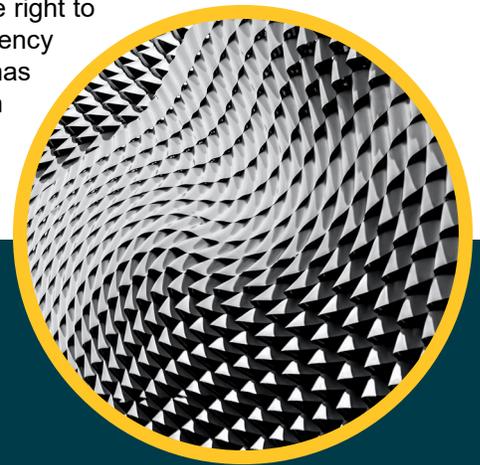
Premier's Value Analysis Council and appropriate Premier line of business member sourcing committee review all Technology Breakthroughs application submissions and determine contract award decisions.

SUPPLIER DIVERSITY

We realize that minority-owned, women-owned and small businesses are not always given the opportunity to compete for business in the same ways as their larger and widely known competitors. Our supplier diversity program provides minority, women and small veteran (including veteran, disabled veteran, service-disabled veteran) business enterprises (MWVBEs) and small business enterprises (SBEs) the opportunity to partner with us to support our efforts to continually lead the way in healthcare innovation. The overall goal of Premier's supplier diversity program is to ensure that our alliance members have diverse options through our contract portfolio to drive economic value across the communities they serve.

Sourcing Education and Enrichment for Diverse and Small Suppliers (SEEDS™), part of the supplier diversity program, provides the resources and tools to help diverse suppliers gain contract sales with alliance members and build long term relationships. SEEDS™ includes coaching, mentoring, business educational tools and a stair-stepped approach to contract. We also help diverse suppliers learn how to work with our alliance members and distributors to achieve local, regional and national distribution capabilities.

A supplier that contracts with Premier is expected to use commercially reasonable efforts to spend a minimum of 3 percent of its annual production and raw material costs with minority-owned businesses and a minimum of 2 percent of such costs with women-owned businesses. Premier reserves the right to contract with any supplier that (i) has been certified by a state or federal agency as a small, minority, woman-owned and/or veteran-owned business or (ii) has participated in Premier's SEEDS™ Program, regardless of any limitation on the number of contracted suppliers or other restrictions.



AFFILIATED SUPPLIERS

In today's complex healthcare environment, Premier alliance members have demanded a creative approach to take additional cost out of the supply chain without compromising product or service quality. Premier explored potential partnerships with several low-cost suppliers before ultimately deciding, with approval from its alliance members, to eliminate a layer of cost by establishing a direct sourcing channel.

To accomplish this, Premier acquired a company, S2S Global, to source products under the brand PremierPro™. While Premier will continue to offer choice in many product categories, Premier's strategy is to offer a PremierPro™ alternative product when additional savings for Premier alliance members can be achieved.

Premier reserves the right to enter into contracts with S2S Global and any other entity that is owned or controlled by Premier at any time covering products and services:

- Whether or not identified during the bid process as a product category that will include PremierPro™ branded products.
- Without any limitation by the bid process, bid responses or any group purchasing agreement.
- Without regard to the award status of any group purchasing agreement or of any of the individual products or services in the bid category.

Should a supplier wish to supply product directly to S2S Global, we recommend that you contact S2S Global customer service at 855.531.7699 or info@s2s-global.com.

VENDOR GRIEVANCE/INQUIRY

Premier's vendor grievance process ensures a vendor's ability to access Premier's contracting staff and leadership to address concerns, grievances or complaints relating to the contracting award process, contract award decisions or any other concerns.

1. An authorized representative of a vendor who has a concern, grievance or complaint must file a written grievance using the [vendor grievance form](#) stating facts and concerns. Email the completed form to vendor_grievance@premierinc.com.
2. For grievances arising during the contracting process prior to contract award, the completed [vendor grievance form](#) must be sent within 14 days of the date when the aggrieved party knew or should have known of the facts giving rise to the grievance.
3. Grievances related to a contract award decision must be submitted within 30 days after notification of the contract award.
4. General grievances must be sent within 14 days of the date when the aggrieved party knew or should have known of the facts giving rise to the grievance.
5. A vendor may submit a general inquiry about the contracting process or a contract award decision by submitting a [vendor inquiry form](#) to vendor_inquiry@premierinc.com.

Upon receipt of the concern, grievance, complaint or inquiry, a receipt confirmation is sent to the vendor explaining the process and response time frame. Concerns, grievances and complaints are reviewed by the Vendor Grievance Review Panel. Their recommendations and suggested courses of action (after approval by a member sourcing committee in grievances involving award decisions) are considered final. If Premier staff determines that an inquiry is more appropriately viewed as a grievance, the inquiry is reviewed under the vendor grievance process. Otherwise, the inquiry is reviewed by appropriate staff.

Vendors may raise a concern, grievance or complaint through Premier's confidential Premier's WorkSmart Integrity HelpLine (phone: 800.254.5762, worksmartpremier.com or text: 803.573.9656). Concerns, grievances or complaints raised through the HelpLine are addressed according to the WorkSmart Integrity HelpLine process rather than the vendor grievance process.

Failure of a vendor to adhere to the policy requirements above may result in a non-response to the grievance.

Upon completion of the vendor grievance process, a vendor may request an independent and unbiased third-party evaluation of their outstanding concerns through the [Healthcare Group Purchasing Industry Initiative Independent Evaluation](#) (HGPII Evaluation).

Any vendor that agrees to binding arbitration as part of the contracting process may avail itself of the vendor grievance process with respect to any dispute or grievance in addition to binding arbitration. This policy is intended as an alternative dispute resolution process and is not intended to waive any rights the vendor or Premier may have related to the enforcement of binding arbitration or any other legal rights and remedies.

Non-Retaliation Policy

Premier strictly prohibits anyone from being subject to harassment or retaliatory action as a result of the individual's good faith submission of known or suspected criminal or illegal activity, grievance, unethical behaviors, or misconduct whether or not the matter reported ultimately proves to be a violation.

RESOURCES

Concerns or questions related to Premier's Supplier Standards | Partnering with Integrity should be directed to the Corporate Compliance department at corporate_compliance@premierinc.com. Suppliers may also contact Premier's Chief Ethics & Compliance Officer, Alan C. Sauber, at alan_sauber@premierinc.com or 704.816.5253.

Vendors may also confidentially report concerns or compliance-related issues through Premier's WorkSmart Integrity HelpLine (phone: 800.254.5762, worksmartpremier.com or text: 803.573.9656).

Additional supplier information can be found at www.premierinc.com/supplier-partners/.



GROUP PURCHASING CREDO

In providing group purchasing services, Premier serves first the interests of member hospitals and health systems and, through them, the patients and communities they serve. Foremost among those interests shall be good clinical outcomes for patients and cost-effectiveness in care processes and utilization of resources such as supplies, pharmaceuticals and equipment. In so serving, Premier acts ethically, accountably and fairly with respect to all participants in the healthcare marketplace.





Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,000 U.S. hospitals and health systems and approximately 175,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare.

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