

1. Please describe the key components of the GPO's written code of business ethics and conduct. (Please provide a copy and describe any changes since the last submission.)

Please assure your response includes:

- 1.1. The title of the GPO's written code of business ethics and conduct.
- 1.2. Summary of the key components of the GPO's written code of business ethics and conduct.
- 1.3. Identification of changes that have been made to the written code of business ethics and conduct since last year.

- 1.1 The title of Medbuy's written code of business ethics and conduct is "Code of Conduct".
- 1.1.1 The Code of Conduct identifies various principles which govern the way all Medbuy business is conducted including the following:
 - compliance with applicable laws
 - conflict of interest
 - Member communications and relationships with suppliers
 - product evaluations
 - supplier grievances
 - use of contracting tools
 - compliance
 - reporting and education
 - disclosure of supplier payments
- 1.2 No changes have been made to this policy in the last year.

2. Please describe the GPO's policies and procedures that address conflicts of interest for all employees and clinical advisory members in a position to influence contracting decisions and for all other employees and members of the Board of Directors and/or the GPO's governing body.

Please include in your answer:

- 2.1. Who is covered by your conflict of interest policies?
 - a) All employees or employees directly involved in purchasing?
 - b) All executives of the company or those directly supervising purchasing activity?
 - c) The board of directors?
 - d) Members of clinical advisory committees?
 - e) Any other groups?

2.1. The Medbuy Code of Conduct and Conflict of Interest policies govern all employees (FTE and contract), executives, the Board of Directors, operating committee members, ad hoc (clinical advisory) committee members and consultants.

- 2.2. What are the primary conflict of interest constraints for each of the categories listed in the question above?
- a) No equity investments in participating vendors or disclosure of equity investments? (Or no investments above a threshold dollar level?)
 - b) No service on boards of directors of participating vendors or disclosure of board of director positions?
 - c) Are gifts allowed to be accepted from or provided to vendors? If yes, please describe the limitations.
 - d) Are meals or entertainment allowed to be accepted or provided to vendors?
 - e) Other constraints?

2.2 The primary conflict of interest constraints for each of the categories listed are as follows:

All employees or employees directly involved in purchasing – Medbuy shall maintain internal policies to require that none of its employees who are in a position to influence the contracting decisions for Participating Suppliers have an Individual Equity Interest in such Participating Suppliers.

Medbuy shall maintain internal policies to require that employees who are in a position to influence contracting decisions do not accept any gifts, entertainment, favours, honoraria or personal services payments (other than those of Nominal Value) from any Participating Supplier.

All executives of the company or those directly supervising purchasing activity -- Medbuy shall maintain internal policies to require that none of its executives who are in a position to influence the contracting decisions for Participating Suppliers have an Individual Equity Interest in such Participating Suppliers.

Medbuy shall maintain internal policies to require that executives who are in a position to influence contracting decisions do not accept any gifts, entertainment, favours, honoraria or personal services payments (other than those of Nominal Value) from any Participating Supplier.

The Board of Directors -- Medbuy shall maintain internal policies to require that none of its Directors who are in a position to influence the contracting decisions for Participating Suppliers have an Individual Equity Interest in such Participating Suppliers.

Medbuy shall maintain internal policies to require that Directors who are in a position to influence contracting decisions do not accept any gifts, entertainment, favours, honoraria or

personal services payments (other than those of Nominal Value) from any Participating Supplier.

Members of clinical advisory committees -- Medbuy shall maintain internal policies to require that none of its committee members (operating committees or ad hoc committees) who are in a position to influence the contracting decisions for Participating Suppliers have an Individual Equity Interest in such Participating Suppliers.

Medbuy shall maintain internal policies to require that committee members (operating committees or ad hoc committees) who are in a position to influence contracting decisions do not accept any gifts, entertainment, favours, honoraria or personal services payments (other than those of Nominal Value) from any Participating Supplier.

Consultants -- Medbuy shall maintain internal policies to require that none of its consultants who are in a position to influence the contracting decisions for Participating Suppliers have an Individual Equity Interest in such Participating Suppliers.

Medbuy shall maintain internal policies to require that consultants who are in a position to influence contracting decisions do not accept any gifts, entertainment, favours, honoraria or personal services payments (other than those of Nominal Value) from any Participating Supplier.

Other Constraints

The conflict is not limited to situations where direct monetary advantage or benefit is or may be conferred on the Employee, Director, Committee Member or Consultant staff. Similarly, the conflict of interest may occur either personally or through a family member.

All individuals covered by the policy must complete a conflict of interest declaration prior to being hired or appointed, and must review their declaration as changing circumstances dictate.

Corporate Equity Interests – Medbuy shall maintain internal policies ensuring that it does not have any Corporate Equity Interest in any Participating Supplier of Clinical Products or Services, unless the acquisition of such Corporate Equity Interest demonstrably benefits Medbuy Members creating a source of a Clinical Product or Service where there is otherwise no other source or very limited sources.

3. Please describe the GPO's policies and procedures that address activities, including other lines of business of the GPO and the GPO's parent company or affiliates, that might constitute conflicts of interest to the independence of its purchasing activity.¹

Please include in your answer:

- 3.1. List other lines of business or investments of the GPO or affiliates.
- 3.2. List other lines of business or investments of its parent company or parent affiliates.
- 3.3. What other services does the GPO and its parent company and/or affiliate sell to vendors?
- 3.4. What policies or guidelines does the GPO have to address any potential conflicts of interest with regard to other lines of business within the GPO and/or its parent or affiliated companies?
 - a) Does the GPO and/or its parent or affiliated companies have either a policy to ensure that it does not accept a corporate equity interest in any participating vendor or a policy to mitigate against this potential conflict of interest?
 - b) Does the GPO and/or its parent or affiliated companies accept any vendor fees relating to conference sponsorship or exhibit booth space or have a policy to guard against any potential conflict of interest relating to vendor participation in industry trade shows?
 - c) Does the GPO and/or its parent or affiliated companies accept any grants for educational programs or other projects from vendors or have a policy to guard against any potential conflict of interest relating to such donations?

- 3.1 Medbuy is a for profit share capital corporation functioning as a shared services corporation. Medbuy is owned by Canadian Healthcare facilities. All Canadian Healthcare facilities are funded by the Federal and Provincial Governments and are not-for-profit corporations. Medbuy has a wholly owned subsidiary, MedAlliance Supply Chain Services Corporation which makes contracts not available in Medbuy available to its member base.
- 3.2 As provincially funded, non-profit corporations, Medbuy's shareholders are not involved in any other types of business.
- 3.3 Medbuy and its shareholders do not sell any goods or services to the vendor community.
- 3.4 MedAlliance Supply Chain Services Corporation is a wholly owned subsidiary of Medbuy. MedAlliance provides strategic sourcing services to its member organizations that are not offered through Medbuy. As the service provision is similar to that of Medbuy, simply offering a different suite of contracts, there is no potential conflict of interest between the parent corporation and the subsidiary.
 - a) **Corporate Equity Interests** – Medbuy shall maintain internal policies ensuring that it does not have any Corporate Equity Interest in any Participating Supplier of Clinical Products or Services, unless the acquisition of such Corporate Equity Interest demonstrably benefits Medbuy Members creating a source of a Clinical Product or Service where there is otherwise no other source or very limited sources.

¹ Business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, (1) either one controls or has the power to control the other, or (2) a third party controls or has the power to control both. (See 48 CFR, Section 9.403 (2007): Securites Act, Sec. 16, 15 USC 77p(f))

- b) No, Medbuy does not accept vendor fees relates to conference sponsorship or exhibit booth space.
- c) Medbuy does not directly accept grant money from suppliers. Suppliers do, as part of the RFP/contracting process provide, segregated and directed educational grants. These grants flow into a separately managed fund. This fund is managed by Medbuy's Board of Directors. Members must apply, under a predetermined set of guidelines, for these funds.

4. Please describe the GPO's policies with regard to disclosing to members money or value received from vendors, whether in the form of administrative fees, marketing fees, partnership incentives, equity or any other form.

Please include in your answer:

- 4.1. Does the GPO make annual disclosures of administrative fees received from vendors for contracting activities with respect to the member's purchase of products and services?
- 4.2. Does the GPO disclose to members all payments other than administrative fees the GPO received from any vendor in the course of the GPO's group purchasing activities, whether from the purchasing activity of those members or not?
- 4.3. Does the GPO accept marketing fees?
- 4.4. Does the GPO accept partnership incentives?
- 4.5. Does the GPO accept equity?
- 4.6. Does the GPO accept upfront fees?
- 4.7. Does the GPO accept honoraria?
- 4.8. Please describe the GPO's policy with respect to administrative fees received on purchases made by an ineligible member (e.g., a policy regarding the return of such administrative fees to the applicable vendor.

4.1 Medbuy does not collect Administrative fees from suppliers. Instead, Medbuy collects rebates generated from contracts on behalf of its Members. On a quarterly basis Medbuy reports directly to its Members the aggregated rebate totals collected as well as the individual Member rebate totals and disburses the rebates directly to each Member in conjunction with the report.

4.2 ***Disclosure of Supplier Payments***

Medbuy's policy on disclosure of Supplier payments is as follows:

Disclosure of Acceptance of Payments - Medbuy shall disclose in writing to each member that it receives Payments from Participating Suppliers with respect to purchases made by or on behalf of such Member.

Disclosure of Payments Related to Purchases - Medbuy shall report quarterly to each Member the amount of all Supplier Payments received with respect to purchases made by or on behalf of the Member.

Disclosure of Payments Not Allocable to Actual Purchases - Medbuy shall annually report to each Member the amount of Payments received pursuant to a Supplier contract that was utilized by that Member but is not allocable or otherwise reported with respect to the actual purchases of that or any other Member.

- 4.3 No.
- 4.4 No.
- 4.5 No .
- 4.6 No.
- 4.7 No.
- 4.8 Not Applicable (please reference 4.1) Accordingly, Medbuy, under no circumstances will accept a rebate related to an ineligible Member.

5. Does the GPO disclose to each member all fees, in any form, paid to the member organization?

Please include in your answer:

- 5.1. Describe your disclosure practices.
- 5.2. Does the GPO pay fees to members upon the signing or re-signing of a participation agreement with the GPO or the joining or renewal of membership in the GPO program?

- 5.1. Medbuy discloses all rebates (reference 4.1 above) paid to Members. This information is available in a quarterly report as well as in Medbuy's Annual Report. Rebates collected on behalf of Members by Medbuy are also disclosed on a contract-by-contract basis and are published on Medbuy's Member web portal.
- 5.2 Medbuy charges new Portfolio and Associate Members a one-time implementation fee. In addition, Medbuy charges Portfolio and Associate Members an annual Membership fee. Shareholder Members are exempt from any such fees.

6. Please describe the GPO's publicly available description of its bid and award process which includes the following principles similar to those embodied in the Federal Competition in Contracting Act?

Please include in your answer:

- 6.1 Does the GPO have a publicly-available description of its bid and award process?
- 6.2 Is the description on a public website or sent to those who inquire, or provided in some other way?

- 6.1 Yes, Medbuy has a publicly-available description of its bid and award process. As Medbuy is a Canadian GPO, it is not governed by the US Federal Competition in Contracting Act, but rather the

Canadian Federal Statute the Agreement on Internal Trade which outlines a set of guidelines for Public Sector Procurement in Canada, the primary drivers of which are fairness, transparency and equity. In addition, Medbuy also follows additional Provincial contracting regulations which include the Trade Labour and Mobility Agreement between the provinces of British Columbia and Alberta, the Ontario/Quebec Trade Agreement and the Atlantic Trade Agreement.

6.2 The description of Medbuy's bid and award process is included in all RFP documents and is available to those who inquire.

6i. Please describe the GPO's requirements for how items or services to be purchased are generally identified and published so they are accessible to potential vendors.

Please include in your answer:

6i.1. Does the GPO publish to all vendors the decision criteria used to award potential contracts? Where is it available?

6i. Medbuy maintains a contracting process that:

- a. informs potential Suppliers of the process for seeking and obtaining contracts with Medbuy
- b. provides any and all interested Suppliers with the opportunity to solicit contracts, including but not limited to posting such information on an independent national website (Biddingo) and promptly responding to Supplier inquiries regarding contracting opportunities.

6i.1 As part of each RFP, Medbuy includes the decision criteria and scoring model to be used to award a contract.

6ii. Please describe the GPO's disclosure requirements regarding how vendors are to be identified as a responsible bidder.

Please include in your answer:

6ii.1. Does the GPO publish the general requirements to be considered a responsible bidder?

6ii.2. Does the GPO publish specific requirements to be considered a responsible bidder in each specific contract category?

6ii. 1. All requirements are communicated to suppliers via our Request for Proposal document. The RFP identifies all criteria, criteria weighting, product evaluation forms and other documentation that will be used to evaluate the proposal.

6ii. 2. See 6ii.1

6iii. Please describe the GPO's policy with regard to whether all responsible vendors are eligible to compete and receive a contract award under the criteria.

Please include in your answer:

6.iii.1. Are all responsible vendors eligible for every contract award, or are there specific requirements for each bid process to be considered for an award?

6iii. 1. Under the Canadian Agreement on Internal Trade which requires fair, transparent and equitable access to all Public Sector procurement opportunities, Medbuy *must* provide access to each contracting initiative to all vendors capable of selling the specified product(s) in Canada. Any supplier may elect to participate, and will be judged under the weighted criteria specific to each RFP.

Medbuy contracts, however, are single source contracts. Under the Agreement on Internal Trade, the award process/criteria must be included in the RPF.

6iv. Please describe how the criteria for selection of a vendor is identified and publicized to potential vendors, and followed.

Please include in your answer:

6iv.1. Are the criteria by which a winning vendor will be selected identified to all bidders?
6iv.2. Does the GPO have a process to assure that the criteria are followed in the actual awards?

6iv. 1. Yes, the criteria by which a winning vendor will be selected is published as part of the RFP document.

6iv. 2. Each event is governed by a review committee made up of all participating Members. The process is documented, outlined and independently reviewed to ensure fairness.

6v. Please describe GPO's practice with regard to having a fair and unbiased system for evaluating products and services considered for procurement.

Please include in your answer:

6v.1. Does the GPO have such a system?
6v.2. Describe the process by which products and services are evaluated.

6v. 1. Yes, Medbuy facilitates a fair and unbiased system for evaluating products or services.

6v. 2. Product evaluation is a Member-driven process, with Medbuy facilitating the Request for Proposal and award process. Product evaluations, if required, are included as a part of the RFP process, and as such must be evaluated as part of the RFP process. Our goal is to make sure all suppliers have equal and fair access to opportunities and are scored using the identified weighted criteria. No contracting decisions are made by Medbuy staff. Medbuy Members, through the use of committees or subcommittees score supplier submissions based on the identified and published weighted criteria. In developing the evaluation criteria, as outlined in the Agreement on Internal Trade, product evaluation criteria must be objective and not biased toward a particular supplier or group of suppliers.

6vi. Please describe how this practice includes a preference for competitive procurement.

Please include in your answer:

1. Describe your policies that support competitive procurement.

6vi. 1. Public sector procurement practices, are governed by both Federal and Provincial statutes in Canada, and require an open, competitive tendering process be followed. To that end ALL Medbuy contracting initiatives involve a competitive process.

The only exception to this practice occurs in the instance of sole source pharmaceuticals where there is no Government Health Protection Branch approved competitive product available. In this case, Medbuy attempts to negotiate directly with the supplier on behalf of its Members.

6vii. Please describe the GPO's policy with regard to the appropriate use of single, sole, dual, and multi-source procurement.

Please include in your answer:

- 6vii.1. Does the GPO have a policy for sole, dual and multi-source procurement?
- 6vii.2. When will sole and dual source procurement be used?
- 6vii.3. Describe the GPO's process for awarding contracts including contracts awarded to a single vendor where there is no exclusivity provision in the contract.

Sole and dual source contracts are contracts that contain exclusivity language that prevents the GPO from entering into a contract with more than one or two vendors.

- 6vii. 1. Medbuy's business model only allows for single source awards.
- 6vii. 2. Reference 6vii.1
- 6vii. 3. Reference 6vii.1

6viii. Please describe the GPO’s process for ensuring that administrative fees do not encroach upon the best interests of the member organizations.

Please include in your answer:

- 6viii.1. What is the GPO’s practice regarding the amount of administrative fees accepted?
- 6viii.2. Under what conditions does the GPO accept administrative fees beyond 3 percent, requiring specific (not blanket) disclosure under the Federal Regulatory Safe Harbor provisions?
- 6viii.3. Please describe the range of administrative fees accepted.
- 6viii.4. Does the GPO accept other kinds of fees from vendors, such as marketing fees, equity, signing bonuses, and upfront fees? Please describe these other fees and how prevalent they are.
- 6viii.5. Does the GPO impose a minimum fee requirement for suppliers, and if so, under what circumstances?

- 6viii.1. Medbuy does not accept administrative fees.
- 6viii.2. Reference 6viii.1.
- 6viii.3. Reference 6viii.1.
- 6viii.4. Reference 6viii.1.
- 6viii.5. Reference 6viii.1.

6ix. Please describe the GPO’s policy to ensure the appropriate use of bundling products and the length of contracts for clinical preference products.

Please include in your answer:

- 6ix.1. Describe the GPO’s policy guiding the use of bundling.
- 6ix.2. Does the GPO permit bundling of unrelated products or services from the same vendor? When?
- 6ix.3. Does the GPO permit bundling of unrelated products or services from different vendors? When?
- 6ix.4. Describe the GPO’s policy guiding the appropriate length of contracts for clinical preference products.

- 6ix.1. Medbuy will not accept supplier proposals that tie the award of one category of products to the award of another category within a Request for Proposal. Medbuy maintains the right in its Request for Proposal language to award by category. Longer term agreements are only put in place when the best interests of Members can be achieved without unduly sacrificing access by suppliers to the bidding process.
- 6ix.2. No, Canadian law prohibits suppliers from making bundled offers.
- 6ix.3. Reference 6ix.2.
- 6ix.4. Medbuy has contract language in all agreements allowing for the addition of new technology. In addition, all contracts have a termination clause allowing exit by either party with 120 days notice.

6x. Please describe whether the GPO has a private label program for medical products.

Please include in your answer:

- 6x.1. Describe the medical products the private label program covers.
- 6x.2. Describe the GPO's practice regarding the fees derived from this private label program?
- 6x.3. Please describe the range of private label fees accepted.
- 6x.4. Describe any internal policies that address the private labeling of medical products.

6x. Not applicable

7. Please describe the GPO's publicly available policy and procedure that addresses vendor rights, including a procedure for vendor grievances.

Please include in your answer:

- 7.1. Please describe the GPO's policy and procedure related to vendor rights and where is it available.
- 7.2. How does the GPO address vendor grievances?
- 7.3. Please describe in general the grievance process.

- 7.1 Medbuy has mediation clauses in our contract language. All suppliers have access to all Medbuy contract opportunities. The Request for Proposal as well as contract language is available for viewing by suppliers. Before any contract is signed all language including mediation clauses must be agreed to. In addition, Medbuy does conduct for new types of contracts or areas where new suppliers could be possibly be bidding, Medbuy information sessions to walk suppliers through our Request for Proposal documents. The information session is a project we are currently converting to a web accessible document for viewing.
- 7.2 Our contract language has a mediation process outlined that the suppliers agree to honour in the event of disagreement. If mediation does not resolve the disagreement our contract language allows for the courts to become involved to resolve outstanding grievance.
- 7.3 The RFP outlines the Grievance process as follows:

Alternative Dispute Mechanism

1 Identify a Dispute

If a dispute occurs between the parties concerning any matter governed by this Agreement, the disputing party shall promptly advise the other party and the parties together shall use all reasonable efforts to resolve the dispute.

2 Formal Notification

If the parties are unable to resolve the dispute informally, within thirty (30) days, then the disputing party shall provide to the other party written particulars of the complaint. Particulars shall include the following:

- a) A detailed description of the nature of the complaint,
- b) A list of the relevant provision of the Group Purchasing Agreement,
- c) Requested or expected resolution.

3 Formal Response

Within thirty (30) days of receipt of the formal notification, provided by the disputing party, the other party will respond with a written decision. If the two parties agree to the written response, the two parties shall enter an amendment document to reflect the Agreement.

4 Mediation

If the two parties do not accept the formal response the two parties shall proceed to mediation with a mutually agreed upon third party. If the dispute is not resolved within thirty (30) days of appointment of a mediator, then the parties may, if they both agree, proceed to arbitration before a single arbitrator pursuant to the Commercial Arbitration Act S.O. 1991, c.17, as amended.

5 Interim Action

If the matter is not resolved promptly pursuant to clause 9.1 (Identify a Dispute), Participating Medbuy Member(s) may take action necessary to ensure the proper provision of service within the individual facilities.

6 Legal Action

Nothing in the Agreement shall preclude either party from having a dispute resolved in a court of competent jurisdiction, although no steps shall be taken by either party to initiate legal proceedings until after the process described in section 9.1 (Identify a Dispute) through 9.4 (Mediation) has been completed.

8. Please describe the GPO's policy and process to evaluate and provide opportunities to contract for innovative clinical products and services.

Please include in your answer:

- 8.1. Does the GPO have a process for evaluating innovative technologies? Please describe the process in general.
- 8.2. Does the GPO have the right to write a new contract at any time for innovative technology? Describe.
- 8.3. How does the GPO ensure innovative technology provisions exist in vendor contracts?
- 8.4. Are GPO members allowed to evaluate products from vendors, regardless of whether such vendor has a contract with the GPO?
- 8.5. Are GPO members allowed to communicate with all vendors, regardless of whether the vendor has a contract with the GPO?
- 8.6. Are GPO members allowed to purchase non-contracted products of clinical preference products or services directly from vendors?

- 8.1. Medbuy's Code of Conduct stipulates that Medbuy shall engage in or otherwise participate in processes and programs that routinely evaluate and provide opportunities to contract for innovative

Clinical Products or Services. Any supplier can submit a proposal requesting Members be able to evaluate an innovative clinical product. The proposal is referred to the appropriate clinical committee or sub-committee to evaluate and discuss opportunities of mutual interest.

- 8.2. No, the Agreement on Internal Trade prohibits Medbuy from writing a new contract at any time for innovative technology without undertaking a competitive process.
- 8.3. Medbuy's standard contract language contains innovative technology provisions. In the event a non-contracted supplier introduces new technology that improves patient care or operational efficiencies during the term of an existing agreement with a contracted supplier; Medbuy provides the contracted supplier first opportunity to supply comparable technology within six (6) months of notification.
- 8.4. A reasonable number of Product(s) samples, as agreed to by Medbuy and the vendor will be provided to participating Medbuy Member(s) to ensure conformance to hospital standards.
- 8.5. Yes. Medbuy encourages dialogue between Member facilities and all suppliers whether contracted or not. Medbuy policies permit its Members to (a) communicate directly with Suppliers, (b) access Products and Services provided by a Supplier and (c) purchase Clinically Sensitive Products or Services directly from Suppliers.
- 8.6. Yes.

9. Please describe the GPO's program or activities that encourage contracting with small, women-owned and minority businesses.

Please include in your answer:

- 9.1. Please describe the program or activities and indicate specifically which types of businesses are included in the program
- 9.2. Please provide current statistics reflecting the percentage by dollar value and number of contract awards to support the program.

- 9.1. Under the Agreement on Internal Trade, Medbuy must give equal access to contract opportunities to *all* potential suppliers.
- 9.2. Small, women-owned and/or minority businesses can bid and will be evaluated under the same award criteria as any other supplier. We do not have a separate program for small, women-owned and/or minority businesses.

10. Please describe whether and in what manner the GPO distributes its written code of business ethics and conduct to all applicable employees, agents, contractors, clinical advisory committees, and others involved in group purchasing activity.

Please include in your answer:

- 10.1. Does the GPO distribute the code of conduct to all employees? By what manner is the code provided to employees? How often?
- 10.2. Where can the code be found electronically?
- 10.3. Does the GPO distribute its code of conduct to all members of clinical advisory committees? How often?
- 10.4. Does the GPO distribute the code to all of the board of directors? How often?
- 10.5. Does the GPO distribute its code of conduct to all agents and contractors that participate in the GPO activity? How often?
- 10.6. Does the GPO distribute its code to vendors and others with whom it does business?

- 10.1. The written Code of Conduct and Conflict of Interest is distributed to all Employees as part of their initial orientation and is redistributed annually in hard copy format.
- 10.2. Employees have access to the Code of Conduct and corporate policies via an internal database.
- 10.2.1. Medbuy distributes its Code of Conduct and Conflict of Interest to policies to all Committee Members in hard copy format annually.
- 10.4. Medbuy distributes our Code of Conduct and Conflict of Interest policies to the Board of Directors annually at Board meetings.
- 10.5. Medbuy distributes our Code of Conduct and Conflict of Interest policies to contractors as required.
- 10.6. Medbuy distributes our Code of Conduct and Conflict of Interest to suppliers, or any other party involved in our group purchasing activity, by attaching it to our Request for Proposal process and contract signings.

11. Please describe how new employees involved in group purchasing are provided an orientation to the written code of business ethics and conduct.

Please include in your answer:

- 11.1. Do all new employees involved in group purchasing get a copy of the code during their orientation?
- 11.2. Do all new employees get some type of orientation to or discussion of the code? Please describe the orientation.

- 11.1. Yes. Human Resource reviews the policies and procedures with each new employee.
- 11.2. During every employee orientation the Conflict of Interest and Code of Conduct and Confidentiality policies are reviewed. All employees sign off that they have read and understand the Code of Conduct and Conflict of Interest Policies.

12. Please describe the nature and content of the GPO’s annual employee refresher training on the written code of business ethics and conduct.

Please include in your answer:

- 12.1. Which employees receive annual refresher training?
- 12.2. Please describe the content of the training and the method of delivery.

- 12.1 Employees who wish a refresher at any time are assisted by Human Resources.
- 12.2 All employees sign off that they have read and understand the Code of Conduct and Conflict of Interest Policies on an annual basis.

13. Please describe the mechanism (e.g., a corporate review board, ombudsman, corporate compliance or ethics officer) for employees to report possible violations of the written code of business ethics and conduct to someone other than one’s direct supervisor, if necessary.

Please include in your answer:

- 13.1. Does the GPO have a mechanism for employees to report possible violations of the code to someone other than the direct supervisor? Please describe the mechanism.
- 13.2. What process is used to protect the confidentiality of the reporting employee’s identity?
- 13.3. What safeguards are in place to mitigate the opportunities for retaliation?

- 13.1 Any employee has the right to report violations of the code to either senior Management or through Human Resources. Employees also have the option of using the “suggestion box” where employees can voice anonymous concerns or issues to HR.
- 13.2 Senior Management and/or HR are mandated to maintain confidentiality of the employee, up to and including the resolution of the review of the identified issue.
- 13.3 Employee anonymity allows for a degree of safeguard against retaliation. Medbuy also employs a Personnel Misconduct policy with varying degrees of penalty up to and including dismissal.

14. Please describe the mechanism the GPO utilizes to follow up on reports of suspected violations to determine what occurred and who was responsible, and to recommend corrective and other actions.

Please include in your answer:

- 14.1. Describe the process to evaluate, investigate and resolve the report or concern and to review related current policies and practices for possible revision.

- 14.1 The issue is brought to senior management where the specifics are analyzed and recommendations are made. All issues are documented and reviewed. If a policy change is required, the senior manager with responsibility for the policy redrafts the appropriate policy, brings it forward for policy

review and the appropriate individual or body with the approval rights for the specific policy will provide final approval. The policy manual is then updated and the new policy or policy revision is communicated throughout the organization.

15. Please describe how the GPO employees' compliance with its written code of business ethics and conduct is measured in their job performance?

Please include in your answer:

- 15.1. Is ethical conduct or conduct consistent with the written code of conduct an explicit standard by which all employees and levels of supervision are measured in their job performance?
- 15.2. Describe how ethics is evaluated and taken into account.

- 15.1 Medbuy conducts annual employee evaluations the purpose of which is to review and evaluate performance and review compensation for the following year. Part of the evaluation includes a review of the employee's conduct.
- 15.2 Ethics are evaluate as part of an employee's job performance rated against Medbuy's Balanced Scorecard.

16. Please describe the processes the GPO utilizes to monitor, on a continuing basis, adherence to the written code of business ethics and conduct, and with applicable federal laws.

Please include in your response:

- 16.1. Is there a process to evaluate at least annually the GPO's adherence to the law and to the code of conduct? Please describe.
- 16.2. Who conducts the evaluation(s)?
- 16.3. To whom are reports of the evaluation(s) provided (e.g., Board, CEO)?

- 16.1 Employees undergo an annual review of the written Code of Conduct which includes adherence to applicable Canadian legislation. Employees are required to sign the accompanying documentation indicating that they have reviewed and understand the policies/code on an annual basis.
- 16.2 An employee's direct report conducts the evaluation.
- 16.3 HR receives a copy of the evaluation and are open to review by senior management and the Board upon request.

17. Please describe how the GPO fulfilled its obligation to participate in the most recent Best Practices Forum.

Please include in your answer:

- 17.1. Please state how many company persons attended the Best Practices Forum in Washington, DC in January 2008.
- 17.2. Please name the most senior executive who attended.

- 17.1 One Medbuy employee attended the Best Practices Forum in Washington DC in January 2008.
- 17.2 Rick Cochrane, President and CEO.

18. Please describe how the GPO reports to the company's Board of Directors or its Audit or other appropriate committee on the GPO's ethics and compliance program and its commitment to the Initiative's Principles.

Please include in your answer:

- 18.1. Are periodic reports on the company's ethics and compliance program made to the GPO's board of directors or to a committee of the board? If so, please state how often and in general, what information is reported?
- 18.2. Are periodic reports on the company's participation in the Initiative made to the GPO's board of directors or a committee of the board? If so, please state how often and in general, what information is reported?

18.1 The Code of Conduct and Conflict of Interest policies are provided to the Board of Directors. In order to ensure that Medbuy Corporation Policy and Procedures are current, the VP Administration prepares a formal review schedule on an annual basis. The list of policies scheduled for review over the course of the calendar years is provided to the President and CEO. The President then notifies those individuals responsible. The policies and procedures are reviewed and revised as appropriate on a one, two or three year cycle as outlined in the Code of Conduct policy 1.1.3. Policies changes are communicated throughout the organization.

18.2 Yes. This is done periodically as part of Medbuy's quarterly Board meetings within the consent agenda. Generally reported is new information relative to the Initiative.

19. Please name the senior manager assigned responsibility to oversee the business ethics and conduct program.

Please include in your answer:

- 19.1. The name and title of the individual.
- 19.2. Contact information for the individual.
- 19.3. Please give the contact information for the person responsible for responding to questions related to this report.

19.1 Leslie McGill, Chief Business Development Officer

19.2 4056 Meadowbrook Drive, Unit 135,
London ON
N6L 1E4
519-652-1688 x126
lmcgill@medbuy.ca

19.3 Leslie, McGill (as above)