APPROVALS

APPROVER	APPROVER'S SIGNATURE	DATE
Ashley Thomas	Signed by: Ashley Thomas 6508CC8D5E92472...	7/14/2026
Eric Staves	Signed by: Eric Staves 9A1BECD35773491...	7/29/2026
Mark Singleton	DocuSigned by: Mark Singleton 47787467FCE74BE...	7/30/2026

Bioventus
Global Credit,

Version 3.1

Effective Date: July 1st, 2026

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Mission

Global Bioventus ("BVS") Credit Policy establishes requirements for extending credit and establishing payment terms.

Clear and uniform policies and processes increase efficiency, reduce confusion, and improve customer and employee experiences, allowing us to meet our mission of delivering innovative medical supplies or devices to healthcare providers and meeting the evolving needs of patients.

Goals

This Policy aims to improve cashflow, reduce customer receivable disputes, and maximize the value of sales by **increasing the collection effective index (CEI)** and **reducing** the following metrics to an acceptable level in a predictable, auditable, manner:

- Days Sales Outstanding (DSO)
- Aging Accounts Receivable
- Bad Debts

These metrics are calculated each month on a regular basis to assess the 12 months payment behavior in detail for a given customer account.

Credit Limits and Terms Policy

1. Applicability

This policy applies to:

- **All new Bioventus customer accounts set up after February 1st, 2025.**
- Contracted terms for legacy customers will be honored until contract expiration as well as any **contract renewal** after **February 1st** will be governed by this policy.

2. Purpose

The purpose of this policy is to establish guidelines for establishing customer credit limits, the credit hold and release process, and the credit review of customer accounts, including write-offs and submission to outside collection agency. *Refer to the Bioventus Global Accounting Policies Manual for guidance on all other accounting policies that govern and support the business practices, operations, and transactions of Bioventus LLC and its subsidiaries.*

3. Scope

This Global Credit Policy defines the process of successfully assigning an appropriate credit limit to a customer account. The *US Director of Finance and Sr Dir Global Controller* shall be responsible for enforcing the customer credit process for all customer accounts. The Credit evaluation process begins with the new customer account set-up process, which is defined by the *Customer Intake Policy*.

4. Credit Review

A. Required Documentation

- Customer Intake Form

  Before a new customer can be set up, Sales must have received and completed Customer Intake Form ("CIF"). New accounts may not be set up without completed CIF, as outlined in the *Customer Intake Policy*.

- Credit Agency Report ("CAR")
  - The customers will be reviewed using the credit agency report from Creditsafe as applicable. Refer to *Appendix I* for business vertical-specific applicability.

B. Credit Limits

Credit Limits are expressed in the invoice currency and represent the maximum amount of receivables allowed on a customer account at any time.

- The Bioventus US Credit Manager or International Senior AR Specialist will evaluate all customers purchasing Bioventus products to assess their ability and willingness to pay invoices in full and within agreed-upon payment terms.

- The approval process for credit limits should be applied to customers at the highest level of their corporation, as it is at this level that the risk of default arises.

- The credit limits will be assigned and reviewed as per the criteria mentioned in *Appendix II*.

- The Credit Manager or International Senior AR Specialist is responsible for documenting and maintaining approved credit limit adjustments in the system of record. Approved changes are automatically saved within the Business Partner record. Only authorized personnel are permitted to modify customer credit limits in the system.

- If a new order causes the customer to exceed their approved credit limit and the credit recommendation is not to allow an overdraft, the customer will have the following options for the Credit Manager to consider releasing the order:

- Prepay the over-limit amount: The customer may prepay the portion of the order that exceeds the available credit limit.
- Pay down the existing balance: The customer may make an advance payment toward the current, non-past-due balance to create sufficient credit availability for the new order while maintaining their regular payment terms.
- Approved Exception Release: Authorize an exception release based on a review of the customer's payment history, creditworthiness, and overall business circumstances. Exception releases must be documented and approved in accordance with established credit policies and delegated authority guidelines.

- Changes to Credit Limits: The credit limits will be established according to the designation of authority noted in *Appendix V* and any Customer requests seeking increase in credit limits will be entertained as per the discretion of the Credit Team.

C. Risk Categorization

It is the responsibility of *the US Director of Finance and Sr Dir Global Controller* to create and monitor customer risk categories to manage overall credit risk. Risk categories are assigned to each customer account and can only be changed by authorized users. Risk categories should be evaluated at least **annually**. For business verticals-based risk categories and categorization criteria, refer to *Appendix III.*

D. Standard Payment Terms ("SPT")

All new customers (customers set up for the first time on or after the effective date of this Policy) will be set up with default payment terms as dictated below in ***Table 1***. Any deviation from this practice must be approved in writing according to the Payment Terms Approval Hierarchy (Refer to *Appendix IV*). The Credit Team at its own discretion, may also request further documentation to approve the payment terms.

Table 1: Default Payment Terms

Business Vertical	Default Payment Terms
US PNS (Peripheral Nerve Stem Router), US Rehab	Net 60 days
US Direct HA	Net 90 days
US Surgical	Net 30 days
US Exogen	Net 30 days
US Indirect HA	Net 90 days
International	Net 30 days, all products, all countries

E. Responsibilities

- It is the responsibility of the US Director of Finance and Sr Dir Global Controller to ensure that:
  - The Company's total credit exposure to the customer is assessed when approving limits.
  - Credit limits once approved are communicated promptly to the relevant internal personnel and organizations.
  - Timely and sufficient supporting data for credit applications are prepared and sent to the appropriate authority levels for approval.
  - Appropriate stop orders and subsequent releases are put in place in a timely manner.

- Director shall determine the customer account assignments and whether to adjust customer account credit limits.

- In addition, the US Director of Finance and Sr Dir Global Controller shall be responsible for maintaining and reviewing any customer accounts perceived to be high-risk.

- It is the responsibility of the Accounts Receivable Specialist to monitor accounts and remind customers of overdue invoices, prioritizing aging invoices of larger values. The Accounts Receivable Specialist shall seek help from the sales teams and the Customer Service department when the account has proven to be difficult to collect and seek for solutions (regular calls, reminders, personal visit) of poor payment behavior with the customer.

- Customer Service Representatives and Sales employees are responsible for promptly notifying the Accounts Receivable Specialist, Credit Manager, Senior Mgr. Finance, and US Director of Finance/Senior Director Global Controller of any circumstances that may adversely impact a customer's creditworthiness. Such circumstances include, but are not limited to, customers exceeding established credit limits, changes in payment patterns (e.g., slower payment behavior), significant fluctuations in monthly sales volume, bankruptcy filings, workforce reductions, asset sales, executive management turnover, or unusually high employee turnover.

F. Final Credit Master Entry

After following the above steps, the Credit Team must document the credit approval decision with the CARs and store all necessary documentation under Bioventus Shared Drive location assigned for this purpose.

G. Exceptions

Any orders that go over the limit where a new / higher credit limit cannot be granted will be approved based on the same level of approvals in *Appendix V* included under this policy.

H. Payment Plans

In the event a customer is unable to pay their past-due balance and is requesting to place a new order, a payment plan may be considered. If a payment plan is approved by the US Credit Manager or International Sr AR Specialist, the customer must submit the first payment under the payment plan and prepay for all new orders until the plan has been successfully completed and the account is returned to a current status.

Upon successful completion of the payment plan and resolution of all past-due balances, the account will revert to its approved credit terms and normal business operations.

Any deviation from these requirements must be approved by the Commercial Credit Manager.

5. Credit Holds

The credit hold process is a method that the Company utilizes to minimize risk through the evaluation of a customer account. Every customer order is automatically reviewed in the system of records to ensure a customer's credit limit has not been exceeded and to ensure the account is not delinquent. When a customer credit limit is exceeded, a hold will be put on the customer account to prevent further goods being shipped or services being provided. Conditions that shall result in a customer order being placed on credit hold are described in *Appendix VI*.

For customers with onsite consignment inventory or trunk stock, the Commercial Credit Manager will collaborate with the Sales team to ensure shipment holds and trunk stock deliveries are managed appropriately for past-due accounts on a case-by-case basis.

6. Credit Release

It is the responsibility of the Accounts Receivable Specialist to monitor and assess new orders that go on credit hold and resolve in a timely manner. For all risk levels, only the Accounts Receivable Specialists shall be authorized to release orders from credit hold in the system of record. Releases of orders require pre-approval according to the Authorized Signature Levels below:

Criteria	Level of Approval Required
Customer account balance past due but within assigned credit limit	As per Table 2 below

Customer account balance past due and beyond assigned credit limit	As per Credit Limits Approval Hierarchy mentioned in *Appendix V*
Prepaid Order	No Approval required

Table 2: Approval Hierarchy for Overlimit Credit Release

US Approval Hierarchy

Amount Past Due (EUR/USD)	Level of Approval Required
Up to 5,000	Accounts Receivable Specialist
Up to 50,000	Credit Manager
Up to 250,000	Sr Mgr. of Finance
Over 250,000	Chief Accounting Officer

International Approval Hierarchy

Amount Past Due (EUR/USD)	Level of Approval Required
Up to 5,000	Accounts Receivable Specialist
Up to 20,000	Sr. Accounts Receivable Specialist
Up to 100,000	Sr Mgr. of Finance
Up to 250,000	Sr Dir Global Controller
Over 250,000	Chief Accounting Officer

7. Submission to Outside Collection Agency

The Accounts Receivable Team are responsible for evaluating and proposing customer balances to the Credit Manager for collection by outside collection agency when all methods for collection have been exhausted internally and there is an expectation the customer has the ability to pay. The Credit Manager will ask the Sales Team to get in touch with the customer and receive a formal commitment for payment. If the customer is unresponsive, the Credit Manager will reduce their credit limit to $0.00 and consider placing the customer account with an Outside Collection Agency as they may deem fit.

Once put on hold, the account will be included on a do not order list (Fully Blocked in system of records) until they have satisfied their past due in full. After that new orders will be pre-payment for a minimum of 1 year, after that Bioventus Credit Team reserves the right to evaluate the customer for providing new credit terms. The approval levels for proposing accounts to outside Collection Agency are specified in *Appendix VII*.

8. Litigation

- The Credit Manager or Senior Mgr. Finance, at their discretion or upon the recommendation of an approved third-party collection agency, may authorize litigation when an account balance exceeds $5,000 and the anticipated legal and recovery costs do not exceed the amount of the outstanding debt.

- Customers referred for litigation or demonstrating a significant credit risk may be placed on the Do Not Order List and designated as Fully Blocked within the system of record until all past-due balances have been paid in full.

- Upon satisfaction of the outstanding balance, all new orders will be subject to prepayment terms for a minimum period of one (1) year.

- Following the prepayment period, the Bioventus Credit Team reserves the right to review and evaluate the customer's creditworthiness and determine whether new credit terms may be extended in accordance with current credit policies and approval requirements.

9. Disputes

If there are orders under dispute, those orders will not be considered as part of the past due balance unless the dispute has been resolved or Bioventus has determined that the dispute is not valid. Any dispute must be resolved within 30 days of reporting. If disputes stand unresolved after 30 days, the orders will go on a credit hold and require an exception to policy release by the Credit Manager or Sr. Mgr. Finance.

10. Write-off of Customer Balances

The Accounts Receivable Specialist is responsible for evaluating and proposing customer balances for direct write-off, generally, these balances have little chance for collection due to elapsed time, disputes, customer bankruptcy and/or amounts not collected by outside collection agency. The Accounts Receivable Specialist is responsible for submitting the write-off request with required supporting documentation for Finance approval before the write-off is posted to the account. Only authorized personnel in Finance can post the write-off on the customer account in the system of records. Write-offs follow the approval levels specified in *Appendix VIII*.

11. Privacy

Exchange of credit information relating to customer credit experience with credit agencies, banks, and trade suppliers shall always be conducted confidentially. All information must relate only to past experience without reference to current credit terms and future intentions.

Appendix

Appendix I: Credit Agency Reports (CARs)

<u>For all PNS, HA, and Surgical customers</u>:

- Customers purchasing Bioventus products with a forecast annual potential purchase of more than $20,000 must be screened using a credit agency report from:
  - Creditsafe - The screening will be done based on the grading provided by Creditsafe Credit Report**.**
  - Customers with no rating from Creditsafe will be assigned a High-Risk category subject to the discretion of the Credit Manager or Sr Mgr. Finance who may also require additional documentation (e.g., Bank and Commercial References).
  - CARs shall be retained in the approved system of record for seven (7) years from the date the report was issued.
  - The Credit Manager or Sr Mgr. Finance may review the CARs and adjust credit limits as indicated by the new CARs when necessary.

Appendix II: Credit Limits

➢ Assigning Credit Limits

The authorized personnel will assign credit limits to customers for different verticals as per the table below:

Business Vertical	Default Credit Limit
US PNS	Formula Based*
US Direct HA	Formula Based*
US Surgical	Formula Based*
US Exogen	$5K USD
US Indirect HA	Formula Based*
International	$5K EUR
International: Canada Surgical	$30K CAD

***Credit Manager decisions to extend credit must be based solely upon the CARs and the Bioventus formula for determining credit extension amounts. The Credit manager, as per their discretion, may also request additional information including the financial statements of the customer.

<u>For all US PNS, HA, and Surgical customers:</u>

- The credit limit will be assigned based on the Bioventus Credit Limit formula as follows:

Credit Limit = Sales per day * Total Credit days needed

Were,

- Sales per day = (Total Estimated Annual Sales / 365)
- Total Credit Days needed = (Days as per Payment Terms + Seasonality Allowed + Grace period for any expected delays like postal delays, etc.)

Formula based Credit Limit Calculation with Illustrative Examples

Key Data Elements		Example 1	Example 2
(A)	Estimated Annual Sales[1]	$15,000	$1,000,000
(B)	Payment Terms[2]	30 days	30 days
(C)	Seasonality Allowed	30 days	30 days

(D)	Grace period[3] for any postal delays, etc.	10 days	10 days

Calculation		Formula Used	Example 1	Example 2
(E)	Sales per day	(A) / 365	$41	$2,740
(F)	Total credit days needed	(B) + (C) + (D)	70 days	70 days
(G)	Required Credit Limit	(E) * (F)	$2,870	$191,800
(H)	Round Up Credit Limit[4]		$5,000	$195,000

1. This figure should be provided by the sales team at the time of onboarding a customer and reviewed periodically.
2. It represents the standard payment terms as per the Credit Policy or the Contract.
3. It represents the time taken to get the check in hand.
4. Round up to nearest multiple of USD 5,000.

<u>For all US Exogen, US Indirect HA, and International customers:</u>

- Credit limit proposals must be supported by a documented application, the terms of trade, and the latest financial information and third-party information as applicable (e.g., Creditsafe reports). The justification should include the expected annual sales and information such as seasonal factors that could affect the credit profile.

➢ **Reviewing Credit Limits**

- **<u>For all PNS, HA and Surgical customers:</u>**
    - <u>Customer Spends</u>: Within one year from the effective date of this Global Credit Policy, the Credit Manager or International Sr. AR Specialist will review customer spending to re-evaluate their Credit Limit on a **quarterly basis**. Thereafter, customer spending will be reviewed **semi-annually**.
    - <u>Credit Limit Utilization</u>: Once 80% of credit limit is reached, Credit Manager or International Sr. AR Specialist will reassess credit limit and has discretion to propose increased credit limit and gain approval per established hierarchy.
    - A Credit Manager, according to their discretion, may review a customer account as necessary during any point of the year.

- **<u>For all PNS, Exogen, HA, and Surgical customers:</u>**
    - All accounts with credit limits more than or equal to EUR/USD 500,000 are reviewed and re-authorized in early January of each year and changes communicated to Sales.

Appendix III: Risk Categories

- **BVS Risk Categorization for US Surgical customers:**

The Bioventus risk category for all **new** US PNS, US Rehab, US Direct HA and US Surgical customers will be determined based on Annual Sales Forecast, D&B Grading (as applicable) and availability of Financial Information (as applicable).

Creditsafe Risk Grading	BVS Risk Category
Low	Low
Low-Moderate Risk/Moderate Risk	Moderate
Moderate-High Risk /High Risk	High

The risk categories for all Surgical customers will be evaluated annually based on the Creditsafe reports (as considered necessary by the Credit Manager). The existing customers are expected to be risk-evaluated as per the above guidelines by March 1, 2024.

Appendix IV: Payment Terms Approval Hierarchy

- **For PNS, , HA, and Surgical Customers:**

Payment Terms	Level of Approval Required
Net 30	N/A
Net 45	Credit Manager or Sr. Finance Manager
Net 60	US Director of Finance/Sr Dir Global Controller
Net 90	Chief Accounting Officer
Net 90+	Chief Finance Officer

Appendix V: Credit Limits Approval Hierarchy

- **For all US PNS, HA and Surgical customers:**

Limit	Level of Approval Required
Up to $100K	Credit Manager/ Sr Finance Mgr.
Up to $1MM	Director of Finance
Up to $5MM	Chief Accounting Officer
≥$5MM	Chief Finance Officer

- **For all International customers:**

Limit	Level of Approval Required
Up to $50K	Sr. Accounts Receivable Specialist
Up to $150K	Sr Finance Mgr.
Up to $1MM	Sr Dir Global Controller
Up to $5MM	Chief Accounting Officer
≥$5MM	Chief Finance Officer

Appendix VI: Conditions for Credit Hold

- **For all US PNS, Direct HA, Surgical and Indirect HA customers:**

A customer account may be placed on credit hold at the discretion of the Credit Team which prevents:
1) the acceptance of any new sales order on the account and
2) shipping of any existing sales order on the account.

- **Conditions for putting an account on credit hold**

  - Conditions that shall result in a customer order being placed on credit hold are described as follows:
    - The sum of unpaid invoices and orders scheduled exceeds the credit limit, OR
    - The days passed after due date of payment are as follows:

For all US Surgical customers:

BVS Risk Category	Credit Hold Conditions
Low	After 90 Days Past Due
Moderate	After 60 Days Past Due
High	After 30 Days Past Due

For all US PNS, and Direct HA customers:

BVS Risk Category	Credit Hold Conditions
Low	After 30 Days Past Due
Moderate	
High	

Appendix VII: Approval Hierarchy for proposing accounts to Outside Collection Agency

Business Verticals	Outstanding Amount	Approval Required
US PNS, US Direct HA, US Surgical	N/A	Credit Manager/ Sr Mgr. Finance
US Exogen, US Indirect HA, International	Up to USD/EUR 5,000	Sr Mgr. Finance
	Up to USD/EUR 50,000	Sr Dir Global Controller
	USD/EUR 50,000 – 1,000,000	Chief Accounting Officer
	Above USD/EUR 1,000,000	Chief Financial Officer

Appendix VIII: Approval Hierarchy for proposing accounts for Write-offs

Limit	Level of Approval Required	
	US PNS, US Rehab, US Direct HA, US Surgical	**US Exogen, US Indirect HA, International**
Up to USD/EUR 5K	Credit Manager OR Sr Mgr. Finance	Sr Mgr. Finance
Up to USD/EUR 50K	Director of Finance	Sr Dir Global Controller
Up to USD/EUR 1MM	Chief Accounting Officer	Chief Accounting Officer
> USD/EUR 1MM	Chief Financial Officer	Chief Financial Officer

Additional References

- Bioventus Global Accounting Policies Manual
- Customer Intake Policy