

CMPP-201-v3

Due Diligence for Anti-Bribery and Foreign Corrupt Practices Procedure

1. Objective

To define the process to carry out a prudent level of due diligence on foreign third parties and periodic monitoring for the FCPA, OFAC Sanctions, ABAC, and the UKBA.

2. Scope

Diligence is required for foreign key business partners and distributors. Examples include marketing and sales agents, joint venture partners, and consultants. Sub-distributors are evaluated based on a questionnaire furnished to them at the time of appointment.

3. Definitions

ABAC - Anti-bribery / Anti-corruption.

Change of Control - With respect to a foreign key business partner or distributor (a “Party”), (a) sale of all or substantially all of the assets of the Party where the assets include an agreement with Bioventus, Inc. or Bioventus, LLC, (b) a merger or consolidation of the Party with or into another entity such that the Party no longer has a controlling interest in the merged or consolidated entity; and (c) the acquisition by a person/entity, or group of persons/entities acting in concert, of more than fifty (50)% of the voting capital equity of the Party in one or more related transactions.

FCPA - The U.S. Foreign Corrupt Practices Act.

OFAC - Office of Financial Asset Control of the U.S. Department of the Treasury.

TCompliance (formerly TRACE International) - A third-party vendor that manages the due diligence process (www.tcompliance.com)

UKBA - The United Kingdom Bribery Act.

4. Process

4.1. Responsibilities

4.1.1. Compliance

- Schedules both initial and monitoring diligence evaluation through Ethixbase (or another vendor that may be selected from time to time).
- Responsible for the FCPA, OFAC, ABAC, and UKBA diligence program and this procedure.
- Evaluate Ethixbase diligence reports and determines follow-up with the third party, if required. Follow-up action, if required, will be appropriate to the level of risk.
- Provides an internal summary report with conclusions for identified risks (red flags).
- Escalates major risks to the General Manager of the affected Bioventus business unit.

4.1.2. Ethixbase

- Performs diligence and provides summary report.
- Conducts business ethics training of foreign distributors and key business partners.

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4.2. Risk Management

- 4.2.1. Ethixbase provides a third-party risk assessment by identifying and assessing factors driving third party bribery risk. It uses key risk factors to identify and/or rank potential risk, assigning a ‘red flag’ to a risk that should be reviewed.
- 4.2.2. A list of subjects to be evaluated as part of due diligence are included in **Appendix A**.
- 4.2.3. Bioventus Compliance evaluates due diligence red flags using risk management and recommends follow-up and corrective action appropriate to the level of risk.

4.3. Frequency of Diligence

- 4.3.1. Initial - Request due diligence service before the business relationship is established or whenever there is a Change of Control in the distributor/business partner ownership.

Category	Risk Score	Initial Diligence
All	All	Before business relationship; Change of Control

- 4.3.2. Ongoing / Monitoring - Request due diligence service at the frequency based on geographic risk score.

Category	Risk Score	Monitoring Frequency
Low and Very Low	11 to 30	Change of Control
Moderate	31 to 50	Every 3 years
High	51 to 70	Every 2 years
Very High	71 to 90	Annual

- 4.3.3. A list of countries by category are included in **Appendix B**.

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Appendix A

DUE DILIGENCE REQUIREMENTS

Subject	Details
Summary of report	Identify risks and/or 'red flags'
Generality component	Compares normality to other reports and provides geographic risk
Business Information	Name, contact information, website, and brief description of services provided
Registration Information	Date established, Tax ID, registrations, licenses, and certifications
Ownership & Board of Directors	Identify if the company is a private or public entity, individuals with ownership interest, and members of the Board of Directors
Personnel	Total number of personnel and a list of key personnel with a description of their authority
Name Confirmations	Comparison of key personnel legal name to commonly used name(s)
Resumes/CVs	Key personnel citizenship, company position and interests (ownership, government/military, political)
Associated Offices & Entities	Subsidiaries, branch offices, list of entities that provide services including subcontractors, recent merger or acquisition activity
Other Engagements	Products or services provided to or contracts with government
Enforcement Information	Convictions related to sales or purchases to or by any government; interviewed, deposed or subpoenaed in connection with litigation or an investigation; interviewed, deposed, subpoenaed or in violation of any law related to donations, contributions, honoraria or other form of remuneration; arrested or charged by law enforcement; debars from government contracts; restricted parties list; government or regulatory watch lists; bankruptcy; income tax evasion; donated, exported, transferred, purchased or imported equipment, products, funds or services to or from, or have offices or operations in Cuba, Iran, North Korea, Republic of Sudan or Syria
Literature	Company information and brochures
Financials	Accounting practices and audited statement
Business References	Three references
Compliance Information	Code of conduct, signed, with a description of its distribution and use
Reputational Screening	Results of identified issues
Anti-Bribery Training	TCompliance training certification

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Appendix B

COUNTRY LIST BY CATEGORY

The following list is primarily based on an evaluation of the annual Corruption Perceptions Index (CPI) published by Transparency International, supplemented by a Bribery Risk Matrix published by Ethixbase. Bioventus will undertake to review and update the list in Q1 of each year in anticipation of the appointment of new distributors in the coming calendar year.

Category / Frequency of Review	Country (Alphabetical)
Low and Very Low (Frequency: Change of Control; Risk Score 11 - 30)	Andorra, Australia, Bhutan, Canada, Denmark, Estonia, Finland, Germany, Hong Kong, Iceland, Ireland, Japan, Luxembourg, Netherlands, New Zealand, Norway, Seychelles, Singapore, Sweden, Switzerland, United Kingdom, Uruguay
Moderate (Frequency: Every 3 yrs ; Risk Score 31 – 50)	Antigua/Barbuda, Austria, Bahamas, Bahrain, Barbados, Belgium, Bhutan, Belize, Chile, Costa Rica, Cyprus, Czech Republic, Dominica, Fiji, France, Georgia, Grenada, Israel, Italy, Latvia, Lithuania, Mauritius, Oman, Poland, Portugal, Qatar, Rwanda, Saudi Arabia, Slovenia, South Korea, St. Lucia, St. Vincent & Grenadines, Taiwan, United Arab Emirates, United States
High (Frequency: Every 2 yrs ; Risk Score 51 – 70)	Albania, Algeria, Angola, Argentina, Armenia, Bahrain, Belarus, Benin, Bosnia/Herzegovina, Brazil, Bulgaria, Burkina Faso, China, Colombia, Croatia, Cuba, Djibouti, Dominican Republic, Ecuador, Ethiopia, Gambia, Ghana, Greece, Guyana, Hungary, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Kosovo, Kuwait, Laos, Lesotho, Malaysia, Malawi, Maldives, Malta, Mexico, Moldova, Montenegro, Morocco, Mongolia, N. Macedonia, Namibia, Nepal, Niger, Panama, Papua New Guinea, Peru, Philippines, Romania, Sao Tome & Principe, Senegal, Serbia, Sierra Leone, Slovak Republic, Solomon Islands, South Africa, Spain, Sri Lanka, Suriname, Tanzania, Thailand, Togo, Trinidad & Tobago, Tunisia, Turkey, Ukraine, Uzbekistan, Vanuatu, Vietnam, Zambia
Very High (Frequency: Annual; Risk Score 70 - 90)	Afghanistan, Azerbaijan, Bangladesh, Bolivia, Burundi, Cameroon, Cambodia, Central African Republic, Chad, Comoros, De. Rep. of Congo, Egypt, El Salvador, Equatorial Guinea, Eritrea, Gabon, Guatemala, Guinea, Guinea-Bissau, Haiti, Honduras, Iran, Iraq, Kyrgyz Republic, Laos, Lebanon, Liberia, Libya, Madagascar, Mali, Mauritania, Mexico, Mozambique, Myanmar, Nicaragua, Nigeria, North Korea, Pakistan, Paraguay, Republic of Congo, Russian Federation, Somalia, South Sudan, Sudan, Syria, Tajikistan, Turkmenistan, Uganda, Venezuela, Yemen, Zimbabwe

Sources: <https://www.transparency.org/en/cpi/2023>
<https://www.traceinternational.org/trace-matrix#matrix-results>

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REVISION HISTORY		
REV	DESCRIPTION OF CHANGE	Date
1	Updated Compliance policy format	April 2023
2	Updated country risk rankings based on updated CPI scores	April 2024
3	Updated country risk rankings based on updated CPI scores	March 2025