



Treasury Policy

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4721 Emperor Boulevard, Suite 100
Durham, NC 27703
(919) 474-6700
www.bioventusglobal.com

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Introduction

- This document describes the cash management and investment objectives and parameters for Bioventus Inc (the "Company") and its subsidiaries. Corporate cash management and investment practices must comply with these guidelines at all times.
- Any changes to this policy must be approved in writing by the CFO or Treasurer. If the changes materially alter the responsibilities of the CFO or Treasurer, the policy changes must be approved by the Audit Committee.
- This policy will be reviewed annually and amended as appropriate. The review will be conducted by the Treasury department and reviewed by the CFO or Treasurer. Evidence of review will be kept on file.

1.0 Cash Management

1.1 General Cash Management Policy

- a) Efficient cash management strategies, techniques, and procedures shall be used to achieve the following objectives:
 - i) Safety of the cash is the priority
 - ii) Liquidity: Maintaining the ability to meet current and future financial obligations in a timely and cost-effective manner.
 - iii) Cash Optimization: Establishing systems and procedures that minimize non-earning cash balances while providing adequate liquidity. Any excess cash balances are either invested to generate additional income or used to reduce interest expense through the repayment of debt. The generation of earnings credits, which can be used to offset bank fees, shall also be considered.
- b) The time value of money shall be considered as a part of each cash management decision.
- c) Concentration accounts shall be used where practical to systematically utilize cash as efficiently as possible.
- d) All activity and balances in the Company's bank accounts shall be monitored by the Treasury department (or its delegates for international accounts) to assess the cash necessary to meet daily obligations and ensure adequate funds are available when needed.
- e) FX risk should be assessed by treasury department at least annually, and appropriate instruments to be used to mitigate it if necessary.
- f) Any use of derivatives to manage the adverse impact of exchange rate or interest rate movements on transaction exposures requires the approval of the CFO.
- g) The Company shall not use derivatives or other financial instruments for speculative purposes.

1.2 Cash Management Guidelines

1.2.1 Controls

- a) The Treasury department shall follow all internal controls as documented in the Company's most recent risk control matrix as they pertain to Treasury-related functions. A few of the key financial statement and operational controls are as follow.
- The opening or closing of all bank accounts must be authorized in writing by Treasurer or CFO.
 - All revolver borrowings and repayment decisions shall be approved by the CFO or Treasurer.
 - Cash-related transactions require the approval of an authorized individual according to the Company's Authorized Levels of Approval Policy.
 - Bank account reconciliations shall be performed at least monthly by individuals who do not have the ability to sign checks or effect funds transfers.
 - The Treasury department shall utilize fraud prevention features on the bank accounts where practical and cost-effective. Examples of fraud prevention features include positive pay, payee name matching, ACH debit blocks, and ACH filters.
 - Third parties shall not be allowed to debit the company's bank accounts except where approved by Treasurer or CFO. Examples of third-party debits that are allowed include, but are not limited to, tax payments that are initiated by Company employees and certain payroll and benefits payments that are initiated by the providers, interest and principal repayment in accordance with credit agreements and derivative contracts

1.2.2 Wire Transfers

- a) A wire transfer shall be utilized to pay an obligation of the Company only when a) the situation requires immediate good funds to settle the transaction; b) ACH cannot be used due to limitations of the banking system; or c) the obligation is in a currency other than the local currency of the entity initiating the wire transfer.
- b) Only properly designated individuals shall initiate or release wire transfers.
- c) All wire transfers require at least two individuals to complete the transaction: one person shall initiate the wire transfer and a second person shall approve and release the wire transfer.
- d) Repetitive wire transfer templates may be used for wire transfers that occur frequently. A repetitive wire transfer template is used to store payment data in the bank's online system. The stored wire transfer information can be used when initiating a wire transfer with the same core instructions; only the amount, date, and remittance details can be changed.

- e) All repetitive wire transfer templates require approval by an individual who is authorized to release free form wires. This approval occurs one time when setting up the repetitive template.
- f) The Company must receive wire instructions directly from the payee if the payee has not been paid previously.
- g) Wire transfers to international vendors can also be sent to the bank using an H-2-H file extracted from SAP along with ACHs, checks and virtual card payments. In this case, a wire will not require additional approval.
- h) Before making any wire transfer (other than payroll or tax related) treasury department must confirm the payment details and the amount to be transferred verbally with a person requesting the wire. Given the nature of the payments treasury department makes and increased risk of phishing attacks that should be done by phone call or in person. The fact of confirmation should be also documented via e-mail to CFO and Treasurer.

1.2.3 Collections and Disbursements

- a) Collection systems shall be designed with consideration to the volume and character of the collections and the most expeditious availability of cash.
- b) All incoming checks that are not related to customer accounts shall be promptly forwarded to the Treasury department (or its delegates for international) to be deposited. Checks sent to the Treasury department for deposit shall be accompanied by the proper general ledger coding.
- c) Disbursement systems shall be designed with consideration to the volume and character of the disbursements.

1.2.4 Interest-Bearing Accounts

- a) Funds kept in interest-bearing accounts shall be invested at the highest possible interest rate commensurate with risk, liquidity and efficient administration of the accounts.
- b) Funds may only be transferred to interest-bearing accounts which comply with section 2.1 (c) (vi) of this policy.

2.0 Investments

2.1 General Investment Policy

- a) The Treasury department will oversee all investment activities including recommending changes in policy and seeking approval for exceptions to the policy.
- b) The Treasury department will make investment decisions based on the criteria established in this policy.
- c) The cash balances of the Company will be invested to meet the Company's cash needs based on periodic cash forecasts and in support of the Company's strategic direction as determined from time to time by senior management.
- d) It is the policy of the Company to optimize the utilization of surplus cash (cash in excess of working capital) by investing such balances in U.S. dollar-denominated

investment instruments. The criteria for selection of cash investments will be as follows:

- i) Preservation of principal
 - ii) Maintenance of adequate liquidity
 - iii) Superior credit quality
 - iv) Diversification
 - v) Yield
- e) All investments must meet the criteria of Permitted Investments as defined in the current and any successor credit agreements and as defined below.
- i) Dollars, Euros and Sterling (and, to the extent reasonably necessary to reimburse any Foreign Currency Letter of Credit, the applicable Available Foreign Currency);
 - ii) local currencies held by the company or any Subsidiary from time to time in the ordinary course of business or consistent with past practice and not for speculation that is a national currency of any participating member state of the European Union;;
 - iii) marketable securities (i) issued or directly and unconditionally guaranteed or insured as to interest and principal by the United States Government or (ii) issued by any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date;
 - iv) marketable direct obligations issued by any state, commonwealth or territory of the United States of America or any political subdivision of any such state, commonwealth or territory or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's;
 - v) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);
 - vi) certificates of deposit, time deposits or bankers' acceptances maturing within one year after such date and issued or accepted (x) by any Lender or (y) by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (ii) has Tier 1 capital (as defined in such regulations) of not less than \$100,000,000;
 - vii) marketable short-term money market and similar highly liquid funds having a rating of at least P-1 or A-1 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);
 - viii) (i) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (vi) of this definition, having a term of not more

than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government and (ii) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (ii) of this definition;

- ix) investment funds investing substantially all of their assets in securities of the types described in the above clauses; and
 - x) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000,
 - xi) bank deposits in the ordinary course of business (including money-market deposit accounts).
- f) Any exceptions to this policy must be approved in writing by the CFO or Treasurer as required.
- g) Surplus cash investment transactions will be executed by Treasury department personnel only.
- h) The sale of securities requires the approval of an authorized individual according to the Company's Authorized Levels of Approval Policy. The Treasury department will retain written approvals.

2.2 Investment Restrictions

2.2.1 Concentration

- a) Exceptions to the concentration policy must be requested in advance and approved in writing by the CFO or Treasurer. Breaches of the concentration policy require written notification to the CFO or Treasurer.
- b) Investments for the Company and its subsidiaries will be viewed on a combined basis but managed separately.
- c) If the combined investment portfolio of the Company and its subsidiaries is less than \$20 million, the Treasury department can invest 100% of the portfolio value in any single issuer that meets the investment guidelines listed in the existing Credit Agreement. If the portfolio is \$20 million or greater, the concentration limit in any single issuer that meets the investment guidelines listed in the existing Credit Agreement is the lesser of \$20 million or 60% of the portfolio value.
- d) Investments in Government securities are not subject to the concentration limits in item 2.2.1 (c).
- e) Investments in commercial paper cannot exceed the greater of \$5 million or 25% of the portfolio value per issuer.
- f) Investments in money market funds cannot exceed the greater of \$10 million or 60% of the portfolio value per fund family.
- g) Investment in a money market deposit account (MMDA) opened at a particular financial institution cannot exceed the greater of \$20 million or the amount of the outstanding loan commitment of that particular institution. MMDAs offered by the

Administrative Agent for the Credit Agreement are not subject to this concentration limit.

- h) Investments of up to the greater of \$5 million or 25% of the portfolio value in excess of the issuer limitations are allowed up to a maximum of one holding day. If a loss of \$5,000.00 or greater would result from liquidating funds to remain in compliance with this policy, written approval must be obtained from the CFO or Treasurer prior to liquidation.

2.2.2 Liquidity

The Company's portfolio that is invested in securities must be comprised of at least 25% of securities with maturities of 14 days or less, in addition to the individual term limitations, to maintain enough cash on hand to meet the daily liquidity needs of the organization.

2.2.3 Broker - Dealers

- The Treasury department will purchase all securities through banks and investment banking firms of high quality and reputation. For purposes of this policy, high quality institutions are those that have a long-term unsecured credit rating of "A2" or better from Moody's or "A" or better from Standard and Poor's.

2.2.4 Prohibited Transactions

- The Treasury department is prohibited from investing in equity securities (other than the Board approved investments and acquisitions) and participating in short sales, margin trades, or speculative derivatives.

2.2.5 Currency

- The Treasury department will only invest in U.S. dollar-denominated securities unless written permission is obtained from the CFO or Treasurer.

2.2.6 Liens

- All investments must remain free of liens at all times, except the blanket lien of the existing Credit Agreement.

2.2.7 Offshore Investments

- a) If overnight investments in offshore sweep accounts are permitted under the existing Credit Agreement they must meet the criteria listed above (refer to the clause in section 2.1 (c) (vi) describing "time deposits").
- b) Overnight investments in offshore sweep accounts must be obligations of the bank just as any other deposit, such as a domestic MMDA.
- c) Funds invested in offshore sweep accounts must not reside in the offshore accounts longer than overnight.
- d) The overnight sweep arrangement must have no long-term commitment. It must be able to be discontinued anytime at the Company's discretion.

2.2.8 Safekeeping of Investments

- a) Investment dealers through whom securities are purchased hold the Company's investments, but do not serve as the Company's custodian.
- b) Investment dealers are any financial institution organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000 and have a long-term unsecured credit rating of "A2" or better from Moody's or "A" or better from Standard and Poor's.