



Bioventus LLC 1-919-474-6700
 4721 Emperor Blvd. 1-800-396-4325
 Suite 100

Policy and Procedure POL-000023

Title: Global Indirect Purchasing Policy (non-HCP)

Scope & Purpose

The Indirect Purchasing Policy applies to all personnel responsible for any aspect of purchasing or leasing business-related goods and services on behalf of the Company. The Indirect Purchasing Policy establishes clear and consistent guidance specific to the request for business-related goods and services. The Purchasing Policy ensures those responsible for issuing and approving requests for goods and services understand the requirements and processes for these requests. The policy is designed to maximize the efficiency and convenience of the purchasing process consistent with good business practices.

Any questions, concerns or suggestions regarding the Purchasing Policy should be directed to the Director of Global Procurement.

Online Forms & Contact Information

Forms and information to support the purchasing process can be found on the Procurement page on Bionet.

Accounts Payable	US	bioventusAP@bioventusglobal.com
Accounts Payable	Intl	Accounts.payable@bioventusglobal.com
Procurement	Global	bioventusindirectpurchasing@bioventusglobal.com

Purchasing Types

Direct:

Direct Purchases are to suppliers of materials, products, components or services that will become part of, or have direct impact to, finished product sold by Bioventus. Direct purchases are covered under a separate procedure (Q106001-BC).

Indirect:

Expenses are for goods and services that are for the most part expensed on the statement of operations as an operating expense that is not a cost of sale.

Capital purchases are for long lived productive assets that provide future benefit over a significant period of time and are recorded on the balance sheet. Expenditures eligible for capitalization include expenditures on new items, extensions and improvements such as furniture, fixtures, machinery and equipment. Certain expenses involved in purchasing or developing internal software may be capitalized. Contact your Finance Business Partner for further guidance.

Purchases \$5,000 and higher meeting the definition of a Capital purchase as defined above require the completion and approval of the Capital Expenditure Request Form which can be found on Bionet.

Following approval of a Capital Expenditure Request, the Indirect Purchasing Process must be followed.

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Leasing transactions convey the right to use a specific tangible asset (e.g., property, plant or equipment) for a period of time in exchange for consideration. A leasing transaction is either a finance lease or an operating lease, both of which are subject to specific lease accounting rules, including recording a lease asset and lease liability on the balance sheet for most leases that have a term greater than 12 months. Identifying a leasing arrangement in most cases is straightforward; however, not all leases are labeled as a 'lease' or 'rental' agreement. A lease could be embedded in a vendor product supply or service contract (e.g., dedicated servers in an IT service contract, or dedicated tooling or equipment in a product supply or service contract). Leases totaling 5,000 and higher and that have a lease term greater than 12 months are subject to specific lease accounting rules. Contact your Finance Business Partner for questions regarding whether a contract is or contains a lease

Purchasing Process Summary

A Purchase Order (PO) is a request to purchase goods or services from a Vendor and is required in order to issue payment to a Vendor.

1. A Purchase Order is required for:

- Purchases of 10,000 US\$¹ and above per vendor, per year
- Frequent purchases (5 or more per year) from one vendor, regardless of amount

To obtain a Purchase Order, the Requester should communicate directly with a designated Purchase Order Creator. Purchase Order requests will be returned for incorrect, incomplete, or vague information, no intended purpose or questionable intended purpose.

Internal Order Numbers are required for all capital expenditures and projects.

The PO must be approved according to the Approval Limits within this policy before the Vendor can be formally engaged to provide services, deliver a product or paid.

It is recommended that requirements \$10,000 - \$50,000 obtain multiple quotes and go through an internal review and selection prior to a commitment being made. A minimum of three quotes is preferred. The need for a Contract is dependent upon the business arrangement, risk and compliance. A Purchase Order is required.

Requirements \$50,000 or higher are required to go through a competitive bid process resulting in written quotes, negotiation, internal review and selection, and eventual contract. Adequate planning and time should be allocated for this process. A Purchase Order and Contract are required.

Once the Purchase Order is created it must be delivered to the Vendor with instructions to reference the Bioventus Purchase Order number on all invoicing, and to send invoices directly to Bioventus Accounts Payable via email.

¹ Amounts stated in US\$ throughout, use equivalent amount for non-USD currencies at prevailing exchange rate.



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2. A Purchase Order is not required for:

- Infrequent Purchases (< 5 per year) under \$10,000 in aggregate
- Certain limited categories of spend do not require a Purchase Order for payment and this listing can be found on Bionet titled 'PO Exception List'.

It is at the Requester's discretion to obtain quotes if deemed in the best interest of the Company. A Purchase Order and Contract are only required only if risk or compliance dictate the need.

Changing Purchase Orders

If the original Purchase Order needs to be altered, the PO Creator must process a Purchase Order "change" referencing the original Purchase Order Number. A Purchase Order change may be required if there is a change in quantity, price, delivery date, account information or cancelation.

Vendor Set-up

To set-up a new Vendor in SAP, complete and submit the Vendor Setup Form(s) located on Bionet. Instructions are on the form and included in the Vendor Management Policy, see POL-000076.

Payment Terms

Unless indicated otherwise, standard payment terms are net 45.

Requirements for Human Tissue or Private Label Product

For requirements related to new or changed human tissue or private label product branded or owned by Bioventus, see POL-000029.

Roles and Responsibilities

Requester

- For purchases that require a PO, obtains approved Purchase Order in advance of requesting goods or services from a Vendor.
- For purchases that do not require a PO, provide instruction to Vendor to reference cost center and Bioventus employee name on the invoice.
- Provides necessary details and specifications to Purchase Order Creator to create the SAP Purchase Order, including full financial account coding (cost center, GL etc).
- If the purchase may be considered a lease, notify your Finance Business Partner prior to initiating a PO request.



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- Coordinates delivery of good or service directly with vendor.
- In coordination with the PO Creator, ensure the PO# and, if needed, a copy of the PO, is delivered to the vendor, with standard Bioventus invoicing instructions, after PO approval is obtained.

Purchase Order Creator

- Processes the SAP Purchase Order Request for goods and services based on direction from the Requester.
- In coordination with the Requestor, ensure the PO# and, if needed, a copy of the PO, is delivered to the vendor, with standard Bioventus invoicing instructions, after PO approval is obtained.
- Completes PO correction requests received from Accounts Payable and/or PO Approvers.
- Monitor open POs with Cost Center Owners to ensure POs have sufficient funds to cover forecasted spend
- Main point of contact for Accounts Payable if an invoice has a PO issue (e.g. insufficient funds on PO, closed PO # referenced on invoice)

Procurement

- Reviews new Supplier requests.
- Performs Supplier analysis, obtain bids and quotes, negotiates and supports Requester as required.
- Assures all quotations are considered confidential and are not divulged to competitors under any circumstances.
- Coordinates with Requestor to Select Vendors and make commitments.
- Awards commitments to the most acceptable Vendor based on quality, service, delivery and price.
- Assures required legal and internal review has occurred prior to commitment.
- Creates long term agreements with key Vendors for mutual benefit and success.
- Ensure ethical behavior and fair dealings.

Accounts Payable

- Enters invoices accurately using the PO# referenced on the invoice
- Routes invoices to Invoice Approvers who are responsible for confirming receipt of goods or services, which acts as the authorization to make payment to the vendor.



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- For invoices that cannot be processed, provides feedback to the PO Creator about any required changes to the PO.
- Issues timely payment to vendors based upon vendor's payment terms.

Finance

- Reviews Purchase Order requests over 10,000. for the following; budget, cost center, GL, profit center, capital expense or a leasing transaction

Vendor Master

- Creates new Vendors
- Modifies existing Vendors

PO Approvers

- Approves the purchase of goods and services as required per Approval Limits
- Assures the purchase of goods and services are in compliance with company policies and procedures.
- Acknowledges the purchase of goods and services must be within budget, and that an over-budget or unbudgeted purchase is pre-approved.

Invoice Approvers

- Validates that the invoice information entered into SAP by Accounts Payable, including vendor name and invoice amount, properly reflects the information on the vendor's invoice.
- Approves invoice, which evidences that the good or service on the invoice has been received and authorizes payment to the vendor.

Miscellaneous

RFPs and Contracts

Procurement maintains templates for **Request For Proposals (RFP)** to include solicitation, review, negotiating and eventual selection. Additionally, Procurement has access to multiple Bioventus **Contract** template types and in coordination with Legal supports contracting needs. For more information contact Procurement.

Blanket Purchase Orders

The purpose of a Blanket Purchase Order is to create a standing purchase order for goods or services for a specific time period and/or dollar amount.



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Waivers of Competition

Under certain conditions, obtaining more than one competitive bid may be waived. Conditions permitting waiver include, but are not limited to, the following:

- Performance or price competition are not available
- Product or service are available from only one source of supply
- Competition has been solicited but no satisfactory offers received
- Standardization or compatibility is the overriding consideration
- Product or Service price offer is subject to a pending rapid price increase (verified)
- Satisfactory price is available from a previous contract or current Vendor

Approval Limits

Approvals are required per the matrix below in advance of goods or services being provided, regardless of type (Expense, Capital or Lease)

Level Required	Approval limit	PO Approval	PO Invoice Approval	Non-PO Invoice Approval
Manager	up to \$5,000	X	X	X
Director	up to \$50,000		X	X
Vice President	up to \$250,000	X		X
Sr Vice President, or Vice President Accounting, or Vice President Finance	Up to \$1,000,000	X		X
Chief Financial Officer	up to \$5,000,000	X		X
Chief Executive Officer	up to \$10,000,000	X		X
Finance**	over \$10,000	X		

*Finance is required to review all POs >\$10,000 for the following: budget, cost center, GL, profit center, capital expense or a leasing Transaction.