

<b>Work Instruction:</b>	Commercial Contracts
<b>Work Instruction #:</b>	WIN-000363 Revision A

## 1. Purpose and Scope

This Work Instruction provides guidance on the procedures and workflows involved in the request, generation, negotiation, execution, and management of Commercial Contracts. This work instruction applies to all employees involved in the commercial contract process.

## 2. Roles and Responsibilities

<b>Requestor</b>	Initiates the Contract request, provides all necessary information, and manages communications with the Customer.
<b>Business Owner</b>	Authorized by the Delegation of Authority or by their respective Executive Leadership Team member to make certain business decisions with respect to Contracts.
<b>Contract Manager / Administrator</b>	Oversees the contract process, ensuring compliance with Bioventus policies and procedures.
<b>Approver</b>	Assesses and provides guidance on certain Contract terms that fall within the Approver's scope based on the on the subject matter, risk or anticipated value of the Contract.
<b>Signatory</b>	Authorized to sign a Contract pursuant to the Delegation of Authority.

## 3. Contract Types

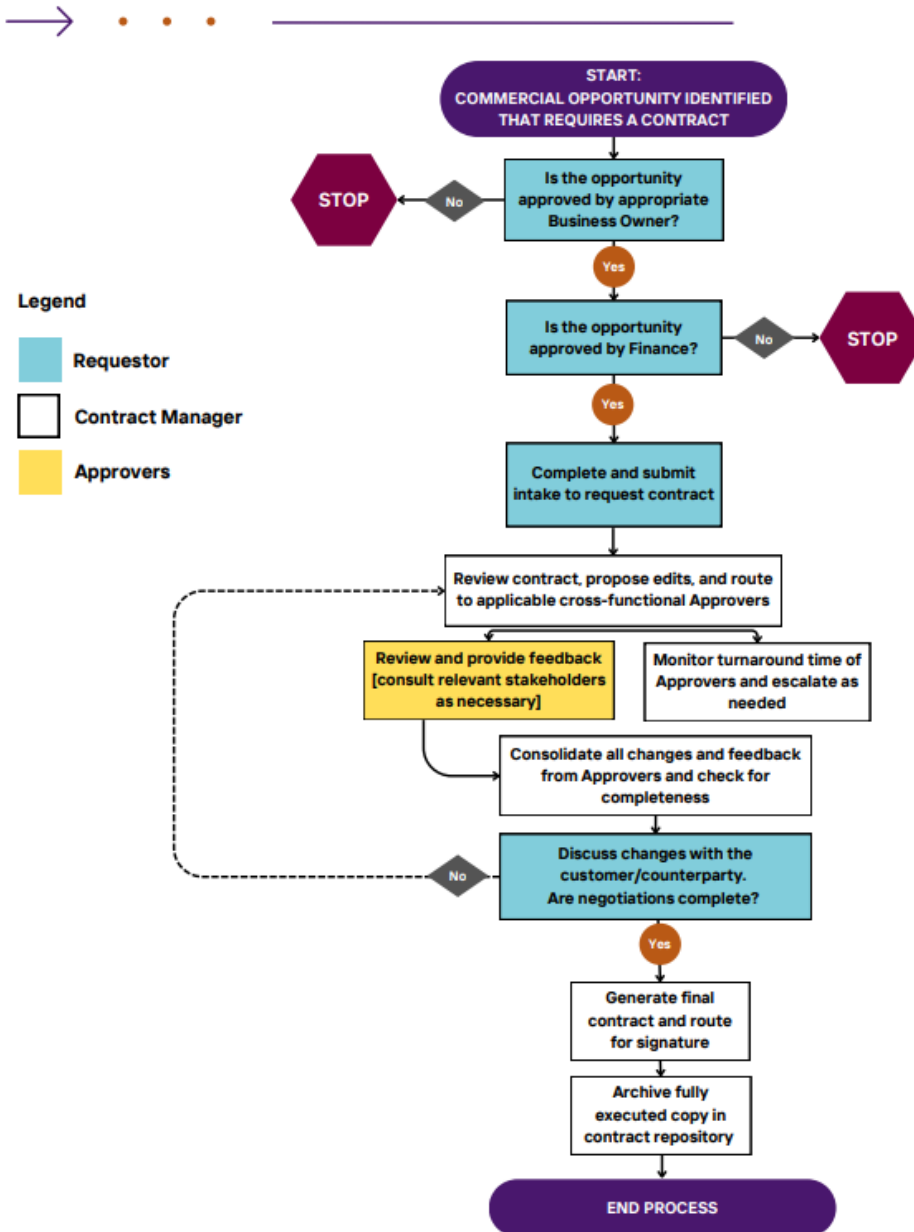
<b>Commercial Contract</b>	A written agreement between Bioventus and a third party, usually a customer, with which Bioventus has a contractual commercial relationship ("Counterparty") by which Bioventus agrees to directly or indirectly sell products or services to a third party and any related amendments, addendums or termination letters.
<b>Committed Placement</b>	A contract that allows certain Bioventus capital equipment to be placed with a customer on the condition the customer purchases a certain amount of Bioventus disposable products to be used with the equipment during a specified time period.
<b>Consignment</b>	A contract that allows a customer to hold Bioventus product and remit payment once the product is used for a patient (as opposed to payment being due from customer at the time the product is ordered).
<b>Distributor</b>	A contract that permits a Counterparty to act as a reseller of Bioventus products to private, commercial, and governmental end customers.
<b>Extended Warranty</b>	A contract under which a Counterparty purchases an extended warranty from Bioventus for certain capital equipment products purchased by the customer from Bioventus.
<b>Market Access</b>	Refers to a category contracts that relate to bringing our products to patients. Common Counterparty types include: payers, pharmacy benefit managers (PBMs), specialty pharmacies and distributors.
<b>Product Evaluation</b>	A short-term contract that allows a customer Counterparty to take temporary possession of a Bioventus product for the sole purpose of evaluating whether to purchase the product.
<b>Product Rental</b>	A contract that allows a customer Counterparty to rent a Bioventus product, in lieu of purchasing the product, for a specified duration at a fixed price.
<b>Purchase / Pricing</b>	A contract with a Counterparty that allows the customer to purchase Bioventus products at a designated price. Can include individual customers, GPOs, and IDNs.
<b>Sales Agent</b>	A contract that permits a third-party contractor to represent Bioventus on a limited basis to solicit orders on our behalf (commission-based compensation; currently only applicable to United States Surgical BGS line of business).

#### 4. Process Steps

Step	Instructions
<b>Determination of Contract Necessity</b>	
1	Once a commercial opportunity with a new or existing Counterparty is identified, the Requestor must verify the opportunity: (a) is within the applicable guidelines set forth by his or her manager or otherwise approved by the Requestor's manager and Business Owner and, (b) is within the applicable Finance pricing policy guidelines or is otherwise approved by Finance. <b>The Requestor cannot move to Step 2 until the Requestor verifies both (a) and (b).</b>
<b>Contract Request</b>	
2	Requestor collects all relevant information and documents necessary to complete the contract request. Details may vary depending upon contract type. Common elements include: Counterparty legal entity name, customer address, type of transaction, relevant products involved, key elements of the transaction like pricing, relevant approvals, and a Word-version of the Customer's contract if a Bioventus template cannot be used.
3	Requestor initiates the contract request by submitting sufficient details or a designated intake form to the Contract Manager via the then-current Bioventus designated platform.
<b>Contract Generation, Negotiation and Approval</b>	
4	<ul style="list-style-type: none"> <li>If a standard Bioventus template will be used for the transaction without any changes other than to add the customer specific information, then the Requestor (or designee) can populate the information into the template and proceed to step 6.</li> <li>If Requestor or Business Owner determines changes are needed to the Bioventus template or are unsure which Bioventus template should be used for the transaction, then the Requestor will notify the Contract Manager (or designee). The Contract Manager can identify the appropriate Bioventus template and generate an initial draft based upon information provided during the intake process. Where needed, the Contract Manager will solicit feedback from business stakeholders to finalize the initial draft.</li> <li>If the Customer's template is used, skip to Step 8.</li> </ul>
5	Contract Manager (or designee) sends the Requestor a draft of the Contract that is appropriate for the Requestor to share with the Counterparty. Requestor should notify the Contract Manager if any additional modifications are needed so the Contract Manager can ensure proper version control.
6	Requestor sends the Contract to the Counterparty for review.
7	<ul style="list-style-type: none"> <li>If the Customer confirms approval of the Contract as is, skip to Step 9.</li> <li>If the Counterparty does not approve the latest version of the Contract, Requestor must send the Customer's requested changes to the Contract Manager for review.</li> </ul>
8	<p>Contract Manager triages the Contract using Bioventus standard clauses and any established negotiation playbooks to identify all non-standard terms and escalates to the appropriate stakeholder Approvers for feedback. Contract Manager may propose suggested language changes to the Approvers for consideration. Contract Manager may solicit feedback via email or schedule a meeting with the relevant internal stakeholders to discuss. Contract Manager will consolidate feedback from the required Approvers to create an updated draft of the Contract.</p> <p>Steps 5-8 repeat until a final version of the Contract is agreed upon between Bioventus and the Counterparty.</p>
<b>Contract Execution and Storage</b>	
9	Following approval by all required Approvers and the Counterparty, Contract Manager (or designee) will facilitate the signature process via one of the approved methods outlined in <i>POL-000092 [A], Bioventus Global Policy, Commercial Contracts</i> .
10	Once the Contract is fully executed ( <i>i.e.</i> , it has been signed by all parties), the Contract Manager (or designee) will ensure the fully executed Contract is archived in the designated Bioventus contract repository and is circulated to any required internal stakeholders (Finance, Master Data, etc.). If the Counterparty does not sign using the Bioventus preferred method, the Requestor must obtain the signed Contract from the Counterparty and provide it to the Contract Manager (or designee) within five (5) business days of receipt.
<b>Contract Management and Administration</b>	
11	Business Owner (or designee) will conduct periodic reviews to assess whether the Contract should be terminated, renewed, modified, etc. If a need is identified, the request will follow the same process steps as if it were a new Contract beginning with Step 1.

## 5. Process Map

### Process Map: COMMERCIAL CONTRACTS



## 6. Contract Approvers

Business Terms	Finance Terms	Legal Terms	Regulatory and Quality Terms	Compliance / Privacy Terms
<b>Surgical:</b> VP, Sales <b>OA:</b> VP, Sales <b>PNS:</b> National Sales Director <b>Fracture Care:</b> VP, Sales <b>Rehab:</b> VP, Sales <b>Market Access:</b> VP, Market Access <b>Corporate Accounts:</b> VP, Corporate Accounts <b>International:</b> Director, Sales	<b>Pricing:</b> Director, Strategic Pricing or Pricing Committee (as applicable) <b>Rebates:</b> Manager, Financial Services <b>Payment or General Finance:</b> Director, Corporate Accounting <b>Insurance:</b> Financial Planning & Analysis <b>Tax:</b> Director, Tax <b>International:</b> Director, Finance	Legal Counsel	SVP, Regulatory (or designee)	SVP, Compliance (or designee)

## 7. Finance Approval Matrix

Finance Approval Matrix			
Non-Standard Term (NST)	Level 1 Review	Level 2 Review	Level 3 Approval/Signature
	Technical Accounting	Finance Director-US/International	Chief Financial Officer
Most Favored Nation (MFN) or Most Favored Customer (MFC)	✓	✓	✓
Special pricing <i>outside of approved Pricing policy</i>	✓	✓	✓
New Customer sales incentives plans and payments (or credits) to customer (e.g., volume purchase discounts, rebates, coupons, free product) <i>outside of approved Pricing policy</i>	✓	✓	
Customer contractual minimum purchase obligations	✓		
Right of return outside of policy	✓	✓	
Extended payment terms (HA/Exogen: > 90 days; Surgical > 60 days, International > 30 days)	✓**	✓	
Order fulfillment requirements (e.g., guarantee delivery time) or Cover requirements (to make restitution)		✓	
Other non-standard terms with financial and/or business process implications (e.g., extended warranty, special order/payment instructions, penalty language)	✓	✓	✓*

\*Approval determined as needed for new or unusual NST

\*\* For payment terms are greater than 12 months

## 8. Common Examples of Non-Standard Finance Terms

Non-Standard Terms	Description
<b>Most Favored Nation (MFN) or Most Favored Customer (MFC)</b>	Any guarantee of price parity with other customers (e.g., Bioventus guarantees that the contract price is lower than the price offered to other customers. If Bioventus offers a price lower to another customer, then Bioventus will be required to lower the price to the MFN customer.)
<b>Price protection or inflation guarantee</b>	<ul style="list-style-type: none"> <li>Any guarantee that provides a discount or rebate to the customer if price exceeds a specified percent or amount.</li> <li>Credit or rebate for difference in price for product on hand or in transit on date price is reduced.</li> </ul>
<b>Most favorable payment terms adjustment</b>	Any guarantee of payment terms parity with other customers
<b>Early payment discount</b>	Any discount to invoice if payment is received early
<b>Special pricing / discount or free product (or service)</b>	<ul style="list-style-type: none"> <li>Any special pricing or discount outside of Bioventus' pricing guidelines that could trigger an MFN issue</li> <li>Free or significantly reduced product (or service) bundled with a regular product purchase</li> </ul>
<b>Extended payment terms</b>	<ul style="list-style-type: none"> <li>US Fracture Care &gt; 30 days</li> <li>US Knee OA: &gt; 90 days</li> <li>US Surgical: &gt; 60 days</li> <li>International: &gt; 30 days</li> </ul>
<b>FOB Destination delivery term</b>	Risk of loss or title transfers upon delivery to the customer (FOB destination or comparable delivery term)
<b>Product returns</b>	Product return rights outside of the Company's Standard Product Return Policy <ul style="list-style-type: none"> <li>US Fracture Care: &gt; 90 days</li> <li>US Knee OA: any return right</li> <li>US Surgical: &gt; 30 days</li> <li>International: any return right</li> </ul>
<b>Customer sales incentive or payments to customer</b>	Any rebates, chargebacks or fees paid to customer (or credit to account). E.g., volume purchase discounts, rebates, coupons, admin fees, GPO fees, data set up fees, credit card reimbursement services, etc.) outside of applicable Pricing Policy <ul style="list-style-type: none"> <li>US Exogen: all</li> <li>US HA: all</li> <li>US Surgical: all, except GPO fees 3% or below</li> <li>International: all</li> </ul>
<b>Cover requirement</b>	Cover requirement- any requirement that Bioventus will provide restitution to Customer if required to purchase other products due to shortage
<b>Order fulfillment requirement</b>	Any guarantee that commits Bioventus to supply products or guarantee delivery time beyond standard delivery <ul style="list-style-type: none"> <li>US: next day delivery</li> <li>International: Check with Finance</li> </ul>
<b>Additional obligation or promise</b>	Any other non-standard term that results in additional performance obligations to Bioventus (e.g., extended warranty, training, extensive reporting, etc.)
<b>Penalties</b>	Any penalty language that requires Bioventus to forfeit, refund or provide other concessions to the customer, excluding late payment penalty fees of 1% to 1 ½% / month, audit penalties (e.g., payment of audit fees if Bioventus is found to be in breach), and warranty or recall costs

**NOTE: This list is not a complete list of all possible non-standard terms. The Business Owner and/or Legal should consult with Finance to review and assess any non-standard terms outside of this list.**



**9. Reference Documents**

Document Title	Owner
Delegation of Authority	Finance
Bioventus Global Policy, Commercial Contracts POL-000092	Legal

## Document Detail

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**Type:** Work Instructions

**Document No.:** WIN-000363[A]

**Title:** Commercial Contracts

**Owner:** TAYLOR.FISHER Taylor Fisher

**Status:** RELEASED

## Review

<u>Level</u>	<u>Owner Role</u>	<u>Actor</u>	<u>Sign-off Date</u>	<u>Sign-off By</u>
0	BV Configuration Analyst BV Configuration Analyst	AMBER.PLOTNER Amber Plotner	09-Jan-2025 10:10 pm	AMBER.PLOTNER
1	BV Doc Owner / Author BV Doc Owner / Author	TAYLOR.FISHER Taylor Fisher	13-Jan-2025 5:01 pm	TAYLOR.FISHER
1	BV Doc Approver BV Doc Approver	KATRINA.CHURCH Katrina Church	13-Jan-2025 2:48 pm	KATRINA.CHURCH
1	BV Doc Approver BV Doc Approver	ANTHONY.DOYLE Anthony Doyle	27-Aug-2025 8:08 pm	ANTHONY.DOYLE
1	BV Doc Approver BV Doc Approver	KELLIE.STEFANIAK Kellie Stefaniak	10-Jul-2025 9:54 pm	KELLIE.STEFANIAK
1	BV Doc Approver BV Doc Approver	TONY.DADAMIO Tony DAdamio	14-Jan-2025 8:16 pm	TONY.DADAMIO
2	BV Configuration Analyst BV Configuration Analyst	AMBER.PLOTNER Amber Plotner	27-Aug-2025 8:28 pm	AMBER.PLOTNER