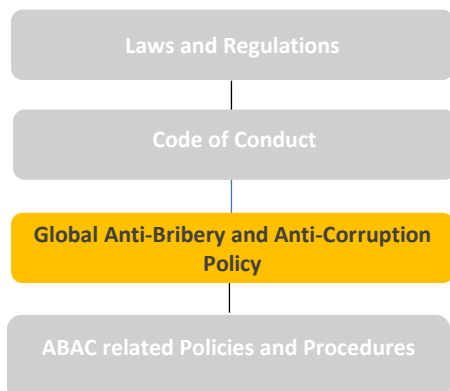

Global Anti-Bribery and Anti-Corruption Policy

This Policy:

1. Describes bribery and corruption and what it means for our business.
2. Prohibits the giving or offering of a bribe or corrupt payments.
3. Helps identify permissible, prohibited, and restricted payments.



CONTACT

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Global Anti-Bribery and Anti-Corruption Policy

1. Introduction

- 1.1 It is Össur's long-standing commitment to conduct its business fairly in an honest and ethical manner. As part of this commitment, Össur will comply with all applicable anti-bribery and anti-corruption ("ABAC") laws and regulations.¹ Össur does not authorize nor tolerate any business practice that does not comply with these laws or this Policy.
- 1.2 This Policy has been developed by the Compliance and Integrity Department to help employees and business partners understand ABAC laws and regulations, and the situations that may give rise to a breach of these laws and regulations. It also aims to provide general guidance to employees on how to conduct business as stated in this Policy.
- 1.3 This Policy cannot address every situation, employees with additional questions or concerns are strongly encouraged to seek further guidance from the Compliance and Integrity Department. Additional guidelines for specific ABAC situations are in related and regional ABAC policies and procedures, which apply to employees in commercial functions and/or those dealing with public officials, including healthcare professionals and physicians.²
- 1.4 Any employee found to be in breach to this Policy or who consents another individual or entity to breach the rules herein will be subjected to appropriate disciplinary action(s), which may include dismissal, and may be subject to personal, civil, or criminal penalties. Össur may also terminate its relationship with a third party if there is a reason to believe that such third party is in breach to any ABAC law or this Policy.

2. What is the scope of this Policy?

- 2.1 This Policy aims to cover basic principles of ABAC laws and regulations and serves as a supplement to Össur's Code of Conduct. It is applicable to Össur's operations globally, including all legal entities owned or controlled by Össur, its directors, officers, employees, agents, consulting clinicians, distributors, business partners, authorized representatives and any other third parties acting on the behalf of the foregoing. In case of conflict, global and local laws and regulations supersede this Policy or the Code of Conduct.

3. What is Bribery?

- 3.1 A bribe is generally a payment or anything else of value offered or given, directly or indirectly, with the intent to obtain an improper advantage.
- 3.2 A bribe may either be monetary or non-monetary:
 - Monetary bribe includes cash or cash equivalents, donations, loans, gifts, hospitality, services, royalties, commissions, discounts, or any other means that involves 'spending money'.
 - Non-monetary bribe includes the use of position or influence in the decision or action to purchase products, refer patients, award contracts, grant operating permits, approve use for registration of products or any other action offered in exchange of an improper advantage.



QUICK TIP

Check with Compliance & Integrity

ABAC laws are complex and apply in almost all the markets where we do business, and can be enforced against us, resulting in fines and penalties. Please always consult with the Compliance & Integrity Department (C&I) if you have any questions.

¹ This Policy generally follows the principles and rules of the US Foreign Corrupt Practices Act ("FCPA"). Other important ABAC laws and regulations are included in Annex I of this Policy.

² For a list of related ABAC policies and procedures, please see Annex II.

4. Forms of Bribe

- 4.1 **Actual offer and acceptance of a bribe.** Bribes can take many forms, but the most serious form is the actual offer and acceptance of a bribe. The *offer alone* of a bribe may be enough for prosecution, even if the actual payment is never made or accepted. When confronted with a potential bribe or bribery situation, please contact the [Compliance and Integrity Department](#) immediately.
- 4.2 **Gifts and entertainment.** Giving or accepting of gifts and entertainment can be allowed when reasonable, appropriate and proportionate to the situation and locally permitted. Bear in mind that what might be reasonable to us, may not be permitted to the person to whom you are giving the gift. For example, Healthcare professionals are often not allowed to receive anything of value. Please use Concur or your local expense system to make sure your gift is properly recorded and expensed. For more detailed information and guidelines on gifts and entertainment, please check the Gift & Entertainment Policy.
- 4.3 **Facilitation payments.** Facilitation payments are payments to a foreign official, political party or party official for "routine governmental action", such as processing papers, issuing permits, and other actions of an official, to expedite performance of duties of non-discretionary nature, i.e., which they are already bound to perform. The payment is not intended to influence the outcome of the official's action, only its timing.

Facilitation payments are one of the few exceptions to anti-bribery prohibitions. Some jurisdictions prohibit facilitation payments, but other jurisdictions consider such payments as a customary way of doing business. In general, Össur follows the FCPA requirements, where facilitation payments are generally prohibited unless local regulations and practices of a particular jurisdiction allow it. When in doubt whether you are dealing with a facilitation payment situation or whether it is allowed, please consult with the [Compliance and Integrity Department](#).



Case Example

Össur wants to do business in State A. To get a license, the authorities of State A asked Össur to pay €500 to process the application. However, this license needs to be released in two days. Authorities of State A said this is possible but an additional €100 is needed to expedite the process. Is this allowed?

Answer: If the payment is (a) in accordance with State A's regulation (b) made to the official bank account of the authority (c) an official acknowledgement/receipt is released (d) certainty that the license will be released, the facilitation payment is allowed.

- 4.4 **Bribe via a third party.** Össur may be held liable for the actions of third parties, particularly where a third-party intermediary performs services or conducts dealings, discussions, or negotiations with public or private organizations for or on behalf of Össur. Furthermore, Össur may also be held accountable for failing to prevent third parties from participating in bribery or related conduct, whether or not Össur was aware of the improper conduct.
- 4.5 **Travel expense and accommodation involving public officials.** Össur may accept requests to host public officials for conferences and other business-related purposes either at Össur's facilities or at training events. The payment of travel expenses to any public official within or outside their home country must conform with the official's agency requirement(s) and prior consultation from the [Compliance and Integrity Department](#).
- 4.6 **Charitable donations and sponsorships.** Össur supports charitable contributions to the communities in which it does business and permits reasonable donations to charitable organizations. Appropriate and reasonable steps must be taken to ensure such donations or contributions comply with local laws and regulations and do not constitute an advantageous payments aimed to influence business decisions. For guidelines or proposal on major sponsorship agreements or donations, please consult [Corporate Communications](#).

5. How to Deal with Public Officials?

- 5.1 Healthcare professionals in many countries are public officials because they work in state owned hospitals or facilities.
- 5.2 In general, public officials include those in government departments, but also those government owned or controlled commercial enterprises, international organizations, and political candidates. The provision of money or anything else of value, no matter how small, to any public official for the purpose of influencing them in their official capacity is prohibited.
- 5.3 Although this Policy applies to both public and private sectors, dealing with public officials poses a particularly high risk in relation to bribery due to strict rules and regulations in many countries.



QUICK TIP

Healthcare Professionals

When doing business with healthcare professionals, it is safest to assume they are public officials. Special ABAC and other rules often apply to healthcare professionals which must be considered when we do business with them.

6. Books, Records, Accounting and Payment Practices

- 6.1 All individuals and entities working on Össur's behalf must maintain accurate and complete accounts, invoices, and other records related to dealings with third parties, including suppliers, distributors and customers. Transactions must be accurately described, and accounts must not be kept "off-the-books".
- 6.2 Employees must submit all expense claims relating to hospitality, gifts, or payments to third parties via Concur in accordance with applicable expense policy. Expense claims must reflect each transaction and must be accompanied by a record of the reason for the expenditure. If Concur is not available to you, please check your local expense policy and/or with HR.

7. Penalties for violation of ABAC laws

Össur operates in many different countries where ABAC laws and regulations apply. Therefore, it is important to realize that Össur and its employees are exposed to increased risks including different civil and/or criminal penalties. Fines of up to \$100 million or a percentage of turnover may be imposed to companies found in non-compliance. In addition, personal fines may also be imposed to individuals and may include revoking of license and/or placed on a sanctioned list. Violations of ABAC laws and regulations may also result in non-compliance with this Policy and the Össur Code of Conduct, and thereby lead to disciplinary measures, including dismissal. In some countries, criminal penalties may even include prison time. Aside from these penalties, the company can also suffer consequential damages such as reputational damage, legal and investigation costs, loss of management time, loss of key business relationships, exclusion of government contracts and competitor claims.

8. Speak-Up

In accordance with the Speak-Up Policy, employees are encouraged to file a report in good faith regarding any concerns, wrongdoings, misconduct or failure to comply with applicable ABAC laws or the Össur Code of Conduct and which, due to their nature, cannot be reported through normal reporting channels. If you are offered a bribe, asked to make one, or if you suspect that any bribery, corruption or other breach of this policy has occurred or may occur, please contact the [Compliance and Integrity Department](#) immediately or send a report via the [Össur Speak-Up Line](#).

9. Updates, Review and Ownership

This Policy is made by the [Compliance and Integrity Department](#) and shall apply to Össur's operations globally. To remain compliant with relevant anti-bribery and anti-corruption regulations, this policy is subject to regular review. This Policy is available under [Our Policies](#) on Plaza.

ANNEX I: Select ABAC Laws and Regulations

ABAC laws and regulations exist globally, are complex, may overlap and even conflict with each other. In addition, some ABAC laws have extraterritorial effect, meaning that ABAC laws or regulations can be enforced, even if they are based outside the country where the law or regulation was made.

Below appear a few selected ABAC laws and regulations and a brief summary of each. In case you have any questions, or you are unsure which ABAC law or regulation applies, please contact the [Compliance & Integrity Department](#).

US Foreign Corrupt Practices Act³

- Under the US Foreign Corrupt Practices Act (“FCPA”), it is illegal for US persons, including US companies and their subsidiaries, officers, directors, employees and agents, to bribe foreign public officials.
- Penalties for violating the FCPA are severe. In addition to being subject to disciplinary policies, individuals who violate the FCPA may also be personally subject to imprisonment and fines.

U.S. Anti-Kickback Statute⁴

- The U.S. Anti-Kickback Statute (“AKS”) prohibits the offering to pay, paying, soliciting, or receiving any **remuneration** – directly or indirectly – for patient referrals or the purchase, lease, or order of any product or service for which a U.S. government healthcare program, like Medicare, may pay.
- Remuneration includes anything of value, such as cash, free rent, expensive hotel stays and meals, and excessive compensation
- Össur and Business Partners must comply with the AKS when interacting with U.S. Healthcare Professionals, regardless of where the interactions occurred or if the individual is U.S. based. Violations of the AKS create the possibility of both criminal and civil sanctions against the employee and Össur. The government may exclude any individual or entity violating the statute from participating in all federal healthcare programs.

United Kingdom – Bribery Act 2010⁵

- The UK Bribery Act applies to all companies which carry on a business, or part of a business, in the United Kingdom, as well as those which are incorporated under the law of the United Kingdom.
- It covers four (4) key bribery offences: (i) bribing another person (ii) receiving a bribe (iii) bribing a foreign official and (iv) failure of a commercial organization to prevent bribery.
- Facilitation payments are bribes under the UK Bribery Act.

China – PRC Criminal Law, Anti-Unfair Competition Law and the Bribery Provisions⁶

- There are two (2) types of bribery offences in China: Criminal and Administrative. Acts falling under the former constitutes a crime and punishable by up to life imprisonment, while the latter is punishable by administrative sanctions such as fines and confiscation of illegal gains.
- It covers eleven (11) key bribery offences which can be more far reaching compared to other legislations such as offering/accepting a bribe to/by a relative or any person close to a public official, indirect introduction to a bribe to a public official, bribe to or from a foreign official involving a Chinese entity.
- Facilitation payments are bribes under PRC.

³ See [U.S. Foreign Corrupt Practices Act](#).

⁴ See [U.S. Anti-Kickback Statute](#).

⁵ See [The Bribery Act 2010: Quick Start Guide](#). For more in-depth information, see [The Bribery Act 2010](#).

⁶ China does not have a single comprehensive legislation covering bribery offences. See more at [Anti-corruption in China](#).

ANNEX II: Related/Regional ABAC Policies & Procedures

Many ABAC laws and regulations exist globally. Likewise, we have multiple policies that deal with specific ABAC related situations. Some of these apply globally, others only in regional markets and/or to groups of employees. These policies are updated from time to time and will be communicated to relevant employees. Where necessary, training will be provided on these policies and procedures. Always consult the [Compliance & Integrity Department](#) if you have any questions.

- [Gift & Entertainment Policy](#) *(will be updated)*
- [Doing Business with Healthcare Professionals and Public Officials](#) *(will be updated)*
- [Travel & Expense Policy](#)
- [Össur Supplier Code / Third-Party Policy](#) (TBD)