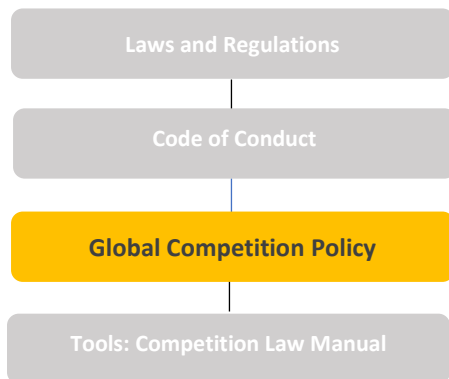

Global Competition Policy

This Policy:

1. Describes competition laws and what they mean for our business.
2. Prohibits anti-competitive arrangements, agreements and practices.
3. Prohibits abuse of a dominant position.
4. Helps identify anti-competitive situations, meetings and conversations, and whom to contact in case of questions.



CONTACT

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Global Competition Policy

1. Introduction

- 1.1 Össur is committed to comply with the rule of law and conduct its business in the highest ethical standards. As part of our commitment to fair, open, and unrestricted competition, Össur will comply with all applicable global Competition and Anti-Trust laws and regulations (hereafter, “competition laws”). As such, Össur has zero tolerance towards any anti-competitive practice, and does not accept any form of illegal or unethical practice to gain or maintain business.
- 1.2 This Policy has been developed by the Compliance and Integrity Department (“C&I”) to help employees and business partners understand competition laws and the situations that may give rise to a breach of these laws. It also aims to provide general guidance to employees on how to conduct business as stated in this Policy. This Policy cannot address every competitive situation and therefore employees are strongly encouraged to seek further guidance with C&I in case of questions. Additional guidelines for specific competition situations are in the [Competition Law Manual](#), which applies to employees in Sales, Marketing, Mergers & Acquisitions, or Procurement, or other employees dealing with competitively sensitive situations.
- 1.3 Any employee who breaches the rules in this Policy or who consents to anyone 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 the third party acted without due regard to its obligations as stated in this Policy.

2. What is the scope of this Policy?

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

3. What are Competition Laws?

- 3.1 Competition laws prohibit business practices that limit competition. Under Competition laws, agreements and arrangements that prevent or restrict competition, or which have an intention to do so, may be considered illegal whether such agreements are written or oral, formal or informal.
- 3.2 Competition laws may vary depending on jurisdictions (e.g., US FTC Act, UK Competition Act 1998, EU Competition Law, Chinese Anti-monopoly law, etc.) and can be sector specific. All these laws and regulations can be complex and quite different from each other. However, what they all have in common are two main rules that are worth knowing about and understanding:
 - It is generally illegal to enter into anti-competitive agreements, engage in anti-competitive practices or disclose competitively sensitive information to competitors—See Clause 4.



QUICK TIPS

Check with Compliance & Integrity

Competition laws are complex and apply in almost all the markets where we do business. There are many situations, meetings and even casual conversations that may contain a competitive element. Please always consult with the C&I if you have any questions. C&I acts as first point of contact and will consult with Legal as needed.

- It is generally illegal to monopolize a product or service, or abuse a dominant market position—See Clause 5.

4. Anti-competitive arrangements, agreements, and practices

4.1 This Policy prohibits any arrangement, agreement or practice between two or more businesses which has the objective or effect of preventing or restricting competition. Even if the effect on trade and competition is only potential and does not materialize in practice, the anti-competitive arrangement or situation may still be illegal.

4.2 Anti-competitive arrangements, agreements and practices can be horizontal and vertical:

- Horizontal refers to a company doing business with another competitor.
- Vertical refers to a company doing business with a supplier, distributor or other third party in its production or distribution chain.

4.3 The term ‘**agreement**’ has a very wide meaning and includes formal as well as informal agreements, written and oral agreements, explicit or implicit deals or understandings. Even where an agreement has not yet been reached, conduct can still fall within the scope of ‘**concerted practices**’, which means an informal cooperation without any agreement, but where there is evidence of contact between the parties and the contact has changed or is intended to change the parties’ market behavior.

5. Abuse of a dominant position

5.1 A company has a **dominant position** if it can take business decisions without regard to its competitors. Assessing whether a company is dominant depends on a variety of factors, one of which is market share. As a general rule, companies with a market share of 50% or more in any given territory or market are considered dominant. A company can also be dominant in a specific product or service market.

5.2 It is not illegal to *have* a dominant position, but it may be illegal to *abuse* that market position. Although it is difficult to set general rules for abuse of a market position, the following actions may be abusive:

- **Predatory pricing or price squeezing:** A company offers products for less than cost with the aim to push others out of the market.
- **Bundling:** A company packages several of its products or services together as a single combined unit, often for a lower price than it would charge customers to buy each item separately.
- **Tying:** The offering of a product or service together with another product or service as a condition for the purchase.
- **Excessive pricing:** A company sells its products or services at unreasonably high prices.
- **Exclusive purchasing:** A company requires buyers to purchase all units of a particular product only from them.

Check with C&I or Legal

Similar to competition laws in general, rules on dominant position and abuse of it are complex. In case of questions, please consult with C&I or Legal.



Case Example

Director A of Össur and Director B of OT box met at a Prosthesis tradeshow. The two companies are leading in the market of prosthesis. Director A and B were introduced by a common friend Director C of another big company. They had coffee together. Director B initiated a discussion on pricing strategy and the possibility of aligning it with the companies of Director A and C, so that they will be all on the 'same boat'. After all, they are friends. Director A thought it was a great idea and asked Director B to mail him a proposal. Director C was hesitant and proposed that they bundle their products instead. That way, they will give each other boost to products that are not as sellable and at the same time, keep a friendly relationship between their companies.

What could be the problem in this conversation?

6. Mergers and Acquisitions

- 6.1 Mergers and acquisitions can significantly reduce competition in a market, for example, if they create dominant companies that are likely to raise prices for consumers.
- 6.2 Regulatory authorities, such as the EU Commission, review mergers and acquisitions exceeding certain global or EU turnover thresholds. Depending on whether applicable turnover thresholds are exceeded, mergers or acquisitions must be notified in advance to the relevant regulatory authority.
- 6.3 Please always consult Legal in case of any merger or acquisition.

7. How can we compete effectively?

- 7.1 There are many legal and safe ways to gather information about our competitors' pricing and movement in the marketplace without risking a breach of Competition laws. We may not be able to obtain this information from the competitors directly since exchange of sensitive information may be deemed as an agreement. However, we can rely on to other legitimate and/or public resources such as:
 - News articles
 - Customer survey
 - Local consultants
 - The internet
 - Other means of access to publicly available information
- 7.2 When obtaining information from customers or consultants, avoid situations where an intermediary is used to communicate with a competitor. At the same time, if our consultants or customers are approached by our competitors, please make sure that no sensitive information is shared.
- 7.3 Do not use sensitive and competitive information received from an unknown source. This may include documents that arrive in an unmarked enveloped from an anonymous source or any information conveyed by a third party who do not disclose their source.

8. How can we ensure compliance with competition law?

- 8.1 All employees can help comply with competition laws by consulting C&I or Legal in case of any questions about this Policy or competition laws in general, and to report issues immediately.
- 8.2 For employees in Sales, Marketing, Mergers & Acquisitions or Procurements, or other employees who often meet with competitors, special rules apply, which are set out in the Competition Law Manual. A mandatory training will be given regularly to relevant employees to understand the requirements of this Policy and the Competition Law Manual.

- 8.3 Before attending meetings with competitors, notice must be given in advance to your manager, Legal and/or Compliance & Integrity, including an agenda of the meeting and attendance list. General and public trade conventions and conferences do not require this prior notice; however, are subject to the other requirements of this Policy and the Manual.
- 8.4 To help ensure that our agreements comply with global competition laws and this Policy, please use accepted Össur contract and agreement templates, and store them in our Contract Management system. If you need any help with this, please contact Legal.
- 8.5 For cooperation with non-competitors such as vertical relationships with suppliers, distributors or customers, employees must recognize the confidentiality of business secrets or commercially sensitive information and only exchange such information to the extent necessary to facilitate cooperation.
- 8.6 For relationships with any parties offering products or services similar to Össur business activities or that occupy a similar function in the market, employees must recognize the inherent risks in dealing with actual and potential competitors. Employees may not share business secrets or commercially sensitive information or engage in any actions that could have the effect of restricting competition. Two specific situations of competitively sensitive information may occur when
- employees have access to both procurement and sales information;
 - employees participate in joint/public tenders with multiple other competitors.

For these situations, special rules and requirements apply, including limiting the access to such information by implementing so-called “fire walls”, and making sure that such information cannot be shared other than for the purpose of the meeting/situation. A separate firewalls procedure will be created and implemented where relevant.

- 8.7 For any relationships with third parties, employees may never agree to share, divide, or allocate markets and/or customers. Össur will never collaborate with other parties to exclude legal competition.

9. Penalties for violation of competition law

Össur operates in many different countries where competition 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 competition 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.

10. Speak Up

- 10.1 In accordance with Össur’s Speak-Up Policy, employees are encouraged to file a report in good faith regarding any concerns, wrongdoings, misconduct, or failure to comply with applicable competition laws, the Össur Code of Conduct or this Policy.
- 10.2 Issues may be reported into the Speak-Up Line, to your manager, C&I, Legal and HR. Our ability to solve competition law issues increase when issues are reported early, so employees are encouraged to report issues and ask questions as soon as they arise.

11. 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 competition laws, this Policy will be updated when necessary. This Policy is available under [Our Policies](#) on Plaza.