

Global Policy Commercial Practices

Smith+Nephew

1 April 2021



Principles

We are committed to ensuring that our Commercial Practices globally comply with applicable laws and regulations, informed by industry codes and our Code of Conduct and Business Principles.

We promote fair competition globally and seek to earn customers and gain share through developing and improving our own products and services and distinguishing these from our competitors.

We deal fairly with customers, suppliers and competitors.

Scope and Responsibilities

This policy applies to all Smith+Nephew employees. Our employees are responsible for ensuring that the applicable elements of this policy are cascaded to the third parties with whom we do business including without limitation distributors, consultants, logistics providers, subcontractors, sub-dealers, sales representatives, agents and service providers.

Our **Code of Conduct and Business Principles** provides the legal and ethical framework to guide what we do every day and this policy provides the respective principles and rules. If we fail to follow our Code, we face fines, penalties, blacklisting, reduction in business and reputational damage. In addition, our employees face disciplinary action and potentially termination of employment.

Company management are responsible for ensuring that appropriate processes, procedures and documentation within their organisations are created and maintained to demonstrate compliance with this policy.

Additional tools, information and support on implementation of this policy are available on the internal **Global Compliance Programme website**. Each employee should contact their Compliance Officer or S+N Legal if they require further guidance or support on the implementation of this policy.

Where local law is stricter or conflicts with this policy, local law takes priority.

Requirements

A. Promotion of Fair Competition

We promote fair competition and we do not engage in anti-competitive behaviour which could include:

- Agreements or arrangements with competitors which could have an anti-competitive effect.
- Discussing or agreeing bids, bid conditions, discounts, promotions or pricing information with competitors.
- Agreeing or requiring a distributor or other third party to sell products at prices or to customers in circumstances which would distort or negatively impact competition.

We only attend trade association meetings which are bona fide and reputable and we ensure that competition law guidelines are in place for the association and meeting minutes are kept.

We advise our employees and contractors to make a **Noisy Departure** from trade association meetings if the meeting or side meetings includes discussion of inappropriate topics, such as pricing.

We participate in a benchmarking surveys where the following apply:

- The reasons for the survey are proper, legitimate and documented.
- The survey is conducted by an independent organization.
- The survey involves more than two participants.
- The data used is historical and is presented anonymously and in the aggregate.

Requirements

B. Pricing, Discounts and Rebates

We may offer customers rebates, discounts and other departures from standard price lists in accordance with applicable laws and regulations.

We ensure that all pricing, rebates and discounts are appropriately documented and booked.

We ensure that all pricing, rebates and discounts are approved in accordance with the Delegated Authority Matrix.

We don't use pricing, rebates or discounts to directly or indirectly make or facilitate an **Improper Payment**.

C. Tenders

We do not improperly influence tendering authorities to award a contract to Smith+Nephew.

We do not authorise third parties acting on our behalf to improperly influence tendering authorities to award a contract to Smith+Nephew.

If a distributor is competing against us in a tender, we commit to act fairly and in a way which promotes fair competition.

We ensure that pricing submitted in response to a tender is approved in advance in accordance with the relevant franchise or regional pricing policy.

We exercise caution when assessing requests for **Value Adds** in tenders and refer to the relevant Compliance Officer any requests for value adds which are not directly related to the products involved in the tender or which are not approved discounts and rebates.

Requirements

D. Advertising and exhibit booths

We conduct due diligence before making exhibit or booth fee payments to ensure that the recipient organisation is legitimate and is engaged in its stated activities.

We fund advertising, exhibits or booths at third-party events where the exhibit/booth fees reflect a fair market value, the event has a robust educational agenda and complies with the requirements of local/regional industry codes for educational events (e.g. agenda, venue and location).

We don't pay exhibit or booth fees in exchange for past or potential purchases of our products or services.

We don't pay exhibit or booth fees to individuals.

E. Samples and evaluations

We can provide products for **Sample or Evaluation** to HCPs or Healthcare Institutions at no charge in accordance with applicable laws and regulations.

We do not provide products for sample or evaluation for uses that have not been approved or cleared by the local Regulatory authority in that market.

We limit the quantity of disposable product provided for sample or evaluation to no more than reasonably needed to evaluate the product.

We limit the no charge evaluation period for capital equipment to the time reasonably necessary to evaluate the product's performance.

We ensure that evaluation equipment is returned or purchased at the end of the evaluation period.

Requirements

F. Products/services provided at no separate charge

We ensure that all arrangements which involve the provision of products or services at no separate charge comply with applicable laws and regulations and we document such arrangements with our customers or third parties.

We monitor compliance with contractual obligations regarding the provision of products or services at no separate charge.

G. Behaviour in the clinical environment

We are experts in our products and in the use of our products.

We advise on technical questions related to mode of action, assembly and operational performance of products consistent with user manuals and instructions for use.

We have a responsibility to raise concerns about products and to promptly report issues about which we become aware.

We do not provide medical advice or recommend treatment even at the direct request of a Healthcare Professional (HCP).

We do not perform any service for a facility that would otherwise be the responsibility of a staff person of the facility.

We do not have any hands-on contact with any patient in the operating room unless an exception is approved and documented.

We strive to follow the relevant policies and procedures of each healthcare facility that we visit. We wear required personal protective equipment and complete all required training prior to entering a clinical environment.

In those markets where it is permissible for Smith+Nephew representatives to enter the sterile field in the operating room, we only allow our representatives to enter the sterile field at the request of and under the direct supervision of the HCP in charge.

In case the responsible HCP declares a situation as a life-threatening emergency during a procedure where an employee is present, at the request of the HCP in charge and where local law allows, employees may render support in accordance with the instructions provided by the HCP.

Reporting violations

We know that we shall report any breach of this policy that we discover. Failure to report is a violation of the Code of Conduct. By having the courage to raise awareness of potential issues, we help protect our reputation, our employees and our customers. Reports can be made by contacting:



- A **Compliance Officer**;
- The **Legal department**;
- The **HR department**;
- A **line manager**; or
- **Integrity Line**

We will make sure no action is taken against anyone who reports, in good faith, actual or suspected misconduct.



Definitions

Improper Payment means any financial payment or benefit improperly offered or made for the purpose of obtaining or retaining business or to gain any improper advantage for the person or entity making the payment for us. Improper payments may include anything of value, provided overtly or covertly, in cash or in kind, including bribes, kickbacks, gifts, donations, grants, hospitality, commissions or any sales arrangement, discount, rebate or equipment loan which is not made in accordance with the Code of Conduct or the policies adopted under the Code. You should assume that a financial or other benefit to a Government Official is improper unless it is permitted or required by the applicable written law.

Noisy Departure means if topics which could be challenged as restricting or distorting competition are raised at a meeting, leave it in a memorable way (often referred to as a “noisy departure”). Before leaving, ensure that people know your name and company and ask for the record to show when you left. After leaving, keep a record of the meeting and notify the Company Legal department of what happened and the action you took.

Sample or Evaluation means items that we give individual HCPs or Healthcare Institutions at no charge to enable them to evaluate the product and assess whether it meets their clinical needs or their patients’ needs.

Value Adds means additional goods or services beyond the provision of product.

Smith+Nephew

Life Unlimited

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