

“No PO, No Pay” Policy

1. **Purpose** The purpose of this policy is to ensure that all purchases made by Bolton Medical, Inc. dba Terumo Aortic and/or Vascutek Ltd. trading as Terumo Aortic (individually and collectively, “Terumo Aortic”) are properly authorised and documented through a valid purchase order (PO) processed through Terumo Aortic’s supplier management system. This policy aims to enhance financial control, improve supplier relationships, and ensure compliance with company procurement and other compliance policies and procedures.
2. **Scope** This policy applies to all associates, departments, and suppliers of Terumo Aortic. It covers all purchases of goods and services, regardless of value.

3. Policy Statement

3.1. Purchase Order Requirement:

- 3.1.1 All purchases of goods and services must be accompanied by a valid Terumo Aortic purchase order.
- 3.1.2 Suppliers are required to obtain a valid purchase order number before delivering goods or services to Terumo Aortic and invoicing Terumo Aortic for those goods or services.

3.2. No Purchase Order, No Payment:

- 3.1.3 Terumo Aortic will not process payments for any goods or services that are not supported by a valid purchase order.
- 3.1.4 Invoices received without a corresponding purchase order will be returned to the supplier unpaid.
- 3.1.5 The due date for payment of an invoice under the applicable payment terms will be calculated from the date of receipt of a valid purchase order.

3.2 Purchase Order Issuance:

- 3.2.1 To constitute a valid purchase order, a purchase order must be issued by the applicable Terumo Aortic Procurement team (Direct Procurement or Global Business Services) and approved by the relevant authority as per the applicable Terumo Aortic policy and approval process, including for example the eCAS approval matrix.
- 3.2.2 Associates must submit a purchase requisition form to the applicable Procurement team to initiate the purchase order process.

3.3 Supplier Compliance:

- 3.3.1 Suppliers are responsible for ensuring they have received a valid purchase order before delivering goods or services and before invoicing Terumo Aortic for those goods or services.
- 3.3.2 Any delivery made without a valid purchase order will be considered unauthorised and may be rejected or returned at the supplier’s expense.

3.4 Exceptions:

Exceptions to this policy may be granted in special circumstances with prior written approval from the Director of Global Procurement or an authorised delegate.

3.5 Emergency Purchases:

- 3.5.1 Emergency purchases may be made without a purchase order but must be made in accordance with the following criteria:

- it is in response to a valid emergency,
- it is documented with a proper business justification,
- it is promptly reported to both the applicable manager and to the Procurement function, and
- it is approved retrospectively by the Director of Global Procurement or an authorised delegate.

3.5.2 Valid Emergency: A valid emergency means an urgent and unforeseen emergency that must be addressed immediately to prevent significant disruptions to operations. Examples of valid emergencies that may require an emergency purchase include:

- Critical Equipment Failure: If a vital piece of machinery breaks down unexpectedly, it may need to be repaired or replaced immediately to avoid halting production.
- Natural Disasters: Events like floods, earthquakes, or fires can create urgent needs for supplies, repairs, or services to ensure safety and business continuity.
- Health and Safety Issues: Situations that pose immediate risks to employee health and safety, such as hazardous material spills, may require prompt action and procurement of necessary equipment or services.

3.5.3 Emergency purchases are not to be used for routine needs or situations where proper planning could have prevented the urgency.

3.5.4 Proper Business Justification: A proper business justification states the nature of the emergency, the potential financial losses, operational disruption, and/or other harm or damage to the business if the purchase isn't made immediately or is delayed by the standard procurement process, why the need couldn't be anticipated beforehand, and the specific reason for selecting the chosen supplier.

- Purchases made without a purchase order that do not satisfy all four of the emergency purchase criteria set forth above will be subject to the Enforcement provisions of this policy.

4 Responsibilities:

4.1 The Procurement Department is responsible for issuing purchase orders and maintaining records of all transactions.

4.2 Department heads are responsible for ensuring compliance with this policy within their respective departments.

4.3 Suppliers are responsible for obtaining purchase orders and ensuring their invoices reference the correct purchase order number.

5 Enforcement:

5.1 Non-compliance with this policy may result in disciplinary action for associates, potential termination of contracts with suppliers, and non-payment of unauthorised invoices for goods or services.

6 Review and Amendments:

6.1 This policy will be reviewed annually and may be amended as necessary to ensure its effectiveness and alignment with company objectives.