

Third Party Seller (TPS)

Standard Operating Procedure

Introduction

Global laws prohibit paying bribes to government officials to obtain or retain business. Many of these laws also prohibit paying indirect bribes to government officials by using third parties. Misconduct by third parties can be more challenging to identify or prevent than misconduct carried out by company employees, and Insightec may be held responsible for misconduct by third parties representing us. Although it is common practice to use TPSs to assist with sales or other services in less familiar jurisdictions, due to the risks associated with utilizing TPSs (especially in high risk jurisdictions), Insightec will make all reasonable efforts to ensure such TPSs are professional and conduct their affairs ethically and lawfully. When considering a TPS (or other similar third party intermediary such as a contractor or representative), the following Standard Operating Procedure applies.

TPS Standard Operation Procedure

1. **TPS Identification:** Insightec Commercial Team identifies a potential TPS for a defined project in a defined location.
2. **TPS Questionnaire:** Insightec Commercial Team forwards Insightec's approved TPS Questionnaire (a current copy of which may be found on Insightec's [Legal/Compliance Corner](#) website) to the potential TPS for their completion.
3. **Questionnaire Review:** Once received, the Insightec Commercial Team and Legal/Compliance review the completed questionnaire to ensure the TPS is qualified to perform the requested services, has the necessary experience in the desired jurisdiction and has agreed to adopt Insightec's Code of Conduct or otherwise provide a copy of their own Code of Conduct, acceptable to Insightec's Legal/Compliance Team.
4. **Due Diligence:** Legal/Compliance conducts due diligence on the TPS using a third party due diligence expert (such as Blue Umbrella), and will select the appropriate level of due diligence proportionate to the risks involved (taking into consideration the jurisdiction, corruption perception, and bribery risk factors). Once Insightec obtains a detailed due diligence report on the TPS, Legal/Compliance will review the report for any "red flags". If the report reveals concerning information that requires clarification or explanation, Legal/Compliance will ask the Commercial Team to obtain responses to questions related to the findings in the report. If the areas of concern cannot be successfully resolved, or if the responses from the TPS are unsatisfactory to the Commercial or Legal/Compliance Teams, Insightec will terminate the relationship and consider a more suitable TPS. If the concerns are successfully resolved, Legal/Compliance will notify the Commercial Team and agreement negotiations may commence or continue.
5. **Manager Accountability:** Upon initial agreement negotiations, the Commercial Team shall appoint a TPS manager who will serve as the business liaison between Insightec and the TPS. The TPS manager must sign Insightec's TPS Employee Compliance Acknowledgement (a current copy of which may be found on Insightec's [Legal/Compliance Corner](#) website), certifying an understanding of the risks involved with engaging the TPS, compliance with Insightec's Code of Conduct and agreeing to promptly report any concerns of non-compliance by the TPS.

6. Territory Sales Agreement: The TPS manager shall provide the TPS with a copy of Insightec's Legal-approved Territory Sales Agreement and request execution from the TPS. If further negotiations or redlines are requested, Legal must review and approve the changes. Once a signed Territory Sales Agreement is received, it should be counter-signed pursuant to Insightec's Signatory Policy and filed in the appropriate server folder.
7. Training: Upon execution of the Territory Sales Agreement, the TPS will have 30 days to complete online anti-corruption training, provided by Insightec or a designee (such as TRACE Intl.).
8. Business Activities: Business activities (such as product training, installation, or commercial support, etc.) may commence upon completion of the executed agreement, provided that failure to complete the online anti-corruption training in the allotted 30 day period may result in suspension or termination of the Territory Sales Agreement.
9. Representatives: It is important to ensure that all TPS Representatives who are engaged to sell Insightec products and services are approved and trained in accordance with this SOP and the Territory Sales Agreement. This includes individual sales personnel and also any sub-distributor or sub-agent.

Reporting Concerns

Insightec employees have an obligation to report any concerns of unethical or unlawful conduct carried out by a TPS and may report the matter by notifying Legal/Compliance or submitting a report (which may be anonymous) to Insightec's Ethics Hotline as follows:

Via Phone: +1-844-739-3204

Online: insightec.ethicspoint.com