

INDIRECT THIRD-PARTY PROCEDURE

BUSINESS/COMMERCIAL TEAMS

February 12, 2021

Purpose and Scope

Purpose

The purpose of this procedural document is to set forth the requirements for requesting engagements with Indirect Third Parties (“ITPs”) with whom Alpha Company (“ALC”) intends to do business. This ALC procedural document is in alignment the ALC Indirect Third-Party Policy as well as the GE Corporate Enterprise Standard for Know Your Commercial Party . This document outlines the requirements for entering into contractual relationships with ITPs as well as sets criteria that help ALC avoid into relationships that could harm GE’s reputation or violate applicable laws.

This procedural document applies to all ITPs, their sub dealers/contractors, and shorter term indirect relationships.

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

Additional local rules or principles may apply. Review the Indirect Third-Party Policy for more information

The purpose of due diligence is to ensure the business understands the risk of working with the identified commercial party prior to entering into a binding relationship.

**Non-binding quote does not require due diligence or approvals. However, the account created is for quoting only (any orders to be taken must include a full workflow submission and approval process). Please see Appendix C for more information*

Scope

The due diligence requirements outlined in this Policy apply to ITPs with whom GE intends to enter into a binding/contractual relationship.

Direct Party relationships are out of scope for purposes of this procedural document. Please refer to the links in Appendix A for more information.

The procedural document is for the Commercial Teams/Channel Excellence Managers. Specific Compliance related procedures (e.g., due diligence) will be outlined in a separate Compliance Team document.

Roles and Responsibilities

Role	Responsibility
Business / Commercial Team/ Channel Excellence/ITP Manager*	<ul style="list-style-type: none">- Own relationship and serve as primary contact for <u>ITP</u>- Gather all documentation from <u>ITP</u> for onboarding process- Complete <u>Commercial Needs Assessment</u> (as necessary)- Enter all information and maintain onboarding process in SFDC, or equivalent (including <u>RLD</u> related information)- Conduct regular needs assessment strategies for engaging new/renewing/terminating <u>ITP</u> s- Notify Regional Compliance Team in the event changes are made to the current <u>ITP</u> engagement (e.g., sub dealers are disclosed, new ownership of company, requested changes to nature of engagement)- Notify Regional Compliance Team if any <u>red flags</u> or <u>triggering events</u> are noticed (onboarding, during active term of <u>agreement</u>, or prior to renewal)- Confirm with main <u>ITP</u> (if <u>heightened</u>) that any sub dealers must go through internal ALC <u>due diligence</u> process- Provide <u>due diligence</u> information to main <u>ITP</u> for all <u>standard</u> sub dealers used- Set up vendor as <u>ITP</u> through Sourcing/SSP and/or through ERP systems for orders. Manage payments to dealers through SSP (commissions, T&L reimbursement, service)- Work with <u>ITP</u> related to renewals and amendments- Offboard any <u>ITP</u> and complete downstream system checklists to ensure offboarding is completed

*Business: For definitions in this procedural document, “business” refers to any member of a Commercial Team or Channel Excellence, ITP Manager

Roles and Responsibilities

Commercial Approver	<ul style="list-style-type: none">- Review request in SFDC (or equivalent)- Communicate with Commercial Team/Channel Excellence and Compliance on any issues related to onboarding request
Compliance Team	<ul style="list-style-type: none">- Complete all <u>due diligence</u> required for each requested new/renewed/amended <u>ITP</u>- Review risk level determination (<u>RLD</u>), as provided by Commercial/Channel Excellence teams, and document any exceptions- Review onboarding/renewal/amendment/offboarding workflows and documentation for adherence to policy- Perform any required live training as part of this procedural document- Manage <u>IRB</u> or <u>escalated</u> conversations as necessary- Maintain compliance termination/<u>banned party</u> process as appropriate- Perform ongoing <u>due diligence</u> as required by this procedural document- Maintain <u>ITP</u> vendor flags within SSP- Work with Compliance OIMA Team on monitoring/auditing activities for all <u>ITPs</u>
Finance	<ul style="list-style-type: none">- Review onboarding/renewal/amendment/offboarding workflow as appropriate- Entering credit limits into SFDC- Determine payment terms and provide any payment <u>exceptions</u>- Review payment PO requests in SSP
Legal	<ul style="list-style-type: none">- Partner with Commercial/Channel Excellence teams to review all <u>ITP agreement</u> drafts- Negotiate, as necessary, terms and conditions for all <u>ITP agreements</u>

Commercial Needs Assessment

Business Rationale

- When a commercial need for an ITP is identified and the new ITP is to be onboarded, the first step is to complete a high-level Commercial Needs Assessment.
 - This assessment ensures the need for the ITP is legitimate and properly documented.
 - The commercial need is assessed by confirming an existing ITP cannot fill the need and/or cannot be met within ALC.
- Format of Needs Assessment determined by Region.
- The documentation of the high-level Needs Assessment result is through the submission of the SFDC (or equivalent) workflow (CP Profiling Tab)

(Note: If during the Commercial Needs Assessment it's identified that the need can be met with an existing ITP, the region would initiate an amendment for the new product/territory or customer group, rather than onboard a new ITP.)

NOTE

It is very important to ensure that all information entered into SFDC (or equivalent) is complete and accurate. The information provided by the Commercial/Channel Management Teams is used for both commercial review, additional function review, and required Compliance due diligence. Failure to submit a complete/accurate workflow request can result in a delay to onboarding or a rejection of the request. For questions, please contact your region Compliance Team.

Documentation Gathering

Application

- An application is required for all main ITPs as well as *(for sub dealers, please see separate section within this document)*
- [Templates](#) and [Checklists](#) can be found in the associated Box Folders

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

Required SFDC Onboarding Documentation

The following documentation is required to be uploaded at the time of the SFDC (or equivalent) workflow submission by the business team(s)

- 1) Completed/Executed Application Form
- 2) Signed/Acknowledged Spirit & Letter Policies *(workflow at this time has only one requirement. S&L acknowledgment is included with Application)*
- 3) Financial Statements *(NOTE: While audited financial statements are preferred, it is understood that not all ITPs can accommodate. Regions are expected to work with their designated finance approver on acceptable documentation requirements)*
- 4) Business License and/or State Registration Certificate
- 5) Teikoku Data (JAPAN ONLY)

Additional documents may be region specific. Please work with your region Compliance Team for more information

NOTE

It is very important to ensure that all information entered into SFDC (or equivalent) is complete and accurate. The information provided by the Commercial/Channel Management Teams is used for both commercial review, additional function review, and required Compliance due diligence. Failure to submit a complete/accurate workflow request can result in a delay to onboarding or a rejection of the request. For questions, please contact your region Compliance Team.

SFDC Workflow Questionnaire

Onboarding Relationship Types

1) Long term (distributor, wholesaler, agent/sales rep, sub dealers): contracts are typically at least one-year term **Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contractors, the following process will not apply.**

2) Once-off (spot dealer, packager(confirmed), non-binding quote*, consortium partner)

*Non-binding quote does not require due diligence or approvals. However, the account created is for quoting only (any orders to be taken must include a full workflow submission and approval process). Please see Appendix C for more information

Spot Dealers

- Per the new Corporate Enterprise Standard, all spot dealers are considered to be heightened due diligence. Due diligence is conducted by the Compliance Team and no additional actions are required by the Business
- If the Spot Dealer is already onboarded as a long term ITP and is only adding a new modality for the deal, full due diligence and documentation gathering is not required. The business should search for the ITP name and fill in the information, selecting “Spot Dealer” as the relationship option. The business also must include the SFDC (or equivalent) original workflow number in the comments as reference
- Spot Dealers used more than twice in one year or three times in two years, must be re-onboarded as a long term ITP (new agreement required). The business must track the use of spot dealers and review during their needs assessment discussions.
- Scenarios and actions related to spot dealers are below
 - ITP is already onboarded as a long term standard due diligence ITP (e.g., a distributor) and now wishes to perform a spot deal in the same country/region as their distribution agreement details. Path = new onboarding WF with Spot dealer selected (no additional due diligence is required; use same information as original onboarding; Regional Compliance Team makes comment in Spot Dealer referencing original WF)
 - ITP is already onboarded as a long term standard due diligence ITP and now wishes to perform a spot dealer in a separate country/region (not already included in the distribution agreement). Path = new SFDC (or equivalent workflow) as a spot dealer relationship (full documentation and application required)
 - Spot dealer has been used twice within 2021 for the same country/region and now wishes to sign a third spot dealer agreement for the same country/region. Path = new SFDC (or equivalent) workflow as a long term ITP (all documentation and application required)

SFDC Workflow Questionnaire

SFDC (<https://gehealthcare-amer.my.salesforce.com/home/home.jsp>)

SFDC Onboarding Workflow Sections and Fields (COMING IN Q2 2021 – JOB AIDES FOR ITP WORKFLOWS)

All fields with an * are mandatory and must be answered to submit a request. Any incomplete or inaccurate requests will be sent back or rejected. Most fields are related directly to the ITP application. Please contact your region Compliance Team with any questions.

- CP Profile
- Commercial DDI
- Expectation Setting (long term only – exception is sub dealers)
- Documentation Upload

Note: If ITP will sell in multiple countries, please review the [GE Corporate High Risk Entity List](#) to determine if any countries are restricted, sanctioned, or embargoed. Provide confirmation in SFDC (or equivalent) accordingly.

Risk Level Determination

The risk level determination (RLD) is completed as part of the onboarding SFDC questionnaire and will display two scores as part of risk determination.

- 1) Country Risk Score: external validation of the country in which the ITP is location and country(ies) in which the ITP is selling/operating
- 2) Additional Factors Score: questions related to our corporate enterprise standard that may determine if a proposed ITP is higher risk to ALC

The assigned Compliance Team will review the risk determination in conjunction with the entire workflow submission and all documentation included for the final due diligence needed and the path for the request. *The Commercial Teams are not responsible for review/analysis of initial scoring*

Commercial Due Diligence Interview (DDI)

Requirement

Completed by the business team(s) as part of the onboarding/renewal workflow submission

- Most DDI questions are only related to long term ITPs (exception are sub dealers)
- Commercial DDI results are documented with SFDC (or equivalent)
- Sub Dealer and Once-off options do not require a formal interview with ITP by ALC business representative.
- Additional Functions (Service, HPM, EHS) may be required to complete separate Due Diligence Interviews (See Appendix D for more information)

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contractors, the following process will not apply.

Questions Included

- Commercial DDI
 - Name and Role of Dealer Representative Interviewed
 - Strengths
 - Weaknesses
 - Sales and/or Marketing Plans
- Healthcare Experience
 - Number of years in Healthcare Industry
 - Number of Employees with Healthcare experience
 - Experience with other Healthcare companies
 - Number of Dedicated Employees to ALC products
 - Total Number of employees
- Legal/Compliance
 - Type of Compliance program for ITP
 - Any activities in sanctioned countries
 - Request from Customer to use ITP
 - Engagements with Government entities and officials

Approvals

Requirement

This process is intended to ensure the business adequately documents the reasoning and rationale for engaging with ITPs, especially where red flags are identified. This includes defining the review and approval of a commercial party sale or engagement and renewal based on the risk level of the ITP and on due diligence results.

Approver Roles

QA/RA/Pharmacovigilance (PV) – PDx ONLY

- Confirms that requested ITP conform to specified requirements and regulations, and defines the required controls.

Business (includes Commercial Team, Channel Management and/or Channel Excellence)

- Commercial approver will be responsible for validating information entered into system of record)

Compliance (Compliance Team)

- Completes all Compliance related due diligence screenings
- Confirms that requested ITP does not pose a significant risk to the company

Finance

- Reviews proposed payment terms and current financial statements of ITP

Escalations, Exceptions, and IRBs

Escalation and Exception Requirements

During the on-boarding or renewal process, ITPs will undergo due diligence through a questionnaire/interview by a member of the Business. The due diligence will incorporate a risk determination, which will be reviewed and analyzed by the Compliance Team. If any red flags (please see separate Red Flag/Triggering Event page for more information) are identified through the DDI, questionnaire or by the RLD scores, the Compliance Team will utilize the following factors for determining an escalation.

- RLD Scores
- Analysis of due diligence Results
- Review of full workflow completion and associated documentation

The level of escalation by the Compliance Team include the following actions:

- Exception provided by Compliance Team
- Review by Regional Compliance Leader
- Regional IRB
- Global IRB

Exceptions are only provided by the Compliance Team and are given on a case by case basis

IRB Requirements

IRBs are managed by the Regional Compliance teams. Please reach out to your applicable team for more information or to discuss an upcoming IRB

Sub Dealers

Definition

An ITP appointed by a ALC main ITP to assist with activities under the ALC agreement, and who have authority to facilitate the sale of ALC products or services or conduct business on the main ITP's behalf

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

Standard Sub Dealers

If the main ITP with whom the sub dealer will be working is onboarded as a Standard ITP, then no SFDC (or equivalent) workflow is required for the sub dealer. If the sub dealer is working with numerous main ITPs, please contact your region Compliance Team to discuss the best practice.

The business team(s) must provide the due diligence requirements table (next page) to the main ITP upon completion of the onboarding/renewal workflow.

Any due diligence requirements for standard sub dealers is the responsibility of the main ITP. The minimum due diligence requirements are below. The main ITP must document their due diligence results. The main ITP agreement will include language that ALC reserves the right to audit the main ITP at any time during the agreement term for sub dealer due diligence.

The above process is both when the sub dealers are known at the time that the main ITP is engaged and at any point during the active agreement term or renewal.

See next page for standard due diligence requirements

Sub Dealers – Standard Cont.

Standard Sub Dealers Recommendations

Below is the recommended level of due diligence required by the related standard main ITP to perform on any sub dealers. Each main ITP is responsible for confirming that any used sub dealers are legitimate companies with whom they can conduct business. The below list is not prescriptive, and the main ITP would determine what due diligence is required based on their company’s structure, needs and risk.

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

Note: If the main ITP is determined to be Heightened, please see following page

Type	Due Diligence Recommendations
Identification	Verify commercial party’s legal name and address (bill to and ship to, if available)
	Make reasonable efforts to verify the ownership of the commercial party
	Make reasonable efforts to verify the <u>principal</u> officers of the commercial party
Screening	Perform a Watchlist screening on the commercial party (full legal name and address) and its identified subcontractors/sub dealers, branch names, and addresses.
	Perform Watchlist screening on all identified owners and principal officers of the commercial party.
Research	Perform a negative news search for the commercial party, its branches, and subcontractors/sub dealers serving GE.
	Perform a negative news search for the commercial party’s identified owners and principal officers.
Training	Perform training on GE's Spirit & Letter policies for the identified representatives/GE relationship manager responsible for managing the GE account and relevant employees of the commercial party. Relevant employees include individuals working on/associated with the GE transaction. <i>Training is required and included in written agreement terms and conditions.</i> Please click here for the Box Folder

Sub Dealers

Heightened Sub Dealer

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

If the main ITP with whom the sub dealer will be working is onboarded as a Heightened ITP, a separate full workflow in SFDC (or equivalent) is required for the applicable sub dealer(s)/sub contractor(s).

The request workflow and documentation is aligned with the with the request type in the system. Only the below is needed through the Commercial due diligence process (can be obtained through the main ITP and or the sub dealer application).

- Third Party's Experience with Other Healthcare Companies
- Total Number of Employees
- Type of Compliance Program
- Actual Owners (RCIS Only)
- Government Relationships (owned by government, involved in gov't enterprises)

A contract is not required between a sub dealer and ALC. When prompted in the tool, please upload the fully executed main ITP agreement (effective dates are also the same as the main ITP). In addition, the financial statements from the Sub Dealer are not required. When prompted, the business should attach a copy of the main ITP financial statements and provide a comment to the finance approver prior to submitting workflow.

NOTE FOR ALL SUB DEALERS: The standard and heightened sub dealer process is required when it is made known to ALC that Sub Dealers will be used by the main ITP (either at the time of onboarding or during the active term of agreement). If sub dealers are used, but not disclosed, corrective action with the affected main ITP(s) may be implemented.

Agreement Creation

Written Agreement Templates

- All ITPs require a written agreement (exceptions are non-binding quote and sub dealers). This includes new onboarding requests, amendments to existing active ITPs, and renewal of onboarded ITP
- Once SFDC (or equivalent) workflow is fully approved (workflow must be in Summary/Contract step), Business should work with applicable legal team to complete draft contract and send out for execution
- Contract negotiations are between ALC Legal/Business and ITP. Contract changes that affect the onboarding workflow must be noted to the Compliance Team for workflow send back/corrections

Signature/Execution

- Only designated internal signatories may execute the contract on behalf of ALC. Signatories cannot include ALC Compliance staff.
- Fully executed agreements are to be sent offline (via email) to the region Compliance Team for upload and tracking into the Onboarding, Amendment, or Renewal workflow

Ongoing discussions to determine level of involvement by Compliance team.
No change to current contract management at this time

Training

Requirement

A Spirit and Letter acknowledgment, as well as Training, is required for all ITP s as part of the onboarding and renewal processes.

Standard :

- Obtain written acknowledgement regarding compliance with Spirit & Letter policies from the ITP as part of the application.
- The Compliance team will provide training to the main identified representative/GE relationship manager for the ITP and then the ITP must train their employees who represent GE or associated with GE transactions on our Spirit & Letter policies. The ITP must provide a documented acknowledgment to the GE business that the relevant employees have been trained.
- Standard sub dealers must be trained by the main ITP

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

Heightened:

Heightened Sub Dealers must also be trained through the process noted below

- Obtain written acknowledgement regarding compliance with Spirit & Letter policies from the ITP as part of the application.
- The Compliance team will provide training on GE's Spirit & Letter policies for the identified representatives responsible for managing the GE account *and* the listed employees associated with the transaction. (For example, those who will be interacting with customers to sell or service our products.)

Note: This training is to be performed or assigned after the contract is fully executed and must be completed prior to the ITP placing an order or commencing service, so it is essential to identify the persons for training and share this list with compliance in a timely manner.

Training – Your Role

Your Role

Standard

- Obtain a written acknowledgement regarding compliance with Spirit & Letter policies from the ITP as part of the application
- Provide the compliance team with the main identified representative/GE relationship manager for the ITP and, as the relationship owner, help the Compliance Team with information needed to schedule the training.
- Main ITP principals are responsible for cascading training to their employees and any sub dealers used in conjunction with their ALC agreement. All ITP contracts will reflect this requirement

Heightened

- The Commercial team will work with the ITP to identify representatives responsible for managing the GE account and the listed employees associated with the transaction as well as known subcontractors/sub dealers who will be performing work with GE or on GE's behalf and share this list with the Compliance team. (For example, those who will be working with customers to sell GE products or perform service.)
- As the relationship owner, the Commercial team will help facilitate communication with the ITP so that the Compliance team can provide the training.

Note: This training is to be performed or assigned after the contract is fully executed and must be completed prior to the ITP placing an order or commencing service, so it is essential to identify the persons for training and share this list with compliance in a timely manner.

Onboarding Activation

- When the fully executed agreement is returned to ALC, if applicable, please submit to the applicable Compliance Team who reviewed the engagement in the tool
- The Compliance Team will then upload the signed agreement along with any additional information to the system and “activate” the engagement
- Only when an onboarding/renewal workflow is activated will an account in SFDC be generated. At that time, you may start the account generation and vendor creation (if applicable) processes

NOTE

It is very important to ensure that all information entered into SFDC (or equivalent) is complete and accurate. The information provided by the Commercial/Channel Management Teams is used for both commercial review, additional function review, and required Compliance due diligence. Failure to submit a complete/accurate workflow request can result in a delay to onboarding or a rejection of the request. For questions, please contact your region Compliance Team.

Red Flags and Triggering Events

Red Flags

- Red Flags are indications or concerns of a potential violation of a policy or law, or a compliance risk, that may arise during onboarding, renewal or ongoing due diligence of an ITP.
- Red Flags, warning signs, and compliance issues should be monitored throughout the term of all ITP relationships, and if identified, should be consulted with Compliance.
- Where the issue pertains to ITPs in higher risk countries (per the RLD country risk matrix), the business should work with local resources and Compliance to resolve the concern.
- If the review of a red flag or warning sign suggests the probability of a policy violation, appropriate steps (up to and including the immediate termination of the commercial engagement or relationship) should be taken.
- All documentation related to red flags, warning signs and compliance issues should be maintained in SDFC (or equivalent).

ACTION REQUIRED

if a red flags, warning sign and/or compliance issue is identified:

NOT yet onboarded:

- ✓ The Compliance Team should hold the SFDC (or equivalent) workflow in their queue until the matter is resolved.
- ✓ The description of the issue, names of individuals involved, action plan, as well as why the entity was accepted/rejected (and if accepted, what was the mitigation plan), should all be documented in SFDC (or equivalent) (eg. IRB).

Onboarded:

- ✓ The Compliance Team or Finance (depending on the reason for the flag) should initiate an “On Hold” workflow in SFDC (or equivalent).
- ✓ The description of the issue, names of individuals involved, action plan, as well as why the entity was accepted/rejected (and if accepted, what was the mitigation plan), should all be documented in SFDC (or equivalent).

Examples of Red Flags

Entity is:

- associated with allegations of improper payments, corruption, fraud, money laundering, trade controls violations, human rights/labor issues, or terrorism-related offenses;
- penalized, debarred, or convicted in a local jurisdiction of any offense;
- known to do business in sanctioned countries or with sanctioned parties;
- requesting unusual payment arrangements or demanding an unusual fee;
- in a different line of business than for which it is being engaged;
- an indirect commercial party becoming part of the transaction at the express request or insistence of the customer and/or end user;
- a shell company incorporated in an offshore jurisdiction or requests payment to an offshore bank account; or
- with significant EHS issues such as missing permits, poor safety or waste handling practices

Red Flags and Triggering Events, Cont.

Triggering Events

- If a red flag or warning sign is identified after the entity is onboarded and approved, this will signal a triggering event and may require performing additional due diligence.
- Triggering events must be evaluated to determine if the change is significant enough to change the risk profile for the ITP's relationship with GE.
 - ✓ The Commercial team is responsible for notifying Compliance if they become aware of a red flag or triggering event.
 - ✓ If after review, the Compliance team determines that the risk profile has changed, and/or additional due diligence is required, Compliance should determine the appropriate next steps, which may require additional assistance from the Commercial team.
 - ✓ Local resources should also be consulted if the matter relates to a higher risk country (as defined in the RLD country risk matrix).
 - ✓ Any triggering events or red flag after onboarding will require the same minimum level of approval as the initial onboarding.
- All documentation related to changes in risk classifications and due diligence should be maintained in SFDC (or equivalent).

Examples of Triggering Events

- Negative media Issue Identified
- Significant changes in contract terms or engagement including sales volume
- Changes in ownership
- Changes to the nature or location of the external party
- Change in relationship type
- Changes to selling territories (added or changed)
- The ITP has sub-dealers that were not disclosed in onboarding
- No notification of training completion

Red Flag Reminders

- Red Flags, warning signs, and compliance issues should be monitored throughout the term of all ITP relationships, and if identified, should be consulted with Compliance.
- Where the issue pertains to ITPs in higher risk countries (per the RLD country risk matrix), the business should work with local resources and Compliance to resolve the concern.
- If the review of a red flag or warning sign suggests the probability of a policy violation, appropriate steps (up to and including the immediate termination of the commercial engagement or relationship) should be taken.
- All documentation related to a red flag, warning signs and compliance issues should be maintained in SFDC.

Ongoing Maintenance and Payments

ANY ITP MUST FIRST COMPLETE THE SFDC (or equivalent) ONBOARDING PROCESS PRIOR TO SET UP AS A CUSTOMER OR VENDOR

Vendor Set Up and Payments

- Once the party is onboarded and if ALC will pay the ITP (e.g., commission payments, incentive/T&L reimbursements), please submit a [ALC Supplier Add Maintain](#) form to Sourcing.
- Be sure to answer the questions related to ITPs accurately so that the vendor is set up properly
- To make a payment to an ITP, you must receive an SSP Override Code. Please contact your Regional Compliance Team to receive training as an SSP Override Code custodian and for issuance of codes

Customer Set Up (ERPs)

- Once the party is onboarded and in order to accept orders/payments from the ITP, please submit a request for your regional ERP AML/customer set up form (forms vary per region. Please contact your region Comm Ops team for more information)
- Remember to select Indirect Third Party or Channel Partner for the customer type
- No orders can be received through the SFDC generated account until the party is set up in the applicable ERP
- **NOTE: All Non-Binding quotes are required to follow the process outlined in this document (Appendix C). No non-binding quote party may be set up as a customer without going through the full SFDC process and due diligence.**

Ongoing Maintenance and Payments

Due Diligence Refresh Requirement

Ongoing due diligence is required at various points throughout the ITP relationship. The compliance team may need your support to gather information from the ITP or to schedule the following:

- At the point of contract renewal, when a triggering event occurs, or every 5 years (whichever occurs first) the following must be completed for all ITPs (both standard & heightened):
 - Complete due diligence refresh (this includes a Commercial due diligence Interview)
 - Spirit & Letter acknowledgement (either as part of declaration form or updated application)
 - For Heightened ITPs, there are additional requirements at the point of contract renewal or every 3 years (whichever occurs first):
 - Spirit & Letter Training

Amendments & Renewals

Amendments

- An amendment to an active agreement is required if there are any substantive changes during the term of the original agreement. Some of these changes may include (not exhaustive list)
 - Extension of term
 - Addition of entitlement (territory, countries, product modalities, services)
- The Commercial/Channel Excellence teams are responsible for entering any changes through an Amendment workflow in SFDC (or equivalent) prior to executing an amendment
- **Note: If there are changes to the fundamental nature of the engagement (e.g., changing from a spot dealer to a longer term relationship), this is a triggering event and therefore a new request and full due diligence is required. Please work with your Regional Compliance team if unsure whether an amendment or new request is needed.**

Renewals

- Starting at ninety (90) days prior to the expiration of an agreement, the Commercial Team/Channel Excellence teams may begin the renewal process in SFDC (or equivalent)
- If there are any substantive changes (ownership, territory, entitlement, company functions, financial position), a new application and updated documentation is required
- For any renewals that do not have changes, an updated S&L acknowledgement and new signature on the existing application is required. All templates may be found in the associated [Box Folder](#)
- All additional onboarding documentation must be uploaded at the time of renewal (please see documentation gathering page in this document for more information)

Offboarding and Banned Parties

Inactive ITPs

- Owner = Business/Commercial/Channel Excellence
- ITPs will be considered “inactive” if no orders or invoices have been created or payments have been received within the last thirty-six (36) month period.
- Inactive ITPs must be deactivated in business systems (e.g., SSP and Regional ERP systems)
- Inactive ITPs are exempt from periodic screening and are required to be re-onboarded prior to re-initiation of account use.
- If the normal standards of the business require sending goods, invoicing a party, or receiving payment beyond the thirty-six-month time frame, the business Commercial Leader (or her/his designee) may approve continued use/ “active status.”

Banned Parties

- Owners = Compliance and Business Leadership
- ITPs are considered Banned Parties when ALC has decided to no longer engage with the party due to non-compliance with the Spirit & Letter or other compliance concern.
- Required Approvals
 - ☐ Banned Parties must be approved by a senior member of the Commercial team and reviewed by the Chief Compliance Counsel (or his/her designee)
 - ☐ The Chief Compliance Counsel -
 - 1) has discretion to ban the party for all of GE and add to the GE Banned Party List, or decide if the ban should remain at the ALC level.
 - 2) must approve any continued use of a banned party.
 - ☐ All documentation, including approvals must be maintained in SFDC (or equivalent).
- If the business has engaged with the banned party OR has open transactions –
 - ☐ The business should consult the commercial team, legal, compliance, trade controls counsel to ensure the full scope of transactions is properly identified.
 - ☐ The business should determine what transactions can move forward or if a complete block is required (ie open purchase orders, shipments, receivables).
 - ☐ Work with business specific commercial counsel where contracts require termination.
 - ☐ Complete the Off-boarding Excel checklist to ensure all required offboarding actions are completed and attach in the SFDC Offboarding workflow (optional)
 - ☐ If the party will be added to the ALC Banned Party List, The Compliance Team should complete the Banned Party field in the Offboarding workflow in SFDC (or equivalent) to indicate if the party is banned.
 - ☐ Complete the SFDC (or equivalent) Offboarding workflow and attach a copy of the termination or non-renewal letter

Offboarding and Banned Parties, Cont.

Other

- Owner = Business/Commercial/Channel Excellence
- ITPs may be offboarded for other reasons. Examples include:
 - Non-renewal
 - Non-performance
 - Financial reasons (past due, bankruptcy)
 - Mutual
 - Contract Breach
 - CP initiated
 - Business model realignment
 - Termination w/ notice
- If the business has engaged with the party OR has open transactions –
 - ☐ The business should consult the commercial team, legal, compliance, trade controls counsel to ensure the full scope of transactions is properly identified.
 - ☐ Determine what transactions can move forward or if a complete block is required (ie open purchase orders, shipments, receivables).
 - ☐ Work with business specific commercial counsel where contracts require termination.
 - ☐ Complete the Off-boarding Excel checklist to ensure all required offboarding actions are completed and attach in the SFDC (or equivalent) Offboarding workflow (optional)
 - ☐ Complete the SFDC (or equivalent) Offboarding workflow and attach a copy of the termination or non-renewal letter

APPENDIX A – Resource Links

[Foreign Corrupt Practices Act \(FCPA\)](#)

[AML Process Portal](#)

[GE Corporate Country Risk Index](#)

[SFDC](#)

[ITP Templates](#)

[ITP Checklists](#)

[GE Corporate Enterprise Standards](#)

[ALC Supplier Add Maintain Community](#)

[ALC ITC Support Page](#)

Please reach out to Regional Compliance Team for additional local laws/regulations

APPENDIX B – Relationship Path Examples

Note: The lists below are not exhaustive examples. If request does not fit into one of the below categories, please contact your Regional Compliance Leader to discuss.

Direct Relationships (AML/KYC Process ONLY)

- End Customers: Direct purchasers of GE products or services. Ultimate asset owner of GE products or services
- Buying Agents: Third party that represents an end user and are authorized to purchase on its behalf
- Original Equipment Manufacturers (OEMs): Direct purchasers that incorporate GE products into an overall product that is marketed by the OEM to an end user

Indirect Relationships (ITP Process)

- Distributors/Wholesalers: An Indirect Third Party that buys products/equipment and may also buy services from ALC (and possibly from other OEMs) and in turn sell to a wholesaler, sub-dealer, or end user. Some may be able to perform services as well based off their specific modality.
- Packagers: An Indirect Third Party who offers a multi-product, packaged solution to customers with products coming from multiple vendors.
- Spot Dealers: External parties that are contracted on a one-time/one-project basis to perform services. A buying agent, as described above, could be considered a spot dealer provided the above criteria are met.
- Sub Dealers: An Indirect Third Party appointed by a ALC main Indirect Third Party to assist with activities under the ALC agreement, and who have authority to facilitate the sale of ALC products or services or conduct business on ALC's behalf.

Exception: If country/region has laws/regulations prohibiting ALC from knowing or collecting due diligence on sub dealers/sub contracts, the following process will not apply.

APPENDIX C – ITP (Non-Binding Quote) Procedure

Definition of Non-Binding Quote ITP

A non-binding quote may be provided to an ITP provided that there isn't sufficient time to perform all the required due diligence and the quote is not specific to selling ALC products exclusively. **No orders may be taken for ITPs labeled as Non-Binding Quote** (in order to take an order, the partner must be re-entered into SFDC (or equivalent) as a full ITP and all due diligence is required at that time.

Temporary Process

- Complete Non-Binding Quote ITP Form ([Box Folder](#))
- Send to Region Compliance Team as attachment to offline email
- Once Regional Compliance Team provides acknowledgment via email
 - 1) Compliance Team should upload approval email with completed ITP Form to [Box Folder](#)
 - 2) create account in SFDC. *Do not select "KYC Done"*

Future State (2021 Timeline – TBD)

- Complete shortened SFDC (or equivalent) workflow for non-binding quote ITP
- Submit to generate account
- No additional documentation is required for workflow submission

APPENDIX D – Additional Functional DDI/Expectation Setting

Service

- If Service is selected during workflow initiation, the workflow will be routed to a designated (per region) member of the Service organization.
- It is the responsibility of that representative to conduct a Service due diligence Interview and Expectation Setting and document results in SFDC (or equivalent)
- The questions for Service include:
 - ☐ Dealer Representative and Role
 - ☐ Date of Interview
 - ☐ CP Approval
 - ☐ Mitigation Plan details
 - ☐ Service Organization structure
 - ☐ Shipment Terms
 - ☐ Estimated Service OP
 - ☐ Service Payment Terms

HPM / EHS

- If HPM and/or EHS are selected during workflow initiation, the workflow will be routed to a designated (per region) member of the HPM/EHS organization.
- It is the responsibility of that representative to conduct an HPM or EHS due diligence Interview and Expectation Setting and document results in SFDC (or equivalent)
- The questions for Service include:
 - ☐ Dealer Representative and Role
 - ☐ Date of Interview
 - ☐ CP Approval
 - ☐ Mitigation Plan details

APPENDIX E – Legal and Compliance Contact Information

Legal and Compliance contact information to be available on new Sharepoint Compliance site – TBD 2021

Definitions

Agreement

A written contract between ALC and the ITP outlining the terms of the relationship.

Anti-Money Laundering (AML)

ALC's internal process and tool for assessing all parties who will pay ALC.

Banned Parties

Party where ALC has decided to no longer engage due to non-compliance with the Spirit & Letter or other compliance concern.

Commercial Needs Assessment

Process by which commercial team identifies a new ITP to be onboarded. Ensures that there is a legitimate need for the ITP that cannot be met by internal ALC personnel.

Due Diligence

Screening required to help mitigate ALC's risks when using ITPs.

Escalation

Engaging higher Compliance reviews in ITP process.

Exception

A documented and approved nonconformance to a ALC Code of Conduct, Compliance Policy, Procedure, Guidance or other key controlled compliance document.

Healthcare Institution (HCI)

An entity (including some Government Institutions in countries with government-controlled healthcare systems) or its employees or agents in a position, directly or indirectly, purchase, lease, recommend, use, administer, or arrange for the purchase or lease of any medical devices, pharmaceuticals or other related products or services.

Healthcare Professional (HCP)

An individual in a position, directly or indirectly, purchase, lease, recommend, use, administer, or arrange for the purchase or lease of any medical devices, pharmaceuticals or other related products or services.

Heightened Due Diligence

The highest level of risk of a ALC ITP. Requires higher levels of due diligence and ongoing oversight compared to standard.

Improper Payment Prevention (IPP)

A payment made to any party by ALC to unlawfully induce the purchase of or reward the purchase of ALC products/services.

Indirect Third Party (ITP)

Third parties that purchase ALC products and/or services to further sell to an end customer or parties that represent ALC as a sales/service agent to end customers.

Internal Review Board (IRB)

An internal ALC review board consisting of region level or global level leaders. Review boards are required when an onboarding requires additional discussion/review and/or if the country where the ITP operates or is located is in a sanctioned/embargoed country.

Principal

A designated senior manager, officer or leader of the ITP company who receives ALC training and provides training to its own employees who may have contact with the end customer(s).

Red Flags

Indications or concerns of a potential violation of a policy or law, or a compliance risk, that may arise during onboarding, renewal or ongoing due diligence of an ITP.

Risk Level Determination (RLD)

Scores embedded in the onboarding process designed to determine risk classification for all ITPs

Standard Due Diligence

The lowest level of risk of a ALC ITP. Requires standard due diligence and ongoing oversight.

Triggering Events

Result from a red flag where additional due diligence is required.