PHILIPS RS NORTH AMERICA LLC

CORPORATE HEALTHCARE COMPLIANCE PROGRAM POLICY

I. Purpose

This document details the Philips RS North America LLC ("Company") Corporate Healthcare Compliance Program ("CHCP") guidelines designed to ensure compliance with laws, regulations, and industry guidance documents applicable to interactions involving Company products or services that are marketed or sold in the United States, including U.S. Territories, and reimbursed in whole or in part under U.S. federal or state health care programs, and the Company's Code of Conduct, which is made up three distinct policies: Philips Policy on Interactions with United States Healthcare Providers and Professionals, General Business Principles, and Simply Right (collectively, "Code of Conduct").

II. Scope and Responsibilities

This Policy applies to:

- Covered Persons including, officers, directors, and employees of the Company, and its subsidiaries; and
- Activities related to the Company's Corporate Healthcare Compliance Program occurring in the U.S. and U.S. Territories.

III. Definitions

Annual Audit Plan: The Audit Plan is based on the results of the Company's Annual Risk Assessments as well as the results of Compliance audit or monitoring activities, any issues raised by employees in person or through the hotline, or issues discussed as within a given year.

Co-Marketing Activity: Any marketing or other promotional activity involving a Government Reimbursed Product that Company performs with or on behalf of (in addition to itself) one or more HCPs, health care institutions (HCIs), or DME Suppliers.

Corporate Healthcare Compliance Program ("CHCP"): A comprehensive program developed to ensure compliance with all laws, rules, regulations, and industry codes and standards applicable to Company's interactions involving Government Reimbursed Products and based on the Office of Inspector General's Compliance Program Guidance and the AdvaMed Code of Ethics on Interactions with Healthcare Professionals.

Corrective Action: Measure(s) taken in response to potential or actual violations of the Healthcare Compliance Program and policies and procedures under it, or laws or regulations applicable to interactions involving Government Reimbursed Products, for the purpose of disciplining individual violators and/or preventing similar future occurrences of noncompliant activity. Corrective Actions must be commensurate with the nature, extent, severity, and/or frequency of the noncompliant

activity. Potential Corrective Actions include but are not limited to 1) verbal warnings; 2) written warnings; 3) re-training; 4) suspension; and/or 5) termination of employment.

Covered Functions: Includes (a) the selling, marketing, advertising, promoting, or branding of Government Reimbursed Products; (b) the preparation or external dissemination of promotional materials or information about, or the provision of services relating to, Government Reimbursed Products; (c) the preparation or external dissemination of non-promotional materials about Government Reimbursed Products, including those functions subject to Company review and approval processes for any non-promotional materials; (d) contracting with durable medical equipment suppliers (DME Suppliers) or health care professionals (HCPs) for consulting services (including but not limited to speaker programs, speaker training programs, training and education services, product development activities, presentations, consultant task force meetings, advisory boards, ad hoc advisory activities, research and any research-related activities, and authorship of articles or other publications relating to Government Reimbursed Products), or other fee-for-service arrangements relating to Government Reimbursed Products; (e) entering into arrangements with HCPs or DME Suppliers for any Co-Marketing Activity and (f) reviewing and/or approving requests for grants or charitable contributions**.**

Covered Persons: Includes (a) all owners of Company who are natural persons (other than shareholders who: (1) have an ownership interest of less than 5% and (2) acquired the ownership interest through public trading); (b) all officers, directors and employees of Company; and (c) all contractors, subcontractors, agents and other persons who furnish patient care items or services, who perform billing or coding functions, or who perform any of the Covered Functions on behalf of Company excluding vendors whose sole connection with Company is selling or otherwise providing medical supplies or equipment to Company.

Focus Arrangement or "FA": Every arrangement that is between Company and any actual source of health care business or referrals to Company and involves, directly or indirectly, the offer, payment, or provision of anything of value as defined in the CIA.

Government Reimbursed Products: All Company products and services that are: (a) marketed or sold by Company or its subsidiaries in the United States (or pursuant to contracts with the United States) and (b) reimbursed in whole or in part under a U.S. federal or state health care program.

Healthcare Compliance Policies and Procedures: Company's policies and procedures, including the Company's Code of Conduct, which have been created and implemented to establish expectations for Company employees regarding compliance with the requirements set forth in the Corporate Integrity Agreement, and healthcare laws, regulations, and industry guidance documents applicable to interactions involving Company products or services that are marketed or sold in the U.S. and reimbursed in whole or in part under U.S. federal or state health care programs.

Misconduct: Any conduct deviating from or resulting in nonconformance with the Corporate Healthcare Compliance Program and policies and procedures under it, the Code of Conduct, or U.S. law or regulations applicable to the Company's interactions involving US licensed health care providers or Government Reimbursed Products.

Monitoring: An ongoing process undertaken to identify whether controls and processes are working as intended.

Philips Speak Up ("Compliance Hotline"): A toll-free phone number and web-reporting option provided for Company employees, directors, officers, and relevant third parties used to report concerns, suspected Misconduct or potential Violations of the law, regulations, corporate policies, procedures, or Code of Conduct; additionally, callers can submit a question. Calls are answered by a service provider, 24 hours, 7 days a week, in multiple languages, and callers may remain anonymous.

Philips RS North America LLC Code of Conduct ("COC"): Consists of three distinct policies: SimplyRight, Philips General Business Principles, and Philips Policy on Interactions with United States Healthcare Providers and Professionals (collectively, "Code of Conduct").

Philips RS North America LLC Compliance Officer ("CO"): Primarily responsible for overseeing and managing the Company's Corporate Healthcare Compliance Program and related Corporate Integrity Agreement, as well as monitoring Company and employee's compliance with applicable regulatory, legal, and Company internal policies and procedures, external regulations, and codes of conduct.

Philips RS North America LLC Compliance Committee: A Committee composed of the Compliance Officer and other members of senior management. The Compliance Officer shall chair the Compliance Committee and the Committee shall support the Compliance officer in fulfilling her/his responsibilities under the Corporate Integrity Agreement and as necessary to implement the Corporate Healthcare Compliance Program. The Committee shall meet quarterly with additional meetings scheduled, as necessary.

Risk Assessment(s): A mechanism for identifying and analyzing risks relevant to the achievement of Company's objectives and used to determine how those risks should be managed. Risk assessment includes an initial determination of operating objectives followed by a systematic identification and ranking of items that could prevent each objective from being attained.

Violation: Conduct or actions, regardless of intent or prior knowledge, which are contrary to or inconsistent with any applicable law, rule, regulation, internal policy or procedure, Code of Conduct, or industry codes of conduct.

IV. Policy

The Corporate Healthcare Compliance Program will apply to United States and U.S. Territories. The CO, or designee, will develop and maintain the Corporate Healthcare Compliance Program, which will include the following elements:

A. **Compliance Officer, Compliance Committee, Board of Directors Oversight**

1. The Compliance Officer shall be responsible for:
   a) developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements set forth in the CIA and with Federal health care program requirements;
   b) making periodic (at least quarterly) reports regarding compliance matters in person to the Board of Directors (Board) and shall be authorized to report on such matters to the Board at any time, and
   c) monitoring the day-to-day compliance activities engaged in by the Company as well as fulfilling any reporting requirements created under the CIA.
2. The Compliance Committee shall, at a minimum, include the Compliance Officer and other members of senior management necessary to meet the requirements of the Corporate Healthcare Compliance Program and CIA. The Compliance Officer shall chair the Compliance Committee and the Compliance Committee shall support the Compliance Officer in fulfilling her/his responsibilities. The Compliance Committee shall meet at least quarterly.
3. The Board shall be responsible for the review and oversight of matters related to compliance with Federal health care program requirements, and the requirements of the CIA. The Board shall, at a minimum, meet at least quarterly to review and oversee the Company's compliance program, including but not limited to the performance of the Compliance Officer and Compliance Committee, and any other requirements in the CIA.
4. In addition, the Company's leaders are specifically expected to monitor and oversee activities within their area(s) of authority to assure compliance with applicable Federal health care program requirements and with the requirements of the CIA.

B. **Healthcare Compliance Policies and Procedures**

1. The CO or designee, with assistance from applicable business units as needed, will create Compliance policies and procedures as required to align with the Corporate Integrity Agreement and to ensure ongoing compliance with applicable laws, rules, regulations, and industry codes.
2. Compliance policies and procedures will apply to all Covered Persons.
3. Corporate Healthcare Compliance policies and procedures will be reviewed and approved by the CO, Legal, or the Compliance Committee as determined by the CO, and will be retained as appropriate.

4. The Compliance Program and related Compliance policies and procedures will be reviewed annually.
5. The Company shall enforce its policies and procedures and during performance evaluations of Covered Persons evaluate their compliance with policies and procedures.
6. New or revised Compliance policies and procedures will be made available to all Covered Persons.

C. **Compliance Training and Education**

1. All Company employees, directors and officers will receive training on the Company's Code of Conduct and other applicable training related to the Corporate Healthcare Compliance Program and Compliance policies and procedures, and based on the employee's specific job responsibilities, including his or her individual work requirements and oversight of work responsibilities of any direct reports. All employees, directors, and officers are responsible for understanding and complying with any applicable law, rule, regulation, internal policies or procedures, Code of Conduct, and industry codes of conduct that apply within their functional area.
2. The CO and the Compliance Committee will be responsible for oversight of the content of the Code of Conduct and all other compliance training as deemed necessary. Training content will be reviewed and updated periodically and as needed, based on any trends of noncompliance and changes in any applicable law, rule, regulation, internal policies or procedures, the Code of Conduct, or industry codes of conduct.
3. Attendance at compliance training is mandatory for all employees and may be delivered as a live program (in-person or video conference) or through online or electronic delivery methods (websites and recorded presentations). Employees unable to attend a scheduled in-person training session must give their manager reasonable notice prior to the training session. Employees are responsible for rescheduling their training session for a later time and/or reviewing the training materials. Attendance will be documented on a training attendance form or through electronic confirmation/verification and maintained per that departments or Compliance Department policies and procedures including "read and understood" certifications.

D. **Risk Assessment and Internal Review Process**

1. The CO, or designee, in conjunction with applicable senior management will implement annual Risk Assessments to identify and address compliance risks, and develop the Company's plan for auditing, investigations, and mitigation of the identified risks as applicable. The Risk Assessment will focus on risks associated with Company participation in federal health care programs, including the Anti-Kickback Statute risks associated with such arrangements and the risks associated with each Government Reimbursed Product, including those risks inherent to Covered Functions. The Compliance Committee shall be

responsible for implementation and oversight of the risk assessment and internal review process.

2. The Company will utilize a Field Force Monitoring Program (FFMP) to evaluate and monitor its sales personnel's compliance with applicable laws, rules, regulations, internal policies or procedures, the Code of Conduct, or industry codes of conduct. The FFMP shall follow a formalized process to directly and indirectly observe the appropriateness of sales personnel's interactions with DME suppliers' staff, HCPs and HCIs and to identify potential improper promotional activities or other improper conduct. The FFMP shall be conducted by the CO or designee, or other appropriately trained personnel who are independent from the sales and marketing function.

E. **Disclosure Program - Reporting Suspected Misconduct, Investigations, and Corrective Action**

1. Pursuant to the Company Code of Conduct, employees have a duty to disclose or report any actual or perceived Misconduct including requests to engage in behavior which raises an ethical concern or issue. As part of its Disclosure Program, Philips encourages employees to use the Compliance Hotline, a phone (1-800-218-1818) and web-reporting option, to report any suspected Misconduct concerns in a confidential and anonymous manner. Employees may also raise issues or concerns with their immediate supervisor prior to reporting a concern to the Compliance Hotline at the discretion of the employee.

2. The CO or designee shall maintain a dedicated log and shall record each disclosure within two business days of receipt of the disclosure. The CO or designee shall make a preliminary, good faith inquiry into the allegations set forth in every disclosure to ensure that he or she has obtained all information necessary to determine whether a further review should be conducted. For any disclosure that is sufficiently specific so that it reasonably: (1) permits a determination of the appropriateness of the alleged improper practice; and (2) provides an opportunity for taking corrective action, the Company shall conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is performed.

3. Any employee found to have committed a Violation upon the conclusion of an investigation will be subject to Corrective Actions commensurate with the nature, extent, severity, and frequency of the Violation, up to and including termination of employment.

4. Philips may not retaliate against or permit retribution against any individual who reports an issue in good faith, or who participates in or discloses information as part of an investigation.

F. **Documentation and Recordkeeping**

1. All Compliance procedural documents and Focus Arrangement documentation will be stored in accordance with Company's Record Retention Policy.

V. Appendices

Not Applicable

VI. References

RI-CP-011 Record Retention Policy