PHILIPS RS NORTH AMERICA LLC

CORPORATE HEALTHCARE COMPLIANCE PROGRAM POLICY

I. Purpose

This document outlines Philips RS North America LLC's (the "Company") policy on the Corporate Healthcare Compliance Program ("CHCP") to ensure compliance with laws, regulations, 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: Code of Conduct on Interactions with U.S. Healthcare 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 Auditing Plan is based on the results of the Company's Annual Risk Assessments as well as the results of Compliance audit or monitoring activities, and any issues raised by employees in person or through the hotline or issues discussed within the given year.

Risk Assessment(s): A mechanism for identifying and analyzing risks relevant to the achievement of Company's objectives for the purpose of determining 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 obtained.

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

Corporate Healthcare Compliance Program ("CHCP"): A comprehensive compliance program developed to ensure compliance with any and all laws, rules, regulations, and industry codes and standards applicable to Company's interactions involving Government Reimbursed Products and

Services, 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 and Services, 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 Persons: Includes a) all owners who are natural persons (other than shareholders who: (1) have an ownership interest of less than 5% and (2) acquired the ownership interest of less than through public trading or in connection with the operation of employee incentive programs); b) officers, directors, and employees of the Company; c) all contractors, subcontractors, agents, and other persons who furnish patient care items or related services or who perform marketing, sales, or billing functions on behalf of the Company excluding both vendors whose sole connection to the Company is selling or otherwise providing medical supplies, equipment, services, or components to the Company and customers whose sole connection to the Company is purchasing durable medical equipment related services.

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. The "value" provided under a Focus Arrangement may take the form of any payment, good, service, meal, or entertainment, promise or offer from Company. This includes any discount, rebate, product demonstration and evaluation, sample or credit provided by the Company.

Government Reimbursed Products and Services: 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 Company's interactions involving US licensed health care providers or Government Reimbursed Products and Services.

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

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

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

Philips RS North America 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 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.

Violation: Conduct or actions, regardless of intent or prior knowledge, contrary to or inconsistent with any applicable law, rule, regulation, internal policies or procedures, Code of Conduct, and 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 the Corporate Healthcare Compliance Program, which will include the following elements:

A. 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 for compliance with the Corporate Integrity Agreement and to ensure ongoing compliance with applicable laws, rules, regulations, and industry codes.
2. The 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 by Compliance Committee as determined by the CO, and will be retained as appropriate.
4. The Compliance Program and related Compliance policies will be reviewed annually.

B. 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 to compliance 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, and 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 department or Compliance Department policies and procedures including "read and understood" certifications.

C. Annual Risk Assessment

1. The CO, or its designee, in conjunction with applicable senior management will complete annual Risk Assessments to identify compliance risks, develop the Company's plan for auditing, investigations, and mitigation of identified risks as applicable. The annual Risk Assessment shall be used by senior management to develop monitoring plans, as applicable, and by the CO in the development of the Annual Audit Plan. The Risk Assessment will focus on identifying and addressing any risks associated with Company's interactions with customers, referral sources, and end users of Government Reimbursed Product and Services, and the selling, marketing, promotion, and advertising of Government Reimbursed Products.

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

1. Pursuant to the Philips RS North America Code of Conduct, employees have a duty to disclose or report any actual or perceived Misconduct including request to do something that may be Misconduct or that raises an ethical concern or issue. As part of its Disclosure Program, the Company 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. Philips RS North America 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. Once the Company receives a report of suspected misconduct, the Company will document the concern within two business days of receipt, and the Company will immediately and thoroughly investigate the matter in accordance with the relevant protocol to ascertain whether Misconduct occurred and resolve the matter accordingly.
2. 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.
3. All Philips RS North America employees are protected against retaliation by the Company for all good faith complaints.

E. 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