

# Declaration of Compliance

## DECLARATION OF COMPLIANCE AND DESCRIPTION OF COMPLIANCE PROGRAM

To the best of our knowledge, AppliedVR, Inc. (“AppliedVR”) is in all material respects in compliance with a Comprehensive Compliance Program (“CCP”) that satisfies the requirements of California Health and Safety Code §§119400–119402, based on our good faith understanding of the statutory provisions as they may apply to a medical device manufacturer.

Consistent with the Department of Health and Human Services Office of the Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers (“HHS–OIG Guidance”), AppliedVR has tailored its CCP to the nature of its business as a medical device manufacturer. While California Health and Safety Code §§119400–119402 makes reference to compliance with the Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals (“PhRMA Code”), AppliedVR manufactures medical devices rather than pharmaceutical products. Therefore, AppliedVR determined that it was more appropriate for the Company instead to adopt policies and procedures consistent with the AdvaMed Code of Ethics on Interactions with Healthcare Professionals (“AdvaMed Code”) which, although substantially similar to the PhRMA Code, recognizes significant differences applicable to the medical device industry.

In addition to our CCP, AppliedVR has established an annual spending limit for certain promotional activities directed toward healthcare professionals practicing in California (“Annual Spending Limit”). The Annual Spending Limit is set at \$2,000 per year for each applicable California healthcare professional. The Annual Spending Limit applies to business meals, educational items, product training, promotional materials, and other items or activities that are provided to an individual California healthcare professional. The only exceptions to the Annual Spending Limit are: i) demonstration units provided to a California healthcare professional to aid in patient education and training, ii) patient education materials and health-related items provided for the patient’s benefit, iii) financial support for continuing medical education forums or health educational scholarships or fellowship grants, iv) payments made for legitimate professional services provided by a California healthcare professional, including reimbursement for reasonable expenses, and v) research grants.

AppliedVR is committed to establishing and maintaining an effective compliance program. AppliedVR’s Compliance Program is designed to prevent and detect violations of law and company policy and includes the following:

**Written Standards:** AppliedVR has established written policies that govern activities involving communicating with healthcare professionals about the appropriate use of our products, including appropriate instruction and education required for the safe and effective use of our products. AppliedVR also has policies and procedures governing activities involving the advancement of scientific and educational activities supporting medical research and education. These policies and procedures include:

- Policy Prohibiting Entertainment or Recreational Activities
- Policy on Providing Educational & Patient Benefit Items
- Policy on Off-Label Information & Unapproved Uses
- Policy on Demonstration & Evaluation Units
- Policy on Business Meals & Refreshments
- Policy on Engaging Healthcare Provider Consultants
- Policy on Research Grants
- Policy on Charitable Donations
- Total Annual Dollar Limit for California Healthcare Professionals

**Leadership and Structure:** We have established effective oversight over the CCP, including selection of a Compliance Officer to develop, operate, and monitor the CCP.

**Training and Education.** A critical element of our compliance program is the education and training of relevant personnel on their legal and ethical compliance-related obligations. New employees receive training at the time of hire and annually thereafter. The training covers applicable guidelines governing our compliance program. Employees are trained on the consequences of failure to comply with the requirements of the Company’s compliance program.

**Lines of Communication.** To facilitate an open door environment, we have adopted confidentiality and non-retaliation policies. We also established a confidential hotline number through which AppliedVR employees may report known or suspected violations of our laws, regulations, or company policies or procedures.

**Auditing and Monitoring.** Our CCP includes ongoing efforts to monitor, audit, and assess compliance.

**Enforcement.** AppliedVR will consistently investigate and appropriately respond to violations.

**Corrective Action.** AppliedVR will take appropriate corrective action to prevent violations from recurring, including repairing any gaps in our policies and procedures.

Please contact AppliedVR’s corporate headquarters by calling +1 (844) 857-0010 to obtain copies of this declaration or the CCP.

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