



Overview of Verrica's Compliance Program

Verrica is committed to creating an environment where we do our best work while maintaining the highest standards of business conduct and ethics. It is the responsibility of every Verrica director, officer, and employee (collectively, "personnel") to conduct themselves in the most appropriate and compliant manner when interacting in the marketplace on behalf of the Company.

Verrica's Compliance Program, together with the Code of Business Conduct and Ethics (the "Code of Conduct") and departmental procedures, reflects the business practices and principles of behavior that support this commitment. We expect all Verrica personnel to read and understand the Compliance Program requirements and its application to the performance of his or her business responsibilities. If the local laws and policies are more restrictive than Company policies, personnel must conduct activities in accordance with the more restrictive requirements.

Policies and procedural documents may not contemplate every possible scenario or activity that could be encountered by Verrica personnel. In those situations, personnel should reflect on the principles contained within the Compliance Program, the PhRMA Code, other Verrica policies and procedures, and Verrica's commitment to always act transparently and with the highest integrity. If uncertain, prior to taking action, personnel are expected to escalate concerns and questions to the Company's Chief Compliance Officer.

1. Written Standards

Verrica's Code of Business Conduct and Ethics outlines the Company's fundamental guiding principles and values for action within the organization. Verrica has also adopted policies and procedures for its operations and promotional activities.

2. Leadership and Structure

Compliance Officer

Verrica has appointed a Chief Compliance Officer (the "Compliance Officer") who is responsible for the operation and oversight of the Company's Compliance Program. The Compliance Officer's responsibilities include, among other things, promoting an atmosphere of responsible and ethical conduct, developing policies and procedures, training employees on the Compliance Program, addressing allegations of non-compliance, and implementing appropriate remedial measures where applicable. As appropriate, the Compliance Officer reports compliance-related issues directly to the Chief Executive Officer and/or the Board of Directors.

Compliance Committee

The Compliance Committee (the "Committee") is comprised of members of the senior leadership team. The Committee meets regularly to advise and assist the Compliance Officer in the administration of the Compliance Program.

3. Education and Training

A central aspect of Verrica's Compliance Program is educating and training employees on their legal and ethical obligations under applicable laws, regulations, and Company policies. We provide training on the Compliance Program, company policies, and applicable laws, regulations and industry codes.

4. Internal Lines of Communication

Verrica's policies provide for confidential reporting of allegations of misconduct and protections against retaliation for such reporting. All forms of reporting are permitted – including Whistleblowing – without fear of retaliation, discrimination, or harassment. Verrica personnel may use the compliance hotline for questions or concerns, or contact their supervisor, the Compliance Officer, Senior Management, the Compliance Committee, or Human Resources regarding questions about the Compliance Program or to report potential violations.

5. Auditing and Monitoring

Verrica's Compliance Program includes efforts to audit, monitor, and evaluate compliance with the Company's compliance policies and procedures. To ensure effective and appropriate implementation of and compliance with the Compliance Program, we periodically monitor and/or audit documents and related activities to confirm compliance and identify areas for enhancement.

6. Disciplinary Standards

Adherence to the Company's Code of Conduct and policies and procedures is a condition of employment at Verrica. We investigate potential violations of law or Company policy and, where appropriate, implement corrective measures to prevent, detect and deter future violations. Any violation of these requirements by directors, officers, or Verrica personnel is subject to disciplinary action up to and including termination of employment.

7. Responding to Potential Violations

Our Compliance Program is designed in accordance with the OIG Guidance and is intended to increase the likelihood of preventing, or at least detecting, unlawful and unethical behavior. Even an effective Compliance Program, however, may not prevent all violations. As such, Verrica investigates potential violations of law or Company policy and, where appropriate, we implement corrective measures to prevent, detect, and deter future violations.