

Comprehensive Compliance Program In Connection with California Health and Safety Code § 119402

NxStage is committed to maintaining the highest standards of corporate conduct and ethics. NxStage has adopted this Comprehensive Compliance Program (“CCP”) in connection with California Health and Safety Code § 119402. The CCP documents key components of the company’s efforts to act on this commitment to compliance. The Company’s CCP is in accordance with the Compliance Program Guidance published by the Office of Inspector General of the U.S. Department of Health and Human Services (“HHS-OIG Guidance”). Our CCP is intended to prevent and detect violations of law, regulation or Company policy, and to promote an ethical culture. As the HHS-OIG Guidance recognizes, the implementation of such a program cannot guarantee that improper employee conduct will be entirely eliminated. It is our expectation that all NxStage employees who interact with California medical or health professionals will comply with NxStage’s CCP as well as the laws, regulations and policies applicable to such interactions.. If NxStage becomes aware of any alleged violations of law, regulation, Company policy or CCP, it will investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations.

NxStage’s CCP is specifically tailored to fit the size and environment of NxStage, and is regularly reviewed to ensure that it continues to meet applicable compliance requirements and appropriately responds to changes in law or regulation. Consistent with HHS-OIG Guidance, our CCP is designed to meet the requirements relevant to a medical device manufacturer. The medical device industry has established the AdvaMed Code of Ethics on Interactions with Healthcare Professionals (“AdvaMed Code”). The AdvaMed Code is substantially equivalent to the Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals, but reflects the unique interactions between medical technology companies and healthcare professionals. Accordingly, NxStage’s CCP includes policies for compliance with the AdvaMed Code. The elements of NxStage’s CCP are described below.

1. Written Standards

- NxStage’s Code of Conduct and Business Ethics (the “Code”), which is available at www.nxstage.com, is our statement of ethical and compliance principles that guide our daily operations. The Code articulates our fundamental principles and values, and sets the expectation that management, employees, and agents of the Company must act in accordance with all laws, regulations and Company policies. The Company’s policies give more specific guidance on how to comply with specific areas of law or regulation impacting our business.
- The HHS-OIG Guidance identifies several potential risk areas for manufacturers, including the integrity of data used to determine government reimbursement, kickbacks and other remuneration and product samples. The AdvaMed Code offers guidance on compliant

interactions with healthcare professionals in a number of areas, including involvement in educational conferences, promotional meetings, consulting arrangements, business courtesies, gifts, coverage and reimbursement information, research and educational grants, charitable donations and evaluation and demonstration product. Through NxStage's Business Conduct Standards the Company has policies to address the risk areas identified by the HHS-OIG and to require compliance with the AdvaMed Code.

- As required by section 119402 of the California Health and Safety Code, NxStage has established an annual dollar limits on gifts, promotional materials or items or activities that the Company may provide to individual medical or health professionals in California in accordance with the HHS-OIG Guidance and the AdvaMed Code. The annual dollar limit is \$3000.00 per medical or health professional. This annual dollar limit excludes items and activities that are exempt as provided by California Health and Safety Code § 119402.

2. Leadership.

Compliance Officer. The Company's General Counsel serves as the Chief Compliance Officer. In this role, the General Counsel is charged with the responsibility for developing, operating and monitoring NxStage's compliance program. The General Counsel reports regularly to the Audit Committee of the Board of Directors, meets regularly with NxStage's Compliance Committee, and has direct access to the Board of Directors.

Compliance Committee. To assist with NxStage's compliance efforts, NxStage has a Compliance Committee. The Compliance Committee works with members of senior management and the General Counsel to identify and manage areas of risk and areas of critical focus for the Company.

3. **Education and Training.** NxStage maintains programs for the education and training of relevant personnel on their legal and ethical obligations under applicable laws, including federal health care program requirements. NxStage regularly reviews and updates its training programs and identifies additional areas for training on an "as needed" basis.
4. **Internal Lines of Communication.** NxStage strives to maintain a culture that encourages open lines of communication between management and employees. The Code of Conduct, certain Company policies, regular compliance training and other means of communication are designed to ensure that all employees, when seeking answers to questions or reporting potential violations of law, regulation or policy, know who to contact for a meaningful response and are free to do so without fear of retribution. An important component of maintaining strong internal lines of communication is our toll-free compliance hotline, which allows employees (as well as anyone outside of the Company) to report their concerns

and any suspected violations anonymously. NxStage prohibits retaliation of any kind against any member of the NxStage team who in good faith reports a suspected violation of law, regulation or NxStage policy or assists in any investigation relating to a suspected violation.

5. **Auditing and Monitoring.** NxStage has adopted policies and procedures to monitor, audit and evaluate compliance, including efforts to monitor the activities of salesforce personnel. In accordance with the HHS-OIG Guidance, the nature, extent and frequency of compliance monitoring and auditing varies according to a number of factors, including new regulatory requirements, changes in business practices, and other considerations.
6. **Responding to Past and Potential Violations.** NxStage has clear disciplinary policies that set out the possible consequences for violation of the law, regulation or Company policy. Although each situation is considered on a case-by-case basis, we consistently undertake appropriate disciplinary action to address inappropriate conduct and deter future violations.
7. **Corrective Action Procedures.** NxStage has processes to promptly investigate and respond to potential violations of law, regulation or Company policy. For each incident of non-compliance, NxStage identifies and implements corrective actions, including, where appropriate, disciplinary action and reporting to relevant government authorities.

A copy of this document may be obtained by calling 866-697-8243.

**Annual Declaration of Compliance
In Connection with California Health and Safety Code § 119402**

NxStage has adopted a Comprehensive Compliance Program (“CCP”) that we believe meets the requirements set forth in California Health and Safety Code § 119402. To our knowledge, and based on a good faith understanding of the statutory requirements, NxStage is, in all material respects, in compliance with our CCP and the California Health and Safety Code § 119402.

A copy of this document may be obtained by calling 866-697-8243.