

Code of Business Conduct



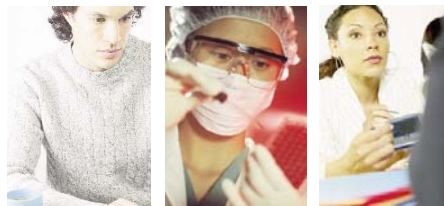
Fresenius Medical Care

North America



Table of Contents

Introduction 3-4	Antitrust and Competition: Q & A 37
Fresenius Corporate Compliance Program 5	Compliance Standards: Gifts, Meals and Entertainment 38
Duties of Managers & Personnel 6	Gifts, Meals and Entertainment: Q & A 39
Written Compliance Materials 7	Compliance Standards: Donations 40
Training 8	Donations: Q & A 41
Auditing 9	Compliance Standards: Conflict of Interest 42
Getting Answers to Questions 10	Conflict of Interest: Q & A 43
Reporting Suspected Violations 11	Compliance Standards: Dealing with Vendors 44
Non-Retaliation Policy 12	Dealing with Vendors: Q & A 45
Compliance Action Line (CAL) 13	Compliance Standards: Employment and Standards of Conduct 46
Employee Access and Response (EAR) 13	Employment and Standards of Conduct: Q & A 47
Accountability and Discipline 14	Compliance Standards: Workplace Safety 48
Compliance Standards: Legal Requirements 15	Workplace Safety: Q & A 49
Legal Requirements: Q & A 17	Compliance Standards: Responsible Use of Company Assets 50
Compliance Standards: Quality of Clinical Care 18	Responsible Use of Company Assets: Q & A 51
Quality of Clinical Care: Q & A 19	Compliance Standards: Investments and Inside Information 52
Compliance Standards: Patients 20	Investments and Inside Information: Q & A 53
Patients: Q & A 21	Compliance Standards: Financial Reporting 54
Compliance Standards: Billing Practices 22	Financial Reporting: Q & A 56
Billing Practices: Q & A 23	Compliance Standards: Dealing with Government Entities 57
Compliance Standards: Recordkeeping and Information Management 24	Dealing with Government Entities: Q & A 58
Record Keeping and Information Management: Q & A 25	Compliance Standards: Political Activities 59
Compliance Standards: Government Filings and Reports 26	Political Activities: Q & A 60
Government Filing and Reports: Q & A 27	Compliance Standards: External Communications 61
Compliance Standards: Privacy and Security of Confidential Information 28	External Communications: Q & A 62
Privacy and Security of Confidential Information: Q & A 30	Summary 63
Compliance Standards: Sales and Marketing 32	Compliance Contacts 64
Sales and Marketing: Q & A 33	
Compliance Standards: Relationships with Staff Physicians and Medical Directors 34	
Relationships with Staff Physicians and Medical Directors Q & A 35	
Compliance Standards: Antitrust and Competition 36	



Foreword

Fresenius Medical Care (“Fresenius”) is committed to conducting its business activities in compliance with the federal, state and local laws and regulations that apply to our business. We demonstrate professionalism, honesty, and integrity in our business relationships with patients, customers, suppliers, the government and other payors, fellow employees, stockholders, and the general public.

It is the responsibility of every employee and other person who is subject to this Code of Business Conduct (the “Code”) to make the right decision when confronted with a compliance issue during the course of his or her work at Fresenius. As the proper course of action may not always be obvious, this Code is intended to serve as a guide for reaching the right result. Please review it carefully. You will be expected to know its contents and to govern your activities in accordance with its principles. If you have a compliance question or concern, the Code will offer guidance on understanding your options, taking advantage of Company resources, and ultimately, making the right decision.

All of us have a personal stake in the success of the Fresenius Compliance Program. Serious or repeated violations of regulatory or contractual obligations will undermine our credibility with government and commercial payors, our physicians and our patients, and could put our future in jeopardy. Working together, we can demonstrate that sound regulatory policies and practices can complement our commitment to quality and provide a sound basis for successful business performance.



Fresenius Medical Care

Mission Statement

**To Furnish Superior Renal Care Products and Services to our Patients and Customers,
To Pursue Profitability and Growth, and
To be the Standard by Which Others in the Healthcare Industry Are Judged**

Core Values

**QUALITY
HONESTY and INTEGRITY
INNOVATION and IMPROVEMENT
RESPECT and DIGNITY
TEAMWORK
PEOPLE MAKE THE DIFFERENCE**

Core Values in Action

The core values are put in place and designed for:

- Promoting better patient outcomes and product performance through continuous quality improvement.
- Seeking opportunities to exceed the expectations our patients and customers.
- Treating patients with dignity and respect.
- Complying with regulatory and contractual obligations.
- Billing honestly and accurately and taking prompt action to correct errors.
- Treating fellow employees with respect and promoting teamwork.
- Using Company assets efficiently and responsibly.
- Promoting an open and candid dialogue

Fresenius Corporate Compliance Program

Elements

The Fresenius Compliance Program is comprised of a number of elements, including:

- Policies and procedures relating to proper business conduct;
- Compliance training;
- Opportunities to raise compliance issues on a confidential basis;
- Compliance audits to monitor the Company's conformance to legal and Company policy standards.

Managers, supervisors and other personnel share responsibility for implementation of the Fresenius Compliance Program. We must ensure that our business activities are conducted in compliance with all applicable regulatory obligations and Company policies.

If you are unclear about a particular policy or business practice, you should seek a satisfactory answer through the various resources that will be discussed later.

Who is Covered

The Fresenius compliance program applies to the following:

- All operations of Fresenius, including Fresenius subsidiaries and certain affiliates
- All directors, officers, and employees of Fresenius Medical Care North America and its subsidiaries
- Fresenius personnel who work at dialysis facilities that are managed by Fresenius under contract



- All agents or contractors of Fresenius who:
 - Furnish Healthcare items or services at a Fresenius location for which Fresenius claims payment; or
 - Participate in the preparation of claims for payment on behalf of Fresenius
- Medical Directors when they are performing administrative duties within the scope of their contractual responsibilities to Fresenius.

Any employee or other person who is unsure whether they are covered by the Fresenius Compliance Program should contact their supervisor, or the Fresenius Office of Ethics and Compliance (800-662-1237, ext. 9099).

Duties of Managers and Personnel

One of the goals of the Fresenius Compliance Program is to assist you in understanding your professional responsibilities as a manager:

As a Manager

- You are responsible for ensuring that persons reporting to you *understand and apply* the standards outlined in this Code.
- You are responsible for *putting policies and procedures in place* to ensure that persons reporting to you are adequately trained, and are carrying out their responsibilities in conformance with Company policies and regulatory obligations.
- You are responsible for *setting reasonable performance goals and expectations* that can be achieved without compromising Company policies or regulatory obligations, and specifically *avoiding the creation of incentives* to ignore or seek ways around such policies and obligations.
- You are responsible for *taking prompt and appropriate action* when an actual or suspected violation of law or Company policies is brought to your attention.
- You are responsible for ensuring that *acts of retaliation are not tolerated* against any person making a good faith report of a violation or suspected violation of law or Company policies.



As an Employee:

- You are responsible for *understanding and acting in accordance* with the standards outlined in the Code and with the policies and procedures applicable to the area in which you work. Neither ignorance nor “good intentions” is an adequate justification for a violation of Company policy or regulatory obligations.
- You are responsible for *resolving any doubts* you have about the propriety of a business practice you observe or participate in by using the resources described in the Code.
- You are responsible for *reporting any suspected violations* of the law or Company policies to your immediate supervisor or other appropriate Company official.
- You are responsible for *cooperating with auditing procedures* that measure the Company’s conformance with policy standards.

Written Compliance Materials

Code of Business Conduct

The Code of Business Conduct addresses general compliance concepts and gives personnel a broad outline of acceptable behavior.

The Code is not intended to replace the policies and procedures that have been developed by the Company, various divisions/business units and departments. Rather, the Code complements and supports these policies and procedures.

Compliance Guidelines

Fresenius Medical Services (“FMS”), Dialysis Products (“DPD”), Spectra Renal Management (“SRM”), and US Vascular Access (“USVA”), have each developed Compliance Guidelines.

These Guidelines include information related to:

- Operations
- Sales and Marketing; and
- Billing and Reimbursement

These guidelines include topics similar to those in the Code, but are tailored to the specific operations of each division, business unit or business segment. As with the Code, the guidelines are a summary of basic compliance standards, and they also highlight common compliance issues that may arise in the course of your day-to-day activities.



Policies and Procedures

The Company, individual business segments and departments have issued policies and procedures providing detailed instruction on how to perform specific duties and functions.

These policies and procedures outline the proper methods for performing the numerous and varied duties expected of Fresenius personnel. Such policies and procedures are continually updated based on the changing regulatory environment and the needs of the Company.

Training

General Compliance Training

Fresenius provides general Compliance training for all personnel, which:

- Reviews the various elements of the Fresenius Compliance Program
- Gives information to personnel about the laws and regulations applicable to our business; and
- Discusses the Code of Business Conduct

New personnel are required to receive initial compliance training within 30 days of starting work. All personnel, with the exception of certain Products personnel, are required to receive annual compliance training, which addresses relevant changes in Company policies, or in federal or state laws.



Business Segment Training

Personnel will also receive more focused compliance training tailored to the issues and challenges of the business segment in which they work.

Separate programs are available for:

- Fresenius Medical Services
- Products
- Spectra Renal Management, and
- US Vascular Access

Specialized Compliance Training

Additional compliance training is required for personnel whose primary responsibilities include:

- Sales and Marketing; or
- Billing and Reimbursement

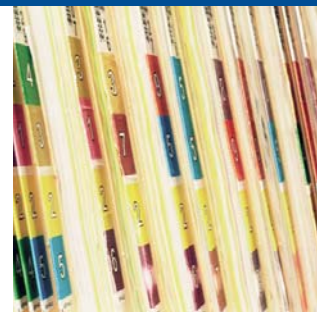
If your position requires this additional training, you are responsible to work with your supervisor to complete the requirement.

Auditing

Compliance Audit Department

The Fresenius Compliance Audit Department determines whether management controls are sufficient to ensure conformance to applicable regulatory and contractual obligations, and measures the effectiveness of our Compliance Program.

Compliance Audit undertakes a number of audit projects each year. Many audits are conducted entirely by Company personnel. Independent auditors perform other audits. You are expected to cooperate with any Fresenius authorized audit being conducted in the area in which you work.

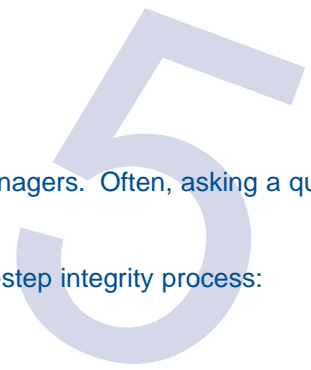


Getting Answers to Questions

The Five Step Integrity Process

Fresenius encourages open discussion of compliance issues by personnel and managers. Often, asking a question is the only way to determine whether an action is proper.

If you have a compliance question, you should take advantage of the following five-step integrity process:



1. Review Written Resources

- Fresenius Code of Business Conduct
- Business Segment Guidelines
- Applicable policies or procedures
- The Human Resources Employee Handbook

2. Bring the Matter to the Appropriate Person's Attention

- Your immediate supervisor.
- A more senior manager or Vice President, if your immediate supervisor is unable to resolve the issue, or if you are uncomfortable speaking to your supervisor about this issue.
- Your divisional/business unit Human Resources representative or Employee Access and Response at 1-877-525-6290 (press 2), if your issue concerns employee relations, policy or compensation.
- The Benefits Service Center at 1-877-525-6290 (press 1), if your issue concerns benefits.

3. Contact a Compliance Officer

- Each division, business unit and business segment has a Compliance Officer. A list of the current Compliance Officers can be found at the end of the Code and on the Fresenius intranet web site.
- The Fresenius Office of Ethics and Compliance in Waltham can be reached at 1-800-662-1237, ext. 9099.

4. Contact Appropriate Corporate Department

- Law Department @ 1-800-662-1237, x4003
- Health, Safety and Risk Management @ 1-800-662-1237 x2467
- Products Quality Systems and Regulatory Affairs @ 1-800-662-1237, x9303
- FMS Medical Quality and Clinical Services @ 1-800-662-1237, x2458
- SRM Regulatory Affairs @ 1-800-662-1237, x 9458

5. Call the Compliance Action Line 1-800-362-6990

If you feel uncomfortable using any of the above resources, or if you prefer anonymity, the Compliance Action Line is another resource. The Compliance Action Line can be called 24 hours a day, 7 days a week.



Reporting Suspected Violations

Obligations

Personnel have an obligation to report actual or suspected violations of law or Company policies. Doing so allows the Company to investigate and take prompt remedial action.

You have an obligation to report suspected violations of law or FMCNA policy to the appropriate resource, discussed above. FMCNA investigates all such reports, and takes appropriate action to ensure that FMCNA complies with all applicable laws.

The Medicare and Medicaid program also have fraud hotlines, and the False Claims Acts provide that individuals may bring a lawsuit in the name of the government, and if a False Claims Act violation is found, the individual bringing the lawsuit may collect a percentage of the money recovered.

Failure to Report an Obligation

If you fail to report a violation of law or Company policies, you may be subject to disciplinary action, up to and including termination of employment. Remaining silent about a violation of law or policy by someone else puts yourself and the Company in jeopardy.

Potential Violations at non-FMCNA Sites

Q: FMCNA provides contracted services at non-FMCNA sites, such as in-patient dialysis services. These facilities often have their own compliance programs and Codes of Conduct, separate from the FMCNA program.

If an FMCNA employee witnesses or suspects a potential violation, where should the FMCNA employee report that concern?

A: You should follow the 5-Step Integrity Process outlined above. If necessary, the FMCNA Ethics & Compliance Officer will communicate and work with the entity's compliance department in order fully investigate the possible violation.



Non-Retaliation Policy

Rationale

Fresenius understands that personnel may not be willing to report compliance problems or concerns if they feel that they may be subjected to harassment or retaliation by their supervisors or co-workers.

Accordingly, the Company has adopted a policy that prohibits harassment or retaliation where an employee or other person, in good faith, reports an actual or suspected violation of law or of Company policies to Company officials or to the Compliance Action Line.

Policy

If you believe that you are the subject of retaliation for reporting an actual or suspected violation of law or Company policies, the incident should be reported immediately to:

- A senior manager
- Your Divisional or Business Unit Compliance Officer
- The Office of Ethics and Compliance; or
- The Compliance Action Line

Retaliation

Any person, including supervisors or managers, who is found to have engaged in, or condoned, an act of retaliation against an individual in response to a good-faith report of a violation or suspected violation will be subject to discipline, up to and including termination of employment.



Reporting Suspected Violations



Compliance Action Line (CAL) 1-800-362-6990

Rationale

Fresenius has established a confidential Compliance Action Line, which can be used if an issue remains unresolved after trying other options, or if you are uncomfortable discussing a compliance issue through the normal chains of command.

Anonymity

Action Line callers may remain anonymous. When you call the Compliance Action Line you do not have to provide your name, but you may do so if you desire. There are no recorders on the telephone lines, or any devices that can identify or trace the number from which you are calling.

When you call the Compliance Action Line, it will be easier to review your concern if you provide as much detail as possible.

Process

Calls to the Compliance Action Line are answered by an independent contractor. Information provided by the caller is documented and reported to the Office of Ethics and Compliance for investigation and follow-through.

Employee Access and Response (EAR) 1-877-525-6290

The Employee Access and Response line will be answered in person 24 hours a day, seven days a week.

Policy

If your concern relates to a Human Resources issue such as your work schedule, or if you believe that you have been treated unfairly, you should contact your Human Resources Representative.

Fresenius Human Resources also maintains a separate resource for employees called **Employee Access and Response** ("EAR"). Employees can contact Employee Access and Response when they have a human resource question or concern, and can be assured that their concern will be reviewed objectively and confidentially.

Accountability and Discipline

Policy

Violations of Company rules and performance standards are dealt with through the Company's disciplinary procedures. Violations of law or regulations may entail more serious discipline.

Corrective action may range from verbal counseling to termination of employment based upon the seriousness, frequency, pattern, and other circumstances surrounding a particular situation.

Considerations in Assessing Accountability and Discipline

Consideration will be given to:

- Whether a violation was intentional.
- The good faith shown by an employee in reporting the violation and assisting in any corrective action.

Examples of Conduct that will Result in Disciplinary Action

The following are examples that will result in disciplinary action:

- Employees who authorize or participate directly in a violation of law, regulations, or Company policies.
- Employees who withhold or fail to report information about such violations.
- Supervisors or managers who fail to take reasonable steps to ensure conformance to Company policies or regulatory obligations by employees under their supervision.
- Employees who attempt to retaliate against individuals who report suspected violations.
- Employees who make deliberately false or bad faith reports of compliance violations.

Evaluations

Adherence to Company policies and procedures will be considered as an important element in performance evaluations of managers, supervisors and all other personnel.



Compliance Standards: Legal Requirements

Standard

Fresenius Medical Care will comply with federal, state, and local laws and regulations that apply to its business.

The Company will establish policies and procedures to ensure compliance with such laws and regulations, and will not pursue business opportunities that are inconsistent with its regulatory obligations.

The Company will provide personnel with information and training on such policies and procedures. If there is a doubt as to the appropriateness of an action or a proposed action, personnel should seek advice from supervisors, managers, or other Company resources prior to taking the action. (See DRA Policy: Compliance with applicable federal and state laws - False Claims Act and Similar Laws.)

General principles require that a claim for health care services contain accurate and complete information, that the care provided be documented in the patient's medical record, and that the underlying care be consistent with a valid order.

Violations of the False Claims Act could result in:

- The payment of fines, up to \$11,000 per false claim, plus three times the actual amount of the government's actual damages; and
- Exclusions from participating in government health care programs.
- Individuals could also face imprisonment.

Examples of Health Care Law Violations

One purpose of these statutes is to prevent waste, fraud and abuse. Examples of health care law violations include knowingly and willfully:

- Billing for services not rendered;
- Including false entries on cost reports;
- Billing for medically unnecessary services;
- Assigning incorrect reimbursement codes to secure higher reimbursement;
- Characterizing non-covered services or costs in a way that secures reimbursement;
- Not seeking payment from beneficiaries or other insurers who may have other primary payment responsibility, co-pay or deductible obligations; and
- Offering, providing or receiving kickbacks.



Additional Regulations

In addition to the federal False Claims Act referenced above, the Federal Program Fraud Civil Remedies Act also prohibits and penalizes the submission of false claims and statements to federal healthcare programs. Likewise, many states have enacted their own false claims laws that are similar to the federal False Claims Act.

Compliance Program and Written Guidelines

FMCNA has developed an extensive compliance program and established written guidelines and policies in an effort to prevent waste, fraud and abuse and to comply with federal, state and regulatory guidelines.

In addition to the contents of this Code of Conduct, please review the general and functional compliance guidelines and policies of your business(es) and the Corporate compliance policies. The Five-Step Integrity process explains how to report suspected violations of law or FMCNA policy.

An effective compliance program includes the participation of all employees, who have an obligation to report to FMCNA instances where inappropriate activity may be occurring.

In keeping with federal and state law, and in compliance with its own policies and procedures, FMCNA will protect from retaliation any employee, who in good faith, reports a suspected violation.

Fresenius personnel are expected to know and comply with Company policies and procedures relating to their jobs, including the principles outlined in this Code.

Violation of Company Policy

Violations or suspected violations of the law or of Company policy must be reported to a supervisor or other appropriate Company manager.

Failure to report a potential problem deprives the Company of an opportunity to investigate and take corrective action.

Small problems that are not addressed in a timely manner can become serious issues for the Company in the future. Accordingly, failure to report a suspected violation may subject an employee to disciplinary action, up to and including termination of employment.

Industry Practice

“Industry practice” is never a basis for violating Company policies or regulatory obligations.

Disclosure of Violations

Every disclosure of suspected violation of law or policy will be thoroughly investigated and those who reasonably believe that a violation has occurred, and reports that violation, shall not be retaliated against per Corporate Policy and applicable law.

The False Claims Act also includes language protecting individuals who assert their rights under these Acts.

If you believe that following Fresenius policies would put the Company at a competitive disadvantage in a particular instance, you should bring the matter to the attention of the Law Department or the Office of Ethics and Compliance. Do not take it upon yourself to make an exception to company rules.

Legal Requirements: Q & A

Requests from Management to Violate Policy

Q: *My supervisor has asked me to do something that I believe is against Company policy and which may be illegal. What should I do?*

A: Discuss the situation with your supervisor to make sure that you agree on the facts of the situation. There may be a simple misunderstanding that requires clarification. If you are not satisfied with the answer, or if you still feel uncomfortable, contact a more senior manager, your Business Unit Compliance Officer, Divisional Director of Compliance or call the Office of Ethics and Compliance.

Reporting a Co-worker

Q: *One of my co-workers is doing something I believe to be illegal. I'm afraid that if I report his activities, he will lose his job. Can I simply talk to him about my concerns and ask him to stop?*

A: Talking to him would be a good first step, but may not fully address the problem. Even if he agrees to change his behavior, the Company may be required to report the activity and/or to repay money that may have been received as a result of improper activities. Both of you have an obligation to report the suspected violation, and to follow through with your supervisor or manager, or with the Office of Ethics and Compliance.

Compliance Standards: Quality of Clinical Care

Care

Fresenius Medical Care is committed to providing superior clinical care to our patients.

Clinical care must be based on patient medical needs and physician orders.

Fresenius will provide clinical services, including laboratory testing, which are appropriate, safe, and in compliance with applicable laws, regulations and professional standards.

Patient care should be guided by the intended outcome of the patient's treatment plan in accordance with established clinical standards and protocols. Sound clinical judgment, focused on the best interest of the patient, should be applied at all times.

Review

Fresenius will periodically review patient care policies, procedures and clinical protocols to ensure that they meet or exceed current standards of practice.

We will seek new, innovative and cost-effective approaches for improving the quality of care provided to our patients.



Providers of Patient Care

Only persons with appropriate professional credentials, and who are properly licensed, certified and trained, may be permitted to provide patient care services.

Physicians will be granted conditional medical staff privileges, pending credentialing, only after the facility Medical Director and Governing Body have determined that the applicant has the requisite training and licensure to provide medical services at a Fresenius dialysis clinic. After the credentialing process is completed, the Governing Body will review and consider applications for medical staff privileges.

Members of the medical staff of a Fresenius dialysis facility are required to adhere to the policies, procedures and standards set forth by federal, state and local regulations and Company policy regarding the quality of clinical care.

Training

All newly appointed Medical Directors are required to complete Patient Privacy training. Training is required to be completed by all Medical Directors.

Quality of Clinical Care: Q & A

Quality of Patient Care

Q: *One of the transportation providers frequently runs behind schedule, and some of our patients arrive at the facility 20 to 30 minutes late for their late afternoon dialysis treatments. Instead of making up this time, the charge nurse stops the treatments at the regular time the unit is scheduled to close. I am concerned that these patients are not adequately dialyzed. Who can I speak to about this situation?*

A: Most dialysis units have policies and procedures to deal with late arrivals and non-compliant or uncooperative patients. The Clinical Manager (“CM”) or the Medical Director should be notified of this problem, and appropriate steps should be taken to resolve the transportation problem.

Technician Acting Outside of Scope of Employment

Q: *A patient care technician recently transferred from an FMCNA dialysis unit in another state, which allowed technicians to administer IV heparin to patients. Technicians are not allowed to give heparin in this state, but she still administers it herself. The CM knows the technician is giving the medication, but she says that the technician is administering the medication properly, so it’s not a problem. I am uncomfortable talking to the CM about this. What should I do?*

A: If you know that it is a violation of state law for a patient care technician to administer a medication, you should report the situation to the Area Manager or the Medical Director. This is the case even if the technician has been trained and administers the medication properly, and even if the CM allows her to give it. If you don’t feel comfortable speaking with anyone in the dialysis facility, you can contact your Business Unit Compliance Officer, Divisional Director of Compliance or the Office of Ethics and Compliance.

Challenging a Doctor’s Authority

Q: *One of the attending physicians in my unit often misses scheduled rounds and seems to hurry through when he does come. I am concerned that he is not reviewing laboratory and medication orders on a frequent basis. As a charge nurse, I am reluctant to challenge the doctor, but I am concerned about the well-being of his patients. What should I do?*

A: Express your concerns directly to the CM or the Medical Director. If you are reluctant to bring the issue up at the facility level, you can contact your Regional Quality Manager, Divisional Vice President of Quality or the Clinical Quality Department in Waltham. It is important that this kind of concern be addressed seriously on a clinical basis to avoid potential harm to patients

Compliance Standards: Patients

Dignity and Respect

Treat all patients with dignity and respect.

Resolve all concerns and complaints promptly and thoroughly. Access to treatment should never be influenced or restricted by:

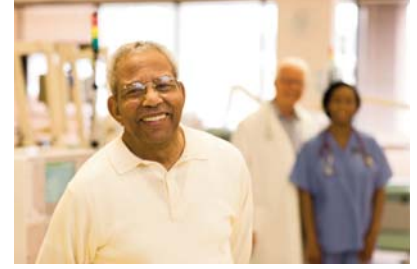
- Race
- Religion
- National origin
- Gender
- Age
- Sexual orientation
- Disability
- Veteran status; or
- Other improper consideration. Respond to and attempt to resolve all concerns and complaints promptly and thoroughly.

Patient's Family Involvement

Involve patients and families in treatment planning whenever appropriate.

When dealing with a patients' families one must:

- Respond to questions accurately.
- Notify a member of the facility management staff if you are unable to answer any patient's or family's questions.
- Work with the Medical Director and attending physicians to ensure that patients are fully informed of available treatment options.



Gifts, Meals and Entertainment

A single gift with a value in excess of \$10, or multiple gifts with a cumulative value of \$50 per year, may not be offered to patients.

Patterns of regular giving to patients, regardless of value, are not permitted.

Gifts offered from patients with a value in excess of \$50 per year cannot be accepted. While Fresenius encourages the building of positive patient/staff relationships, gifts or other benefits may not be used to improperly influence a patient's choice of Fresenius as his or her dialysis provider.

See Gifts, Meals and Entertainment Policy for more details.

Patients: Q & A

Abusive Patients

Q: *A patient insists on turning up the volume on a television set in spite of protests by other patients who wish to rest. When I attempt to resolve the matter, the patient becomes abusive and uses offensive language. How should I handle this?*

A: You should politely but firmly insist that the patient respect the reasonable requests of her fellow patients. If necessary, you should turn off the set until the patient agrees to behave responsibly. Fresenius personnel are expected to be courteous to patients, and to make allowances for the stress, which patients may sometimes experience. However, Fresenius personnel are never expected to endure abusive behavior or allow one patient to disrupt the treatment of others. Document the patient's behavior in the medical record, notify a member of the facility management staff, and perhaps involve the facility social worker.

Inconvenienced Patients

Q: *A patient was delayed in completing her dialysis treatment due to a mechanical malfunction in one of our units. As a result, she missed her regular bus. Can we reimburse the cost of cab fare to get her home?*

A: Yes, as an exception to the general rule against paying for patient transportation. Because the patient has been inconvenienced by a problem with our equipment, payment for a cab ride under such circumstances would be entirely appropriate.

Compliance Standards: Billing Practices

Truth and Accuracy

All billings for healthcare items and services must be truthful and accurate, and should conform to applicable legal and contractual requirements.

Claims may be submitted only for services that have been properly ordered and actually provided. Appropriate records must be available to document that all services meet these standards, including proper documentation of medical necessity.

Patient Balances

Patient balances must be billed to the patient in accordance with State, Federal and other contractual requirements.

This includes spend downs (share of cost), copayments, deductibles and any other charges not covered under an approved indigent waiver.

Indigent Patients

Do not waive or write-off patient coinsurance or deductibles for government or commercial insurance programs unless the patient is determined to be indigent in accordance with established Company policies and procedures.

Payment and Reimbursement Claims

Claims for payment or reimbursement must use billing codes that accurately describe the items or services provided.

Claims for Items and Services

Claims for items and services may only include diagnostic information (e.g., ICD-9 codes) supplied by the treating physician or other specifically authorized healthcare professional, and may never be added to a claim “automatically” or by “default.”

Billing Errors

Fresenius will notify the payor and promptly refund any overpayments received as a result of billing errors by the Company, or processing errors by the payor.



Patient and Physician Identification Numbers

Care must be taken in selecting the patient and physician identification numbers to be included on a claim.

Insurance claim numbers must include the alphabetical suffix for the patient receiving the item or service. Similarly, the physician identifier must be the number for the physician who personally ordered the item or service.

Clinical Research Studies

All clinical research studies conducted at Fresenius locations must be approved in accordance with Company policies. Certain items and services provided as part of clinical research studies may not be billed to government and commercial insurance programs.

In particular, items or services provided to patients as part of a clinical research study may not be billed if they are:

- Investigational
- Provided solely to satisfy data collection and analysis needs of the study and not used in the direct clinical management of the patient
- Provided by the research sponsors free of charge for any enrollee in the trial; or
- Provided solely to determine trial eligibility.

Audits

Fresenius employees are expected to cooperate with periodic internal and external audits of the Company's billing practices.

Any suspicion of inappropriate billing or documentation practices must be reported to a supervisor or manager.

Billing Practices: Q & A

Billing Error

Q: *I discovered a coding error in the billing system and corrected it. Do I have an obligation to determine whether claims have been submitted in error before I found the problem?*

A: Fresenius may be required to notify one or more third-party payor(s) of the coding error, and could have an obligation to refund overpayments made as a result of the problem. Inform your supervisor of the error so that he or she may determine the extent of any potential overpayment or underpayment, and the proper course of action.

Supervisor Policy violations

Q: *I am aware of inaccurate billings in my area, but my supervisor told me to process the accounts anyway because we are very busy at this time, and that we will make the appropriate adjustments at the end of the month. What should I do?*

A: Federal and some state regulations prohibit the intentional submission of inaccurate billing claims. If we intentionally submit inaccurate billings without notifying the payor, we violate these regulations even if it is not our intention to over-bill, and even if we intend to make adjustments later. If you are aware that a problem exists and you continue to participate in the submission of incorrect claims without notifying the payor, or if you fail to report the situation, you are putting yourself and the Company at risk. In this case, bring your concern to a more senior manager or to your Business Unit Compliance Officer.

Clinical Research Drugs

Q: *My clinic is participating in a clinical research study concerning the effectiveness of a new drug that's not yet available on the market. This drug seems to be really helping our patients. Other drugs that we provide to our patients are separately reimbursable. What are the rules for billing for this drug?*

A: We may not bill government payors for investigational drugs (i.e., not FDA approved) or services, regardless of whether the drugs or services are shown to be effective. The fact that similar non-investigational drugs or services are reimbursable when furnished in the normal course of treatment makes no difference to our ability to bill government payors. In contrast, some commercial insurance plans will cover investigational drugs and services with prior authorization. Where prior authorization is received, services may be billed in accordance with terms of the authorization. However, in the absence of specific written authorization from a commercial payor, government rules prohibiting billing of investigational drugs and services should be followed.

Compliance Standards: Recordkeeping and Information Management

Creation, Maintenance and Storage

Create, maintain and store medical and business records accurately, reliably, and honestly in accordance with applicable laws and Fresenius policies.

Such policies apply to electronic data and records as well as to paper records. All Fresenius personnel should become familiar with Company rules concerning the records that you are responsible for in your job, and take steps to ensure that such records are created and stored and protected in accordance with applicable laws and Company policies.

Old or unnecessary records should be destroyed in accordance with the provisions of the Fresenius Records Retention Schedule, Company destruction policies and applicable department procedures.

Current Fresenius Records Management policies are available on the FMCNA Intranet, under the Company tab.

False or Misleading Information

Medical or business records should not contain false or misleading information, and must never be altered or destroyed to conceal an error or omission, or for the purpose of receiving any payment to which Fresenius is not entitled.

Don't enter erroneous or incomplete information simply to finish a record. Take the time to verify questionable entries, or contact your supervisor for guidance.



Financial Records

Financial records must conform to Fresenius policies and standards.

Labeling

Records should be labeled and filed in a manner that allows for easy identification, location and retrieval.

Detailed logs of all files should be maintained.

Recordkeeping and Information Management: Q & A

Accurate Record Keeping and Storage

Q: *Why is accurate recordkeeping and storage so important?*

A: Both the law and good medical practice require Fresenius to prepare and retain a large number of forms and reports in connection with its business and with patient care. Failure to complete or retain required records could cause inconvenience to physicians or patients, and could subject the Company to fines or other government enforcement action.

Retention of Records

Q: *My department has boxes filled with business records that are 6 to 10 years old. We have limited storage space, and we don't need these old records to conduct our business. Can we throw these old papers away?*

A: Not necessarily. Fresenius has a Records Retention Schedule and retention policies that describe the types of records that must be kept, and the period of time the law requires this information to be kept. As these policies periodically change, ask your supervisor for the most recent versions. Do not destroy records unless you are certain that you are allowed to do so. When initiating records destruction be sure to follow the guidelines defined in the Records Retention Schedule, Fresenius Records Management policies, and your Division/Department records destruction procedures.

Forgery of Documentation

Q: *A nurse on the previous shift forgot to record a medication given to a patient. She called and asked that I record the dose for her at the time it was supposed to have been given, and to use her initials. What should I do*

A: The nurse did the right thing by calling to note the chart error. However, you should never record a medication dose that you did not give, and you should never sign someone else's initials. Even if no harm occurred in this case, the charting error needs to be properly documented. Make a note in the chart that the dose was given, who administered the dose, the time the dose was administered, and the reason the dose was not recorded on the medication sheet.

Missing Documentation

Q: *In researching our records on a series of disputed claims, I noticed that some of the documentation, which should have been in the system, was missing. I am not sure whether the information was ever entered or has been lost. Should I bring this to someone's attention?*

A: Yes. Bring the matter to the attention of your supervisor or manager. He or she should follow up with other departments to determine the scope of the problem. Accurate record management is a critical factor in Fresenius' ability to meet service demands. Any breakdown of our record management systems should be corrected immediately.

Compliance Standards: Government Filings and Reports

Accuracy of Information and Timeliness

Fresenius will make all required filings and reports (including Medicare cost reports, securities filings, tax filings, dialysis network reports, and FDA-related reports) to federal, state and local government agencies accurately and on time.

Personnel who provide information for inclusion in a report, which will be signed or certified by a more senior manager, are responsible for ensuring the accuracy of the information, and for disclosing any problems or questions in advance of completion of the filing or report.

False statements contained in a government filing or report may subject individuals and/or Fresenius to civil or criminal liability.

Retention of Back up Documentation

Back-up documentation and other materials used in the preparation of a filing or report to a government agency should be retained in accordance with the requirements of the Fresenius Records Retention Schedule.

Government agencies typically reserve the right to audit the accuracy of Company filings and reports. The absence of back-up documentation may lead an agency to question or reject a filing or report, and may also lead to fines or other penalties.

SEC Filings

Fresenius will make all required filings and reports to the Securities and Exchange Commission (“SEC”) accurately and on time. All financial statements included in such filings will be prepared in accordance with generally accepted accounting principles and the rules and regulations of the SEC.



Government Filings and Reports: Q & A

Finding Information

Q: *I am responsible for assembling cost report information for our dialysis facility. Each year I have difficulty getting some of the information I need in a timely manner. Who can help me?*

A: Bring the issue to your supervisor or manager. He or she should be able to help you resolve the problem.

Accuracy of Data

Q: *I have doubts about the accuracy of some of the data I am using to file a report to the regional ESRD network. Should I file it anyway?*

A: You should not file the report without fully disclosing your concerns to your supervisor or manager. Explain the basis of your concerns and give him/her an opportunity to evaluate the accuracy of the information. If there are problems, your supervisor can help you resolve them.

Compliance Standards: Privacy and Security of Confidential Information

Protected Health Information (PHI)

Protected Health Information: *It is our legal and ethical responsibility to protect the confidentiality of individually identifiable patient and employee health information, also known as “protected health information,” or “PHI.”*

The Privacy Rule and Security Rule of the Health Insurance Portability and Accountability Act (“HIPAA”) and other federal and state laws are in place to protect this right to privacy. To promote compliance with these rules, Fresenius has adopted privacy and security policies.

There may be different privacy and security policies that apply to recently acquired businesses during an integration period. Recently acquired locations should follow the privacy and security policies that apply to their location as directed by the FMCNA Privacy Officer or their Divisional Privacy and Security Officer.

Principal Requirements of Privacy and Security Policies

The principle requirements of privacy and security policies are as follows:

- Only use or disclose PHI as required to perform your job.
- Patients who receive direct care from Fresenius, and employees who participate in Fresenius health plans, will be given the appropriate Notice of Privacy Practices which outlines how their PHI will be used and disclosed. Patients who receive direct care from Fresenius must acknowledge in writing their receipt of the Notice of Privacy Practices.
- The Company will use and disclose PHI for routine purposes (treatment, payment and healthcare operations). Use and dissemination of PHI, both inside and outside the Company, must be limited to the “minimum necessary” to furnish care and seek reimbursement for services rendered.
- Use and disclosure of PHI for non-routine purposes (other than treatment, payment and healthcare operations) generally requires specific authorization from the patient.

- Disclosures made for certain non-routine purposes including, but not limited to, health oversight activities such as those of departments of public health, law enforcement activities, and judicial and administrative proceedings do not require specific patient authorization, but must be tracked.
- Business Associate Agreements are required to be in place with parties that perform services on the Company’s behalf and to which PHI is disclosed in order for them to perform their job for Fresenius.
- Use appropriate safeguards to protect PHI from inappropriate or inadvertent disclosure.
- Electronic PHI and the workstations or devices used to access electronic PHI must be appropriately safeguarded. This includes using and protecting passwords and following guidelines established in security policies regarding the appropriate use of information systems.

Availability and Questions

Privacy and security policies are available on the FMCNA intranet, intranet sites of acquired facilities during the integration period, or from your supervisor, and should be consulted for detailed guidance.

If you have questions regarding the policies, or if you wish to report a potential policy violation, you may call the Fresenius toll-free confidential Compliance Action Line at 1-800-362-6990.

Proprietary Business Information

Proprietary Business Information: *Do not give confidential or proprietary information about Fresenius to unauthorized persons such as competitors, suppliers, or outside contractors.*

Financial information, customer lists, pricing information, Company manuals and policies, and descriptions of Company processes or operations should not be discussed with unauthorized persons. The rules of confidentiality continue to apply after you have left Fresenius.



Employee Information

Employee Information: Respect the privacy of your fellow employees.

Avoid gossip or speculation, which could damage the reputation of fellow employees. Access to information contained in employees' personnel files is limited to authorized personnel who have a legitimate business or legal need for the information.

Confidential Information

If you work with confidential information, take common sense precautions to protect such information from inadvertent disclosure.

Keep any confidential paper records in a locked room, drawer or file when not in use. Do not discuss confidential information in situations when you may be overheard by unauthorized persons (e.g., elevators, hallways, or break rooms).

Patient-Specific Medical Information

Patient-specific medical information, as well as sensitive business information, should be destroyed when no longer required for use or for record retention.

Shredders should be used for disposal of confidential information, including medical records and other PHI, to prevent unauthorized or inadvertent disclosure. Medical records should be destroyed in compliance with:

- Applicable state laws.
- Records Management policies relating to the retention of records and to the disposal of company confidential information.
- Regulatory agency mandates.

Verify that no Legal Holds have been issued by the Fresenius Law Department prior to initiating records or document destruction.

Trade Secrets

The theft or knowing inappropriate receipt of trade secrets relating to a product used, or intended to be used, in interstate commerce can be a criminal offense under the Economic Espionage Act of 1966.

Trade secrets include, but are not limited to:

- Confidential product design or performance information
- Scientific formulas
- Computer programs; or
- Other cost or financial information.

Audio Recording and Photography

Use of audio recordings and photography.

Advances in technology have made audio recording devices and photographic devices, including still or video cameras, readily available. The use of audio recording devices and photographic devices can jeopardize the confidentiality of FMCNA information and the privacy of our staff and patients.

Fresenius personnel must follow the FMCNA Privacy Procedure on Photography and Audio recordings. Generally, FMCNA Staff may not make audio recordings or take still or video pictures of Company premises, personnel, or patients without appropriate manager or supervisor approval.

Approval should also be obtained from patients before they are recorded or photographed.

Privacy and Security of Confidential Information: Q & A

Identifying Patients

Q: *I work in a dialysis clinic and one of my neighbors, Gladys, was recently admitted to our facility. I was having lunch with another neighbor and she asked me if I had run into Gladys recently. How should I reply?*

A: In your response you need to be careful to not indicate anything that you know about Gladys as a result of her admission to the facility. You may not indicate that she was admitted to the facility, has ESRD, or even that Gladys is not well if you know this information as a result of Gladys' admission to the facility.

Patient Treatment Information

Q: *A patient is being treated by a local specialist, and the physician has requested a copy of the patient's most recent treatment information and lab values. Can I provide this information to the physician without getting our patient's authorization?*

A: Yes, you can provide PHI to another healthcare provider for purposes of treating a patient without getting the patient's authorization. However, you do need to have in the patient's chart written documentation of the patient's treatment relationship with the healthcare provider making the request.

Discarding Papers with Patient Information

Q: *I have seen co-workers throw papers containing patient and financial information in the regular trash. Is this practice acceptable?*

A: No. Papers containing PHI or other company confidential information must be disposed of in accordance with Fresenius Records Management Policy, "Disposal of Company Confidential Documents." Typically this will involve shredding the material. Verify that no Legal Holds have been issued by the Fresenius Law Department prior to initiating records or document destruction. Department managers should determine what information, other than PHI, is confidential. If your department handles confidential information, department managers must develop procedures for receiving, handling and disposing of the information in a manner that protects its confidentiality.

Installing Software

Q: *I have asked the Company to purchase a special software program that I use on my home computer to do Company work but have been turned down. Can I install a copy of my home program on my office PC?*

A: No employee may copy a program onto a Company network without IS Department approval. The IS Department is responsible for protecting the system against computer viruses or other risks of degradation. It is also against federal law and Company policy to make or use unlicensed copies of software programs. If a request to purchase new software is turned down, you may ask for an explanation, but you may not put a copy of any software on to the system without approval.

Writing Down Your Password

Q: *Sometimes I forget my password to log onto my computer. Is there really any harm if I discretely write down my password on a post-it note and have it available nearby?*

A: Writing down your password and leaving it unlocked could result in someone finding it and logging on as you. The recording of passwords is discouraged, however if you must record the password, you must do so securely.

For example:

- Keep a written note locked in a private desk or file cabinet.
- Scramble the password so that it cannot be used if discovered.
- Do not write the user ID on the same note on which the password is written or keep the user ID on a separate note in the same place.

Personnel Records

Q: *Who has access to my personnel records and salary information?*

A: All employee personnel records and wage information are treated confidentially. Information in your records is made available within the Company only to those with a specific business need to know (e.g., your supervisor or manager). Employees who have access to personnel files are held accountable for protecting your privacy. Employees may have access to their own personnel records by contacting their local Human Resources representative.

Buying Confidential Information

Q: *I have been contacted by an employee of another company offering to sell a copy of the confidential design specifications for a new dialysis-related device. I know that the information is closely guarded by the other company and that it would be valuable for us to have an advance look at the new product. What should I do?*

A. You should decline the offer and report the contact to your Business Unit Ethics & Compliance Officer, or directly to the Law Department. Accepting the information could put both the Company and yourself in jeopardy of criminal prosecution.

Compliance Standards: Sales and Marketing

Kickbacks

It is against the law and Company policy to provide a “kickback” or any other improper incentive or inducement to a physician or customer for the referral of patients or the purchase of products or services.

Such incentives may include:

- Excessive or inadequately documented discounts
- Free supplies or equipment
- Gifts
- Write-offs
- Professional courtesies; or
- Below fair market value leases.

Improper Incentive or Inducement

Fresenius will not seek or retain a business relationship that involves an improper incentive or inducement.

If a physician or customer requests a service or concession that you believe to be improper, do your best to explain why we cannot do what is being asked. Seek help from your supervisor or manager, or from the Law Department if necessary.

In many cases, a customer will withdraw an improper request if the legal issues are properly explained. If you are not successful, however, you must be prepared to walk away from an account that will not conform to the requirements of law.

Influencing Patients

Federal law prohibits making payments or offering other benefits to patients for the purpose of influencing their choice of a particular provider or product.

Fresenius may not offer special “incentives” or other benefits to patients to choose a Fresenius clinic or product over the clinic or product of a competitor.

These could include:

- Routine reimbursement of transportation costs
- Routine waiver of deductibles and coinsurance
- Discounts on other products; or
- Similar valuable benefits.



(This does not, however, preclude modest patient reward programs designed to promote compliance with treatment goals or infrequent and modest social events intended to maintain patient morale.)

Off-Label Use of FDA-Approved Products

Fresenius will not promote or provide information to its customers regarding off-label uses of its FDA-approved products.

An off-label use is a use that is not included in the approved product labeling or is not included in the statement of intended uses for an FDA-approved product.

Information relating to off-label use of Fresenius products should not be included in sales or marketing materials, as such, this information should not be brought to sales presentation or booths, since having such information readily available may imply the endorsement of off-label uses by the Company.

Sales and Marketing: Q & A

Clinical Nurses Covering Private Practice

Q: *The Medical Director of my clinic is asking if one of our nurses could cover for the Medical Director's private practice when a regular staff member is on vacation. Is this legal?*

A: No, if the nurse is covering for the Medical Director's private practice while the nurse is being paid by Fresenius. The use of provider employees by a physician to perform clinical or administrative duties in his or her private medical practice while the employees are being paid by the provider has been specifically identified by federal law enforcement authorities as a potential violation of the anti-kickback law. In this case, explain to the physician that our employees are not permitted to cover for his private practice while being paid by Fresenius (unless an appropriate sublease is in place). You could recommend that the Medical Director contact a temporary agency to meet the physician's needs.

Matching Competition

Q: *A client has asked me to arrange for free hepatitis testing for its employees and their families. I know that other laboratories offer this service, and I believe that if I do not meet the terms offered by the competition, Fresenius will lose the account. What should I do?*

A: You should explain to the client that Fresenius cannot offer free testing to its clients, their employees, or their families because doing so could be construed as an unlawful inducement. A 1994 Special Fraud Alert by the Office of Inspector General lists "provision of free laboratory testing for healthcare providers, their families and their employees" as an example of an inducement that could violate the anti-kickback statute. Any employee testing must be billed to the client or the appropriate payor for the employee. Get help from your supervisor to explain this to the client, if necessary.

Additional Discounts

Q: *A customer is asking me to provide an additional discount on dialyzers if she agrees to send all of her lab work to Spectra. What can I do for her?*

A: You cannot provide a discount or benefit relating to dialyzers or other renal products to a customer in connection with an agreement to furnish laboratory services. While some lab tests are paid under a composite rate to dialysis providers, other tests are paid separately by Medicare and other federal healthcare programs. Any link between the sale of DPD products and the value, or volume of lab tests ordered by a customer could be viewed as an inducement for the customer to over-use these separately billable tests.

Off-Label Use of Products

Q: *During a sales call, a physician asked if a dialyzer could be used to remove bacteria from the blood of a patient with sepsis. Although this would be an off-label use of the dialyzer, I am aware of a published paper that describes a small animal study in which such a treatment was used successfully. Can I give the physician a copy of the paper?*

A: Generally, no. Any apparent advocacy of an off-label use could be viewed as a violation of FDA rules. The only exception may apply in the infrequent situation where a customer, on his or her own initiative, asks for information regarding a specific off-label use. In such cases, it is permissible to provide peer-reviewed literature (or a source where such literature may be found) but only where the request is put in writing by the customer and approved by the Vice President for Quality Systems and Regulatory Affairs for the Products Division and/or complies with relevant FMCNA policies regarding product promotions, sales and marketing.

Compliance Standards: Relationships with Staff Physicians and Medical Directors

Professional Respect

Proper professional respect should be shown to Medical Directors and attending physicians at all times.

Fresenius values its relationships with its Medical Directors and other attending physicians and will strive to maintain an environment of mutual professional respect and cooperation.

Administrative Policies and Procedures

Administrative policies and procedures should be made easily accessible to Medical Directors and other attending physicians.

Policy changes should be disseminated to all affected physicians on a timely basis.

Physician Concerns and Complaints

Physician concerns or complaints should be resolved promptly and thoroughly.

Medical Policies

Medical policies should respect the integrity of the physician-patient relationship.

Company policy and personnel must avoid inappropriate interference with physicians' practice of medicine. Fresenius nurses and other personnel should carry out medical orders diligently and in a timely manner.



Relationships with Staff Physicians and Medical Directors: Q & A

Using Clinical Staff for Private Practice

Q: *The Medical Director of our dialysis facility is often short-staffed at his office practice, and he frequently asks the dialysis facility staff to help him out with patient related issues that should be handled by his office, e.g., scheduling and paperwork. We are very busy, but we don't want to upset him, so we usually do as he asks. How should we handle the situation?*

A: If Fresenius personnel provide office assistance for the Medical Director at no charge, the Medical Director is receiving valuable compensation outside of his or her contract. This violates Company policy and may also violate anti-kickback laws. Tell the Medical Director that you cannot provide these services, and inform the CM or other senior Company Manager of the Medical Director's request.

Updating Records

Q: **Some of our attending physicians visit their dialysis patients infrequently. They call in telephone orders, but never come in to sign them, and do not always update the medical records for their patients. The Medical Director says she doesn't want to interfere with another physician's care of a patient. We need these orders signed and records updated. What should we do?**

A: Medicare's "Conditions for Coverage for a Dialysis Facility, Subpart U," states that the Medical Director is ultimately responsible for the integrity and completeness of medical records, including long- and short-term care plans, progress notes, complete and legible signed orders and discharge summaries. It is the Medical Director's responsibility to ensure that attending physicians comply with Medicare regulations, and with the rules of the Governing Body. Remind the Medical Director of the requirement to keep records updated. If the Medical Director fails to communicate with the attending physician, bring the matter to the attention of the Area Manager or other senior Company manager.

External Clients Completing Reviews

Q: **I have tried without success to get one of our external clients to complete the annual standing order review for laboratory tests. The Medical Director has told me that he will switch to another laboratory if I keep pressing him. What can I do?**

A: Politely explain to the Medical Director that annual review of standing laboratory orders is recommended in laboratory compliance guidelines published by the OIG. The review is intended to ensure that laboratory orders for each patient are appropriate for his/her medical condition. From a clinical standpoint, it ensures that the right tests—neither too many nor too few—are being performed. In this instance, you should seek assistance from your supervisor or manager to secure the Medical Director's cooperation. Ultimately, Fresenius will not honor standing orders from physicians who are not prepared to participate in the annual standing order review process.

Compliance Standards: Antitrust and Competition

Marketplace Competition

Fresenius will compete actively, but fairly, in the marketplace.

Company personnel must not attempt to reduce or restrict competition for products or services by improper measures.

Antitrust laws are designed to protect purchasers of goods and services from monopolistic or other predatory practices. The principles underlying antitrust laws ensure that a person or entity purchasing goods or services in the marketplace is able to select from a variety of products at competitive prices without artificial restraints.

Competition is compromised when businesses engage in illegal practices such as fixing prices or dividing territories or customer lists.

Collusion with Competitors

It is unlawful to discuss or agree with a competitor to set prices or divide territories.

Fresenius personnel should never exchange pricing or other business-sensitive information with competitors. Relationships with competitors should be conducted at arm's length. Avoid any discussions about pricing of products or services or division of service or sales territories.

Prohibited Practices

Fresenius will not:

- Participate in group boycotts or refuse to deal with specific customers for improper reasons
- Engage in deceptive sales practices or other forms of unfair competition; or
- Make any agreement with a competitor which artificially raises the price of our services, or which otherwise improperly reduces competition.



Antitrust and Competition: Q & A

Patient Incentives

Q: *Our competitors are planning to open a new dialysis clinic in our area. What kind of incentives can I give our attending physicians to keep their patients at our facility?*

A: You can continue to offer excellent patient care and clinical support to the physicians. Any other “special” incentive might be considered an illegal kick-back to induce the referral of patients. Likewise, any artificial disincentive (e.g., threat to withdraw staff privileges) might be viewed as an unfair restraint of trade.

Competitor Arrangements

Q: *I have a huge sales territory. My main competitor has offered to sell primarily in the northern part of the state if I agree to stay in the southern area. This arrangement will result in better prices for our contracts. If my competitor agrees with me, is this arrangement okay?*

A: No. Patients and physicians would be put at a disadvantage because they would have fewer options available to them. If a competitor asks you to split territories, refuse the offer and inform your manager.

Tying Agreements

Q: *Our division has a new patient-protected product that is available to customers only from Fresenius. Customers are lining up to buy it and we will have difficulty making enough to satisfy demand. In contrast, some of our older products are subject to fierce competition from many other manufacturers. We need to provide substantial discounts on these older products in order to move them. As a result, our profit margins on those products are relatively small. Could I permit customers to buy the new “hot” product only if they agree to also buy some of the older products at our full, undiscounted “list” price?*

A: No. This proposed tying agreement would likely be condemned by law enforcement authorities as an illicit attempt to leverage a monopoly position in the “hot” new product to obtain excessive profits or market share in the older products.

Compliance Standards: Gifts, Meals and Entertainment

Gifts and Meals

Fresenius personnel may not give, offer, or receive extravagant gifts or meals to or from healthcare providers, patients, or other persons or companies doing business with the Company.

Extravagant gifts or meals could be considered an improper inducement under federal and many state laws for the referral or purchase of healthcare items or services.

Criminal and civil penalties may be imposed on both the offeror and the recipient of an improper inducement. The purpose of these laws is to prevent personal benefit to a physician, medical provider, or patient from overriding considerations of quality or patient well being.

Entertainment and Recreational Activities

Fresenius personnel may not give, offer or receive any entertainment or recreational activities to or from persons or companies doing business with the Company (e.g., sporting events, golf outings, fishing or boating trips, concerts or shows, etc.)

Legal and Company restrictions focus on extravagant gifts or meals that are intended to, or give the appearance of trying to, compromise healthcare decisions (e.g., weekend trips, elaborate dinners, or similar benefits). More moderate expressions of good will, which are consistent with industry and local business practices, are acceptable (e.g., promotional items of minimal value such as pens and notepads that can be used in the recipient's business practice, modest lunches or dinners where business is discussed).

Gifts given to or received from persons or companies doing business with the Company should not be items that have a personal benefit or value to the recipient (such as golf balls, music CDs, gym bags, artwork, etc.).

The **appearance** created by giving or receiving a gift or meal must be considered. Even if a gift or meal may be technically acceptable, it may, under some circumstances, appear improper to another person. In such cases, it may be appropriate to refrain from offering or accepting a gift or meal, or to take steps to ensure that an action is not misinterpreted.



Modest Gifts or Meals

Where modest gifts or meals are appropriate, good judgment should be followed.

All gifts or meals should fall within the bounds of moderation and be common business courtesies that have a valid business purpose (e.g., a business lunch). A pattern of giving or receiving gifts or meals may be inappropriate if the frequency or total value of the gifts or meals exceeds reasonable limits.

Offers of individual gifts with a value of more than \$50, or of business meals more than \$150, must be approved in writing by a Vice President or other designated member of senior level management. Annual limits apply to offers or receipt of:

- Business gifts (\$100)
- Business meals (\$300) to; or
- From a single person or their organization.

Gift Limits

Gifts in excess of \$50 per year should not be offered to patients.

In addition, gifts in excess of \$50 per year should not be received from patients unless approved by an Area Manager or other comparable business unit manager.

Gifts and Government Officials

Gifts should generally not be offered to government officials or employees.

Federal, state and local laws set specific restrictions on such practices, which must be carefully observed. Any such expenditure must be approved by a Vice President or other designated senior manager.

Gifts, Meals and Entertainment: Q & A

Large Accounts

Q: *Can I send a large holiday gift basket to several of my large accounts?*

A: No. Gift baskets imply personal benefit and value and as such, do not fall within the categories of acceptable gifts

Lunch with Possible Medical Directors

Q: *I am negotiating with a local nephrologist to accept a position as Medical Director of a new dialysis facility that the Company proposes to open. Can I invite her to lunch or dinner to discuss the position?*

A: Generally yes, so long as the meal is not extravagant and you use the occasion to discuss business. Lunch and dinner meetings are generally viewed as common business practice and are generally acceptable, unless the cost of food or drinks exceeds reasonable limits. The presence of spouses or other guests is inappropriate, unless the spouse is part of the business organization and given his/her job function, his/her attendance at the business meal would be appropriate.

Sporting Events

Q: *I received a couple of box seat tickets to the local basketball arena from a friend and would like to offer them to one of my customers. Is this appropriate?*

A: No. The Company may not provide or accept an invitation to a sporting event, entertainment or recreational activity to or from persons or companies doing business with the Company. Thus, the Company should not invite persons or companies doing business with the Company to sporting events, concerts, or shows or provide them with recreational activities such as hunting, fishing, or boating (even if those activities are used to facilitate informational exchanges between the parties – such as a business meeting tied to a round of golf).

Small Favors from Drug Companies

Q: *A drug company is holding a seminar for my facility's staff to teach them how to use their product. The seminar is at a hotel, and will last until 2:00 PM. They will provide a lunch, and they have also offered to let us use the conference room for our own facility meeting from 2:00 to 5:00 PM. Can we do this?*

A: The facility staff may attend the drug company's seminar and may accept a modest lunch, since this is directly related to the use of the drug company's product. However, the use of the conference room in the afternoon would not be appropriate, since the vendor seminar will be over and vendors may not provide gifts to facilities to support their general operations. If the facility needs the use of a hotel conference room, it should arrange for it independently from the drug company.

Co-worker Presents

Q: *I want to give my co-worker a present for her birthday. Do these rules apply?*

A: No, these rules do not apply to interactions solely between Fresenius personnel. As such, the birthday gift would be acceptable as long as it is intended to be a genuine expression of personal esteem and does not influence personnel or business decisions in an improper manner.

Compliance Standards: Donations

To Whom Donations can be Made

Fresenius Medical Care strives to be a good corporate citizen. From time to time, Fresenius may be asked to make donations to worthy causes, particularly those intended to benefit renal patients.

Fresenius may also make contributions to charities or civic organizations that provide services in the communities where Fresenius conducts business.

Prohibited Donations

Fresenius will not make donations that:

- Are made with the intent to inappropriately influence the purchase of products or services from the Company or referral of business to the Company; and
- Violate the federal Anti-kickback Statute, Stark, HIPAA, or other applicable laws.

Basis of Donations

Donations will not depend on or be based on the volume or value of referrals to, or business with, the Company.

Policy

All donations will be made consistent with company policy, including review and approval by the appropriate donations committee.



Donations: Q & A

Inviting a Doctor to a Golf Fundraiser

Q: *A local charity is holding a golf fundraiser for patients with ESRD. I would like to invite one of my nephrologists to join us. Is this allowed?*

A: No. Inviting, and paying for, a representative from your hospital or clinic is not allowed. Even though the intent of the invitation may seem harmless, such an action may be perceived by external entities as an attempt to inappropriately influence the purchase of, or continued use of products and/or services.

Compliance Standards: Conflict of Interest

Definition

Fresenius personnel are expected to be loyal to the Company. Avoid situations where your personal interests could conflict, or could appear to conflict with those of the Company.

Our reputation depends not only on our conduct, but also on the appearance of our actions to an objective observer.

A conflict of interest occurs if an outside activity, business relationship, or financial investment could improperly influence, or have the appearance of influencing, your ability to perform your duties objectively as a Fresenius employee.

A conflict may exist if the demands of other activities, including outside business activities, distract you from performing your job, or cause you to use Company time or resources for non-Company purposes.

Guidance

If you are uncertain about the propriety of your conduct or a business relationship, ask your supervisor or manager. Your loyalty to Fresenius must supersede any relationships with a client, competitor, or supplier.

Outside Employment

Employment outside of Fresenius with a company doing business with, or directly competing against, Fresenius must be approved by your manager.

Relatives

If a close relative works for a customer, competitor or supplier, you should disclose the relationship to your supervisor or manager.

Employment of Relatives and Personal Relationships

If personal relationships of an intimate nature interfere with business at any location or raise a conflict of interest, management may change the reporting or working relationship or take other steps to address the situation.

Please see the Human Resource Employee Handbook for additional information.



Examples

A conflict of interest may exist if:

- You conduct private business on Company time;
- Outside employment interferes with or causes you to miss work;
- You perform services for a company directly competing against Fresenius; or
- You accept gifts or meals that may appear to obligate Fresenius to a particular customer or vendor.

Conflict of Interest: Q & A

Posting Outside Business at Work

Q: *I have an outside business selling house hold cleaning products. Can I put my brochures and phone number on Company bulletin boards?*

A: You must get the permission of your supervisor or senior facility manager. You may engage in an outside business, which does not directly compete with Fresenius on your personal time, so long as it does not hinder or distract you from meeting your responsibilities to Fresenius. You may not sell or promote products or services during working hours or on Company premises without authorization.

Family Members Providing Products

Q: *Is it against the rules for members of my family to provide products or services to Fresenius?*

A: Not necessarily. It is important that any such relationship not influence a purchasing decision. So long as you stay out of the purchasing decision, the Company can reach an independent judgment. To avoid a possible conflict, or the appearance of a conflict, you should inform your supervisor or the Human Resources Department of any close personal or family relationship with a vendor.

Working for a Competitor

Q: *I work part-time for Fresenius as a nurse at a dialysis clinic. Prior to joining Fresenius, I worked at a competitor's clinic, and now the other clinic has asked me to work for them two days a week. Is this OK?*

A: You must first obtain authorization from your supervisor. Your supervisor can determine if the situation has the potential for presenting a conflict of interest.

Friends and Relatives at Competitors

Q: *I am good friends with a person who works in the marketing department of another dialysis products company. We are very careful not to discuss any confidential information about our respective companies. Does this situation present a problem?*

A: There should be no problem so long as you do not discuss proprietary or confidential information. To avoid the appearance of any impropriety, you may wish to disclose this relationship to your supervisor or the Human Resources Department.

Compliance Standards: Dealing with Vendors

Vendor Relationship

Treat all vendors fairly and professionally. Respect the privacy of any confidential or proprietary information that vendors may share with you.

Bids and Proposals

Evaluate all bids and proposals objectively on the merits of price and performance.

Appearance

Avoid relationships with vendors that may give the appearance of favoritism.

Personal Gifts

Do not accept extravagant personal gifts from vendors.

Acceptance of extravagant gifts can influence your business judgment or give the appearance of doing so. Avoid placing yourself in a potential conflict of interest. Observe the rules outlined in the Gifts section of this code.

Access to FMCNA Facilities

Internal and external vendor access to FMCNA facilities should not be granted unless pre-approved by the area manager in accordance with the company's Vendor Relationship Policy.



Dealing with Vendors: Q & A

Lunch with Vendors

Q: *One of our vendors has offered to take me to lunch at a local restaurant. He wants to talk about his product line and says that we will be more relaxed outside the office. Can I accept the invitation?*

A: Yes, if the value of the meal is modest and you discuss Company business. However, gifts of entertainment from vendors, such as tickets to athletic events or theater performances, are not allowed. If in doubt, schedule meetings on Company premises during business hours to avoid any appearance of a conflict of interest.

Covered Vendor Conferences

Q: *A vendor representative has invited me to their annual users' conference on the West Coast. I have been asked to make a one-hour presentation on our experience with their product. The supplier will cover all the costs of the trip. Can I accept the invitation?*

A: Yes, with written permission from a Vice President. He or she can make a determination as to whether it is in the Company's interest for you to attend the conference and, if so, whether reimbursement by the vendor would be appropriate.

Vendor perks from Ordering Supplies

Q: *A vendor has offered to "throw in" a few copies of a popular household accounting program if I place an order for office supplies from her company. Her prices are the same or better than our regular supplier. Is it wrong to give her the business?*

A: Two things are wrong. First, you could be allowing your personal interest in receiving a free software program to influence your business judgment. (In fact, the accounting software would be the property of the Company and not available to you for private use.) You should never put yourself in that position. Second, the Company selects vendors based on price, quality, service and other factors. A one-time discount from a particular supplier may seem attractive from your viewpoint, but it may not be in the Company's overall interest. If you honestly believe that the Company would get a better deal with this supplier, bring it to a manager's attention so that the terms can be compared to other bids.

Compliance Standards: Employment and Standards of Conduct

Compliance Standards: Employment and Standards of Conduct

Policy and Practice

Fresenius is committed to fair and lawful human resources policies and practices in:

- ***Hiring***
- ***Compensation***
- ***Career development***
- ***Discipline; and***
- ***Other employment actions.***

Discrimination

Fresenius will not permit discrimination in hiring or in the workplace based on:

- ***Race***
- ***Color***
- ***Religion***
- ***Gender***
- ***National origin***
- ***Age***
- ***Marital status***
- ***Citizenship***
- ***Disability***
- ***Sexual orientation***
- ***Veteran status; or***
- ***Any other unlawful consideration.***

Fresenius wishes to maintain a safe, secure, productive, respectful and non-discriminatory workplace, which values the contributions of all employees.

Work Environment

It is the policy of Fresenius that all employees should be able to enjoy a work environment free from all forms of discrimination, including harassment from supervisors, co-workers, vendors, consultants, visitors or customers of Fresenius.

Fresenius personnel have the right to work in an environment that is free of harassment in any form.

Refer to the Fresenius Human Resources Policy Manual for more detailed information relating to harassment.

Violence, Abuse, or Aggressive Behavior

Violence, abuse or aggressive behavior will not be tolerated.

This policy will be enforced for any employee, whether:

- On Company property
- While performing any job-related duties for Fresenius; or
- At any Fresenius-sponsored event, on or off Fresenius premises.

Alcohol and Illegal Drugs

Fresenius personnel may not report to work while under the influence of alcohol or illegal drugs. The use, possession, buying or selling of illegal drugs while on Company business or on Company property is strictly prohibited and may result in immediate discharge.

Employees who appear to be under the influence of alcohol or illegal drugs will be subject to alcohol or drug testing. Fresenius will comply with all Department of Transportation drug and alcohol testing regulations regarding commercial drivers.

Any employee who suspects that a co-worker is intoxicated or under the influence of illegal drugs should report the situation to his or her supervisor.

You may seek assistance for drug and alcohol related issues through the Human Resources Department.

Substances Intended for Patients

Illegal, improper or unauthorized use of substances intended for patients is prohibited.

Some Fresenius employees have access to controlled substances, prescription drugs, and other medical supplies. If you become aware of any improper diversion of drugs or medical supplies, you must immediately report the incident to your supervisor or manager.

Time Off and Reimbursement

Employees are expected to deal honestly with the Company in:

- ***Scheduling and reporting time off***
- ***Seeking reimbursement of business-related expenses; and***
- ***Other similar matters.***

Employment and Standards of Conduct: Q & A

Unfair Treatment

Q: *What are my options if I feel that I have been treated unfairly in my annual performance review?*

A: You should discuss your concerns directly with your supervisor. He or she should be prepared to give you a candid and honest appraisal of your performance. Make sure that you understand the basis for the review and any performance concerns expressed during the review. If this does not resolve the problem, bring your concerns to your department manager or to the Human Resources Department.

Sexual Harassment

Q: *What qualifies as sexual harassment and what can I do if I believe that it is happening to me?*

A: Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or any other verbal or physical conduct of a sexual nature. A victim's submission to such unwelcome conduct may never be a condition of employment or serve as the basis for career advancement or retaliation. If you believe that you have been the subject of sexual harassment, you should contact your supervisor, manager, or the Human Resources Department. You may also call Employee Access and Response ("EAR"). Allegations of sexual harassment will be investigated fully and confidentially.

"Off-Color" Jokes

Q: *One of my co-workers is in the habit of telling questionable ethnic or "off-color" jokes. This offends me and others in the office. How can I get this to stop?*

A: Often, an open and honest discussion of your feelings with the person telling the jokes can resolve the problem. If this does not work, you should contact your supervisor or the Human Resources Department.

Recognizing Drug and/or Alcohol Abuse

Q: *I am a supervisor, and I am not sure how to recognize an employee who may be under the influence of alcohol or controlled substances. How can I determine if an employee is unfit to work?*

A: For Products Distribution Center supervisors, the Department of Transportation ("DOT") requires training designed to assist driver supervisors and managers with the recognition of symptoms and behaviors associated with intoxication and/or the use of controlled substances. These materials are available from Distribution Center managers and Corporate Health, Safety and Risk Management.

Supervisors and managers outside of Products distribution should refer to the HR policy on drugs and alcohol, as well as, contact divisional or business unit Human Resources representative for guidance.

Medication on the Job

Q: *My doctor prescribed some medication for me, and I don't know if it will interfere with my job of operating a forklift. What should I do?*

A: If your physician has informed you of any restrictions placed on your activities due to the medication, you must inform your supervisor of such limitations, as they may affect your work performance. Inform your immediate supervisor of your prescription, and of any such restrictions that may place you or your co-workers in danger.

Compliance Standards: Workplace Safety

Environmental Health and Safety

Fresenius personnel are expected to comply with policies and regulations relating to environmental health and safety.

Fresenius seeks to provide a safe, healthy and productive workplace for its employees. Policies and procedures have been developed in compliance with governmental regulations to protect you from potential workplace hazards.

Take necessary precautions to avoid injury or harm to yourself and to co-workers. It is important for you to notify your supervisor of any:

- Workplace injury
- Unsafe work conditions
- Unsafe work practices
- Environmental releases/spills; or
- Potential or actual incidents of violence that may present a risk of injury so that corrective action may be taken.

Disposal of Medical and Other Hazardous Waste

Follow proper techniques for the disposal of medical and other hazardous waste.

Policies and procedures have been developed by the Company to ensure that biomedical and hazardous waste disposal is done in compliance with federal, state and local laws. These policies and procedures **must be followed at all times.**

Report any violations or suspected violations immediately to your supervisor or the Office of Health, Safety and Risk Management



Fire and Disaster Plans

Fresenius personnel should become familiar with safety regulations and emergency plans regarding fire and disaster in the areas in which they conduct business.

Violent or Abusive Conduct

Violent or abusive conduct, including verbal or physical abuse by any employee, patient, vendor or visitor at a Fresenius facility, will not be tolerated.

Any violent or potentially violent situation in the workplace or any business related function should be reported to your supervisor or the Office of Health, Safety and Risk Management.

Workplace Safety: Q & A

Violent or Threatening Patients

Q: *We occasionally have a problem in our dialysis clinic with a patient who becomes violent. What is the policy on dealing with violent or threatening patients?*

A: The safety of the other patients and staff are of primary concern when a violent episode takes place. It is important to be prepared beforehand so you will know how to react to a violent encounter. Consult the Policy Manual Dialysis Services Compliance Guidelines for dealing with abusive patients.

Weapons at Work

Q: *I live and work in an area of the country where many people have handguns. My co-worker brings a firearm to work in his coat, and keeps it in his locker all day under lock and key. Is this an acceptable practice?*

A: No. It is against Company policy for Fresenius personnel (other than authorized security personnel) to bring any type of firearm to a Fresenius location. You should report such a practice immediately to your supervisor or the Office of Health, Safety, and Risk Management by calling Corporate Headquarters at 800-662-1237.

Fear of Abuse at Work

Q: *I have been having some domestic relationship problems at home recently, and I am afraid that my partner may begin to harass me at work. I don't want this problem to interfere with my job, but I don't know how to prevent it. What should I do?*

A: Discuss your concern with your supervisor or the Human Resources Department so that appropriate security measures can be taken to protect you and your co-workers. Other resources would be the Office of Health, Safety and Risk Management or the local police department.

Compliance Standards: Responsible Use of Company Assets

Policy

Fresenius personnel are responsible and accountable for the proper expenditure of Company funds and use of Company property.

Authorization

Proper authorization must be obtained prior to commitment or expenditure of Fresenius funds or other resources.

Business Purpose

Company assets may be used for Fresenius business purposes only, and should not be used for outside or personal reasons.

This policy applies to:

- Office equipment
- Medical supplies
- Computers and software
- All forms of Company records and funds.
(It does not apply to occasional or incidental use of office equipment for personal convenience.)

All personnel are expected to take measures to protect computer systems and networks from unauthorized use, access or modification of software.

Waste, Loss, Theft, or Abuse

Protect Company property against waste, loss, theft or abuse.

Company assets entrusted to Fresenius employees are to be maintained properly and returned to the Company in an acceptable condition.

Damage to or theft of Company assets and equipment should be reported promptly to appropriate personnel, within 24 hours, as well as to the Office of Health, Safety and Risk Management.

Assets and equipment that are no longer needed should be reported to appropriate Company personnel. Follow FMCNA procedure for reporting theft, loss or damage, which can be found on the Company's intranet.

The Theft, Loss or Damage Report form must be submitted within one business day of the discovery of a theft, loss or damage.



Removal of Assets

Removal of assets from Company facilities is not allowed, except when necessary to conduct Company business.

Improper or Unauthorized Use of Company Assets

Improper or unauthorized use of Company assets, including theft of property or embezzlement of money, is a serious violation and may lead to legal prosecution and possible termination.

Responsible Use of Company Assets: Q & A

Intentional Misuse of Company Property

Q: *If I see an employee intentionally misusing or damaging Company property, what should I do?*

A: We all have an obligation to treat Company property with care and respect. If you are aware of anyone intentionally or negligently damaging Fresenius property, you should ask them to stop or speak to your supervisor, who will investigate the matter and take appropriate action.

Sharing info with Non-competitors

Q: *A friend of mine who sells medical products has asked me for a list of our dialysis facilities and Medical Directors. Her products are dialysis-related, but we are not in competition with his company. Can I give her the list?*

A: No. Lists of our facilities and Medical Directors are a valuable asset and should never be disclosed to anyone outside of the Company without specific authorization from management.

Using Company Computer for Non-work Activity

Q: *I am taking a continuing education class and Fresenius is paying the tuition since the course is related to my work and is designed to improve my job-related skills. May I use a computer at the office to do my homework?*

A: Yes. If your course is related to your employment with Fresenius, use of a Company computer would be acceptable after your normal work hours and if no one else needs to use it for Company business. Check with your supervisor for authorization prior to using any Company property for non-Fresenius business.

Compliance Standards: Investments and Inside Information

Policy

Never use information about Fresenius, which is not available to the public, for personal gain.

Inside Information

Do not use “inside” or confidential information to buy or sell stock or other securities of Fresenius or other companies.

Do not disclose such information to other unauthorized employees or to outsiders. If they misuse the information to buy or sell stock, you may also be held accountable.

Appearance of Conduct

While Fresenius encourages the ownership of Company stock by employees for long-term investment, it discourages short-term buying and selling which may give the appearance of improper conduct.



Investments and Inside Information: Q & A

Selling Company Stock

Q: I've heard about "insider trading" of stock on the evening news. I have some Fresenius stock and want to be sure I do not do something wrong if I decide to sell it. How do I protect myself?

A: Any important information about the Company that has not been disclosed to the general public which a reasonable investor would consider important in deciding whether to buy or sell Fresenius stock could be viewed as "inside" information. This could include knowledge of Company financial performance, significant mergers or acquisitions, significant customer or supplier problems, marketing plans, new products or services, or changes in Company leadership. If you have this kind of information, you should not buy or sell Fresenius stock or communicate the information to any unauthorized persons until it has become public. Any questions about the appropriate purchase or sale of stock should be addressed to the Law Department, by calling corporate headquarters at 800-662-1237.

Family and Friends Buying Company Stock

Q: My family and friends occasionally ask me about Fresenius and whether they should buy Company stock. What can I tell them?

A: It depends on the circumstances. The same rules about "inside" information apply whether you buy or sell stock yourself or if you give the information to someone else. If a relative or friend buys or sells stock based on non-public information or "tips" which you give him or her, both of you could be liable for violation of federal securities laws. The safest course would be to avoid specific discussion of Company plans or performance as well as recommendations concerning the purchase or sale of Company stock.

Compliance Standards: Financial Reporting

Policy

Fresenius Medical Care will comply with all financial reporting rules and regulations that apply to its business.

The Company's external financial reporting is governed by numerous laws and regulations (the "Accounting and Financial Reporting Rules"), including the Securities Exchange Act of 1934. These rules require that the Company keep financial records that fairly and accurately reflect the financial condition of Fresenius.

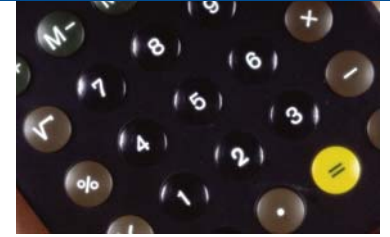
Since the shares of Fresenius Medical Care AG and its North American subsidiary (Fresenius Medical Care Holdings, Inc.) are registered with the Securities and Exchange Commission (the "SEC"), the Accounting and Financial Reporting Rules also require Fresenius to file certain financial and other reports with the SEC, and require these reports to fairly and accurately reflect the financial condition of Fresenius.

Fresenius will establish policies and procedures to ensure compliance with Accounting and Financial Reporting Rules and will provide applicable personnel with training on such policies and procedures.

Requirements

Among other things, the Accounting and Financial Reporting Rules require Fresenius to:

- Make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the business transactions in which Fresenius engages, such as the provision of services and sales of products, and the acquisition and disposition of the assets of Fresenius.
- Devise and maintain a system of internal accounting controls to provide reasonable assurances that transactions are recorded accurately and timely to permit the preparation of financial statements in conformity with generally accepted accounting principles, which are commonly known as "GAAP."
- Provide quarterly and annual reports to the SEC, including financial statements prepared in accordance with GAAP. Financial statements include a balance sheet, statements of earnings and cash flows for all periods presented. Required disclosures will be included in these financial statements.



Prohibited Actions

The Accounting and Financial Reporting Rules also prohibit:

- Any circumvention or knowing failure to implement a system of internal accounting controls or knowing falsification of any book, record, or account of Fresenius.
- Fraud in connection with the purchase or sale of the shares of Fresenius.
- Misrepresentations or omissions of material information in Fresenius' SEC reports.

Reporting Violations

Violations or suspected violations of the Accounting and Financial Reporting Rules must be reported to a supervisor or other appropriate Fresenius manager.

In determining the proper course for reporting a violation or suspected violation, employees should consult the Five-Step Integrity Process within the section entitled "Getting Answers To Questions" within this Code of Business Conduct.

Failure to report a potential problem deprives Fresenius of an opportunity to investigate and take corrective action. Even small problems that are not addressed in a timely manner can become serious issues for Fresenius in the future. Accordingly, failure to report a suspected violation may subject an employee to disciplinary action, up to and including termination of employment.

Internal Audits

Fresenius will conduct internal audits of compliance with the Accounting and Financial Reporting Rules and will report findings and recommendations to:

- ***The Chief Financial Officer***
- ***The Internal Audit Steering Committee; and***
- ***The Board of Directors of Fresenius Medical Care Holdings ("FMCH").***

The FMCH Board of Directors will forward findings and recommendations to FMC AG as necessary to ensure the accuracy and completeness of FMC AG's Financial Statements.

The Internal Audit Department will develop an annual internal audit plan for review and approval by:

- The Chief Financial Officer
- Internal Audit Steering Committee; and
- The FMCH Board of Directors.

The plan will be designed to, among other things, test the integrity of financial reporting and control systems.

The results of all internal audits will be made available to the Company's independent external auditor.

Sarbanes-Oxley Compliance

Fresenius complies with Sarbanes-Oxley, which is government regulation related to external financial reporting. This requires that:

- Finance and Information Technology management document and assess the design and effectiveness of internal controls related to external financial reporting;
- Finance and Information Technology management are responsible for resolving any identified internal control deficiencies by remediating the control or by identifying, documenting and assessing a mitigating control;
- Certain members of Finance management are responsible for reporting on a quarterly basis that the financial results in their area are reported in accordance with generally accepted accounting principles ("GAAP"), as well as identifying any deviations from GAAP; and
- Certain members of Finance and Information Technology management are required to complete an annual questionnaire indicating that:
 - Any internal control deficiencies have been resolved, and
 - There has been no change in the internal control structure since their assessment of the internal controls.

Financial Reporting: Q & A

Disagreeing with Accounting Treatment

Q: *I disagree with the accounting treatment of a particular journal entry. The issue could have an impact on our income statement. What should I do?*

A: Discuss the situation with your supervisor to make sure that you agree on the facts of the situation and explain why you disagree with the proposed accounting treatment. There may be a simple misunderstanding that requires clarification. If you are not able to resolve the matter with your direct supervisor, the issue should be brought to the attention of the most senior financial person in your field location. If you are still unable to receive a satisfactory response, the issue should be brought to the attention of the divisional Chief Financial Officer. If necessary, the issue may then be brought to the attention of the Chief Financial Officer of FMCH. If the matter is not resolved within the financial line of reporting, the matter should be raised with the Fresenius Chief Compliance Officer.

Improper Recordation

Q: *I have become aware of certain transactions that have not been recorded properly in the books and accounts of the Company. It is not my job to record these transactions, but I am concerned that failure to address this issue could put the Company at risk. What should I do?*

A: You should immediately bring the situation to your supervisor's attention. If the situation is not resolved by doing this, the issue should be raised through the chain of command noted in the response above.

Being Asked to Improperly Record

Q: *I have been asked to improperly record (or not record) an accounting entry for an interim month end close by a senior financial or operating person in my location. The person has attempted to justify this request by noting that the entry does not impact our quarterly or annual reporting as it is an interim month. The person has further indicated that the entry will ultimately be recorded correctly in the next SEC reporting period. What should I do?*

A: You should discuss this issue with your direct supervisor or raise the issue through the chain of command noted in the response to the first question above. This request is inappropriate, as timely and accurate information is necessary to make operating decisions regardless of whether it is an interim or reporting period.

Being Asked to Suspend Research

Q: *I have identified a potential adjustment that may result in a reduction to earnings in the current period. My supervisor has requested that I suspend my research of this issue until a later reporting period so that current earnings would not be negatively impacted. What should I do?*

A: This matter should be raised immediately through the chain of command noted in the response to the first question above. This is an inappropriate request in that it indicates the management of earnings, which will mislead our investors, creditors, and analysts that utilize our SEC reports to evaluate the results of the Company's operations and cash flows.

Compliance Standards: Dealing with Government Entities

Gifts and Entertainment

Observe legal restrictions on offering gifts or entertaining employees of a federal, state or local agency.

Most government employees are subject to restrictions on their ability to accept gifts or entertainment. Any requests or solicitations of gifts from government employees should be reported to the Law Department.

Requests for Information

Cooperate with requests for information from government auditors or other officials.

Non-routine requests for information by government personnel should be brought to the attention of the Law Department or other appropriate corporate personnel before responding.

Requests for Clarification of Government Program Rules

Requests for clarification of Medicare or other government program rules should be directed through authorized channels.

In general, contacts with government agencies to ask questions or seek clarification of rules and regulations should be made only by authorized employees.

If you are not sure whether you are authorized to contact an agency on your own, check with your supervisor or manager in advance. In all cases, document any response received in writing (e.g., a memo to the file indicating the date, agency, content of the response, and the name and title of the person furnishing the advice). Notify other personnel who may be affected by the response.



Dealing with Government Entities: Q & A

Information over the Phone

Q: *I received a call from a person who says she works at “Medicare” asking for claims information about a specific patient. She gave me a fax number to forward the material and is insisting that I provide it right away. This does not sound right to me. What should I do?*

A: Talk to your supervisor or contact the Law Department before sending any information. Although certain government employees and their agents have the right to review patient information, such requests will normally be in writing and delivered through more formal channels. In this case, the person may not be authorized to receive the information. Ask her to submit her request in writing through proper channels.

Compliance Standards: Political Activities



Company Assets in Relation to Political Activity

The use of Fresenius funds, equipment, facilities, or assets to support a political party, candidate or holder of any government office is subject to federal and state law restrictions.

Any such use, where expressly permitted by law, must be approved in advance by the Law Department in conjunction with the Government Affairs Department. Either can be reached by calling corporate headquarters at 800-662-1237.

Lobbying and Advocacy

Any lobbying or other issue advocacy activities with federal and state government bodies conducted by Fresenius, or by others on Fresenius' behalf, should be carried out in compliance with all applicable rules of conduct and disclosure.

No Fresenius personnel should undertake any lobbying activity on behalf of Fresenius without the approval of the Government Affairs Department.

Personal Contributions

Fresenius personnel should *never* seek reimbursement from Fresenius, directly or indirectly, for any personal political contributions.

Personnel may choose to make personal political contributions or participate in the election process on their own time and at their own expense.

Political Activities: Q & A

Volunteering as a Poll Watcher

Q: *I like to volunteer as a poll watcher at my local precinct. Is this allowed?*

A: You can use paid time off (“PTO”) to participate in any election-related activity so long as your absence does not unreasonably interfere with the performance of your job at Fresenius. Giving your supervisor advance notice will enable him or her to arrange coverage for the department during your absence.

Company Support of a Political Candidate

Q: *I think that Fresenius should support a state candidate I know. She chairs a key committee dealing with healthcare and could be in a great position to help us in the future. If Fresenius will not write a check directly, can I use my own money and get reimbursed later?*

A: No. Even in states where corporate contributions to non-federal candidates are legal, it is improper to disguise the true source of a contribution. In this case, if the Company is not prepared to make a direct contribution, you may not ask the Company to reimburse you for a personal contribution.

Company Political Contributions

Q: *A customer has asked that Fresenius make a contribution to a local political candidate. Corporate contributions to non-federal candidates are legal in the state. Can we do this?*

A: Corporate contributions to candidates are illegal in all federal and many state elections. Any corporate contributions must be reviewed and approved in advance by the Law Department in conjunction with the Government Affairs Department.

Public Speaking

Q: *Because of my position with Fresenius, I have been asked to speak at a local community meeting on the issue of healthcare reform. Are there any restrictions on my doing so?*

A: So long as you make it clear you are speaking for yourself, and not as an official spokesperson for Fresenius, you are free to participate in such meetings. If you are asked to represent Fresenius in a formal capacity, you should review your presentation with the Office of Media Communications.

Compliance Standards: External Communications

Third Party Communication

All written and verbal communications from Fresenius to physicians, other healthcare professionals, patients, payors and other third parties should be professional and accurate.

All external communications should be made or approved by appropriately authorized personnel

Required Prior Approval

Certain types of external communications require prior approval by, or notification to, specific corporate departments.

These include contacts with:

- Current or potential investors in Fresenius stock (Investor Relations)
- Members of the press (Office of Media Communications)
- Federal or state legislators (Government Affairs); or
- Representatives of government agencies relating to non-routine regulatory matters (Law Department).

Personal Communication

Fresenius stationery and titles should not be used for personal communications or for expressing personal opinions.



External Communications: Q & A

Writing a Letter to the Editor of a Newspaper

Q: *I am irritated by recent negative and inaccurate news reporting of the dialysis industry. Can I write a letter to the editor of my local newspaper using Fresenius letter head?*

A: Not without approval from the Office of Media Communications. As well intentioned as your efforts may be, Fresenius letterhead should only be used in connection with official Company business. You should feel free to write letters on your own stationery as long as you do not give the impression that you are speaking on behalf of Fresenius. If you believe that it is important to use the Company name, contact the Office of Media Communications for approval by calling corporate headquarters at 800-662-1237.

Publicly Reporting the Opening of a new Facility

Q: *We are opening a new facility next week and want to get the event reported in the local paper. Can I call the editor to give him or her the details?*

A: You should first seek approval from the Office of Media Communications. Normally, this can be accomplished very quickly. It is important that all media communications made on behalf of the Company be properly reviewed and coordinated through a central point.

Summary

All employees and managers have an obligation to comply with the laws, regulations and Company policies that govern our business. You are expected to know the contents of this Code of Business Conduct and to act in accordance with its principles.

Adherence to Company policies and procedures designed to ensure compliance with Federal health-care programs will be considered an important element in performance evaluation of managers, supervisors and all other employees. Keep in mind that employees who fail to comply with laws and Company policies are subject to disciplinary action, up to and including termination of employment.

Never think that a violation is not your problem, even if you are not participating in the action. As a member of the Fresenius team, you are required to report all actual or suspected violations of law or Company policy. Doing so gives the Company an opportunity to investigate and take corrective action.



Fresenius Medical Care

Compliance Contacts*

Corporate Compliance Department

Tel: 800-662-1237 ext. 9099
Fax: 781-402-9777
E-Mail: Compliance.Comments@fmc-na.com

Senior Vice President and Chief Compliance Officer	Todd Kerr	800-662-1237 ext. 9359
Vice President, Ethics and Compliance, Renal Therapies Group	Kathie Deady	800-662-1237 ext. 9088
Senior Director of Corporate Compliance Privacy Officer	Jonathan Glazier	800-662-1237 ext. 4177
Director, Compliance Audit	Brian Riddle	800-662-1237 ext. 4239
Corporate Administration	Eric Bishop	800-662-1237 ext. 4122

Fresenius Medical Services (“FMS”)

Senior Director of Ethics & Compliance, South/East Division	Kenny Ensley	615-545-3531
Ethics & Compliance Officer, South/East Divisions Pharmacy/Technical Services/ US Vascular Access	Ryan McCoy	781-699-4602
Ethics & Compliance Officer, South Divisions	Michelle Grimes	314-355-6964
Ethics & Compliance Officer, East Divisions	Jim Bowman	800-572-2777 ext. 9391
Senior Director of Ethics & Compliance, North/West Divisions	Cassandra Pullen	303-889-5808
Ethics & Compliance Officer, North Divisions	Dottie Sample	440-686-2845
Ethics & Compliance Officer, West Divisions	Tricia Scott	214-445-3080
Ethics & Compliance Officer, North/West Divisions Inpatient Services/Home Therapies/CKD	William Chad Gregory	480-458-9717

Products / Renal Drugs / Specialty Care Pharmacy & FMC Canada

Patrick Mooty	800-662-1237 ext. 9131
---------------	------------------------

Spectra Laboratories / Biotech / RRI/RHC/FMCHP

Karen DelRosso	800-662-1237 ext. 9458	
Spectra East Laboratory	Peter Connelly	800-205-5005 ext. 5810
Spectra West Laboratory	Debbie Shimada	408-526-3211

Toll-Free Hotlines

Compliance Action Line	Compliance Issues	800-362-6990
Employee Access and Response (“EAR”)	Human Resources Issues	877-525-6290

As names and telephone numbers change from time to time, periodically check the following Fresenius Intranet location to update this page: Click on the red **Compliance tab, then on **Policies & Procedures**, then on **Code of Business Conduct**.*