

# NxSTAGE MEDICAL, INC.

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

### A. Purpose

The purpose of the Nominating and Corporate Governance Committee is to:

- recommend to the Board the persons to be nominated for election as directors at any meeting of stockholders or to fill any vacancies on the Board;
- recommend to the Board the persons to serve on the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee;
- develop and recommend to the Board a set of corporate governance guidelines applicable to the Company; and
- oversee the evaluation of the Board.

This charter governs the operations of the Nominating and Corporate Governance Committee.

### B. Structure and Membership

1. Number. The Nominating and Corporate Governance Committee shall consist of such number of directors as the Board shall from time to time determine.
2. Independence. Except as otherwise permitted by the applicable rules of NASDAQ, each member of the Nominating and Corporate Governance Committee shall be an “independent director” as defined by NASDAQ Stock Market Rule 4200 (a) (15).
3. Chair. Unless the Board elects a Chair of the Nominating and Corporate Governance Committee, the Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of Nominating and Corporate Governance Committee members shall be as determined by the Board.
5. Term. The members of the Nominating and Corporate Governance Committee shall serve for one-year terms or until their successors are duly appointed, subject to their earlier resignation, retirement or removal by the Board.
6. Selection and Removal. Members of the Nominating and Corporate Governance Committee shall be appointed by the Board, upon the recommendation of the

Committee. The Board may remove members of the Nominating and Corporate Governance Committee from such Committee, with or without cause.

## C. **Authority and Responsibilities**

### **General**

The Nominating and Corporate Governance Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management, in accordance with its business judgment.

The Nominating and Corporate Governance Committee shall consider and recommend to the Board the appropriate size and composition of the Board and shall seek to ensure that the Board comprises members that possess the proper skills, expertise, attributes and personal and professional background for service as a member of the Board, as determined by the Nominating and Corporate Governance Committee.

### **Board and Committee Membership**

1. **Selection of Director Nominees.** Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, the Nominating and Corporate Governance Committee shall be responsible for recommending to the Board the nominees for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. In making such recommendations, the Committee shall consider candidates proposed by stockholders. The Committee shall review and evaluate information available to it regarding candidates proposed by stockholders and shall apply the same criteria, and shall follow substantially the same process in considering them, as it does in considering other candidates.
2. **Criteria for Selecting Directors.** The Board's criteria for selecting directors are as set forth in the Company's Corporate Governance Guidelines. The Nominating and Corporate Governance Committee shall use such criteria and principles set forth in such Guidelines to guide its director selection process. The Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and criteria for new Board members as well as the composition of the Board as a whole. The Committee may adopt, and periodically review and revise as it deems appropriate, procedures regarding director candidates proposed by stockholders.
3. **Opening on Board of Directors.** As described under this heading "Board and Committee Membership" in paragraph 1 (Selection of Director Nominees) above, the Nominating and Corporate Governance Committee shall review and recommend to the Board an appropriate course of action upon the resignation of current Board members or any planned expansion of the Board and review the qualifications for service on the Board of any potential additional or replacement members of the Board.

4. Search Firms. The Nominating and Corporate Governance Committee shall have the authority to retain and terminate any search firm to be used to identify director nominees, including authority to approve the search firm's fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of any search firm engaged by the Committee.
5. Selection of Committee Members. The Nominating and Corporate Governance Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board, including the Nominating and Corporate Governance Committee.

### **Corporate Governance**

6. Corporate Governance Guidelines. The Nominating and Corporate Governance Committee shall develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company. The Nominating and Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of the Company's Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

### **Stockholder Proposals**

7. The Nominating and Corporate Governance Committee shall oversee the establishment of the Board's policies and procedures for stockholder communications with the Board.
8. The Nominating and Corporate Governance Committee shall review all stockholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board in the manner set forth in the Company's Corporate Governance Guidelines) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal.

### **Evaluation of the Board**

9. Evaluation of the Board. The Nominating and Corporate Governance Committee shall be responsible for overseeing an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, to be discussed with the Board.
10. Additional Powers. The Nominating and Corporate Governance Committee shall have such other duties as may be delegated from time to time by the Board.

## **D. Procedures and Administration**

1. Meetings. The Nominating and Corporate Governance Committee shall meet as often as it deems necessary in order to perform its responsibilities, but shall meet at least annually. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate. Any member of the Nominating and Corporate Governance Committee may call a meeting of such Committee.
2. Subcommittees. The Nominating and Corporate Governance Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances.
3. Reports to the Board. The Nominating and Corporate Governance Committee shall report regularly to the Board.
4. Charter. The Nominating and Corporate Governance Committee shall from time to time as it deems appropriate review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Nominating and Corporate Governance Committee shall have the authority to engage such independent accounting, legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.
6. Investigations. The Nominating and Corporate Governance Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate.
7. Funding. The Nominating and Corporate Governance Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. Rules of Procedure. The Nominating and Corporate Governance Committee shall fix its own rules of procedure, which shall be consistent with the Amended and Restated By-laws of the Company and this charter.
9. Counsel of Directors, Officer or Employees. In connection with any investigation described above, the Nominating and Corporate Governance Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Nominating and Corporate Governance Committee, attend any meeting to provide such information as the Nominating and Corporate Governance Committee requests.

10. Annual Self-Evaluation. At least annually, the Nominating and Corporate Governance Committee shall evaluate its own performance.