

**TRANS1, INC.  
COMPREHENSIVE COMPLIANCE PROGRAM**

**PURPOSE OF THIS PROGRAM**

The Policies in this Comprehensive Compliance Program enable TranS1 to ethically and legally promote its products and to avoid activities that may be viewed as improper inducements to increase the purchase or use of products. All references to “Company,” “we,” “us” or “our” refer to TranS1. All references to “employees,” “you,” or “your” refer to TranS1’s officers, directors, employees, agents, representatives, and consultants.

TranS1’s Code of Ethics on Interactions with Health Care Professionals, which provides more detailed guidance under this Compliance Program, should be used by you as a regular reference tool. If you have questions about this Compliance Program, or our policies in general, do not hesitate to contact your supervisor, or Cheryl Wagoner, our Compliance Officer, for clarification. We will use every reasonable effort to treat your questions confidentially.

We are committed to complying with all applicable laws governing the sale and marketing of, and price reporting for, our products, and to maintaining the privacy of patient health information. Failure to comply with the legal requirements referenced in this Compliance Program can subject you and/or the Company to criminal and civil penalties, money damages and regulatory sanctions, including exclusion of the Company from government reimbursement programs such as Medicare and Medicaid. In addition, failure to comply with this Compliance Program can subject you to disciplinary action by the Company, which may include, but is not limited to, demotion or termination of your relationship with the Company.

**FUNDAMENTAL GUIDELINES**

**INDEPENDENT JUDGMENT OF HEALTH CARE PROFESSIONALS**

Your interactions with health care professionals should serve to benefit patients and to enhance the practice of medicine by providing Company-approved scientific and educational information about our products. The independent judgment of health care professionals must be respected at all times. You must avoid even the appearance of interfering with any health care professional’s purchasing or clinical use decisions. “Health care professionals” includes all individual and entities involved in the product purchase decision, including persons licensed by state law to prescribe drugs for patients, medical students, members of a drug formulary committee, office and hospital staff, governmental agencies and group purchasing entities.

**ANTI-KICKBACK LAWS**

The purpose of the “anti-kickback” laws is to prevent improper inducements to health care professionals that could result in the referral of business reimbursable under Federal or State health care programs. The “anti-kickback” laws generally make it illegal to offer remuneration or payment of any kind, direct or indirect, if any one purpose of the remuneration or payment is to encourage or reward the prescribing or purchase of any reimbursable product. Remuneration can be almost anything of value, including grants, referral fees, cash, frequent flier miles, lottery tickets, entertainment or gifts. There are a limited number of exceptions (or “safe harbors”) to the anti-

kickback laws that allow us to offer certain price concessions to customers without violating the law. Please contact the Compliance Officer for a more comprehensive explanation of the “anti-kickback” laws or if you have any questions regarding their application.

## **ADMINISTRATION**

### **ADMINISTRATION OF THE COMPLIANCE PROGRAM**

Our Board of Directors (the “Board”) is committed to the standards contained in this Compliance Program and oversees the Company’s implementation and administration of this Compliance Program. The Compliance Committee consisting of executive management is responsible for ensuring that these standards are reviewed and updated as appropriate to reflect changes in the legal and regulatory framework applicable to the Company, the business practices within the Company’s industry as well as the Company’s own business practices, and the prevailing ethical standards of the communities in which the Company operates.

The Company’s Director of Regulatory has been designated as the Compliance Officer, reporting directly to the Board Compliance Committee, and is initially responsible for providing interpretive guidance in applying these policies to specific situations and for generally overseeing implementation and enforcement of the policies set forth in this Compliance Program. In addition to leading by example, the Chief Executive Officer and other members of senior management will lend their full support to the efforts of the Compliance Officer in this regard.

We recognize that rapid changes in business and its regulatory framework constantly pose new ethical and legal considerations. No set of guidelines, therefore, should be considered the absolute last word under all circumstances. We encourage you to consult with your supervisor, the Compliance Officer, other members of senior management, or any member of the Compliance Committee if there is any doubt as to the proper course of action under this Compliance Program. We are committed to an open and constructive environment in which compliance with this Compliance Program and the Company’s best interests are paramount. A shared willingness to raise concerns in good faith is essential to such an environment. We are confident each of you shares our sense of determination in this regard.

### **TRAINING**

Proper education of the Company’s employees and agents is critical for maintaining compliance with the laws and regulations affecting the Company. The Compliance Officer, with the oversight of the Compliance Committee will work to implement training programs both on adoption of this Compliance Program and on a periodic basis thereafter. Such training shall include all employees and other agents of TranS1 that have direct or indirect contact with health care professionals, whether or not such employees or agents are involved in sales or marketing functions. Employees with more direct involvement with sales and marketing to health care professionals may receive more intensive, specialized training.

The Compliance Officer shall maintain records of training, which shall be available to management, including Human Resources, to aid in the periodic evaluation of this Compliance Program and the employees participating in the training.

### **REPORTING VIOLATIONS OF THE COMPLIANCE PROGRAM**

It is the responsibility of each of us to maintain this Compliance Program. We are all required to assist the Compliance Officer and the Compliance Committee in ensuring adherence by everyone with this Compliance Program. Whenever you have information regarding any possible violation that has taken place, is taking place, or is anticipated to take place, you shall promptly report that information consistent with this Compliance Program. We will not tolerate any retaliation for any reason against anyone who has reported a suspected violation or concern in good faith. We will use every reasonable effort to protect the identity of those making reports to the extent possible consistent with applicable law and the need to conduct an adequate investigation.

Whenever you have information regarding any possible violation or incipient violation, you should first consider bringing such information to an immediate supervisor, Human Resources, the Compliance Officer or the Chief Executive Officer, as appropriate. Management is responsible for maintaining a workplace environment that encourages and solicits frank and open communication regarding compliance. However, if you do not feel comfortable bringing such information to management or the Compliance Officer, or if the possible violation involves the activities of management, you may report the information directly to any member of the Compliance Committee.

The Company encourages anyone who reports information to the Compliance Officer, management or the Board to identify themselves when making such a report in order to facilitate the investigation of the possible violations. The Compliance Officer and the Board will use every reasonable effort to protect the confidentiality of the identities of persons reporting information to the Compliance Officer or the Board consistent with the need to perform an adequate investigation of any reported matter. However, you may also report information directly and confidentially to the Compliance Officer or the Board on an anonymous basis, by:

- Submitting the information to the Company's Compliance Officer by email at [cwagone@TranS1.com](mailto:cwagone@TranS1.com). Persons desiring to report anonymously via e-mail who want to ensure their anonymity should (i) set up an account with a third-party provider, and (ii) inform that third-party provider that the account holder information is confidential and should not be disclosed to anyone.
- Calling the Ethics Hotline at 877-664-1242.
- Submitting the information to the attention of the Compliance Officer, the Compliance Committee or one of its members, as applicable, in writing at the following address:

TranS1, Inc.  
301 Government Center Drive,  
Wilmington, NC 28403

Each employee is obligated to cooperate fully with investigations by management, the Compliance Officer or the Compliance Committee of possible violations of this Compliance Program. Any employee who has information relevant to an investigation of possible violations of this Compliance Program must not discuss or disclose such information to any person not authorized by the Compliance Officer or the Compliance Committee, except as may be required by law or for the purpose of obtaining legal advice.

## **TREATMENT OF REPORTED VIOLATIONS**

All reported possible violations will be forwarded to the Compliance Officer for recordation in the log as provided below. Upon receipt of a reported possible violation, the Compliance Officer will when possible, acknowledge receipt of the report to the sender, unless the reported violation has been submitted anonymously.

Possible violations of the Compliance Program will be investigated and reviewed under the Compliance Committee's direction and oversight by the Compliance Officer, or such other person as the Compliance Committee determines to be appropriate.

Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Compliance Officer under the oversight of the Compliance Committee to ensure consistent enforcement of this Compliance Program. Such action shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Compliance Program. Except as prohibited by applicable law, appropriate corrective action may include, among other things, written notice of violations, censure, demotion or reassignment, suspension (with or without pay/benefits) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Compliance Officer under the oversight of the Compliance Committee shall take into account all information, he or she deems relevant, which may include the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question has been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

The Compliance Officer will maintain a log of all reported violations, tracking their receipt, investigation and resolution and shall prepare a periodic summary reporting thereof for the Board. Copies of reported violations and such log will be maintained in accordance with the Company's document retention policy.

## **MONITORING AND PERIODIC REVIEW**

The Compliance Committee, with the assistance of the Compliance Officer and other members of management shall monitor the implementation and administration of the Compliance Program. As part of that oversight, the Compliance Committee shall review the operations of the Company, and developments in the Company's industry, to identify new and emerging risk factors for the Company in its relationships with health care professionals. The Compliance Officer will report at least annually to the Board as to the status of the Compliance Program, including its implementation and an assessment as to its effectiveness and any areas that need improvement or any changes that can be made to improve compliance.

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