



Compliance Committee Charter

I. PURPOSE

The Compliance Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board of Directors") of K2M Group Holdings, Inc. (the "Company") in providing oversight and guidance for the Company's compliance program (the "Compliance Program") with respect to significant healthcare related legal and regulatory compliance matters.

II. STRUCTURE AND PROCESSES

Membership Requirements

The Committee must have at least three members, a majority of whom must be non-employee directors.

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and each member shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation, removal, disqualification or death. The members of the Committee may be removed, with or without cause, by action of the Board of Directors.

Chairperson

Unless a chairperson of the Committee (the "Chairperson") is selected by the Board of Directors, the members of the Committee shall designate a Chairperson by the majority vote of the full Committee membership. The Chairperson of the Committee will chair all regular sessions of the Committee and is responsible for setting the agendas of Committee meetings. In the absence of the Chairperson of the Committee, the Committee shall select another member to preside.

Delegation to Subcommittees

The Committee may form subcommittees composed of one or more of its independent members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

III. MEETINGS

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. The Chairperson of the Board of Directors or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically. In addition, unless otherwise restricted by the Company's certificate of incorporation or bylaws, the Committee may act by unanimous written consent in lieu of a meeting.

As part of its goal to foster open communication, the Committee shall meet with the General Counsel and the Chief Compliance Officer ("CCO") outside the presence of other management at least once a year.

Periodically, as appropriate, the Committee shall coordinate with the Audit Committee to discuss matters of mutual interest within the context of each committee's responsibilities.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not

vote. Additionally, the Committee may invite to its meetings any director, management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

IV. AUTHORITY AND RESOURCES

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to engage and terminate independent counsel and other advisors, as it determines necessary or appropriate to carry out its duties.

The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any advisors that the Committee chooses to engage as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall be given full access to the Company's Board of Directors, the CCO and other corporate executives, employees, service providers or advisors, if any, as necessary to carry out these responsibilities.

V. SCOPE OF RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of business, legislative, regulatory, legal or other conditions or changes. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time.

- i. Assisting the Board in its oversight of legal and regulatory compliance (excluding matters of financial and other matters which are subject to the oversight of the Audit Committee).
- ii. Overseeing the Company's Compliance Program (excluding matters of financial and other matters which are subject to the oversight of the Audit Committee), which shall include an annual review of the Company's Compliance Program and policies.
- iii. Reviewing the Company's compliance policies and practices, and monitoring compliance in areas of legal and social responsibility and reporting (excluding matters of financial and other matters which are subject to the oversight of the Audit Committee) and making recommendations to the Board with respect to such policies and practices including those involving (i) clinical research, (ii) product development, (iii) sales and marketing, and (iv) product quality.
- iv. Review and approval of any revisions to the Company's Code of Conduct annually.
- v. Review of the resources dedicated to the Compliance Program, including financial resources and staffing.
- vi. Monitoring the Company's state of compliance by reviewing any regulatory reports, investigation reports and corrective action plans, litigation, and significant legislative or regulatory changes.
- vii. In furtherance of the above objectives, the below principles shall continue to be followed:
 - a. All compensation of doctors shall be commensurate with and based on the services rendered to the Company and shall not be intended to influence product selection or the delivery of care. No compensation will be paid to any doctor based on usage of the Company's products. Appropriate systems of reporting payments to and services from doctors shall be accurately maintained.
 - b. Product design and testing shall be based on the interest of improving patient care and advancing medical technology with adequate consideration given to safety and efficacy.
 - c. Government regulations shall be considered and followed using the best interpretation and understanding that can be obtained of those regulations.
 - d. The Company shall not engage in off-label advertising, or unfair competitive practices.
 - e. The Company shall communicate to its employees and agents the ethical principles of the Company through its Code of Conduct and require them to report any suspected violations to the Committee.
 - f. The Company shall develop and communicate written standards, procedures, trainings, and governance systems to implement and support the principles reflected above. The Committee shall establish methods of access for those needing direct contact with the Committee. The Company shall develop and implement procedures designed to ensure compliance with federal health care program requirements.

VI. MANAGEMENT COMPLIANCE TEAM

To assist the Committee in its mission, a Management Compliance Team (the "MCT") shall be created. The MCT shall serve in an advisory capacity to the CCO, and shall consist of the following voting members: CEO/President; CFO; SVP —

Engineering & Regulatory; SVP — Global Marketing & Product Development; and CCO. Additionally, the MCT may invite to its meetings any employee of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

The MCT shall meet on a regular basis at the discretion of the CCO to review, be informed, and provide guidance on any nominations of healthcare providers (HCPs) to serve the Company in an advisory or teaching roles. Prior to the MCT considering HCP nominations, such requests must already be covered and approved in the Company's annual Needs Assessment budget or have been approved by the Chairman of the Committee or CCO as a legitimate, unanticipated bona fide exception to such annual Needs Assessment.