



Code of Conduct

K2M Group Holding's Code of Conduct (the "Code") applies to all employees of the organization including officers, directors, and employees of the K2M and its subsidiaries and affiliates (the "Company" or "K2M"). The Code of Conduct is a summary of the policies, procedures, and practices that govern K2M's business management and conduct.

1. Compliance Program

We conduct our business in compliance with all applicable federal, state and local laws and regulations.

1. Compliance Program Administration

- a. *Compliance Officer* K2M's Compliance Program is administered by the Chief Compliance Officer, who is responsible for overseeing the day-to-day administration of K2M's Compliance Program and systems, for applying the Code to specific situations in which questions may arise, and interpreting the Code in particular situations. The Chief Compliance Officer reports directly to the Board of Directors.
- b. *Compliance Committee* Because K2M takes compliance seriously; the Board of Directors has created a Compliance Committee ("Compliance Committee"). The members establish and oversee K2M's Compliance Program and systems and work with the Chief Compliance Officer and Senior Management to keep the Board of Directors informed of significant compliance issues, risks, and trends. The Compliance Committee meets on a regular basis to review the Code and the Company's Compliance Program and to monitor compliance activities. The Compliance Committee may engage independent professionals when needed to assist the members of Compliance Committee in the discharge of their duties.

2. Resources For Obtaining Guidance and Reporting Questionable Behavior and Possible Violations.

K2M encourages employees to present ideas, raise concerns, and ask questions — especially those of a legal or ethical nature, but also those relating to quality of work. All managers are responsible for maintaining an "open door" for their direct reports and other employees who may reach out to them. While we hope that employees feel comfortable discussing any matter with their supervisors, there may be times when a supervisor cannot help.

Any employee may, in his or her sole discretion, report to the Audit Committee or General Counsel openly, or confidentially and/or anonymously, any questionable accounting, internal accounting controls or auditing matters, possible non-compliance with applicable legal and regulatory requirements, possible non-compliance with the Code or alleged retaliation against employees and other persons who make, in good faith, such allegations:

- a. in writing to K2M Group Holdings, Inc., Attn: Audit Committee or General Counsel, 600 Hope Parkway SE, Leesburg, VA 20175;
- b. by calling (877) 778-5463 (Username: K2Minc / Password: Denali) at any time; or
- c. by accessing www.reportit.net (Username: K2Minc / Password: Denali).

Reporting is protected and encouraged. K2M will make every effort to protect the confidentiality of any employee who makes a report or requests guidance on an issue.

There will be no retaliation against any employee who, in good faith, reports a suspected, planned, or actual violation or questionable behavior. However, if a K2M employee knowingly makes a false report of a violation with the intent of harming another individual, that employee will be subject to disciplinary action.

All reports of actual or potential violations will be taken seriously, investigated promptly, and resolved appropriately. K2M employees are expected to cooperate fully in any Company investigation. K2M will maintain the confidentiality of reports and investigations to the fullest extent allowable by law

Please refer to K2M's Whistle-blower Policy for more information regarding the procedures for the receipt, retention, investigation and treatment of complaints and concerns.

3. Enforcement of The Code

Violations of the Code cannot and will not be tolerated. Individuals, regardless of their level within the Company, who are found to have violated the Code, as well as those who may have knowingly failed to report a known violation, will receive appropriate disciplinary action, up to and including termination. K2M employees who violate laws and government regulations also may be exposed to criminal fines, prison terms, and civil damages.

Each K2M employee is responsible for his/her own conduct. An illegal or unethical act cannot be justified by the individual committing it claiming that he/she was acting under the order of another individual, including that individual's supervisor or a member of senior management.

Failure to read and/or acknowledge the Code does not exempt an employee from his/her responsibility to comply with the Code, all applicable laws, rules, and regulations, as well as K2M's standards, policies, and procedures as they apply to his/her job.

Any waiver of a provision contained in this document requires the approval of the General Counsel. In addition, any waiver required for an executive officer or director requires the approval of the Board of Directors and will be publicly disclosed as required by law or regulation.

2. General Business Conduct and Practices

We ensure the integrity of Company records, documents, and reports.

1. Accuracy, Retention, and Destruction of Business Records and Documents

All business information including, but not limited to, reporting of hours worked, business and travel expenses, shipping and receiving data, and financial figures must be reported in a timely and accurate manner. Business documents should be retained and disposed of in accordance with all regulatory requirements and Company policies, as applicable.

From time to time the Company may become subject to legal process (litigation, subpoena, etc.) and may issue directions to employees to retain specific categories or types of documents. Employees should comply with all such requests regardless of applicable Company policies which otherwise would apply. Any questions relating to such requests should be directed to the Company's General Counsel.

Business documents and records include paper documents such as letters and printed reports, electronic documents such as e-mail, microfiche, and any other medium that contains information about K2M and/or its business activities.

2. Financial Integrity

Financial information must reflect actual transactions and conform to generally accepted accounting principles. No undisclosed or unrecorded funds or assets may be established. K2M has established and strictly follows a system of internal controls to provide reasonable assurances that all financial transactions are executed in accordance with management's authorization, and are recorded in a proper manner so as to maintain accountability for K2M's assets, revenues, and expenses.

It is against K2M policy and practice to attempt to unduly or fraudulently influence, coerce, manipulate, or mislead an accountant, independent auditor or internal auditor regarding financial statements, processes, or internal controls.

We will provide full, fair, accurate, timely, and understandable disclosure in all our financial reports and documents, whether they are submitted internally, to regulatory agencies, our investors, and/or the general public.

3. Use and Protection of Company Assets

Each employee must act in a manner that preserves the Company's assets, including its physical property, supplies, and equipment. These assets must only be used for legitimate business purposes and never used for personal gain and/or business purposes unrelated to our organization.

4. Confidentiality

Confidential and proprietary information about our business strategies and operations is a valuable Company asset. It may include pricing and cost data, acquisitions and mergers information, business processes and procedures, financial data, trade secrets and know-how, computer programs, wage and salary information, marketing and sales programs, customer/supplier information, and other information and developments that have not been released to the general public. This is non-public information that might be of use to competitors or harmful to K2M and/or our clients/customers if disclosed. All Company information must be used solely for the benefit of the Company and never for personal gain.

Confidential information must not be shared with anyone outside of the Company unless they have a legitimate business need to know this information in order to do business with us, or we are legally mandated to share this information. This obligation continues even after you are no longer employed by K2M. You must return all written and tangible proprietary information to your supervisor on your last day of employment with us. In many cases, the law requires that the confidentiality of certain information be maintained. As such, only an authorized officer of the Company is permitted to make public statements or deal with members of the media.

5. Fair Dealing

Each employee, officer, and director must deal fairly with our clients/customers, suppliers, competitors, and each other. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

6. Patents, Trademarks, Trade Secrets, and Copyrights

The intellectual property of K2M is a valuable business asset. We have an obligation to respect all valid patents, trademarks, trade secrets and/or copyrights, whether it is ours or belongs to another individual or organization.

K2M owns all inventions, discoveries, ideas, and trade secrets created by K2M employees on the job or produced by using K2M's resources.

7. Use of Electronic Media

All electronic media and communications systems such as voice mail, e-mail, commercial software, and the Internet are the property of K2M and are to be used primarily for the organization's business activities. Communications on these systems are not private and may create permanent records. Even when an e-mail is deleted, there may still be a record of that e-mail in the system. These communications are business records and, as such, K2M reserves the right to limit, read, access, intercept, and disclose the contents of these communications.

Any individual who uses these systems must ensure that there are no electronic and/or voice mail communications of Company proprietary information, confidential information, copyrighted information, or any other information that could create potential legal liability for the organization. You should not use these systems to knowingly, recklessly, or maliciously post, store, transmit, download, or distribute any threatening, abusive, libelous, defamatory, or obscene materials of any kind constituting a criminal offense, giving rise to a civil liability, or otherwise violating any laws.

To prevent the circulation of computer viruses, you should not download any "shareware" or other software from the Internet onto K2M computers. Any e-mail attachments should only be opened on stand-alone computers equipped with the most current anti-virus software.

8. Shareholder, Public, and Media Relations

In order to assure that all information disseminated is timely, appropriate, and accurate, and to prevent the inadvertent disclosure of confidential information, any request for information from the public, a shareholder, or a media representative should be immediately forwarded to the Chief Financial Officer for a response.

9. Political Contributions and Activities

Employees may participate in community and political activities on their own time and at their own expense. When you participate in such activities, you must never give the impression that you are participating on behalf of the Company, without prior Company permission. Political contributions made by K2M are made only in compliance with federal, state, and local laws. Employees may not use Company funds or property to make any contribution or provide any benefit to any candidates in connection with a federal, state or local election, unless authorized. You must not use any Company funds or resources to support any political candidate, political party, or political activity. The Company

will not reimburse you for any personal contribution made for political purposes.

10. Charitable Contributions and Grants

From time to time the Company will consider making charitable donations or grants. The granting of any such request by the Company must be in writing and approved by Compliance Committee prior to providing the charitable donation or grant.

Employees may also make individual charitable contributions on their own time and at their own expense to bona fide charitable organizations. When you make any such charitable contribution, you must never give the impression that you are providing such donation on behalf of the Company. Employees may not use Company funds or resources to make any charitable contribution. Any potential charitable donations by an employee to a spine charity must be disclosed and approved by the Chief Compliance Officer or the Compliance Committee in advance. The Company will not reimburse you for any personal contribution made to a charitable organization.

3. Employment Practices

At K2M, we conduct our employment relationships fairly and respectfully. For a more detailed description of K2M's employment policies and procedures, please refer to K2M's Employee Handbook.

1. Mutual Respect

Teamwork is an important part of our success as an organization. In working together we will treat each other with respect, dignity, courtesy, and fairness.

2. Privacy

Information about our employees, such as Social Security numbers, home addresses, telephone numbers, and personal medical information, is kept confidential and used only for business or legal purposes.

There is no expectation of privacy by an employee in his or her use of Company services, facilities, and equipment owned or operated by K2M. The Company specifically reserves the right to full access and inspection. This includes, but is not limited to, computer files, telephone records, e-mail, voice mail, Internet usage, business documents, desks, lockers, and other Company property.

3. Equal Employment Opportunity and Diversity

K2M is committed to the principle of equal employment opportunity and respects the diversity of our workforce. We will comply with all laws, regulations, and policies relating to equal employment opportunity, and non-discrimination in all of our personnel actions. These actions include recruiting, hiring, layoffs, benefits, transfers, terminations, compensation, corrective action, and promotions. Employment opportunities will be extended without regard to race, color, religion, national origin, gender, age, disability, marital status, veteran status, or any other protected status as defined by federal or state laws.

4. Safety and Health

K2M complies with all federal, state, and local regulations related to workplace health and safety in order to provide our employees with a safe and healthy work environment. Employees must be aware of and fully comply with all departmental related safety and health regulations, policies, and procedures and be prepared to execute emergency preparedness plans.

It is every employee's obligation to immediately report any unsafe working conditions or practices to a supervisor so that timely action may be taken to remedy the situation. All workplace related accidents, no matter how minor, should be reported at once to the department supervisor.

5. Substance Abuse

Our Company is a drug-free and alcohol-free workplace. All employees must be free of the physical and psychological influences of drugs and alcohol while conducting Company business and on Company property. Reporting to work under the influence of alcohol or any illegal drug, having an illegal drug in your system, or using, possessing, or selling illegal drugs while on Company time, premises or business may result in immediate termination.

If you are using prescription drugs that may have an effect on your work performance or compromise your ability to work safely, discuss this with your supervisor prior to beginning work.

K2M reserves the right to use drug and/or alcohol testing to enforce our drug-free and alcohol-free work environment.

6. Hiring or Retention of Excluded Individuals or Entities

K2M will not knowingly hire, retain, employ or contract with any individuals or entities that have been excluded from participation in any government program such as the Medicare or Medicaid programs. Similarly, K2M will not knowingly conduct business or continue to conduct business with any individuals or entities, whether independent contractors, subcontractors, suppliers, or vendors, who have been excluded from participation in any government program.

All K2M employees shall advise the Chief Compliance Officer and Human Resources if any action is taken that impacts or limits their eligibility to participate in government programs.

7. Harassment and Workplace Violence

Every K2M employee has the right to a work environment free from unlawful harassment. We will not tolerate verbal, nonverbal, or physical conduct by or directed to any employee or person associated with our business activities (including suppliers and customers) that improperly harasses, disrupts, or interferes with another's work performance or creates an intimidating, offensive, abusive, or hostile work environment. This includes any incidents of workplace violence. Workplace violence includes robbery and other commercial crimes, domestic and stalking cases, violence directed at an employee or the Company, terrorism, and hate crimes committed by past or current employees and/or family members, customers, suppliers, and other third parties. We prohibit the possession and/or use of firearms, other weapons, explosive devices, and/or other dangerous materials on Company premises or while conducting Company business.

If you experience any form of unlawful harassment or violence directed at you or if you observe this type of behavior being directed to another employee, you should report the incident to your supervisor, any member of management, the Human Resources Director, or the Chief Compliance Officer. The Company will take prompt corrective action to investigate and remedy any situation of unlawful harassment or violence in the workplace.

4. Conflicts of Interest

We avoid situations or circumstances where our own personal interests may appear to or actually conflict with our ability to act in the best interest of the Company.

1. Family Members

A conflict of interest may occur if a member of your family has a significant business interest in a Company doing business with or in competition with K2M. Family members include spouse, children, stepchildren, grandchildren, parents, stepparents, brothers, sisters, grandparents, and any other person related to the employee or living in the employee's household. If a situation where such a conflict could arise occurs, you must notify your supervisor in writing for a determination of a potential conflict of interest with your employment.

2. Ownership in Other Businesses

Unless you receive the advance written approval of the disinterested members of K2M's Board of Directors, you may not own, either directly or indirectly, a significant financial interest in any business that does or is seeking to do business with K2M, or is in competition with K2M. Significant financial interest is defined as ownership by an employee and/or family member of more than 5 percent of any class of the outstanding securities of a corporation, or 5 percent ownership in a sole proprietorship, general or limited partnership, or business association of any kind. Any situations of this type must be reported to your supervisor for his/her review.

Please refer to K2M's Related Person Transaction policy for more information about the Company's policies and procedures related to ownership in other businesses that do or seek to do business with K2M, or are in competition with K2M.

3. Outside Employment

Your work at our Company should be your primary focus. Outside employment, such as a second job, must be kept entirely separate from your work here. You may not accept employment and/or business opportunities (including consulting assignments, directorships, and partnerships) with a K2M customer, supplier, or competitor.

~~Waiver of Potential Conflict of Interest~~
On April 27, 2016, consistent with section 1.3 of our Code of Conduct, our Board of Directors approved the service by Mr. Eric Major, our President, Chief Executive Officer and member of our Board of Directors, as a member of the Board of Directors of Inova Health Foundation and The Foundation of Orthopedics and Complex Spine, each of which may be a potential customer of the Company.

1. Giving, Accepting, and Soliciting Gifts and Entertainment

While it may be appropriate to occasionally extend business courtesies, such as gifts, entertainment, and favors to a business associate and to be the recipient of the same, these activities must be limited in nature and value and never be intended to, appear to, or actually influence business decisions. It is important to use good judgment when giving and receiving business courtesies. If you wish to give anything of value to, or receive anything of value from, a supplier, potential supplier or health care professional (e.g. physician, hospital, etc.), you must (i) consult K2M's separate policies and procedures in this regard, and (ii) consult with K2M's Chief Compliance Officer.

You must never ask for a gift from any supplier, potential supplier, customer, potential customer, or any other business associate.

2. Corporate Opportunities

While employed by K2M, employees, directors, and officers have a duty to advance the legitimate interests of K2M when the opportunity to do so arises. During the course of employment with K2M, employees, directors, and officers are prohibited from (a) personally taking for themselves opportunities that are discovered through the use of corporate property, information, or position; (b) using corporate property, information, or position for personal gain, and/or (c) competing with K2M. All business opportunities that are reasonably within the portfolio of K2M's products should first be brought to the attention of K2M management.

5. Compliance with Laws, Rules, and Regulations

We manage and operate our business activities in full compliance with all laws, rules, and regulations governing the Company's operations.

The agencies that regulate our business activities include, but are not limited to, the U.S. Department of Health and Human Services (including the Food and Drug Administration), Internal Revenue Service, Occupational Safety and Health Administration, Department of Labor, the Securities and Exchange Commission, and as applicable similar foreign government agencies. In order to fulfill our commitment to compliance, it is critical for employees to take an active role in being knowledgeable of and ensuring strict adherence to all laws and regulations affecting their jobs.

Employees must immediately report any observed or suspected violations to their supervisor or a member of management, so that the situation can be reviewed and resolved in a timely and appropriate manner.

It is important to fully cooperate with and be courteous to all government inspectors and auditors. We will provide them with the information they are entitled to during an inspection. During a government inspection or internal/external audit, employees should never destroy or alter any Company documents, lie or make misleading statements, delay or obstruct the collection of information, data or records, and/or attempt to cause another employee to fail to provide accurate information. It is against K2M policy to fraudulently induce, coerce, manipulate, or mislead the Company's auditors and/or any internal or external auditors, inspectors, and investigators.

6. Health Care Laws

1. General

As a medical device manufacturer, the purchasers of our products are often not the individuals or entities recommending, prescribing, or using them. The purchaser (or reimbursor of our products) may be the government or a health care insurance company, while the decision-maker will be the doctor, the health care institution or organization, or even the patient.

Because of this, K2M is subject to a host of rules and regulations designed to protect the public. K2M is committed to full health care law compliance. In the U.S., health care law compliance seeks to:

? reduce fraud and abuse in federal health care programs (Medicare and Medicaid); ? eliminate the improper influence of financial incentives on medical judgment; ? protect patients and improve the quality of health care services; ? reduce the cost of health care; and ? ensure the proper use of taxpayer money.

As a K2M employee, you must comply with all laws relating to the conduct of business in the medical device manufacturer industry.

2. Patient Privacy

During the course of our business activities, you may be exposed to a person's medical records or other personal medical information. This information is entrusted to us with the understanding that it will be kept confidential. Employees must guard the confidentiality of all medical information in our possession. The Company is committed to full compliance with all rules, regulations, statutes, and policies governing the maintenance and disposition of health care records, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

7. Environmental Practices

We maintain the safety and cleanliness of our natural resources.

We have a responsibility to conduct our business activities in a manner that protects and preserves our natural resources. In doing so, we will comply with all environmental laws and operate our facilities with the necessary permits, approvals, and controls.

8. Marketing and Antitrust Practices

We conduct our sales and marketing activities in a fair, open, and honest manner.

1. Advertising, Sales, and Marketing

In our presentations to and discussions with our customers, our advertising, promotional literature, and public announcements, we will present only accurate and truthful information about our products and services. When asked to compare ourselves to the competition, we will present that information accurately and fairly.

2. Antitrust

In order to preserve competition and open markets, U.S. antitrust laws prohibit agreements and activities that may unreasonably limit competition. We prohibit any discussions or agreements with competitors concerning: (1) prices, discounts, or terms or conditions of sale; (2) profits, profit margins, or cost data; (3) market shares, sales territories, or markets; (4) allocation of customers or territories; (5) selection, rejection, or termination of customers or suppliers; (6) restricting the territory or markets in which a company may resell products; and (7) restricting the customers to whom a company may sell.

3. Bribery and Corruption

K2M forbids payments of any kind to any person either to obtain advantage in selling goods and services or to advance our interests with government authorities. We must be mindful of laws forbidding the making, offering, or promise of any payment or anything of value (directly or indirectly) to a government official particularly when the payment is intended to influence an official act or decision to award or retain business. For this reason, no payments, gifts, or services intended to influence or even appearing to influence a government official's actions should be given.

The federal Anti-Kickback Statute prohibits the offering of anything to a person or entity that is intended to influence that person or entity to recommend or purchase a healthcare product or service that may be reimbursed by Medicare or Medicaid. This is to ensure that a health care provider's decision about a choice of treatment or product will not be influenced by motives of personal gain or enrichment. For this reason, any payments to or for the benefit of a health care professional (e.g., physician, hospital, etc.) must be (1) approved in advance by the K2M Compliance Officer (2) made pursuant to applicable K2M policies and procedures and (3) compliant with the AdvaMed Code. This extends to any contributions made to any charitable organization in which a physician, hospital or other health care professional is involved.

Most countries in which we do business have laws that forbid the making, offering or promise of any payment or anything of value (directly or indirectly) to a government official (and in the U.S., to foreign political parties and candidates), particularly when the payment is intended to influence an official act or decision to award or retain

business. We must be particularly sensitive to bribery and corruption issues because, in many parts of the world, hospitals and clinics are government-owned. We may also retain the services of scientists or physicians, many of whom are employees of public institutions and are considered government employees. The Company will ensure that all such relationships are appropriately reviewed to ensure compliance with Company policies and applicable laws.

4. Obtaining Competitive Information

K2M has a responsibility and a right to obtain information about other business organizations, including our competitors, through appropriate ethical and legal means, such as nonproprietary marketing materials, advertisements, public journal and magazine articles, and other published and spoken information. We will never try to obtain such information through unethical and illegal means, such as industrial espionage, wire-tapping, burglary, and/or by misrepresenting our identity. We will not accept or read any competitors' documents that are marked "confidential," "proprietary," or in any other way indicate that the information contained in them is not meant for public distribution and review.

Any K2M employee who has a prior nondisclosure/confidentiality or non-compete agreement with a former employer must make that agreement known to the Human Resources Manager on the first day of his/her employment to assure compliance with the terms of the agreement. Any employee who has competitive trade secrets or proprietary information from another organization must not disclose them or cause K2M to make use of them.

9. Relationships with Consultants, Subcontractors, Suppliers, and Vendors

We select our consultants, subcontractors, suppliers, and vendors objectively and manage our relationships with them in a fair and objective manner.

1. Subcontractor, Supplier, and Vendor Selection

Our selection of subcontractors, suppliers, and vendors will be made on the basis of objective criteria, including quality, technical excellence, cost/price, schedule/delivery, services, and maintenance of adequate sources of supply. Our purchasing decisions will never be compromised by personal relationships or influenced by the acceptance of inappropriate gifts, favors, or excessive entertainment. K2M encourages our subcontractors, suppliers, and vendors to establish their own business conduct and compliance programs and expects them to conduct their businesses within the highest ethical standards and in full compliance of the laws, rules, and regulations that govern their business operations.

2. Subcontractor, Supplier, and Vendor Confidentiality

We will not disclose the terms of our business relationships with our subcontractors, suppliers, and vendors and/or any related contractual information to a third party, unless we are authorized in writing by the subcontractor, supplier, or vendor to do so.