



Amended and Restated Corporate Governance Guidelines

INTRODUCTION

The Board of Directors (the "Board") of K2M Group Holdings, Inc. (the "Company") has adopted these corporate governance guidelines, which describe the principles and practices that the Board will follow in carrying out its responsibilities. These guidelines will be reviewed by the Board from time to time to ensure that they effectively promote the best interests of both the Company and the Company's stockholders and that they comply with all applicable laws, regulations and stock exchange requirements.

A. Role and Responsibility of the Board

The Board directs and oversees the management of the business and affairs of the Company in a manner consistent with the best interests of the Company, and its stockholders. In this oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the stockholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

B. Board Composition, Structure and Policies

1. **Independence of Directors.** The Company defines an "independent" director in accordance with Section 5605 of the NASDAQ Listing Rules. For so long as the Company qualifies as a "controlled company" within the meaning of NASDAQ corporate governance standards, it may elect not to comply with certain corporate governance standards, including the requirement that a majority of the board of directors consist of independent directors. Subject to an election by the Company to rely on the exemption available to controlled companies and the applicable transition periods under the applicable rules of NASDAQ, the Board shall make an affirmative determination at least annually as to the independence of each director. The NASDAQ independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.
2. **Selection of Chairperson of the Board and Chief Executive Officer.** The Board shall select its chairperson ("Chairperson") and the Company's Chief Executive Officer ("CEO") in any way it considers in the best interests of the Company. Therefore, the Board does not have a policy on whether the role of Chairperson and CEO should be separate or combined and, if it is to be separate, whether the Chairperson should be selected from the independent directors.
3. **Director Qualification Standards.** The Board is responsible for reviewing the qualifications of potential director candidates to be nominated for election to the Board and selecting the director nominees for all directorships to be filled by the Board or by the shareholders at an annual or special meeting, subject to any obligations and procedures governing the nomination of directors to the Board that may be set forth in any stockholders agreement to which the Company is a party. The Board will conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. It is expected that the Board will consider (a) minimum individual qualifications, including strength of character, mature judgment, familiarity with the Company's business and industry, independence of thought and an ability to work collegially and (b) all other factors it considers appropriate, which may include age,

gender and ethnic and racial background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, corporate governance background, various and relevant career experience, relevant technical skills, relevant business or government acumen, financial and accounting background, executive compensation background and the size, composition and combined expertise of the existing Board. The Board should monitor the mix of specific experience, qualifications and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. Stockholders may also nominate directors for election at the Company's annual stockholders meeting by following the provisions set forth in the Company's bylaws, whose qualifications the Board will consider.

The Board will evaluate candidates for nomination to the Board, including those recommended by shareholders on a substantially similar basis as it considers other nominees. In that connection, the Board shall adopt procedures for the submission of recommendations by shareholders as it deems appropriate.

4. **Change in Present Job Responsibility.** Directors should offer to resign upon a significant change of the director's principal current employer or principal employment, or other similarly significant change in professional occupation or association. The Board shall determine the action, if any, to be taken with respect to the offer to resign.
5. **Director Orientation and Continuing Education.** Management, working with the Board, will provide an orientation process for new directors and coordinate director continuing education programs. The orientation programs are designed to familiarize new directors with the Company's businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business. Directors are also encouraged to participate in educational programs relevant to their responsibilities, including programs conducted by universities and other educational institutions.
6. **Lead Director.** Whenever the Chairperson of the Board is also the Chief Executive Officer or is a director who does not otherwise qualify as an "independent director", the independent directors may elect from among themselves a Lead Director of the Board. The Lead Director will be elected by a plurality vote and will serve until the Board meeting immediately following the next annual meeting of stockholders, unless otherwise determined by the Board. Service as Lead Director, however, generally should not exceed five consecutive years but is subject to the Board's discretion to set other guidelines in specific instances. A description of the position of Lead Director is set forth in Annex A to these guidelines.
7. **Term Limits.** The Board does not have a policy to impose term limits for directors because such a policy may deprive the Board of the service of directors who have developed, through valuable experience over time, an increasing insight into the Company and its operations.

C. Board Meetings

1. **Frequency of Meetings.** The Board currently plans at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board.
2. **Selection of Board Agenda Items.** The Chairperson of the Board, with approval from the Lead Director (if one has been elected), shall set the agenda for Board meetings with the understanding that other members of the Board may provide suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Any member of the Board may request that an item be included on the agenda.
3. **Access to Management and Independent Advisors.** Board members shall have free access to all members of management and employees of the Company. Generally, any meeting or contact that a director wishes to initiate with an employee should be arranged through the Company's Chief Executive Officer or General Counsel. In addition, Board members may consult with independent legal, financial, accounting and other advisors, at the Company's expense, as necessary and appropriate and in accordance with the Board committee charters, to assist in their duties to the Company and its stockholders.
4. **Executive Sessions.** To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive session at most Board meetings with no members of management present. If the group of non-management directors includes directors who have not been determined to be independent, the independent directors will meet in a private session at least twice a year. The Lead Director, if any, or a director designated by the non-management or independent directors, as applicable, will preside at such executive sessions.

D. Committees of the Board

The Board shall have at least three committees: the Audit Committee, the Compensation Committee and the Compliance Committee. Each committee shall have a written charter and shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee.

Each of the Audit Committee, the Compensation Committee and the Compliance Committee shall be comprised of no fewer than the number of members set forth in the relevant committee charter. In addition, each committee member must satisfy the membership requirements set forth in the relevant committee charter. A director may serve on more than one committee.

The Board shall be responsible for identifying Board members qualified to fill vacancies and appointing the identified member or members to the applicable committee. The Board, taking into account the views of the Chairperson, shall designate one member of each committee as chairperson of such committee. Committee chairpersons shall be responsible for setting the agendas for their respective committee meetings.

E. Expectations of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with applicable laws, rules, regulations and listing standards. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. **Commitment and Attendance.** All directors are expected to make best efforts to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of stockholders. Members are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone or video conference.
2. **Participation in Meetings.** Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.
3. **Loyalty and Ethics.** In their roles as directors, all directors owe a duty of loyalty to the Company. The Company has adopted a Code of Business Conduct and Ethics (the "Code"), and directors are expected to adhere to the Code.
4. **Other Directorships and Significant Activities.** Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. It is expected that, without specific approval from the Board, no director will serve on more than five public company boards (including the Company's Board). In addition, directors who also serve as CEOs or in equivalent positions generally should not serve on more than two outside public company boards. Directors should advise the Chairperson and the CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses, non-profit entities or governmental units.
5. **Contact with Management.** All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of the Company's management and employees, which, whenever possible, should be coordinated through the CEO. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.
6. **Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

F. Management Succession Planning

The Board will periodically review a succession plan relating to the CEO and other executive officers that is developed by management. The Board may also delegate oversight of the succession plan developed by management to a committee of the Board. The succession plan should include, among other things, an assessment of the experience, performance and skills for possible successors to the CEO.

G. Corporate Governance

The Board will periodically review the adequacy of the certificate of incorporation and by-laws of the Company and, as conditions dictate, propose amendments to the certificate of incorporation and by-laws. The Board will keep abreast of developments with regard to corporate governance to enable the Board to make changes to these Corporate Governance Guidelines in light of such developments as may be appropriate. In addition, the Board will periodically review policies relating to meetings of the Board. This may include meeting schedules and locations, meeting agendas and procedures for delivery of materials in advance of meetings.

H. Evaluation of Board Performance

It is expected that the Board will periodically conduct a self-evaluation to determine whether it is functioning effectively and consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively. If the independent directors have elected a Lead Director, he or she is expected to be responsible for the oversight of the Board's self-evaluation.

I. Board Compensation

The Compensation Committee will review the form and amount of director compensation from time to time and recommend any changes to the Board, as it deems appropriate.

J. Communications with Interested Parties

The CEO is responsible for establishing effective communications with all interested parties, including stockholders of the Company. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors, including the Lead Director, if any, from communicating with stockholders or other interested parties, but it is expected that, in most circumstances, any such communications will be coordinated with management.

K. Communications with Non-Management Directors

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to any then-serving Lead Director, the chairperson of any of the Audit, Compensation or Compliance Committees, or to the non-management or independent directors as a group, may do so by addressing such communications or concerns to the General Counsel of the Company, 600 Hope Parkway SE, Leesburg, Virginia, 20175, who will forward such communications to the appropriate party.