

KENSEY NASH CORPORATION CORPORATE GOVERNANCE GUIDELINES

The business of Kensey Nash Corporation (the “Company”) is managed under the direction of its Board of Directors (the “Board”), which is elected by the Company’s stockholders. The basic responsibility of the Board is to exercise its business judgment to act in what it believes to be the best interests of the Company and its stockholders. The Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duty to stockholders. The Board will rely on the following guidelines to provide that framework. These guidelines are not absolute rules; they can be modified to reflect changes in the Company’s organization or business environment. The Board will review these guidelines and other aspects of the Company’s governance as necessary, but no less than annually.

A. Role of the Board and Management

The Board selects the Chief Executive Officer of the Company (the “CEO”) and, in consultation with the CEO, selects the executive officers and senior management team, acts as an advisor and counselor to senior management and ultimately monitors the Company’s performance. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties.

B. Director Responsibilities

The Board holds four regularly scheduled meetings each year, at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate and long-term strategic issues facing the Company. Directors are expected to attend all scheduled board and applicable committee meetings, as well as the Company’s Annual Meeting of Stockholders. In addition to its general oversight of management and other obligations imposed by the Company’s Certificate of Incorporation and Bylaws and the Delaware General Corporation Law, the Board, acting itself or through one or more of its committees, performs a number of specific functions, including:

1. Selecting, evaluating and compensating the Company’s executive officers, including the CEO, Chief Financial Officer (the “CFO”) and Chief Operating Officer (the “COO”), and overseeing executive officer succession planning;
2. Providing counsel and oversight on the selection, evaluation, development and compensation of other members of senior management;
3. Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
4. Assessing major risks facing the Company, and reviewing options for their mitigation;
5. Overseeing the processes for maintaining the integrity of the Company, including the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders;

6. Reviewing major changes in relevant auditing and accounting principles and financial reporting regulations; and
7. Providing oversight of internal and external audit processes and financial reporting.

C. Director Qualification Standards

Directors should possess the highest personal and professional ethics, and be committed to representing the long-term interests of the Company's stockholders. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. It is the sense of the Board that an individual director who materially changes his or her full-time employment position should evaluate whether it may be appropriate for such director to voluntarily resign from the Board; it is not the sense of the Board, however, that a director who retires or changes his or her full-time responsibility should necessarily leave the Board. The change in status shall be reported by the director to, and shall be considered by, the Company's Corporate Governance and Nominating Committee (the "Corporate Governance and Nominating Committee"), which shall recommend to the Board the appropriateness of continued Board membership. A director should also submit his or her resignation in writing to the Board upon deciding to leave the Board for any reason.

In addition, the Corporate Governance and Nominating Committee will annually review each director's continued Board membership.

Independent directors should serve no more than 20 years on the Board, not including any years served prior to the time the Company became a public company. The Board's self-evaluation process, as described below, will be an important determinant for board tenure.

D. Independence of Directors

It is a policy of the Company that at least two-thirds of the directors be "independent directors," as defined under the rules of the NASDAQ Stock Market ("NASDAQ"), and as provided below. The Board recognizes that directors who do not meet NASDAQ's independence standards nevertheless make valuable contributions to the Board and to the Company by reason of their experience and wisdom.

The Company will in all events comply with the applicable independence requirements of NASDAQ. The Board must affirmatively determine, by resolution of the Board as a whole, whether a non-employee director has any relationship with the Company (either directly or as a partner, equity holder or officer of an organization that has a relationship with the Company) that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and must disclose these determinations. Independence determinations will be made on an annual basis at the time that the Board approves director nominees for inclusion in the Company's proxy statement for its annual meeting of stockholders or at any time a director joins the Board between annual meetings of stockholders. The Board will broadly consider all relevant facts and circumstances in determining director independence, but the Board has established the following guidelines to assist it in making its determinations. In some respects, these guidelines are more stringent than required by NASDAQ rules.

1. A director who receives, or whose immediate family member receives, more than \$25,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is presumed not to be independent until five years after he or she (or such immediately family member) ceases to receive more than \$25,000 per year in such compensation (provided that the Board may determine that such relationship is not material and explain such determination in the Company's proxy statement);
2. A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company is not "independent" until five years after the end of either the affiliation or the auditing relationship;
3. If any executive of the Company serves on the compensation committee of another company, a director of the Company who is employed as an executive officer of that other company (or whose immediate family member is employed as an executive officer of that other company) is not an "independent" director of the Company. Such director shall not be considered "independent" until the expiration of five years after the end of such service or the employment relationship.
4. A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of another company (A) that accounts for at least 1% or \$120,000, whichever is greater, of the Company's consolidated gross revenues, or (B) for which the Company accounts for at least 1% or \$120,000, whichever is greater, of such other company's consolidated gross revenues, in each case is not "independent" until five years after falling below such threshold; and
5. A director who is associated as a partner or associate of, or Of Counsel to, a law firm that provides services to the Company, is not "independent" if either (a) the director or an immediate family member of the director provides such services to the Company or (b) the payments from the Company to such law firm exceeded 1% or \$120,000, whichever is greater, of such law firm's revenues in any of the past five years.
6. In addition, members of the Company's Audit Committee (the "Audit Committee"):
 - a. May not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof, other than their directors' compensation. An Audit Committee member may receive his or her fee in cash, Company stock or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive. Disallowed compensation for an Audit Committee member includes fees paid directly or indirectly for services as a consultant or a legal or financial advisor, regardless of the amount. Disallowed compensation also includes compensation paid to such a director's firm for

such consulting or advisory services even if the director is not the actual service provider; and

- b. Must not be an affiliated person of the Company or any Company subsidiary. For this purpose, the term "affiliated person" means one who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company or any of its subsidiaries. A person will not be deemed in control of the Company or any subsidiary, however, if the person is not (a) the beneficial owner, directly or indirectly, of more than 10% of any class of equity securities of the Company or such subsidiary; or (b) an executive officer of the Company or such subsidiary.

As used above, the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

The Company will not make any personal loans or extensions of credit to directors or executive officers. All directors are required to deal at arm's length with the Company and its subsidiaries and to disclose circumstances material to the director that might be perceived as a conflict of interest.

E. Size of Board and Selection Process

Directors are elected each year by the stockholders at the annual meeting of stockholders. The Board proposes a slate of nominees to the stockholders for election to the Board. The Corporate Governance and Nominating Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Corporate Governance and Nominating Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation or any other reason. Stockholders may propose nominees for consideration by the Corporate Governance and Nominating Committee by submitting the names and supporting information to the Secretary of the Company in accordance with the deadlines and procedures indicated in the proxy statement for the annual meeting of stockholders. Between annual stockholder meetings, the Board may elect directors to serve until the next annual meeting. The Board also determines the number of directors on the Board, within the range set forth in the Company's Certificate of Incorporation, as has been or may be amended from time to time. The Board believes that, given the current operations of the Company and the need for a diversity of-views, the Board shall consist of not less than six directors, but not more than nine directors. Any proposed change in the size of the Board, outside the range established by the Certificate of Incorporation, must be submitted to the stockholders of the Company for a vote, following Board approval.

F. Membership and Responsibilities on Other Boards

It is the Board's policy that a director should limit membership on boards of other public companies so that there is no interference or conflict of interest with fulfilling responsibilities and duties with the Company. The process is as follows:

1. If a director intends to join a board of directors of another company, such director shall notify the Corporate Governance and Nominating Committee (with a copy of such notice to the Company's secretary);
2. If a Section 16 officer wishes to join a board of directors of another company, such director shall not do so without prior approval of the Board
3. If an employee who is not a Section 16 officer wishes to join a board of directors of another company, such director shall not do so without prior approval of the CEO; and
4. If the current chairperson of the Audit Committee wishes to serve as chairperson of greater than two audit committees of other public companies, such chairperson shall not do so without prior approval of the Board.

G. Board Committees

It is the general policy of the Company that major business and strategic decisions be considered by the Board as a whole. Except as otherwise required by applicable laws, regulations or listing standards, the Board supports a committee structure in which the committees study and consider key issues in depth, bringing a recommendation to the full Board. The Board currently has established the following committees to assist the Board in discharging its responsibilities.

1. Audit Committee;
2. Compensation Committee; and
3. Corporate Governance and Nominating Committee.

The Board determines the responsibilities of each of the committees from time to time. The current committee charters are published on the Company website, and will be mailed to stockholders on written request. The committee chairpersons report the highlights of their meetings to the full Board following each meeting of the respective committees. The Corporate Governance and Nominating Committee recommends the membership and chairpersons of the committees to the Board for approval. The Audit Committee, the Compensation Committee of the Board (the "Compensation Committee") and the Corporate Governance and Nominating Committee are made up entirely of independent directors. The membership of the committees may be rotated among Board members from time to time.

From time to time, ad hoc committees may be established for special assignments; and such committees shall be formed, and have the responsibilities as determined, by the Board.

H. Meetings of Independent Directors; Chairman of the Board or Lead Director

The Board shall regularly conduct executive sessions of independent directors without management present in conjunction with each regularly scheduled board meeting. The non-employee directors may meet without management present at such other times as determined by the Chairman of the Board (if the Chairman of the Board is an independent director) or Lead Director (as defined below) or by any other non-employee Board member. If the Chairman of the Board is an independent director, the Chairman of the Board shall preside as chairperson of the Board's executive sessions of non-employee directors. If the office of Chairman of the Board

is held by the CEO (or another executive officer), the non-employee directors of the Board shall designate one non-employee director to serve as the "Lead Director" to preside as chairperson of the Board's executive sessions of non-employee directors. It is the Board's current view that the office of Chairman of the Board should be held by one independent director, rather than the CEO. However, in the future, the Board may determine that it would be appropriate for the CEO to fill the office of the Chairman of the Board.

The rights and duties of the Lead Director, if any, shall include, among other rights and duties, (i) presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of independent directors, (ii) serving as liaison between the Chairman of the Board and the independent directors, (iii) approving information sent to the Board as a whole, (iv) having the authority to call meetings of the independent directors, (v) approving meeting agendas for the Board, (vi) approving meeting schedules for the Board, and (vii) if requested by significant stockholders of the Company, being available for consultation and direct communication with such stockholders (subject to compliance with applicable Company policies).

Without limiting the specified duties of the Lead Director (if applicable), the Chairman of the Board, if an independent director, or otherwise the Lead Director, shall advise the CEO and committee chairpersons with respect to agendas and information needs relating to Board and committee meetings, and perform such other duties as the Board may from time to time delegate to assist the Board in fulfilling its responsibilities. The Chairman of the Board shall serve for such term as the Board shall determine, and the Lead Director shall serve for such term as the non-employee directors of the Board shall determine. The identity of the Chairman of the Board or Lead Director, if one has been designated, shall be set forth in the proxy statement for the Company's annual meeting. If no Chairman of the Board or Lead Director has been designated, the chairperson of the Corporate Governance and Nominating Committee shall preside as the chairperson at meetings or executive sessions of non-employee directors.

I. Annual Performance Evaluation of the Board

The Board and each of the committees will perform an annual self-evaluation. The directors will be requested to provide their assessments of the effectiveness of the Board and the committees on which they serve. The individual assessments will be organized and summarized for discussion with the Board and the committees.

J. Setting the Board Agenda

The CEO sets the agenda for Board meetings (subject to approval by the Chairman of the Board, if an independent director, or the Lead Director, as applicable) with the understanding that certain items pertinent to the advisory and monitoring functions of the Board be brought to it periodically for review and decision. The CEO and the Chairman of the Board (if an independent director) or Lead Director, as applicable, or committee chairperson as appropriate shall determine the nature and extent of information that shall be provided regularly to the directors before each scheduled Board or committee meeting. Board materials relating to agenda items are to be provided to directors sufficiently in advance of Board meetings to allow the directors to prepare for discussion of the items at the meeting. Any member of the Board may request at any time that an item be included on the agenda, or that information be included in pre-meeting materials.

K. Code of Business Conduct and Ethics

All of the Company's employees, including the CEO, CFO and COO, and the members of the Board are required to abide by the Company's Code of Business Conduct and Ethics ("Code of Conduct and Ethics"). The Code of Conduct and Ethics covers conflicts of interest; corporate opportunities; confidentiality; compliance with laws, rules and regulations; and fair dealing, and encourages the reporting of any illegal or unethical behavior. The Board expects directors, as well as officers and employees, to act ethically at all times and to adhere to the Code of Conduct and Ethics. The Company maintains procedures to receive, retain and treat employee complaints regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters, as required by the Sarbanes Oxley Act of 2002. The Audit Committee oversees the Company's treatment of employee concerns in this area.

L. Communicating with Directors and Stockholders

It is the policy of the Company that members of senior management speak for the Company. Stockholders and other interested persons may communicate with directors by writing to them c/o the Secretary of the Company. The Secretary will receive the correspondence and forward it to the director or directors to whom it is addressed. This policy does not preclude non-employee directors from meeting with stockholders, but any communications from stockholders to directors should be communicated to the CEO, and any meetings between directors and stockholders should be held with management present.

M. Director Compensation

Directors who are also our employees do not receive additional compensation for serving on the Board. The Compensation Committee has the responsibility for recommending to the Board compensation and benefits for non-employee directors. In discharging this duty, the Compensation Committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of the Company's operational size and scope; compensation should align directors' interests with the long-term interests of stockholders; and the structure of the compensation should be adequate to enable the Company to attract and retain well-qualified directors. The Compensation Committee reviews the compensation of directors annually.

N. Stock Ownership by Directors

It is the Company's policy that all directors, consistent with their responsibilities to the Company's stockholders, hold a meaningful equity interest in the Company. Therefore, the Board expects that all directors own shares of the Company's common stock having a market value equal or greater to the amount of each Board member's annual retainer fee plus the amount of one year's compensation for attendance at regular Board meetings. Directors are expected to acquire such common stock within two years of first becoming a director.

O. Stock Ownership by Executive Officers

It is the Company's policy that all executive officers, consistent with their responsibilities to the Company's stockholders, hold a meaningful equity interest in the Company. Therefore, the Board expects that each executive officer own a minimum of 5,000 shares of the Company's common

stock during his or her employment with the Company. Executive officers are expected to acquire such common stock within two years of first becoming an executive officer.

P. Mandatory Holding Period for Restricted Stock

It is the Company's policy that each executive officer and director of the Company shall be subject to a mandatory holding period after vesting for any restricted stock awards issued by the Company. Each executive officer and director must hold the restricted stock for a period of at least six months after vesting, except to the extent (and only to the extent) shares are forfeited to the Company to satisfy a related tax-withholding obligation. Holding requirements shall be set forth in the award agreements for the restricted stock awards.

Q. Management Succession Plan

The Board shall review, approve and maintain a succession plan for the CEO and other executive officers at least annually. To assist the Board, the CEO annually provides an assessment of the other senior executives and of their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to other executive officer and senior management positions.

R. Annual Compensation Review of Senior Management

The Compensation Committee shall annually approve the goals and objectives for compensating the CEO, CFO and COO. The Committee shall evaluate the CEO's, CFO's and COO's performance in light of these goals before their new salaries, bonus and other incentive and equity compensation are established.

S. Director Access to Senior Management

Non-employee directors are encouraged to contact senior managers of the Company without senior corporate management present. At the invitation of the Board, members of senior management recommended by the CEO or any Board member may attend Board meetings or portions of meetings to participate in discussions of the Board.

T. Director Access to Independent Advisors

The Board and its committees have the right at any time to retain independent outside financial, legal, accounting or other advisors.

U. Director Orientation and Continuing Education

The CEO shall be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Each new director shall, within six months of election to the board, receive a personal briefing by senior management at the Company's offices on the Company's strategic plans, financial statements, and key policies and practices. Directors are expected to attend director continuing education institutes and programs offered by certain national associations, universities and other third parties. The Company has established an annual allowance to pay reasonable expenses and fees incurred for attendance at these programs.

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