

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF ORTHOVITA, INC.**

I. Purpose

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Orthovita, Inc. (the “Company”) is appointed by and is responsible to the Board for the following purposes. The Committee’s purposes shall be:

- A. To provide oversight of (1) the quality and integrity of the Company’s financial statements, internal controls and financial reporting process; and (2) the Company’s process to manage business and financial risks and compliance with legal, ethical and regulatory requirements;
- B. To interact directly with and evaluate the performance of the independent registered public accounting firm, including to determine whether to engage or dismiss the independent registered public accounting firm, to determine compensation of the independent registered public accounting firm and to monitor the independent registered public accounting firm’s qualifications and independence; and
- B. To oversee the preparation of the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement for the annual meeting of shareholders.

Although the Committee has the powers and responsibilities set forth in this Charter, the principal role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacities. Consequently, it is not the duty of the Committee to conduct audits, to independently verify management’s representations, or to determine that the Company’s financial statements are complete and accurate, prepared in accordance with generally accepted accounting principles (“GAAP”), or fairly present the financial condition, results of operations, and cash flows of the Company in accordance with GAAP. These are the responsibilities of management and the independent registered public accounting firm. The Committee’s considerations and discussions with management and the independent registered public accounting firm do not assure that the Company’s financial statements are presented in accordance with GAAP, that the audit of the Company’s financial statements has been carried out in accordance with generally accepted auditing standards, or that the Company’s independent registered public accounting firm is in fact “independent.”

II. Membership

- A. The Committee shall be composed of at least three directors, each of whom must be independent. A director shall qualify as independent if the Board has affirmatively determined that the member has met the independent director requirements set forth in the Nasdaq Marketplace Rules. In addition, members of the Committee must also satisfy the following additional requirements in order to be independent:
 - 1. No Committee member or immediate family member of such Committee member may be an affiliated person of the Company or any of its subsidiaries, as that term is defined by the SEC; and
 - 2. No Committee member shall accept, directly or indirectly, any consulting, advisory, or other compensatory fees from the Company or any of its subsidiaries, except for fees for services as a director and member of the Audit Committee and any other Board committee.
- B. All members of the Committee must be financially literate including at least one member with accounting or related financial expertise.
- C. The members of the Committee shall be nominated by the Nominating and Corporate Governance Committee of the Board and appointed by a majority of the Board for one-year terms or until their successors shall be appointed, subject to their earlier resignation, retirement, or removal. The Nominating and Corporate Governance Committee shall recommend, and the Board shall designate, one member of the Committee to serve as Chairperson. No member of the Committee shall be removed except by majority vote of the independent directors of the full Board then in office.

III. Meetings and Procedures

- A. The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than four times per year. A majority of the members of the Committee shall constitute a quorum. The Committee may meet by phone conference call and may act by unanimous written consent in lieu of a meeting in carrying out its duties and responsibilities.
- B. The agenda for the Committee meeting will be prepared in consultation with the Committee chairperson (with input from other Committee members), the Company's chief financial officer, other appropriate members of the Company's management, and the independent registered public accounting firm.

- C. The Committee shall meet with the independent registered public accounting firm, management and anyone else as desired by the Committee in separate meetings or in executive session, as often as it deems necessary and appropriate in its judgment.
- D. The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
- E. The Committee may request that any directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee requests.
- F. The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter.
- G. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company. The Committee may request the Company's in-house or outside legal counsel to act as secretary to the Committee for purposes of preparing the minutes which shall be submitted to the Committee for approval in a reasonably expeditious manner following each meeting.
- H. The Committee shall report to the Board on the matters discussed at each meeting of the Committee, including describing all actions taken by the Committee at the meeting.
- I. The Committee may delegate authority to one or more members of the Committee where appropriate, but no such delegation shall be permitted if the authority is required by a law, regulation, or listing standard to be exercised by the Committee as a whole.
- J. The Committee shall have access to internal advisors and such other resources within the Company as it may request to assist it in carrying out its duties and responsibilities.
- K. The Committee shall have the authority to obtain advice and assistance from internal and external legal, accounting and other advisors, and the Company shall provide appropriate funding, as determined by the Committee, for the Committee to retain any such advisors without requiring the Committee to seek Board approval. The Committee shall have sole authority, and necessary funding, to retain, set compensation and retention terms for, and terminate any consultants, legal counsel, or other advisors that the Committee determines to employ to assist it in the performance of its duties.

- L. The Company shall provide appropriate funding, as determined by the Committee, for the payment of fees to the Company's independent registered public accounting firm.

IV. Duties and Responsibilities

A. Financial Reporting Process

1. The Committee shall review and discuss with management and the independent registered public accounting firm the annual audited financial statements to be included in the Company's annual report on Form 10-K, the quarterly financial statements to be included in the Company's Form 10-Qs, the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any other financial disclosures to be included in SEC filings prior to their release. This discussion should include, where appropriate, a discussion about the Company's accounting principles, critical accounting estimates, the quality of earnings, financial statement presentation, significant financial reporting issues and judgments (including off-balance sheet structures and the use of pro forma or non-GAAP financial information), the adequacy of the Company's internal controls, and any regulatory and accounting initiatives, legal and regulatory correspondence, or published reports that raise material issues with respect to, or that could have a significant effect on, the Company's financial statements.
2. The Committee shall recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
3. The Committee shall review earnings press releases prior to their release or the Committee may delegate such responsibilities to the Chairperson.
4. The Committee shall oversee the preparation of the report required by the rules of the SEC to be included in the Company's annual proxy statement.

B. Risks and Control Environment

1. The Committee shall inquire about significant risks and exposures and assess the steps that management has taken to monitor and control such risks and exposures.
2. The Committee shall review periodically the Company's Code of Conduct, and the Committee shall have the authority to grant

waivers of the Company's Code of Conduct to the Company's directors and executive officers. The Committee must review and approve any "related party" transaction as defined in Item 404(a) of Regulation S-K, promulgated by the SEC, before it is consummated.

3. The Committee shall meet periodically with the independent registered public accounting firm and senior personnel performing the compliance officer function to review the Company's policies and procedures regarding disclosures that may affect the financial statements and compliance with applicable laws and regulations and the Company's Code of Conduct. The Committee shall review the certificates to be filed under Section 302 and 906 of the Sarbanes-Oxley Act.
4. The Committee shall oversee the Company's disclosure controls and procedures, including applicable internal control over financial reporting, as well as internal control over financial reporting relating to the authorization of transactions and safeguarding and control of assets, and, where applicable, shall oversee the changes in internal control over financial reporting intended to address any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees that are reported to the Committee. In addition, the Committee shall review and discuss with the independent registered public accounting firm the annual report of management on internal control over financial reporting and the independent registered public accounting firm's opinion of the effectiveness of internal control over financial reporting, when those reports are required by SEC rules.

C. Independent Registered Public Accounting Firm

1. The Committee shall have the sole authority to retain, set compensation and retention terms for, terminate, oversee, and evaluate the activities of the Company's independent registered public accounting firm. The independent registered public accounting firm shall report directly to the Committee. The Committee shall have full access to the independent registered public accounting firm of the Company.
2. The Committee shall review and approve in advance the retention of the independent registered public accounting firm for the performance of all audit and non-audit services and the fees for such services, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended, which are approved prior to the completion

of the audit in accordance with such Section. Pre-approval of non-audit services may be pursuant to appropriate policies and procedures established by the Committee for the pre-approval of such non-audit services, provided that any such pre-approved non-audit services are reported to the full Committee at its next scheduled meeting.

3. Prior to initiation of the audit, the Committee shall meet with the independent registered public accounting firm to discuss the planning and staffing of the audit, including the impact of applicable rotation requirements on the lead audit partner and other independence rules on the staffing.
4. The Committee shall, at least annually, obtain and review a report by the independent registered public accounting firm describing: all relationships between the firm and the Company in order to assess the firm's independence.
5. The Committee shall review any reports prepared by the independent registered public accounting firm and provided to the Committee relating to significant financial reporting issues and judgments including, among other things, the Company's selection, quality, application, and disclosure of critical accounting policies and practices, all alternative treatments, assumptions, estimates or methods that have been discussed with management, including the ramifications of such treatments and the treatment preferred by the independent registered public accounting firm, and any other material written communications between the independent registered public accounting firm and management, such as any management letter or schedule of unadjusted differences.
6. The Committee shall discuss with the independent registered public accounting firm any audit problems or difficulties, including any restrictions on the scope of the independent registered public accounting firm's activities or on access to requested information and management's response to same, any significant changes required in the independent registered public accounting firm's audit plan, and any other matters required to be brought to its attention under auditing standards (e.g., Statement on Auditing Standards No. 61 and Independent Standards Board Standard No. 1, as amended), and shall resolve any disagreements between the independent registered public accounting firm and management.
7. After reviewing the reports from the independent registered public accounting firm and such firm's work throughout the audit period,

the Committee will conduct an annual evaluation of the independent registered public accounting firm's performance and independence. In making its evaluation, the Committee shall take into account the opinions of management. The Committee shall present its conclusions with respect to the evaluation of the independent registered public accounting firm to the Board.

8. The Committee shall approve the hiring by the Company of employees or former employees of the independent registered public accounting firm.

D. Evaluations and Reports

1. The Committee shall annually review and assess the performance of the Committee and deliver a report to the Nominating and Corporate Governance Committee setting forth the results of its evaluation. In conducting this review, the Committee shall address matters that it considers relevant to its performance.

E. Other Matters

1. The Committee shall review procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
2. The Committee shall review and reassess the adequacy of this Charter annually and recommend to the Nominating and Corporate Governance Committee any proposed changes for its approval.
3. The Committee shall maintain free and open communication with the Board, management, the internal auditor, if any, and the independent registered public accounting firm.
4. The Committee shall perform any other activities consistent with this Charter, the Company's Articles of Incorporation, the Company's Bylaws, and governing law, as the Committee or the Board may deem necessary or appropriate.
5. The Company shall provide appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.