

**OSTEOTECH, INC.**  
**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

**Purpose of Committee**

The purpose of the Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Osteotech, Inc. (the “Company”) is to (1) determine the slate of director nominees for election to the Company’s Board of Directors, (2) identify and recommend candidates to fill vacancies occurring between annual meetings of stockholders, and (3) develop and recommend to the Board a set of corporate governance principles applicable to the Company. The Committee shall report to the Board on a regular basis and not less than once a year.

**Committee Membership**

The Committee shall be comprised of no fewer than two members and must consist solely of members who meet the independence requirements of Nasdaq. The Board shall appoint the initial members of the Committee. Candidates to fill subsequent vacancies in the Committee shall be appointed by the Board based on nominations by the Committee. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

**Committee Structure and Operations**

The Committee shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue. The Committee shall meet in person or telephonically [at least twice a year], and perhaps more frequently, as the Committee or its chairperson deems advisable. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee is governed by the same rules regarding meetings (including meetings by teleconference or similar equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

**Committee Duties and Responsibilities**

The following are the duties and responsibilities of the Committee:

1. To make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size of the Board or any committee thereof.
2. To identify individuals believed to be qualified to become Board members, and to determine the nominees to stand for election as directors at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall determine a nominee to fill such vacancy either through appointment by the Board or through election by stockholders.

3. To establish the criteria for Board membership, which may include one or more of the following:
  - a. Experience as a board member of another publicly traded corporation, experience in industries or with technologies relevant to the Company, accounting or financial reporting experience, or such other professional experience as the Committee shall determine shall qualify an individual for Board service.
  - b. Candidates shall have good business judgment and even temperament, high ethical standards, a healthy view of the relative responsibilities of a board member and management, and shall be independent thinkers and articulate and intelligent.
  - c. The company's policy is not to discriminate on the basis of race, gender or ethnicity and the board is supportive of any qualified candidate who would also provide the board with more diversity.
  - d. In nominating candidates, the Committee shall take into consideration any other factors, as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.
  - e. The Committee may consider and evaluate candidates proposed by management and stockholders.
4. To establish the procedures by which stockholders candidates will be considered by the Committee and publish these procedures in the Company's annual meeting proxy statement.
5. To evaluate and recommend to the stockholders the termination of service of individual members of the Board as appropriate, in accordance with the Board's governance principles, for cause or for other proper reasons.
6. To develop and recommend to the Board standards to be applied in making determinations as to the absence of relationships between the Company or its subsidiaries and a director which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
7. To identify Board members qualified to fill vacancies on any committee of the Board and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate's experience with the goals of the committee and the interplay of the candidate's experience with the experience of other committee members.

8. To establish procedures for the Committee to exercise oversight of the evaluation of the Board and management.
9. To review annually the Company's corporate governance guidelines and make recommendations to the Board with respect to any proposed changes.
10. To prepare and issue the evaluation required under "Performance Evaluation" below.
11. To perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members.

### **Delegation to Subcommittee**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

### **Performance Evaluation**

The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

### **Resources and Authority of the Committee**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to consultants or search firms used to identify director candidates, this authority shall be vested solely in the Committee.

### **Adoption of Charter**

This Charter was originally adopted by the Board of Directors in 2003.