

RTI BIOLOGICS, INC.**COMPENSATION COMMITTEE CHARTER****Purposes**

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of RTI Biologics, Inc. (the “Company”) is established to discharge the responsibilities of the Board relating to compensation of the Company’s directors and executive officers. The Committee has overall responsibility for approving and evaluating director and executive officer compensation plans, policies and programs of the Company. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement for its annual meeting of stockholders.

The Committee should exercise its business judgment in carrying out the responsibilities described in this charter in a manner the Committee members reasonably believe to be in the best interests of the Company and its stockholders. No provision of this charter, however, is intended to create any right in favor of any third party, including any stockholder, officer, director or employee of the Company or any subsidiary thereof, in the event of a failure to comply with any provision of this charter.

Committee Membership

The Committee shall consist of no fewer than three (3) members. The members of the Committee shall (1) be a member of the Company’s Board, (2) satisfy applicable independence requirements (as determined from time to time by the Nominating & Governance Committee, in accordance with applicable regulations, the Listing Rules of The NASDAQ Stock Market LLC (“NASDAQ Listing Rules”) and applicable law), (3) qualify as an “outside director” under Section 162(m) of the Internal Revenue Code, and (4) qualify as a “non-employee director” under Rule 16b-3 promulgated under the Exchange Act. The members of the Committee will be recommended for appointment by the Board. Committee members serve at the pleasure of, and may be replaced at any time by, the Board. All vacancies will be filled by the Board.

Committee Authority and Responsibilities

The Committee shall have the authority, in its sole discretion, to retain, compensate, direct, oversee and terminate, on behalf of the Company, any compensation consultant, legal counsel, accounting and other advisors as appropriate to assist in the performance of its duties and responsibilities, and to approve the fees and other retention terms for any such advisor. The Company shall provide appropriate funding, as determined by the Committee, to support the Committee’s activities, including payment of compensation to any compensation consultant or other advisors retained by the Committee and of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall consider factors affecting independence before selecting any compensation consultant or other advisor (independence to be determined taking into consideration factors identified by the rules of the Securities & Exchange Commission and in accordance with any applicable NASDAQ

Listing Rules and applicable law). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant or other advisor so retained

The Committee may form and delegate authority to any subcommittee comprised solely of Committee members, as may be necessary or appropriate.

The Committee shall have such other authority as shall be necessary or appropriate to effectuate its purposes as set forth in this Charter.

The Committee shall establish and monitor the basic philosophy and policies governing the compensation of the Company's directors and executive officers. The Committee will at least annually review and make recommendations to the Board with respect to the compensation of all directors and executive officers, including incentive compensation plans and equity-based plans.

The Committee will review at least annually, and recommend for Board approval (or approve, where applicable) any substantive changes to, the Company's director and executive officer incentive, compensation and benefit plans.

Specific duties and responsibilities of the Committee include, but are not limited to, the following:

1. To review and recommend for approval by the Board how frequently the Company should permit stockholders to have an advisory vote on executive compensation (i.e., a recommendation for the stockholder's "say when on pay" vote), to be proposed to stockholders at the annual meeting at least once every six years and in accordance with applicable law, SEC rules and NASDAQ Listing Rules (including voting standards), taking into account the results of prior stockholder votes on the frequency of say-on-pay resolutions at the Company.

2. To consider, among other matters it deems appropriate, the results of the stockholder vote on executive compensation (the "say on pay vote") held at the last annual meeting prior to such consideration, including in relation to golden parachutes (if any), and consider whether to make any adjustments to the Company's executive compensation policies and practices.

3. On at least an annual basis, to review and approve the corporate goals and objectives relevant to chief executive officer's compensation, evaluate the chief executive officer's performance in light of corporate goals and objectives, and recommend to the Board the chief executive officer's compensation level based on the Committee's evaluation of: (a) the say on pay vote held at the last annual meeting prior to such consideration; (b) the performance of the Company (with a view towards a [strong] relationship between compensation and Company financial performance); (c) market data, including peer group companies as determined by the Committee; (d) internal remuneration relationships as provided by the Company's compensation consultants, if any; (e) the chief executive officer's performance against corporate goals and objectives; and (f) such other factors as the Committee deems appropriate. The chief executive

officer may not be present during voting or deliberations relating to his or her compensation.

4. On at least an annual basis, to review and approve the corporate goals and objectives relevant to the compensation of the other executive officers, evaluate those executives' performance in light of corporate goals and objectives, and recommend to the Board the compensation levels for such executives based on the Committee's evaluation of: (a) the recommendations made by the chief executive officer and the Company's compensation consultants, if any; (b) the performance evaluation process of the Company as applied to such officers; and (c) the say on pay vote held at the last annual meeting prior to such consideration. In performing the evaluation of the compensation of executive officers, other than the chief executive officer, members of the Committee may meet with the chief executive officer during its deliberation, although the chief executive officer may not vote on the Committee's recommendations. The Committee shall also evaluate compensation matters relating to other key employees as may be designated by the Committee and the Company.

5. To review, consider, and recommend to the Board for adoption, any director or officer compensation, incentive and benefit plans the Committee believes to be appropriate.

6. To administer the stock-based compensation, incentive and benefit plans of the Company which have been, or may be in the future, adopted by the Company, which plans are required (by their terms or by law, rule or regulation) to be administered by the Committee or a committee of independent directors.

7. To review and discuss with management the Company's disclosures under "Compensation Discussion and Analysis" (the "CD&A"), and based on such review and discussion, make a recommendation to the Board as to whether the CD&A should be included in the Company's annual report on Form 10-K and, as applicable, the Company's proxy statement for its annual meeting of stockholders. As part its review of the CD&A, the Committee shall take into account the say on pay vote for the most recent annual meeting in accordance with applicable law (including voting standards) and prior stockholder votes on this subject.

8. To prepare, review, and approve the Committee's report regarding executive compensation and review and approve the other compensation information (including the compensation discussion and analysis) that is required in the Company's proxy statement for its annual meeting of stockholders.

9. In consultation with management, to oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.

10. To report at least annually to the Board.

11. Annually, or more often as circumstances dictate, to review and reassess the adequacy of this charter and recommend any proposed changes to the Board for its consideration as and while appropriate.

12. Annually, to review and evaluate the Committee's own performance.

13. To ensure the independence of any compensation consultant engaged by the Committee by, among other things: (a) reviewing and approving the compensation consultant's scope of work, both for duties provided to the Committee and for duties, if any, provided to the Company; (b) approving annually the compensation consultant's fee structure for the services rendered (with the Chair reviewing and approving actual fees incurred); (c) reviewing annually the fees paid by the Company to the compensation consultant for all services provided to the Company; (d) maintaining safeguards to ensure the consultant's independence; and (e) determining whether, and under what circumstances, the compensation consultant participates in Committee meetings and executive sessions.

14. To perform such other duties as the Board may from time to time direct or as may be required by applicable laws rules and regulations.

Amendment

This charter may be amended from time to time by the Board and any amendment must be disclosed as required by, and in accordance with, applicable laws, rules and regulations.