



NON-EMPLOYEE DIRECTOR EQUITY OWNERSHIP GUIDELINES

January 1, 2017

The Board of Directors (the "Board") of Axogen, Inc. has adopted these non-employee director equity ownership guidelines upon the recommendation of the Compensation Committee of the Board to further align the interests of the Company's non-employee directors with the interests of its stockholders and to promote sound corporate governance.

I. Applicable Persons

These guidelines apply to all non-employee directors of the Company.

II. Stock Ownership Guidelines for Non-Employee Directors

The equity ownership guidelines for non-employee directors are determined as a multiple of the director's annual base retainer ("retainer"), excluding any committee retainers or other fees the director may receive. Each non-employee director is required to hold equity interests with respect to the Company's common stock ("Interests") with a value (determined under Section III below) equal to at least three (3) times his or her retainer. Each non-employee director is required to achieve the applicable level of ownership within five (5) years of the later of the date these guidelines were adopted or the date he or she was initially designated a non-employee director of the Company. In any case, where an increase in retainer or a decrease in share value would require a non-employee director who prior thereto was in compliance with these guidelines to cease to be in compliance, the non-employee director shall have one year to increase his or her equity ownership as needed to come back into compliance.

III. Determining Shares Owned and Valuation

Interests that count towards satisfaction of the guidelines include: (i) shares of the Company's common stock owned outright by the non-employee director or a member of his or her immediate family residing in the same household, (ii) shares of the Company's common stock held in trust for the benefit of the non-employee director or a member of his or her immediate family residing in the same household, and (iii) shares of the Company's common stock underlying vested stock options held by the non-employee director to the extent such options are "in-the-money". Unvested shares and shares subject to unvested options or other awards do not count towards satisfaction of the guidelines.



Determination of compliance shall be tested annually on each January 1 and will be determined based on the non-employee director retainer then in effect. The value of a share for purposes of these guidelines shall be the average closing price during the month of December immediately preceding the January 1 test date as of which the calculation is performed. In applying these guidelines to vested in-the-money stock options, the number of shares taken into account shall be the number of shares for which the stock option could have been exercised on a net basis (*i.e.*, using shares subject to the option to pay the exercise price) had the terms of the stock option permitted net exercise, with the value of a share averaged over the month of December, as described in the preceding sentence, as determined by the Board (or its designee) in its discretion.

Until the required ownership level is reached by a non-employee director, such director will be required to retain at least 50% of shares of the Company's common stock, net of applicable tax withholding and the payment of any exercise or purchase price (if applicable), received upon the vesting or settlement of equity awards or the exercise of stock options. Once the requisite level has been achieved, ownership of the guideline amount must be maintained for as long as the individual is subject to these guidelines.

IV. Exceptions

The Board reserves the right to modify or amend these guidelines at any time. The Board will evaluate whether exceptions should be made for any non-employee director based on such factors as it determines, including whether compliance with the guidelines would impose a severe financial hardship or be in violation of a non-employee director's employment with a third party. If an exemption is granted in whole or in part, the Board will, in consultation with the affected non-employee director, develop an alternative stock ownership guideline for such individual that reflects both the intention of this policy and such individual's particular circumstances.