

AUDIT COMMITTEE AND FINANCIAL STATEMENT REVIEW COMMITTEE CHARTER
OF
COLLPLANT HOLDINGS LTD.

(as adopted by the Audit Committee of the Board of

Directors on January 14, 2018 and by the Board of Directors on January 16, 2018)

Role

The Board of Directors is required to appoint an Audit Committee (the “**Audit Committee**”) under both the Israeli Companies Law, 1999 (the “**Companies Law**”) and the rules of the NASDAQ Stock Market (the “**Nasdaq Rules**”). The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company, the internal audits and the audits of the financial statements of the Company, by performing the following:

- assist the Board of Directors of CollPlant Holdings Ltd. (the “**Company**”) in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and financial reporting practices of the Company;
- focus on the qualitative aspects of financial reporting to shareholders;
- oversee the Company’s processes to manage business and financial risk;
- oversee compliance with significant applicable legal, ethical, and regulatory requirements;
- oversee the qualifications, independence, appointment, compensation, performance and oversight of the public accounting firm engaged to prepare or issue an audit report on the financial statements of the Company;
- monitor deficiencies in the management of the Company, including in consultation with the external auditor or the internal auditor, and to advise the Board of Directors on how to correct such deficiencies. If the Audit Committee finds a material deficiency, the Audit Committee will hold at least one meeting regarding such material deficiency, with the presence of the internal auditor or the external auditor without the presence of officers of the Company; however, an officer can participate in the meeting in order to present an issue which is under his responsibility;
- examine and approve the annual and periodic working plan of the internal auditor;
- oversee the Company’s internal auditing and the performance of the internal auditor, and confirm that the internal auditor has sufficient tools and resources at his disposal, taking into account, among other, the special requirements of the Company and its size;
- examine the scope of work of the external auditor and its pay, and bring such recommendations before the Board of Directors;

- determine the procedure of addressing complaints of employees regarding shortcomings in the management of the Company and ensure the protection of employees who have filed such complaints;
- determine, on the basis of detailed arguments, whether to classify certain engagements or transactions as material or extraordinary as applicable, and therefore as requiring special approval under the Companies Law. The Audit Committee may make such determination according to principles and guidelines predetermined on an annual basis;
- determine with respect to transactions described in section 270(4) or 4(a) of the Companies Law, even if they are not extraordinary, the obligation to hold a competitive process, under the supervision of the Audit Committee, and according to criteria that will be set, or determine that other proceedings as determined by the Audit Committee will be taken, prior to engaging in such transactions, in accordance with the type of the transaction; and
- decide whether to approve engagements or transactions that require Audit Committee approval under the Companies Law.

The Audit Committee's specific responsibilities in carrying out its oversight role are delineated in the Audit Committee Responsibilities Checklist attached below. The Audit Committee Responsibilities Checklist may be updated from time to time to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices.

Membership

The membership of the Audit Committee shall:

- consist of at least three (3) members of the Board of Directors; include at least one member that was qualified as an "audit committee financial expert" under the rules promulgated by the Securities and Exchange Commission;
- include at least one member with the applicable accounting or related financial expertise required by Nasdaq rules and the Companies Law; and
- include all of the Company's external directors, or "dahatzim" (as such term is defined in the Companies Law).

Each Audit Committee member must:

- be an "independent director" as defined in Rule 5605(a)(2) under the Nasdaq Rules;
- meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act;
- not have participated in the preparation of the financial statements of the Company or a current subsidiary of the Company at any time during the past three years; and
- be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement, as required by Rule 5605(c)(2) of the Nasdaq rules;

All of the Company's external directors appointed under the Companies Law shall be appointed to the Audit Committee, and a majority of its members shall be independent, as such term is defined under the Companies Law.

In particular, the following persons may not serve on the Audit Committee:

- The Chairman of the Board of Directors;
- Any director employed by the Company or by the controlling shareholder of the Company or by a company under the control of the controlling shareholder of the Company;
- Any director employed by the Company who provides services, on an ongoing basis, to the Company, to the controlling shareholder of the Company or to a company under the control of the controlling shareholder of the Company;
- a director whose main source of income comes from the controlling shareholder of the Company;
- The Company's controlling shareholder or his relative, as such term is defined in the Companies Law; and
- Any beneficial owner who, directly or indirectly, owns or controls (or whose relative owns or controls) more than 10% of the Company's shares.

The members of the Audit Committee shall be appointed by the Board of Directors and may be replaced or removed by the Board of Directors with or without cause. Any vacancy on the Audit Committee, occurring for whatever reason, may be filled only by the Company's Board of Directors. The Audit Committee shall appoint a chairperson. The Chairperson of the Audit Committee must be an external director, as such term is defined under the Companies Law.

All indemnification, exculpation, expense reimbursement and advancement provisions and rights available to members of the Audit Committee in their capacities as directors of the Company shall be fully applicable with respect to their service on the Audit Committee or any subcommittee thereof.

Financial Reporting Process and Financial Statements

In accordance with the procedures set forth in the Companies Law Regulations (Provisions and Terms for the Approval Process of the Financial Statements), 5770-2010, the Company's Board of directors shall appoint a Financial Statements Review Committee that will provide its recommendation prior to their approval by the Company's Board of Directors.

The Financial Statements Review Committee is to be comprised of at least three members, all of its members must be directors, the majority of which are independent, and a chairman which is to be an external director. All the Financial Statements Review Committee members are required to submit a declaration before their appointment. The Financial Review Committee shall consist members with accounting and financial expertise or the ability to read and understand financial statements, with at least one of the member having "accounting

and financial expertise”¹. However, the chairman of the Board of Directors, any director employed by the Company or by its controlling shareholder or by any other entity controlled by such controlling shareholder or a director providing, on a regular basis, services to the Company, to any controlling shareholder or to other entity controlled by such controlling shareholder, or any director whose livelihood relies on any controlling shareholder, may not be a member of the Financial Statement Review Committee. In addition, any controlling shareholder and any relative of a controlling shareholder may also not be a member of the Financial Statement Review Committee.

The Audit Committee of the Company can function as a Financial Statements Review Committee, as permitted under relevant regulations promulgated under the Companies Law. From time to time, as necessary and required to approve the financial statements, the Audit Committee holds separate meetings and function as Financial Statement Review Committee, prior to the scheduled meetings of the entire Board of Directors, regarding financial statement approval.

The function of a Financial Statement Review Committee is to discuss and provide recommendations to the Company's Board of Directors (including the report of any deficiency found) with respect to the following issues: (i) estimations and assessments made in connection with the preparation of financial statements; (ii) internal controls related to the financial statements; (iii) completeness and propriety of the disclosure in the financial statements; (iv) the accounting policies adopted and the accounting treatments implemented in material matters of the company; (v) value evaluations, including the assumptions and assessments on which evaluations are based and the supporting data in the financial statements.

The external auditors and the internal auditor are invited to attend all meetings of the Audit Committee when it is acting in a role of the Financial Statement Review Committee or at which matters concerning the financial statements are discussed.

Legal quorum shall be constituted when the majority members of the Financial Statement Review Committee shall be present at the meeting, provided that: (a) the majority of the present members are independent directors; and, (b) at least one of the present members is an external director.

Compensation

A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors or any other committee established by the Board of Directors, receive directly or indirectly from the Company any consulting, advisory or other compensatory fee from the Company. Subject to applicable law, a member of the Audit Committee may receive additional directors' fees to compensate such member for the

¹ A person that in light of his or her education, experience and skills has high skills and understanding of business-accounting issues and financial reports which allow him or her to deeply understand the financial reports of the company and hold a discussion relating to the presentation of financial information. The company's board of directors will take into consideration in determining whether a director has "accounting and financial expertise", among other things, his or her education, experience and knowledge in any of the following: accounting issues and accounting control issues characteristic to the segment in which the company operates and to companies of the size and complexity of the company.

significant time and effort expended by such member to fulfill his or her duties as an Audit Committee member.

Meetings

The Audit Committee shall meet at least four times per year, as circumstances require.

A person who is not eligible to be appointed as a member of the Audit Committee shall not attend meetings, unless the Chairperson of the Audit Committee deems such person is required in order to present a certain issue, however (i) an employee of the Company who is not the controlling shareholder of the Company or his relative (as such term is defined in the Companies Law) may be present at the meeting, so long as a decision that the employee has a personal interest in, is made without his presence; and (ii) the Company's general counsel and corporate secretary which are not a controlling shareholder of the Company or his relative may be present during meeting and the decision making, if so requested by the Audit Committee.

A majority of the members of the Audit Committee shall constitute a quorum for purposes of holding a meeting and the Audit Committee may act by a vote of a majority of the members present at such meeting, so long as the majority of the members present are independent, as such term is defined under the Companies Law, and at least one of them is an external director.

In lieu of a meeting, the Audit Committee may act by unanimous written consent, or by means of media communication, as long as all the present members can hear one another.

The Chairperson of the Audit Committee, in consultation with the other committee members, may determine the frequency and length of the Audit Committee meetings and may set meeting agendas consistent with this Charter.

The agenda for Audit Committee meetings will be prepared in consultation between the Audit Committee chairperson (with input from the Audit Committee members), the Company's Chief Executive Officer and Chief Financial Officer, and the Company's external auditor, as necessary.

The external auditor shall be invited to every meeting of the Audit Committee that relates to the financial statements of the Company. In addition, the internal auditor may request that the chairperson of the Audit Committee convene a meeting to discuss a particular issue, and the chairperson shall convene the Audit Committee within a reasonable period of time, if the chairperson finds it appropriate to do so. The internal auditor of the Company shall receive notices of the holding of meetings of the Audit Committee and shall be entitled to take part in them.

The Audit Committee shall maintain minutes of its meetings.

Communications/Reporting

The Company's internal auditor shall report directly to the Audit Committee, and shall provide a copy of his findings to the Chairman of the Board of Directors and to the Company's Chief Executive Officer. The Audit Committee is expected to maintain free and open communication with the Company's external auditor, internal auditor and management.

This communication shall include private executive sessions, at least annually, with each of these parties. The Audit Committee chairperson shall report where required on Audit Committee activities to the Board of Directors, and may do so by sending the Audit Committee's minutes to the Board of Directors. The Audit Committee shall maintain written minutes of its meetings.

Authority

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with full power to retain external counsel or other experts for this purpose, subject to applicable law.

Limits on Audit Committee Responsibility

The Audit Committee relies on the expertise and knowledge of management, the external auditor and the Company's internal auditor in carrying out its oversight responsibilities. Management of the Company is responsible for determining the Company's financial statements are complete, accurate and in accordance with generally accepted accounting principles. The external auditor is responsible for auditing the Company's financial statements. It is not the duty of the Audit Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

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AUDIT COMMITTEE RESPONSIBILITIES CHECKLIST

General

1. Be empowered to conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain, at the Company's expense and without approval from the Board of Directors, independent counsel, accountants, or others to assist it in the conduct of any investigation or as necessary to carry out any of its duties. The Company shall provide appropriate funding, as determined by the audit committee, in its capacity as a committee of the Board of Directors, for payment of (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer; (ii) compensation to any advisers employed by the audit committee under this paragraph; and (iii) ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.
2. Provide a forum for communication with the internal auditor, external auditor, management and the Board of Directors. Audit Committee actions shall be reported to the Board of Directors with such conclusions or recommendations on an ongoing basis. The decisions or recommendations of the Audit Committee which require the approval of the Board of Directors will be brought to the attention of the directors a

reasonable period of time prior to the discussion of such conclusions at the Board of Directors.

3. Review the independence of each Audit Committee member based on all applicable laws.
4. Monitor the appropriate standards adopted as a Code of Business Conduct and Ethics for the Company.
5. Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators.
6. Meet with the Company's financial management in executive sessions to discuss any matters that the Audit Committee or the financial management believe should be discussed privately with the Audit Committee.
7. Establish 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 submissions by employees of concerns regarding questionable accounting or auditing matters; The Chairperson of the Audit Committee has been appointed by the Board of Directors as the recipient for any such complaints.
8. Monitor deficiencies in the management of the Company, including in consultation with the external auditors or the internal auditor, and to advise the Board of Directors on how to correct such deficiencies; if the Audit Committee finds a material deficiency, the Audit Committee will hold at least one meeting regarding such material deficiency, with the presence of the internal auditor or the external auditors without the presence of officers of the Company; however, an officer can participate in the meeting in order to present an issue which is under his responsibility.
9. The Audit Committee may perform such other oversight functions outside of its stated purpose as may be requested by the Board of Directors from time to time.
10. The Audit Committee is authorized to request that any officer or employee of the Company, the Company's legal counsel, the Company's external auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Audit Committee or meet with any members of or advisors to the Audit Committee.

Oversight of Relationship with External Auditor

11. Ensure independence of the Company's external auditor on an annual basis, consistent with PCAOB Rule 3520, as may be modified or supplemented, both through verbal inquiries as well as through receiving and reviewing a formal written statement and letter from the Company's independent auditor, delineating all relationships between the independent auditor and the Company.
12. Be directly responsible for the appointment, compensation, retention, and oversight of the work of the Company's external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer, and each such external auditor must report directly to the audit committee.

13. In accordance with the Policy attached as **Schedule A**, approve all audit and non-audit services to be provided by the external auditor and review quarterly the audit firm's non-audit services and related fees.
14. Oversee the hiring of any employees or former employees of the Company's external auditor.
15. Meet with the external auditor in executive sessions to discuss any matters that the Audit Committee or the external auditor believes should be discussed privately with the Audit Committee.

Internal Control Oversight and Risk Management

16. Propose to the Board of Directors the appointment of an internal auditor, and express its opinion with regard to the termination of the internal auditor's engagement by the Company.
17. Meet with the internal auditor in executive sessions to discuss any matters that the Audit Committee or the internal auditor believes should be discussed privately with the Audit Committee.
18. Inquire of management and the Company's external auditor about significant risks or exposures and assess the steps management has taken to minimize such risk to the Company.
19. Consider and review with the external auditor:
 - a. the adequacy of the Company's internal financial controls including computerized information system controls and security; and
 - b. any related significant findings and recommendations of the external auditor and internal audit together with management's responses thereto.
20. Consider and review with management and the internal auditor:
 - a. significant findings during the year and management's responses thereto;
 - b. any difficulties or disputes with management encountered in the course of his or her audits, including any restrictions on the scope of their work or access to required information; and
 - c. any changes required in planned scope of his or her audit plan.
21. Oversee the functioning of the internal auditor and approve its work plans, and review internal audit reports prepared by the internal auditor and confirm that it has sufficient tools and resources at its disposal, taking into account, among other, the special requirements of the Company and its size. The Audit Committee chairperson may instruct the internal auditor to perform special audits and shall review the internal auditor's reports of such audits.

Audit Oversight

22. Prior to the annual audit, review the scope of the external auditor's audit plan, including the scope, timing and procedures for the audit and bring its recommendations to before the Board of Directors.

23. Review with management and the external auditor at the completion of the annual audit:
 - a. the Company's annual financial statements and related footnotes;
 - b. the external auditor's audit of the financial statements and its report thereon;
 - c. any significant changes required in the external auditor's audit plan;
 - d. the effect or potential effect of any regulatory regime, accounting initiatives or off-balance sheet structures on the Company's financial statements;
 - e. any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies;
 - f. any serious difficulties or disputes with management encountered during the course of the audit; and
 - g. other matters related to the conduct of the audit which are to be communicated to the Audit Committee under generally accepted auditing standards.
24. Review with the Company's financial management and the external auditor at least annually the Company's critical accounting policies, alternative treatments discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm, and any material written communications between the external auditor and management (such as any management letters or schedules of unadjusted differences).
25. Review with management any significant changes to IFRS policies or standards.
26. Review, at least annually, (i) the material reserves established for the contingent liabilities of the Company and its subsidiaries, (ii) the Company's major financial risk exposures and the Company's policies for managing such risks and (iii) any "off-balance sheet" transaction or off-balance sheet assets or liabilities.
27. Discuss with the external auditor the matters required to be discussed by Statement on Auditing Standards, as modified or supplemented.
28. Obtain from the external auditor assurance that it has complied with Section 10A of the Securities Exchange Act of 1934.

Related Party Transactions

29. Review policies and procedures with respect to transactions between the Company and its related parties, including officers, directors and holders of 5% or more of the voting securities of the Company, and the immediate family members (including parents, children, stepparents, stepchildren, spouses, siblings and in-laws) or affiliates of such officers, directors or holders of 5% or more of the voting securities of the Company or transactions that are not in the ordinary course of the Company's business, as required by the Companies Law and the Nasdaq rules.
30. Review and approve any engagements or transactions that require the Audit Committee's approval under the Companies Law.

Public Financial Disclosures

31. Prior to the approval of the financial statements by the Board of Directors, examine the financial statements, discuss them in its meetings and formulate a recommendation to the Board of Directors in respect of the financial statements. The recommendation may include (but is not limited to) the following: (a) the estimates made in connection with the financial statements; (b) internal controls related to financial reporting; (c) the integrity and appropriate disclosure in the financial statements; (d) the accounting policies adopted in the accounting treatment applied the substantive matters of the Company; and (e) valuations, including their underlying assumptions and estimates, on which the financial statement data is based.
32. Review and discuss with management and the external auditors the Operating and Financial Review and Prospects proposed to be included in the periodic reports and the audited financial statements of the Company with management and the external auditor prior to filing of the reports with the Securities and Exchange Commission.
33. In connection with each periodic report of the Company, review and approve:
 - a. management's disclosure to the Audit Committee about all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; and, any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls as required under Section 302 of the Sarbanes-Oxley Act, and
 - b. the contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Sarbanes-Oxley Act.
34. Review filings with the SEC and other published documents containing the Company's financial statements and consider whether the information contained in these documents is consistent with the information contained in the financial statements before it is filed with the SEC or other regulators.

Annual Review of Charter

35. Review the adequacy of this Charter as necessary, and recommend to the Board of Directors any amendments or modifications to the Charter that the Audit Committee deems appropriate.

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Schedule A

POLICY FOR PRE-APPROVAL OF SERVICES BY AUDITORS

The Company is committed to insuring the independence of its external auditor. In order to maintain that independence, the Audit Committee is required to pre-approve any audit and non-audit services that the external auditor performs for the Company. The following policy guidelines have been adopted by the Audit Committee and the Board of Directors to achieve that goal.

General

The external auditor will only be engaged for Audit Services, Audit-Related Services and Non-Audit Services in accordance with this Policy.

Definitions

Audit Services: Work necessary for the external auditor to render an opinion on the Company's consolidated financial statements.

Audit-Related Services: Work that is reasonably related to the Audit Services and that is traditionally performed by the external auditor.

Non-Audit Services: All other work performed by the external auditor that is not Audit Services or Audit-Related Services.

Policy

Audit Services: The external auditor will present to the Audit Committee an annual work plan for the Audit Services. The external auditor's work plan and fees will be subject to the specific pre-approval of the Audit Committee and the approval of the Company's general meeting which is authorized to delegate that authority to the Board of Directors in accordance with the terms of delegation. The Board of Directors shall report to the general meeting of any fees paid for Audit Services.

Audit-Related Services: The Audit Committee believes that the provision of Audit-Related Services does not impair the independence of the external auditor, and that it is appropriate for the external auditor to provide such services because:

1. The services are an extension of the work performed as part of the Audit Services, such that it would be more efficient for the external auditor to perform such Audit-Related Services, rather than a third party, or
2. The Audit-Related Services enhance the ability of the external auditor to perform the Audit.

Examples of Audit-Related Services that are permissible include:

1. Due diligence services pertaining to potential acquisitions;²
2. Internal control reviews and consultation as to the internal control requirements;
3. Review of SEC filings;

Engagement of the external auditor for Audit-Related Services, including the fees for such services, will require the specific pre-approval of the Audit Committee.

Non-Audit Services: The Audit Committee believes that the external auditor can, in certain circumstances, provide Non-Audit Services without impairing the external auditor's independence.

Tax Services: Without derogating from the foregoing, the Audit Committee believes that the external auditor may, from time to time, provide certain tax services to the Company such as relating tax compliance, tax planning and tax advice without impairing the external auditor's independence. In evaluating a decision to procure tax services, the Audit Committee will not permit the retention of the external auditor in connection with a transaction initially recommended by the external auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported in applicable law and related regulations. The external auditor will present the Audit Committee with an annual work plan for tax services. The external auditor's work plan for tax services, and the related fees, will be subject to the specific pre-approval of the Audit Committee.

Other Non-Audit Services: Attached as **Exhibit A** is a list of Non-Audit Services as to which the external auditor is specifically prohibited by SEC rules. The Audit Committee may approve the provision by the external auditor of Non-Audit Services in advance, other than the services on **Exhibit A**, on a case-by-case basis if, in the judgment of the Audit Committee, the provision of such services would not impair the independence of the external auditor.

The payment for any Non-Audit Service will be subject to pre-approval by the Audit Committee. The Non-Audit Service will also be subject to the approval by the Board of Directors and the Board of Directors shall report to the general meeting of any fees paid for Non-Audit Services.

² Subject to applicable rules and regulations, including the Israeli Accountant Regulations (Conflicts of Interest and Harm to Independence as a Result of Other Engagements) (Temporary Regulations), 2003.

Procedures

Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the external auditor and the Chief Financial Officer, and must include a statement as to whether, in the external auditor's view, the request or application is consistent with the SEC's rules on auditor independence.

Exhibit A

Prohibited Non-Audit Services

- Bookkeeping or other services related to the accounting records or financial statements of the audit client
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports
- Actuarial services
- Internal audit outsourcing services
- Management functions
- Human resources
- Broker-dealer, investment adviser or investment banking services
- Legal services
- Expert services unrelated to the audit