

ULURU Inc.

Audit Committee Charter

**Adopted by the Board of Directors of ULURU Inc.
on May 8, 2007**

Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of ULURU Inc. (the “Company”) is to assist the Board’s oversight of:

- the integrity of the Company’s financial statements;
- the Company’s compliance with legal and regulatory requirements;
- the outside auditing firm’s qualifications and independence; and
- the performance of the Company’s internal audit function and the Company’s outside auditing firm.

Committee Membership and Procedures

The Committee shall be comprised of at least three directors who satisfy the independence requirements of the exchange on which the Company’s securities are listed and Section 10A(m) (3) of the Securities Exchange Act of 1934 (and the applicable rules thereunder).

Each member of the Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. At least one member of the Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment. Unless otherwise determined by the Board (in which case disclosure of such determination shall be made in the Company’s SEC periodic reports), at least one member of the Committee shall be a “financial expert” (as defined by applicable SEC rules).

Upon the recommendation of the Nominating and Governance Committee, the Board shall appoint Committee members and shall designate one member of the Committee as its Chairman. Committee members may be removed at any time with or without cause by the Board. Committee members may not simultaneously serve on the audit committee of more than three public companies without the consent of the Board obtained in each case.

The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee shall meet separately, periodically, with: (i) the outside auditor; (ii) management and (iii) the Company's internal auditors (or other personnel responsible for the internal audit function).

The Committee shall conduct its meetings in accordance with this Charter, the procedures of the Board set forth in the bylaws, and such other procedures as the Committee may adopt.

Resources and Authority

In discharging its oversight role, the Committee is granted the authority to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to engage independent legal, accounting or other advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Company shall provide the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any outside auditor, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

Duties and Responsibilities

The Committee's role is one of oversight, and it is recognized that the Company's management is responsible for preparing the Company's financial statements and that the outside auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders, and is responsible for auditing those financial statements.

The following duties and responsibilities shall be the common recurring activities of the Committee in carrying out its oversight role. The Committee shall perform any other activities consistent with this Charter, the Company's bylaws and governing law as the Committee and the Board deem appropriate or necessary:

Appointment of Outside Auditor. The Committee shall have direct responsibility for the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any registered public accounting firm selected to be the Company's outside auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

Quality-Control Report. At least annually, the Committee shall obtain and review a report by the outside auditor describing:

- the firm's internal quality control procedures;
- any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

In connection with the report review described above, the Committee should review and evaluate the lead partner of the outside auditor and present its conclusions with respect to the qualifications and performance of the outside auditor.

Disclosure Controls and Procedures The Committee shall review periodically with management the Company's disclosure controls and procedures.

Internal Controls. The Committee shall discuss periodically with management and the outside auditor the quality and adequacy of the Company's internal controls and internal auditing procedures including any significant deficiencies in the design or operation of those 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, and discuss with the outside auditor how the Company's financial systems and controls compare with industry practices.

Accounting Policies. The Committee shall review periodically with management and the outside auditor the quality, as well as acceptability, of the Company's accounting policies, and discuss with the outside auditor how the Company's accounting policies compare with those in the industry and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of use of such alternative disclosures and treatments and the treatment preferred by the outside auditor.

Internal Audit Function. The Committee shall coordinate the Board's oversight of the performance of the Company's internal audit function.

Risk Management. The Committee shall discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled.

Hiring Policies. The Committee shall establish policies regarding the hiring of employees or former employees of the Company's outside auditors.

Related Party Transactions. The Committee shall, pursuant to the Company's policy on related party transactions, review all related party transactions for potential conflict of interest situations and approve all such transactions (if such transactions are not approved by another independent body of the Board).

Compensation. The Committee shall be directly responsible for setting the compensation of the outside auditor. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of the outside auditor established by the Committee.

Pre-approval of All Audit Services and Permitted Non-Audit Services. The Committee shall approve, in advance, all audit services and all permitted non-audit services to be provided to the Company by the outside auditor. The Committee shall cause the Company to disclose in its SEC periodic reports the approval by the Committee of any non-audit services to be performed by the outside auditor.

Annual Audit. In connection with the annual audit of the Company's financial statements, the Committee shall:

- request from the outside auditor a formal written statement delineating all relationships between the auditor and the Company consistent with Independence Standards Board Standard No. 1 and such other requirements as may be established by the Public Company Accounting Oversight Board, discuss with the outside auditor any such disclosed relationships and their impact on the outside auditor's objectivity and independence, and take appropriate action to oversee the independence of the outside auditor.
- approve the selection and the terms of the engagement of the outside auditor.
- review with management and the outside auditor the audited financial statements to be included in the Company's Annual Report on Form 10-K or 10-KSB and the Annual Report to Stockholders, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and review and consider with the outside auditor the matters required to be discussed by Statement on Auditing Standards No. 61.
- perform the procedures set forth below in "Financial Reporting Procedures" with respect to the annual financial statements to be reported.
- review with management and the outside auditor the Company's critical accounting policies and practices.
- recommend to the Board whether, based on the reviews and discussions referred to above, the annual financial statements should be included in the Company's Annual Report on Form 10-K or 10-KSB.

- prepare an Audit Committee report as required by the SEC for inclusion in the Company's annual proxy statement.
- *Quarterly Reports.* In connection with the Company's preparation of its interim financial information to be included in the Company's Quarterly Reports on Form 10-Q or 10-QSB, the Committee shall:
 - review with the outside auditor the Company's interim financial information, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the matters required to be discussed by SAS No. 61.
 - perform the procedures set forth below in "Financial Reporting Procedures" with respect to the interim financial information to be reported.
 - meet quarterly with management and the independent auditor to discuss the quarterly financial statements prior to the filing of the Company's quarterly report on Form 10-Q or 10-QSB; *provided* that this responsibility may be delegated to the chairman of the Committee or a member of the Committee who is a financial expert; *provided, further*, that if the responsibility to meet quarterly with management and the independent auditor is delegated, the Committee itself shall still meet at least quarterly.
- *Financial Reporting Procedures.* In connection with the Committee's review of each reporting of the Company's annual or interim financial information, the Committee shall:
 - discuss with the outside auditor whether all material correcting adjustments identified by the outside auditor in accordance with generally accepted accounting principles and the rules of the SEC are reflected in the Company's financial statements.
 - review with the outside auditor all material communications between the outside auditor and management, such as any management letter or schedule of unadjusted differences.
 - review any communication between audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement.
 - review with management and the outside auditor any material financial or other arrangements of the Company which do not appear on the Company's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company's financial statements.
 - review any difficulties the outside auditor encountered in the course of the audit work, including restrictions on the scope of the outside auditor's activities or on access to requested information, and any significant disagreements with management.

- resolve any disagreements between management and the outside auditor regarding financial reporting.

Earnings Releases. The Committee shall review and discuss the Company's earnings press release, as well as financial information and earnings guidance provided to analysts and rating agencies.

Reports to the Board. The Committee shall report regularly to the Board.

Written Affirmation. On an annual basis, no later than one month after the Annual Meeting of Stockholders, and after each change in the composition of the Committee, the Committee shall direct the Company to prepare and provide to the exchange on which the Company's securities are listed such written confirmations regarding the membership and operation of the Committee as such exchange's rules may require.

Self-Evaluation. The Committee shall conduct an annual evaluation of the Committee's performance.

Charter. The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Complaint Procedures

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this connection, the Committee shall 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 submission by employees of the Company of concerns regarding questionable accounting or auditing matters.