
**AURINIA PHARMACEUTICALS INC.
COMPENSATION COMMITTEE CHARTER**

(Approved June 21, 2018)

AURINIA PHARMACEUTICALS INC.

COMPENSATION COMMITTEE CHARTER

The term "**Company**" refers to Aurinia Pharmaceuticals Inc., and the term "**Board**" refers to the board of directors of the Company.

A. PURPOSE

The Compensation Committee (the "**Committee**") is a standing committee appointed by the Board.

The Committee is responsible for ensuring that effective human resources and compensation policies and procedures are in place for the Company, including oversight of director, officer and employee remuneration and compensation, together with oversight of the evaluation of management of the Company.

In addition, the Committee will review and/or approve any other compensation matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other compensation related initiatives as may be necessary or desirable.

B. COMPOSITION AND PROCEDURES

In addition to the procedures and powers set out in any resolutions of the Board, the Committee will have the following composition and procedures:

1. Composition

The Committee shall consist of no fewer than three (3) members. Unless otherwise determined by the Board, each member of the Committee shall be an "independent" director (in accordance with the definition of "independent director" and "independent" established from time to time under the requirements or guidelines for committee service under applicable securities laws ("**Securities Laws**") and the rules of any stock exchange on which the Company's shares are listed for trading).

2. Appointment and Replacement of Committee Members

The members of the Committee shall be elected by the Board annually and each member of the Committee shall hold office as such until the next annual meeting of shareholders of the Company after his or her election or until his or her successor shall be duly elected or qualified. At any meeting of the Committee a quorum of at least two (2) committee members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to hear each other must be present for the Committee to exercise any of its powers. Any member of the Committee may be removed or replaced by the Board at any time and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by election from its independent members. The Board shall fill any vacancy if the membership on the Committee is less than three directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office.

3. Professional Assistance

The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Company's expense including any executive search firm or any compensation consulting firm.

4. Review of Charter

The Committee will periodically review and reassess the adequacy of this Charter as it deems appropriate and recommend changes to the Board. The Committee will periodically evaluate its performance with reference to this Charter. The Committee will approve the form of disclosure of this Charter, where required by Securities Laws or regulatory requirements, in the annual proxy circular or annual report of the Company.

5. Delegation

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

6. Reporting to the Board

The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

C. SPECIFIC MANDATES OF THE COMMITTEE

1. In Respect of Director Compensation and Protection

- (i) Review periodically director compensation and recommend to the Board compensation terms that adequately reflect the responsibilities being assumed by the directors, the Chairman of the Board, and committee chairs and members;
- (ii) Review periodically the Company's directors' and officers' insurance policy and make recommendations to the Board for its renewal or amendment or the replacement of the insurer; and
- (iii) Administer all policies of or agreements by the Company with respect to the indemnification by the Company of its directors and officers, if any.

2. In Respect of the Company's Officers and Employees and Compensation Plans

- (i) Review and recommend to the Board the employment, appointment, and compensation arrangements of the CEO of the Corporation;
- (ii) In conjunction with the CEO, determine the employment and appointment of the top executives of the Company and their compensation arrangements, and make changes in these arrangements upon annual reviews of their performance;
- (iii) Review executive compensation disclosure before the Company publicly discloses this information;

- (iv) Review, with the CEO, the position descriptions for the top five (5) executive employees or any additional employees directly reporting to the CEO, ensuring they remain current and accurate;
- (v) Oversee the evaluation of the Company's CEO;
- (vi) Review the CEO's evaluation of the performance of the employees of the Company, and the CEO's recommendations with respect to the amount of compensation to be provided to such employees;
- (vii) Review the equity compensation plans of the Company for the benefit of employees of the Company and its subsidiaries;
- (viii) Review and approve corporate goals and objectives relevant to the Chairman and CEO's compensation;
- (ix) Evaluate the Chairman's and CEO's performance in light of those goals and objectives, and make recommendations with respect to the Chairman's and CEO's compensation levels based on this evaluation; and make recommendations with respect to the Chairman's or CEO's compensation, incentive-compensation plans and equity-based plans;
- (x) Administer the stock option plans of the Company; and
- (xi) Review periodically legislation applicable to the operation of the Company's business.