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**AURINIA PHARMACEUTICALS INC.**  
**GOVERNANCE & NOMINATION**  
**COMMITTEE CHARTER**

(Approved June 21, 2018)

# **AURINIA PHARMACEUTICALS INC.**

## **GOVERNANCE & NOMINATION COMMITTEE CHARTER**

The board of directors (the “**Board**”) of Aurinia Pharmaceuticals Inc. (the “**Company**”) has the responsibility for the overall stewardship of the conduct of the business of the Company and its subsidiaries and the activities of management of the Company, which is responsible for the day-to-day conduct of the business.

### **A. PURPOSE**

The overall purpose of the Governance & Nomination Committee (the “**Committee**”) is to assist the Board in fulfilling its responsibilities in relation to:

1. the monitoring and oversight of the quality and effectiveness of the Company’s corporate governance practices and policies;
2. considering nominees for the Board; and
3. considering any conflicts of interest.

The Committee will also be responsible for oversight of the Company’s disclosure committee or, if no such committee has been established or the Committee otherwise desires to do so, adopting and periodically reviewing and updating the Company’s written disclosure policy. This policy will, among other things:

1. articulate the legal obligations of the Company and its subsidiaries as well as their respective directors, officers, employees and consultants with respect to confidential information;
2. identify spokespersons of the Company who are the only persons authorized to communicate with third parties, such as analysts, media and investors;
3. provide guidelines on the disclosure of forward-looking information;
4. require advance review by senior management or the disclosure committee of any selective disclosure of financial information to ensure the information is not material, to prevent the selective disclosure of material information, and to ensure that if selective disclosure does occur, a news release is issued immediately; and
5. establish “black-out” periods immediately prior to and following the disclosure of quarterly and annual financial results and immediately prior to the disclosure of certain material changes during which the Company and its subsidiaries as well as their respective directors, officers, employees and consultants may not purchase or sell common shares of the Company.

### **B. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board, all of whom shall, unless otherwise determined by the Board, be “independent”<sup>(1)</sup>, as that term is defined in

Section 1.4 of National Instrument 52-110, *Audit Committees* or such guidelines as may hereafter replace the same.

2. The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
4. The Corporate Secretary of the Company shall be the secretary of the Committee, unless otherwise determined by the Committee.
5. The Committee shall meet as required on such dates and at such locations as the chair of the Committee shall determine and may also meet at any other time or times on the call of the chair of the Committee or any two of the other members.
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
7. The President and Chief Executive Officer shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the chair of the Committee.
8. The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Company's expense.
9. The Committee may consider meeting "in-camera", without management, after or during any Committee meeting.
10. The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that may legally be delegated.

### **C. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be as follows:

#### **Corporate Governance Matters**

1. to develop and monitor the Company's overall approach to corporate governance issues and, subject to approval by the Board, to implement and administer a system of corporate governance which reflects superior standards of corporate governance practices;
2. to report annually to the Company's shareholders, through the Company's annual management information circular to shareholders in accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices*, on the Company's system of corporate governance and the operation of its system of governance, having reference to the Corporate Governance Guidelines set forth in National Policy 58-201 *Corporate Governance Guidelines* and such other laws, rules, regulations, policies and instruments as may affect the corporate governance of the Company from time to time;

3. to analyze and report to the Board the relationship of each director to the Company and significant shareholders as to whether such director is an independent director;
4. to advise the Board or any of the committees of the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any such committee;
5. to review with the Board, as required, but not less than annually, the role of the Board, the terms of reference of each of the committees of the Board and the methods and processes by which the Board fulfills its duties and responsibilities, including without limitation:
  - (i) the number and content of meetings;
  - (ii) material which is to be provided to the directors generally and with respect to meetings of the Board or its committees;
  - (iii) resources available to directors; and
  - (iv) the communication process between the Board and management;
6. to propose to the Board, when required, the assignment of members to the committees of the Board and the chair for each committee;
7. to recommend to the Board a system which enables a committee or an individual director to engage separate independent counsel and advisors at the expense of the Company in appropriate circumstances and, upon the approval by the Board of such a process, to be responsible for the management and administration thereof;
8. whenever the Chairman of the Board is also the Chief Executive Officer of the Company, to establish practices and procedures to permit the Board in appropriate circumstances to act independently;
9. to assist the Board in developing position descriptions for and assessing the performance of the Chairman of the Board, President and Chief Executive Officer and Chief Financial Officer of the Company; and
10. to assist the Board in the development of a Code of Ethics for the Chief Executive Officer, President, Chief Financial Officer and senior financial supervisors and to advise the Board with respect to the interpretation and administration of the Code.

#### **Selection, Nomination, Orientation and Education of Directors**

11. in consultation with the Board, to consider the appropriate size of the Board, with a view to facilitating effective decision-making;
12. in consultation with the Board, to establish criteria for Board membership, considering the competencies and skills that the Board, as a whole, should possess; assess the competencies and skills of each existing director and any new nominees and, recommend Board composition;

13. in conjunction with the Chairman of the Board, to propose to the Board, annually, the members proposed for re-election to the Board and identify and, where appropriate, recommend new nominees for the Board; and
14. to ensure that there is in place an education and comprehensive orientation program for new members of the Board and a continuing education program for all directors;
15. to consider whether to establish term limits or other mechanisms of board renewal; and
16. to consider whether the Board and the Company's executive team is in need of diversity, including in respect of age and gender, and whether to establish specific diversity targets for the makeup of the Board and the Company's executive team in accordance with the Company's Diversity Policy.

#### **Review and Assessment of the Effectiveness of the Board and its Committees**

17. to establish and administer a process (including a review by the full Board and discussion with management) for assessing the effectiveness of the Board as a whole and the committees of the Board.

#### **D. ANNUAL REVIEW AND ASSESSMENT**

The Committee shall conduct an annual review and assessment of its performance, including of this Charter itself, the Committee's compliance with this Charter and its role, duties and responsibilities, and submit such report to the Board of Directors.

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#### <sup>(1)</sup> 1.4 **Meaning of Independence -**

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" means a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - (c) an individual who:
    - (i) is a partner of a firm that is the issuer's internal or external auditor;
    - (ii) is an employee of that firm; or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time.
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - (i) is a partner of the firm that is the issuer's internal or external auditor;
    - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at the same time on the entity's compensation committee; and
  - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.

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- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because:
- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
  - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer; and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3) an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member: (a) has previously acted as an interim chief executive officer of the issuer; or (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.