

Factor Therapeutics Limited

Nomination Committee Charter

Adopted by the Board on 28 June 2016

1. Purpose

The purpose of this Nomination Committee (**Committee**) Charter is to specify the authority delegated to the Committee by the Board of Directors of Factor Therapeutics Limited (**Factor, FTT or Company**) (ACN 101 955 088) and to set out the role, responsibilities, membership and operation of the Committee.

The Committee is a Committee of the Board established in accordance with Factor's Constitution and is authorised by the Board to assist in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions of the Board granted from time to time.

2. Role of the Committee

The role of the Committee is to assist and advise the Board on nomination policies and practices to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspective and skills and in the best interest of Factor as a whole. These include:

- a. director selection and appointment practices;
- b. board and director performance evaluation processes and criteria;
- c. board composition and skills matrix;
- d. induction program for directors; and
- e. succession planning for the Board.

3. Responsibilities

The Committee is responsible for:

- a. Director Competencies
 - i. Monitoring, reviewing and recommending to the Board on matters relating to the size and composition of the Board and the criteria for Board membership;
 - ii. Formally assessing and making recommendations to the Board in developing a skills matrix to identify the necessary and desirable competencies of Board members and to maintain an appropriate mix of skills, experience, expertise and diversity required on the Board;
 - iii. Ensuring an appropriate induction program is put in place for newly appointed Directors;
- b. Board Performance
 - i. Establishing, monitoring and making recommendations to the Board in relation to processes for undertaking review of the performance of individual non-executive directors, the Board as a whole and the operation of Board Committees, and where appropriate, engaging external consultants;
 - ii. Reporting the findings of all performance evaluations to the Board;
- c. Appointment, Re-election and Removal of Directors

- i. Consider and implement strategies to expand the pool of qualified candidates to select from;
 - ii. Establishing a formal and transparent procedure for the selection and appointment of new directors to the Board;
 - iii. Establishing a formal and transparent procedure for identifying appropriate individuals as potential candidates for Board membership;
- d. Board Succession Planning
- i. Establishing and reviewing Board succession planning in order to ensure and maintain an appropriate balance of skills, experience, expertise and diversity on the Board;
- e. Other
- i. Developing, overseeing the implementation and making recommendation in relation to corporate governance issues as may be requested by the Board from time to time or required by ASX or the law, including an appropriate diversity policy.

4. Membership

4.1 Composition and size

The Committee shall be no less than three members, a majority of whom are independent directors, non-executive directors.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonable be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

The Board will, at least annually, review the membership and its charter to ensure that it remains relevant and appropriate to the Company, to determine the effectiveness of the Committee, and to make changes to this charter as necessary.

4.2 Chairman

The Chairman of the Committee shall be an independent non-executive director. The Chairman of the Committee will be appointed by the Board. In the absence of the Chairman at any meeting, the members shall elect one of their members as a Chairman for that meeting.

4.3 Secretary

The Secretary of the Committee will be the Company Secretary of the Board, or such other person as nominated by the Board.

5. Committee Meetings and Processes

5.1 Meetings

The Committee shall meet as and when it determines is necessary in order to perform its functions but not less than once each year.

The Chairman must call a meeting of the Committee if requested by any member of the Committee or the Chairman of the Board.

Committee members may attend meetings in person or by electronic means.

In cases where circumstances make it impractical to convene and hold a meeting, the Committee may pass resolutions by each member signing a circular resolution.

5.2 Quorum

A quorum will comprise any two independent Committee members.

5.3 Attendance by management and advisers

The Committee Chairman may invite the CEO, directors who are not members of the Committee, other senior executives and external advisers to attend meetings of the Committee.

5.4 Notice, agenda and papers

The Secretary will be responsible for circulating the notice, agenda and papers a reasonable period in advance of each meeting as agreed by the Chairman, and preparing and circulating the minutes of meetings to members of the Committee and the Board as soon as practicable after each meeting.

5.5 Minutes

The Secretary will be responsible to keep books of minute to record the proceedings and resolutions of the Committee meetings, including the names of those present.

The Chairman of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of the Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

5.6 Access to information and advisers

The Committee has direct and unlimited access to internal and external resources necessary to discharge its duties and responsibilities, including engaging independent experts where it considers appropriate.

The Committee also has the authority to conduct or direct any investigation required to fulfil its responsibilities.

6. Committee's Performance Evaluation

The Committee's performance will be reviewed on an annual basis in accordance with processes established by the Board and will report the findings of that review to the Committee and the Board.

The performance evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities in terms of this Charter.

7. Review and Publication of Charter

The Committee will review this charter from time to time to ensure that the Charter is up-to-date and consistent with the Committee's authority, objectives and responsibilities; and report to the Board should any changes be made. This Charter may be amended by resolution of the Board.

This Charter will be made available on Factor's website and the key features will be published in the Corporate Governance Statement.