

## **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE – TERMS OF REFERENCE**

These terms of reference (the *Terms of Reference*) of the nomination and corporate governance committee (the *Nomination and Corporate Governance Committee*) have been established by the supervisory board (the *Supervisory Board*) pursuant to article 21 paragraph 3 of the articles of association (the *Articles of Association*) of NOXXON Pharma N.V. (the *Company*) on 27 September 2016. These Terms of Reference are in accordance with and supplementary to the provisions concerning the Nomination and Corporate Governance Committee as set forth in the rules of the Supervisory Board.

### **CHAPTER 1 COMPOSITION AND INDEPENDENCE**

#### **1.1 Appointment.**

Members of the Nomination and Corporate Governance Committee shall be appointed and dismissed by the Supervisory Board. The Nomination and Corporate Governance Committee shall be comprised of at least three members. Only members of the Supervisory Board shall qualify for membership of the Nomination and Corporate Governance Committee.

Members of the Nomination and Corporate Governance Committee shall serve until the earlier of (a) the termination of their membership on the Supervisory Board, (b) the termination of their membership on the Nomination and Corporate Governance Committee by the Supervisory Board or (c) their resignation from the Nomination and Corporate Governance Committee.

#### **1.2 Independence.**

The Supervisory Board recognizes the importance that all members of the Nomination and Corporate Governance Committee, with the exception of no more than one member, should be independent members of the Supervisory Board, within the meaning of the Netherlands Corporate Governance Code dated 10 December 2008 (the *Dutch Code*). However given the fact that the Company is a relatively young company and the continuity in the composition of the Board is of great importance, the Supervisory Board accepts that at this moment it is not possible to comply with the relevant provision. Once a stable framework has been established, the Supervisory Board shall take appropriate measures to comply (and subsequently update this paragraph of these Terms of Reference).

In the event that a member of the Nomination and Corporate Governance Committee is or becomes aware of any circumstance which may reasonably impair or affect his or her independence or the perception of his or her independence, he or she shall inform the chairperson of the Nomination and Corporate Governance Committee (or in the case of the chairperson, the other members of the Nomination and Corporate Governance Committee) thereof promptly. The Nomination and Corporate Governance Committee shall consult with the Supervisory Board in order to determine whether there is sufficient cause for resignation from, or termination of, the member's membership on the Nomination and Corporate Governance Committee.

### **1.3 Chairman.**

The Supervisory Board shall appoint one member of the Nomination and Corporate Governance Committee to act as its chairperson. In the absence of the chairperson of the Nomination and Corporate Governance Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

### **1.4 Self Evaluation.**

The Nomination and Corporate Governance Committee shall, at least once a year, review its own performance, composition and the Terms of Reference and recommend any changes it considers necessary to the Supervisory Board for approval.

## **CHAPTER 2 DUTIES AND RESPONSIBILITIES OF THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

### **2.1 Role and function.**

The Nomination and Corporate Governance Committee shall be responsible for assisting the Supervisory Board with the identification of qualified candidates to be nominated for appointment as members of the Board of Directors and the Supervisory Board by the general meeting of shareholders of the Company.

In addition, Nomination and Corporate Governance Committee shall be responsible for overseeing the corporate governance policies of the Company, reporting and making recommendations to the Board of Directors and the Supervisory Board concerning governance matters reviewing ongoing developments and best practice in corporate governance affecting the Company.

### **2.2 Duties and responsibilities.**

The duties of the Nomination and Corporate Governance Committee shall, in any case, include:

- (a) drawing up selection criteria and appointment procedures for the Supervisory Board members and the Board of Directors members;
- (b) periodically assessing the size and composition of the Supervisory Board and the Board of Directors, and preparing a proposal for a composition profile of the Supervisory Board;
- (c) periodically assessing the functioning of individual members of the Board of Directors and the Supervisory Board, and reporting on this to the Supervisory Board;
- (d) preparing proposals for appointments and reappointments;
- (e) supervising the policy of the Board of Directors on the selection criteria and appointment procedures for senior management; and
- (f) overseeing the corporate governance policies of the Company, reporting and making recommendations to the Board of Directors and the Supervisory Board concerning

governance matters and oversight of the evaluation of the Board of Directors and Supervisory Board.

### **2.3 Assessment profile of the Board of Directors and the Supervisory Board.**

The Nomination and Corporate Governance Committee shall determine and review as applicable, on an annual basis, the appropriate characteristics, skills and experience required for the Board of Directors as a whole and its individual members, the Supervisory Board as a whole and its individual members. and making a proposal for a composition profile of the members of the Supervisory Board.

### **2.4 Selection of Candidates.**

In evaluating the suitability of individual candidates (both new candidates and current members), the Nomination and Corporate Governance Committee, in selecting candidates for nomination for appointment by the general meeting of shareholders as members of the Board of Directors or the Board of Supervisors, will take into account many factors, including but not limited to:

- (a) personal and professional integrity, ethics and values;
- (b) experience in corporate management, such as serving as an officer or former officer of a publicly-held company;
- (c) experience as a board member or executive officer of another publicly-held company;
- (d) strong finance experience;
- (e) diversity of expertise and experience in substantive matters pertaining to the Company's business relative to other members of the Board of Directors and the Supervisory Board, respectively;
- (f) diversity of background and perspective, including, but not limited to, with respect to age, gender, race, place of residence, profession and specialized experience;
- (g) experience relevant to the Company's business industry and with relevant social policy concerns;
- (h) relevant academic expertise or other proficiency in an area of the Company's business operations; and
- (i) any other matters as may be requested by the Supervisory Board.

### **2.5 Corporate Governance.**

With regard to governance matters, the Nomination and Corporate Governance Committee shall:

- (a) develop and recommend to the Board of Directors and the Supervisory Board a set of corporate governance principles to apply to the Company;
- (b) establish, monitor and recommend the purpose, structure and operations of the various committees of the Supervisory Board, the qualifications and criteria for members on

each committee of the Supervisory Board and, as appropriate, make any recommendations regarding periodic rotation of directors among the committees; and

- (c) periodically review the remit, composition and performance of each committee of the Supervisory Board and make recommendations to the Supervisory Board for the creation of additional committees or the elimination of non-statutory committees.

## **2.6 Reporting.**

The Nomination and Corporate Governance Committee shall compile a report on its activities to be included in the report of the Supervisory Board for the annual report, which shall include a statement about the Nomination and Corporate Governance Committee's composition, activities, the number of meetings held and the main items dealt with at these meetings.

The chairperson of the Nomination and Corporate Governance Committee shall attend the annual general meeting of shareholders prepared to respond to any shareholder questions on the Nomination and Corporate Governance Committee's activities.

## **CHAPTER 3 MEETINGS OF THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

### **3.1 Frequency.**

The Nomination and Corporate Governance Committee shall meet at least twice a year at such times and places as determined by the chairperson of the Nomination and Corporate Governance Committee and whenever one or more of its members have requested a meeting.

### **3.2 Attendance.**

Only members of the Nomination and Corporate Governance Committee have the right to attend Nomination and Corporate Governance Committee meetings. The Nomination and Corporate Governance Committee may invite other Company directors and officers to attend the meetings, as it deems appropriate.

### **3.3 Convocation. Notice.**

Unless otherwise agreed by a majority of the Nomination and Corporate Governance Committee members, notice of each meeting, confirming the venue, the time and date, any dial-in details and the agenda shall be sent to each member of the Nomination and Corporate Governance Committee, any other person required to attend and all other members of the Supervisory Board, as soon as practicable and in any event no later than five business days before the date of the meeting. In urgent matters, the chairperson of the Nomination and Corporate Governance Committee may determine that agenda-items and/or documents may be submitted to the members of the Nomination and Corporate Governance Committee after the day referred to in the previous sentence but prior to or at the meeting.

### **3.4 Quorum.**

The quorum necessary for the transaction of business shall be a majority of the members who may attend the meeting in person or by telephone or videoconferencing.

A duly convened meeting of the Nomination and Corporate Governance Committee at which a quorum is present shall be competent to exercise any and all of the authorities, powers and discretions vested in or exercisable by the Nomination and Corporate Governance Committee.

### **3.5 Decision-making.**

Decisions must be taken by a simple majority of the members present or represented. In case of an equality of votes, the chairperson of the Nomination and Corporate Governance Committee has the casting vote.

Decisions may at all times be taken in a manner other than at a meeting, in writing or otherwise, provided the proposal concerned is submitted to all members of the Nomination and Corporate Governance Committee in respect of whom no conflict of interest exists and none of them objects to the relevant manner of adopting resolutions. Decisions of the Nomination and Corporate Governance Committee adopted outside a meeting must be recorded separately or included in the minutes of the next meeting of the Nomination and Corporate Governance Committee.

### **3.6 Minutes.**

Minutes must be kept of the proceedings at the Nomination and Corporate Governance Committee meetings. The minutes of Nomination and Corporate Governance Committee meetings will state the time and place of the meeting, list the persons attending the meeting, state the existence of any conflict of interest and summarize matters discussed in the meeting. The Nomination and Corporate Governance Committee may be assisted by a secretary who shall be appointed and may be dismissed at any time by the Nomination and Corporate Governance Committee. The secretary shall not be a member of the Nomination and Corporate Governance Committee. The secretary of the Nomination and Corporate Governance Committee may keep minutes of each meeting of the Nomination and Corporate Governance Committee. The minutes of Nomination and Corporate Governance Committee meetings shall be signed by the chairperson of the Nomination and Corporate Governance Committee or in his absence, those members of the Nomination and Corporate Governance Committee attending the meeting.

Minutes of Nomination and Corporate Governance Committee meetings shall be circulated promptly to all members of the Nomination and Corporate Governance Committee and, once agreed, to all members of the Supervisory Board.

## **CHAPTER 4 MISCELLANEOUS**

### **4.1 Other Matters.**

The Nomination and Corporate Governance Committee shall have access to sufficient resources in order to carry out its duties.

The Nomination and Corporate Governance Committee may in its sole discretion involve external experts and other advisors as it deems necessary to carry out its duties.

Any and all expenses incurred by the Nomination and Corporate Governance Committee, including any fees for external experts and advisors shall be borne by the Company.

## **4.2 Amendment of the Terms of Reference**

These Terms of Reference may be amended at any time by the Supervisory Board and any such amendment shall be effective as of such date determined by the Supervisory Board. The Supervisory Board may incidentally decide by a resolution not to apply one or more provisions of these Terms of Reference. Such a resolution shall be mentioned in the report of the Nomination and Corporate Governance Committee.

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