

# **PALATIN TECHNOLOGIES, INC.**

## **Nominating and Corporate Governance Committee Charter**

**Last Updated as of October 1, 2013**

### **I. PURPOSE**

The Nominating and Corporate Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Palatin Technologies, Inc. (the “Company”) to: (1) assist the Board by identifying qualified candidates for director, and to recommend to the Board the director nominees for the next annual meeting of shareholders; (2) lead the Board in its annual review of the Board’s performance; (3) recommend to the Board director nominees for each Board Committee; and (4) oversee the annual process of evaluation of the performance of the Company’s management.

### **II. COMPOSITION**

The Committee shall be comprised of no fewer than three members. All members of the Committee shall meet the independence requirements of the NYSE MKT LLC (the “NYSE MKT”) or such other principal exchange on which the Company’s common stock is listed.

Committee members shall be elected by the Board to a one year term and may be replaced by the Board. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

### **III. MEETINGS**

The Nominating and Governance Committee shall meet at least twice a year and at such other times as it deems necessary to carry out its responsibilities. The Chair of the Committee and/or the Board may call such meetings.

### **IV. GOALS, RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Nominating and Governance Committee shall, among other things:

1. Evaluate the current composition, organization and governance of the Board of Directors and its Committees, and make recommendations to the Board for approval.
2. Determine desired Board member skills and attributes and conduct searches for prospective directors whose skills and attributes reflect those desired and evaluate and propose nominees for election to the Board of Directors. At a minimum,

nominees for service on the Board must be well-regarded and experienced participants in their field(s) of specialty, familiar at the time of their appointment with the Company's business, willing to devote the time and attention necessary to deepen and refine their understanding of the Company and the issues facing it, and must have an understanding of the demands and responsibilities of service on a public company board of directors. In making such recommendations, the Committee will also consider such qualities as independence from the Company, as the definition of "independence" may be revised from time to time. Each nominee will be considered both on his or her individual merits and in relation to existing or other potential members of the Board, with a view to establishing a well-rounded, diverse, knowledgeable, and experienced Board.

3. Administer the annual Board of Directors performance evaluation process, including conducting surveys of director observations, suggestions and preferences.
4. Evaluate and make recommendations to the Board of Directors concerning the appointment of directors to Board committees, the selection of Board committee chairs, and proposal of the slate of directors for election to the Board.
5. Consider all bona fide candidates recommended by shareholders for nomination for election to the Board if they are accompanied by a comprehensive written resume of the recommended nominee's business experience and background, and a signed consent from the recommended nominee stating that he or she is willing to be considered as a nominee and, if nominated and elected, will serve as a director. The Committee will consider such candidates using the same screening criteria as are applied to all other potential nominees for election, provided that the shareholder nominations are submitted in a timely and complete manner, under the requirements of the Securities and Exchange Commission and the Company's By-laws, as they may be amended from time to time.
6. As necessary in the Committee's judgment from time to time, retain and compensate third party search firms to assist in identifying or evaluating potential nominees to the Board.
7. Evaluate and recommend termination of membership of individual directors in accordance with the Board of Directors' governance principles, for cause or for other appropriate reasons. Directors will not be nominated for election to the Board after their 75<sup>th</sup> birthday, although the full Board, upon the recommendation of the Committee, may nominate candidates over 75 for special circumstances.
8. Evaluate and consider matters relating to the qualifications of directors.
9. Oversee the annual process of performance evaluations of the Company's management.
10. Oversee the process of succession planning for the Chief Executive Officer and, as warranted, other senior officers of the Company.

11. Develop, adopt and reassess a Code of Corporate Conduct and Ethics for all directors, executive officers and employees of the Company.
12. Review and maintain oversight of matters relating to the independence of Board and committee members, keeping in mind the independence standards of the Sarbanes-Oxley Act of 2002 and the rules of the NYSE MKT.
13. Oversee and assess the effectiveness of the relationship between the Board and Company management.
14. Form and delegate authority to subcommittees when appropriate.
15. Make regular reports to the Board concerning its activities.
16. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.
17. Annually evaluate its own performance.
18. Fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board and/or the Chairman of the Board.

## **V. OUTSIDE ADVISORS**

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the director search firm. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its director search firm, outside counsel and any other advisors.