

# PIERIS PHARMACEUTICALS, INC.

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

### I. General Statement of Purpose

The Nominating and Corporate Governance Committee of the Board of Directors (the “Nominating Committee”) of Pieris Pharmaceuticals, Inc. (the “Company”) on behalf of the Board of Directors (the “Board”) is responsible for identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and recommending that the Board select the director nominees for election at each annual meeting of stockholders. The Nominating Committee is also responsible for periodically reviewing any corporate governance guidelines applicable to the Company and recommending any changes thereto, and overseeing the evaluation of the Board and management.

### II. Nominating Committee Composition

The number of individuals serving on the Nominating Committee shall be fixed by the Board from time to time but shall consist of no fewer than two members, each of whom shall satisfy the independence standards established pursuant to Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market, commencing upon the approval for listing of the Company’s equity securities on Nasdaq.

The members of the Nominating Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of the Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from this committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Nominating Committee to serve as Chairperson of the Nominating Committee.

### III. Meetings

The Nominating Committee generally is to meet at least such number of times per year, in person or by telephone conference, or other communications equipment by means of which all persons participating in the meeting can hear each other, as it determines appropriate to carry out its responsibilities. The Chairperson shall determine the agenda for and the length of meetings and shall have unlimited access to management and to information relating to the Committee’s purposes. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee. In lieu of a meeting, the Nominating Committee may act by unanimous written consent.

The Committee shall keep minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

### IV. Nominating Committee Activities

The Nominating Committee’s purpose and responsibilities shall be to:

**A. Review of Charter**

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

**B. Selection of New Directors**

- Recommend to the Board criteria for Board and committee membership, which shall include a description of any specific, minimum qualifications that the Nominating Committee believes must be met by a Nominating Committee-recommended nominee, and a description of any specific qualities or skills that the Nominating Committee believes are necessary for one or more of the Company's directors to possess, and periodically reassess the adequacy of such criteria and submit any proposed changes to the Board for approval. The Nominating Committee's current Nominating and Corporate Governance Committee Policy regarding Qualifications of Directors is attached as Appendix A hereto.
- Establish procedures to be followed by stockholders in submitting recommendations for director candidates to the Nominating Committee. The current procedures to be followed by stockholders are set forth below:
  1. All stockholder recommendations for director candidates must be submitted to the Secretary of the Company at Pieris Pharmaceuticals, Inc., 255 State Street, 9<sup>th</sup> Floor, Boston, MA 02109, who will forward all recommendations to the Nominating Committee.
  2. All stockholder recommendations for director candidates must be submitted to the Company in a timely manner as set forth in the Company's By-Laws.
  3. All stockholder recommendations for director candidates must include the information regarding the stockholder and the proposed director candidate set forth in the Company's By-Laws.
  4. All stockholder recommendations for director candidates must follow all other procedures set forth in the Company's By-Laws regarding stockholder nominations of proposed director candidates.
- Establish a process for identifying, considering and evaluating nominees for the Board, including nominees recommended by stockholders. The current process for identifying and evaluating nominees for the Board is as follows:
  1. The Nominating Committee may solicit recommendations from any or all of the following sources: non-management directors, the Chief Executive Officer, other executive officers, third-party search firms, or any other source it deems appropriate.
  2. The Nominating Committee will review and evaluate the qualifications of any such proposed director candidate, and conduct inquiries it deems appropriate.

3. The Nominating Committee will evaluate all such proposed director candidates in the same manner, with no regard to the source of the initial recommendation of such proposed director candidate.
  4. In identifying and evaluating proposed director candidates, the Nominating Committee may consider, in addition to the minimum qualifications and other criteria for Board membership set forth on Appendix A, all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of business experience or other background characteristics, his or her independence and the needs of the Board.
- Upon identifying individuals qualified to become members of the Board, consistent with the minimum qualifications and other criteria approved by the Board from time to time, recommend that the Board select the director nominees for election at each annual meeting of stockholders; provided that, if the Company is legally required by contract or otherwise to provide third parties with the ability to nominate individuals for election as a member of the Board (pursuant, for example, to the rights of holders of preferred stock to elect directors upon a dividend default or in accordance with stockholder agreements or management agreements), the selection and nomination of such director nominees shall be governed by such contract or other arrangement and shall not be the responsibility of the Nominating Committee.
  - Consider recommendations in light of the requirement that a majority of the Board be comprised of directors who meet the independence requirements set forth in Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market.
  - Recommend that the Board select the directors for appointment to committees of the Board.
  - Review all stockholder nominations and proposals submitted to the Company (including any proposal relating to the procedures for making nominations or electing directors), determine whether the nomination or proposal was submitted in a timely manner and, in the case of a director nomination, whether the nomination and the nominee satisfy all applicable eligibility requirements, and recommend to the Board appropriate action on each such nomination or proposal.

**C. Corporate Governance Guidelines**

- Periodically review and reassess the adequacy of any corporate governance guidelines applicable to the Company and recommend any proposed changes to the Board for approval.
- Develop, adopt and oversee the implementation of a Code of Business Conduct and Ethics for all directors, executive officers and employees of the Company.

**D. Evaluation of Board of Directors**

- Oversee annual evaluations of the Board and its committees.

- Evaluate and recommend termination of membership of individual directors in accordance with the Board's governance principles, for cause or for other appropriate reasons.
- Oversee and assess the effectiveness of the relationship between the Board (and the Committees of the Board) and Company management.

**E. Matters Relating to Retention and Termination of Search Firms to Identify Director Candidates**

- Exercise sole authority to retain and terminate any search firm that is to be used by the Company to assist in identifying director candidates. The Nominating Committee shall also have sole authority to approve any such search firm's fees and other retention terms.

**V. General**

- The Nominating Committee may establish and delegate authority to subcommittees consisting of one or more of its members when the Nominating Committee deems it appropriate to do so in order to carry out its responsibilities. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.
- The Nominating Committee shall annually evaluate its own performance.
- The Nominating Committee shall make regular reports to the Board concerning areas of the Nominating Committee's responsibility.
- In carrying out its responsibilities, the Nominating Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Nominating Committee may consult. The Nominating Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Nominating Committee or meet with any members of or advisors to the Nominating Committee. The Nominating Committee shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its responsibilities and shall have sole authority to approve any such advisor's fees and other retention terms.
- The Nominating Committee may perform such other functions as may be requested by the Board from time to time.

## APPENDIX A

### **Nominating and Corporate Governance Committee Policy Regarding Qualifications of Directors**

The Nominating and Corporate Governance Committee (the “Committee”) of Pieris Pharmaceuticals, Inc. (the “Company”) believes that members of the Company’s Board of Directors (the Board”) must possess certain basic personal and professional qualities in order to properly discharge their fiduciary duties to stockholders, provide effective oversight of the management of the Company and monitor the Company’s adherence to principles of sound corporate governance. It is therefore the policy of the Committee that all persons nominated to serve as a director of the Company should possess the minimum qualifications described in this Policy. These are only threshold criteria, however, and the Committee will also consider the contributions that a candidate can be expected to make to the collective functioning of the Board based upon the totality of the candidate’s credentials, experience and expertise, the composition of the Board at the time, and other relevant circumstances. This Policy may be modified by the Committee from time to time.

1. Integrity and Ethical Values. Candidates should possess the highest personal and professional standards of integrity and ethical values.
2. Commitment. Candidates must be committed to promoting and enhancing the long term value of the Company for its stockholders.
3. Absence of Conflicts of Interest. Candidates should not have any interests that would materially impair his or her ability to (i) exercise independent judgment, or (ii) otherwise discharge the fiduciary duties owed as a director to the Company and its stockholders.
4. Fair and Equal Representation. Candidates must be able to represent fairly and equally all stockholders of the Company without favoring or advancing any particular stockholder or other constituency of the Company.
5. Achievement. Candidates must have demonstrated achievement in one or more fields of business, professional, governmental, community, scientific or educational endeavor, and possess mature and objective business judgment and expertise.
6. Oversight. Candidates are expected to have sound judgment, derived from management or policy-making experience (which may be as an advisor or consultant), that demonstrates an ability to function effectively in an oversight role.
7. Diversity. The Committee will consider issues of diversity among its members in identifying and considering nominees for director, and will strive where appropriate to achieve a diverse balance of backgrounds, perspectives, experience, age, gender, ethnicity and country of citizenship on the Board and its committees.
8. Business Understanding. Candidates must have a general appreciation regarding major issues facing public companies of a size and operational scope similar to the Company. These include:
  - contemporary governance concerns;
  - regulatory obligations of a public issuer;

- strategic business planning;
  - competition in a global economy; and
  - basic concepts of corporate accounting and finance.
9. Available Time. Candidates must have, and be prepared to devote, adequate time to the Board and its committees. It is expected that each candidate will be able to arrange their business and professional commitments, including service on the boards of other companies and organizations, so that they are available to attend the meetings of the Company's Board and any committees on which they serve, as well as the Company's annual meeting of stockholders.
10. Board Policies. The candidate's election must not conflict with any applicable Board policies.
11. Limited Exceptions. Under exceptional and limited circumstances, the Committee may approve the candidacy of a nominee who does not satisfy all of these requirements if it believes the service of such nominee is in the best interests of the Company and its stockholders.
12. Additional Qualifications. In approving candidates to be recommended for election as director, the Committee will also assure that:
- at least a majority of the directors serving at any time on the Board are independent, as defined under the rules of the Nasdaq Stock Market.
  - at least three of the directors satisfy the financial literacy requirements required for service on the audit committee under the rules of the Nasdaq Stock Market.
  - at least one of the directors qualifies as an audit committee financial expert under the rules of the Securities and Exchange Commission; and
  - the independent directors should have general familiarity with an industry or industries in which the Company conducts a substantial portion of its business or in related industries.