



NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. Overview.

- A. This document shall be the formal written Charter (the “Charter”) of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Flamel Technologies S.A., a *société anonyme* organized pursuant to the laws of the Republic of France (“Flamel”), adopted by the Committee and the Board as of March 2, 2016 and adopted by the Board of Avadel Pharmaceuticals plc, a public limited company organized pursuant to the laws of the Republic of Ireland (the “Company”), pursuant to the effectiveness of that certain Common Draft Terms Merger Agreement on December 31, 2016 between Flamel and the Company. This Charter hereby replaces and supersedes all former charters of the Committee.
- B. The responsibilities granted or delegated to the Committee in this Charter are in each case subject always to the powers reserved by French law to the Company’s Chief Executive Officer (*Directeur General*) (“CEO”), the Chairman of the Board (*Président du Conseil d'Administration*), the Board and the shareholders' meetings, and the Committee is authorized to seek any clarifications or waivers from applicable U.S. securities laws and regulations and The Nasdaq Stock Market (“Nasdaq”) rules, as it deems appropriate with respect to the foregoing. To the extent required under applicable U.S. securities laws and regulations and Nasdaq rules, any such waivers or non-compliance shall be disclosed annually in the Company's annual report on Form 10-K or such other Form as may be applicable.
- C. The Committee’s overall purposes are to (1) identify individuals qualified to become Board members; (2) recommend to the Board director nominees for the next annual or special meeting of shareholders at which directors are to be elected; (3) recommend individuals to the Board to fill any vacancies or newly created directorships that may occur between such meetings; (4) identify and recommend directors for membership on Board committees; (5) evaluate Board performance; (6) oversee and set compensation for the Company’s directors; (7) develop, recommend and oversee compliance with the corporate governance procedures to be followed by the Company, and oversee compliance with the Company’s Code of Business Standards and the Code of Ethics; (8) review the Company’s reporting in documents filed with the Securities and Exchange Commission (the “SEC”), to the extent related to corporate governance and other matters set forth in this charter; and (9) oversee public policy and legislative matters applicable to the Company as well as the Company’s regulatory compliance. Recommendations of Board nominees is subject to legal rights, if any, of third parties to direct the nomination or appointment of directors.

II. Committee Membership.

- A. The Committee shall consist of at least three (3) Independent Directors (as defined by the applicable Nasdaq rules), which number shall be determined by the Board from time to time in its discretion.
- B. Committee members shall be appointed by the Board on an annual basis to serve for a term of one (1) year or other length of term, in the discretion of the Board, and shall



otherwise serve until their successors are duly elected and qualified. Each member of the Committee may be removed or replaced by the Board at any time. The Board shall designate the Chair of the Committee.

III. Authority and Responsibilities.

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is authorized to undertake, and has responsibility for, the following matters:

A. Board/Committee Nominees

- The Committee shall conduct searches for qualified individuals for membership on the Board.
- At least annually and as vacancies or newly created positions occur, the Committee shall recommend individuals for membership on the Board and directors for appointment to the committees of the Board. In making its recommendations, the committee must (i) review and recommend criteria for Board and committee membership; (ii) review candidates' qualifications for membership on the Board or a committee of the Board (including a determination as to the independence of the candidate and the number of other public and private company boards on which a director candidate serves) and any potential conflicts with the Company's interests; (iii) assess the contributions of current directors in connection with their nomination to additional terms on the Board or participation on any committee; (iv) periodically review the composition of the Board and its committees to determine whether it may be appropriate to add individuals with different backgrounds or skills from those already on the Board or any such committee and (v) consider rotation of committee members and committee chairs.
- The Committee will also take into consideration director nominees proposed or recommended by shareholders and related policies and procedures.
- The Committee will timely recommend to the Board individuals for nomination as directors at each annual meeting of shareholders and recommend to the board individuals for appointment to fill vacancies on the Board.

B. Evaluating the Board, its Committees, and Management

- As appropriate, the Committee shall review and assess the performance of the Board and its committees and report such assessment, including any recommendations for proposed changes, to the Board. The review will include individual director performance, evaluating director expertise, experience, qualifications, attributes, skills and willingness to serve actively.

C. Management Succession

- The committee shall, in consultation with the CEO, periodically review the company's management succession planning including policies for CEO selection and succession in the event of the incapacitation, retirement or removal of the CEO, and evaluations of, and development plans for, and describing potential successors to the CEO.

D. Director Compensation

- Periodically, the Committee shall review and make recommendations to the Board with respect to the compensation (including stock option grants and other equity-

based compensation) of the Company's directors. In so reviewing and recommending director compensation, the Committee shall:

- a. identify corporate goals and objectives relevant to director compensation (including efforts by the Company to retain such directors and the cost to the Company of the particular directors' compensation) and evaluate the performance of the Board in light of such goals and objectives;
 - b. recommend director compensation based on individual director performance, expertise, experience, qualifications, attributes, skills and willingness to serve actively, and such other factors as the Committee deems appropriate and in the best interests of the Company;
 - c. review and recommend any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Company
- The Committee shall present its recommendations with respect to director compensation to the full Board for its approval.

E. Corporate Governance Matters

- The Committee shall assist the Board to ensure that all appropriate corporate formalities are followed in the actions undertaken by the Board.
- The Committee shall review, and recommend improvements in, the corporate governance procedures to be followed by the Company, as well as the Code of Business Standards and the Code of Ethics.
- The Committee shall oversee compliance with the corporate governance procedures to be followed by the Company, as well as the Code of Business Standards and the Code of Ethics, and report on such compliance to the Board. The Committee shall also review and approve any waivers to the corporate governance procedures to be followed by the Company, as well as the Code of Business Standards and the Code of Ethics for the Company's directors, executive officers and senior financial officers.
- The Committee shall identify potential conflicts of interest involving directors and shall determine whether such director or directors may vote on any such issue.
- The Committee shall assist the Board to ensure that any transaction with a related party is thoroughly reviewed on a regular basis so that such transaction is, and remains, on the terms that are at arms' length and calculated to promote long term shareholder value.
- The Committee shall assist the Board to ensure that all of its material contractual and other business relationships are connected at arm's length and calculated to promote long term shareholder value.
- Annually, the Committee shall review the number, size and responsibilities of the Board and its committees and recommend any actions in this regard to the Board.

F. Disclosure

- The Committee shall have the authority to oversee, investigate and take remedial action with respect to any and all complaints regarding corporate governance



procedures, including, but not limited to, compliance matters, to be followed by the Company. The Committee shall review the Company's reporting in documents filed with the SEC, to the extent related to corporate governance or any other matter for which the Committee has responsibility.

- The Committee is at all times authorized to have direct, independent and confidential access to the Company's other directors, management and personnel to carry out the Committee's purposes. The Committee is authorized to conduct or authorize investigations into any matters relating to the purposes, duties or responsibilities of the Committee.

G. Reporting to the Board

- The Committee shall report to the Board as appropriate. This report shall include a review of any recommendations or issues that arise with respect to Board or committee nominees or membership, Board or management performance, corporate governance or any other matters that the Committee deems appropriate or is requested to be included by the Board.
- Annually, the Committee shall review and assess the adequacy of this Charter and evaluate its own performance as a committee, and report the results thereof to the Board and recommend any proposed changes in such report.

H. Other Functions

- The Committee may perform any other activities consistent with this Charter, the corporate governance procedures to be followed by the Company, and applicable listing standards, laws and regulations as the Committee or the Board considers appropriate and report to the Board the major items covered by the Committee at each meeting thereof.

IV. Procedures.

- A. The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter. Special meetings to the Committee may be held from time to time pursuant to the call of the Chair of the Committee or a majority of the members of the Committee. The Chair of the Committee, in consultation with the other committee members, shall determine the frequency and length of the Committee meetings, shall set meeting agendas consistent with this charter and shall, when present, preside at all meetings of the Committee. The Committee shall meet at such times and places as shall be determined by the Chair of the Committee and the Committee may meet in person or by telephonic or video conference. At each meeting of the Committee, a majority of the members shall constitute a quorum, and a majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. In lieu of a meeting, the Committee may also act by unanimous written consent resolution. The Committee shall designate a person (who need not be a member of the Committee) to keep minutes of its meetings. The minutes shall be retained by the corporate Secretary of the Company.
- B. The Committee has the sole authority to retain and terminate, at the Company's expense, any search firm to consult with the Committee to identify director candidates, independent counsel or other advisers to the Committee, and to approve the related fees and other retention terms. The Committee will have sole authority to approve the engagement of any such consultant or its affiliates for additional services to the Company, including the purchase of any products from such consultant or its affiliates.



- C. The Committee may, to the fullest extent permitted by applicable law or regulation, form and delegate its authority to subcommittees of the Committee when it deems appropriate and in the best interests of the Company.