

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER CAPRICOR THERAPEUTICS, INC.

This Nominating and Corporate Governance Committee Charter (this “Charter”) was adopted by the Board of Directors (the “Board”) of Capricor Therapeutics, Inc. (the “Company”) on November 22, 2013.

Certain provisions of this Charter were prepared with a view towards governance of the Company following a listing of the Company’s common stock on the Nasdaq Stock Market LLC (“Nasdaq”). Accordingly, not all provisions of this Charter may be appropriate during such time as the Company is not listing on Nasdaq. The Board or the Nominating and Corporate Governance Committee of the Board (the “Committee”) reserves the right to waive or not to implement any of the provisions of this Charter which it may determine in its sole discretion to defer until such time as a Nasdaq listing has been effected, without the need for a formal amendment of this Charter.

I. PURPOSE

The purpose of the Committee is to assist the Board in discharging the Board’s responsibilities regarding:

- (a) the identification of qualified candidates to become members of the Board;
- (b) the selection of nominees for election as directors at the next annual meeting of stockholders (or special meeting of stockholders at which directors are to be elected);
- (c) the selection of candidates to fill any vacancies on the Board; and
- (d) oversight of the evaluation of the Board.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws and any related matters required by the federal securities laws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it. The approval of this Charter shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

II. MEMBERSHIP

The Committee shall consist of at least three (3) members of the Board, each of whom (a) satisfies the independence requirements of Nasdaq, and (b) has experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee.

The members of the Committee, including the Chairperson of the Committee (the “Chair”), shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. MEETINGS AND PROCEDURES

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s bylaws that are applicable to the Committee.

The Committee will hold at least one (1) regular meeting per year and additional meetings, as the Committee deems appropriate.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, in its discretion, include in its meetings members of the Company’s management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate, including, but not limited to, any member of management or any non-management director who is not a member of the Committee.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company’s regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have the sole authority to select, retain, obtain the advice of and terminate any search firm to be used to identify director candidates, including the authority to approve such search firm’s fees and other retention terms.

The Committee, through its Chair, shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chair of the Board.

IV. DUTIES AND RESPONSIBILITIES

1. The Committee shall have primary responsibility for determining the minimum qualifications, qualities, skills and other expertise required for service on the Board and the right to modify the requisite qualifications, qualities, skills and other expertise from time to time.

2. The Committee shall have the responsibility of identifying, reviewing and evaluating candidates to serve on the Company's Board, including consideration of any potential conflicts of interest as well as applicable independence and experience requirements.

3. (a) At an appropriate time prior to each annual meeting of stockholders at which directors are to be elected or reelected, the Committee shall recommend to the Board for nomination by the Board such candidates as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve. The Committee shall also have the power and authority to consider recommendations for Board nominees and proposals submitted by the Company's stockholders pursuant to the procedures described in the Company's bylaws or proxy statement for an annual meeting of stockholders of the Company.

(b) At an appropriate time after a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Committee shall recommend to the Board for appointment by the Board to fill such vacancy, such prospective member of the Board as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.

(c) For purposes of (a) and (b) above, the Committee may consider the following criteria, among others the Committee shall deem appropriate, in recommending candidates for election to the Board:

- (i) personal and professional integrity, ethics and values;
- (ii) experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of finance and other elements relevant to the success of a publicly-traded company in today's business environment;
- (iii) experience in the Company's industry and with relevant social policy concerns;
- (iv) experience as a board member of another publicly-held company;
- (v) academic expertise in an area of the Company's operations; and
- (vi) practical and mature business judgment, including the ability to make independent analytical inquiries.

4. The Committee shall periodically, and at least annually, review, discuss and assess the performance of the Board, including Board committees, seeking input from senior management, the full Board and others. The assessment shall include an evaluation of the

Board's contribution as a whole and effectiveness in serving the best interests of the Company and its stockholders, specific areas in which the Board and/or management believe contributions could be improved, and overall Board composition and makeup, including the reelection of current Board members. The results of these reviews shall be provided to the Board for further discussion as appropriate.

5. In accordance with independence requirements of Nasdaq, the Committee shall develop and recommend to the Board for approval standards for determining whether a director has a relationship with the Company that would impair its independence.

6. The Committee, after due consideration of the interests, independence and experience of the individual directors and the independence and experience requirements of Nasdaq, the rules and regulations of the Securities and Exchange Commission (the "SEC") and applicable law, shall evaluate the performance of the members of the committees of the Board, review the composition of such committees and recommend to the entire Board annually the chairmanship and membership of each committee.

7. In appropriate circumstances, the Committee, in its discretion, shall consider and may recommend the removal of a director for cause, in accordance with the applicable provisions of the Company's certificate of incorporation and bylaws.

8. The Committee shall oversee the Board in the Board's annual review of its performance (including its composition and organization), and will make appropriate recommendations to improve performance.

9. The Committee shall consider, develop and recommend to the Board such policies and procedures with respect to the nomination of directors or other corporate governance matters as may be required to be disclosed pursuant to any rules promulgated by the SEC or otherwise considered to be desirable and appropriate in the discretion of the Committee.

10. The Committee shall develop a set of corporate governance principles to be applicable to the Company, shall periodically review and assess these principles and their application, and shall recommend any changes deemed appropriate to the Board for its consideration. Further, the Committee shall periodically review Company policy statements to determine their adherence to the Company's Code of Business Conduct and Ethics.

11. The Committee shall develop with management and participate in a process for systematic review of important corporate governance issues and trends in corporate governance practices that could potentially impact the Company. The Committee shall consider instituting a plan or program for the continuing education of directors.

12. The Committee shall oversee and review the processes and procedures used by the Company to provide information to the Board and its committees. The Committee should consider, among other factors, the reporting channels through which the Board and its committees receive information and the level of access to outside advisors where necessary or appropriate, as well as the procedures for providing accurate, relevant and appropriately detailed information to the Board and its committees on a timely basis.

13. The Committee shall assist the members of the Compensation Committee of the Board or the Board, as requested, in determining the compensation paid to non-employee directors for their service on the Board and its committees.

14. The Committee shall review and discuss with management the disclosure regarding the operations of the Committee and director independence, and recommend that the disclosure be included in the Company's proxy statement or annual report on Form 10-K, as applicable.

15. The Committee shall develop and recommend to the Board for approval, and periodically review with the Chief Executive Officer of the Company, the plans for succession to the offices of the Company's Chief Executive Officer and other executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions.

16. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

17. The Committee, through its Chair, shall periodically report to the Board on its findings and actions.

18. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

V. DELEGATION OF DUTIES

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's certificate of incorporation, bylaws and applicable law and rules of markets in which the Company's securities then trade.