

BOARD CHARTER

Exopharm Limited

ACN 163 765 991

Date Adopted: 22 April 2021

1. Introduction

This Charter sets out the role, responsibilities, structure and processes of the Board of Directors (**Board**) of Exopharm Limited (ACN 163 765 991) (**Company**).

2. The Role of the Board

The role of the Board is to approve the purpose, values and strategic direction of the Company, oversee and guide the management of the Company in achieving its strategic plans, approve and monitor the Company's risk management processes, and to oversee good governance practice.

The Board is responsible for:

- Approving the Company's purpose and Statement of Values, and overseeing management in their instillation;
- Monitoring and guiding the Company's culture, reputation and conduct standards, and defining its strategic objectives;
- Approving the Company's strategic plan, business plans, corporate performance measures, operational budgets, major expenditures, capital management and capital raising initiatives, and acquisitions and divestments;
- Monitoring the Company's strategic direction and activities in furtherance thereof;
- Setting the Company's risk appetite, and monitoring and reviewing the Company's financial and non-financial risk management framework, including internal compliance and control mechanisms;
- Overseeing the Company's accounting and financial reporting framework and reviewing their effectiveness in providing the Board with adequate, accurate and timely information, and appointing or removing the Company's external auditors and approving the auditor's remuneration;
- Approving the Company's annual report and financial statements (including the directors' report and remuneration report) and any other published reporting in accordance with the Company Constitution, Corporations Act, ASX Listing Rules and any other applicable regulations;
- Approving and monitoring the effectiveness of the Company's corporate governance framework including policy review;
- Appointing (and when necessary replacing) the Managing Director or Chief Executive Officer (**CEO**);
- Approving the remuneration of and overseeing the performance review of the CEO;

- Establishing and monitoring executive succession planning;
- Delegating appropriate responsibilities to, and setting specific limits of authority of, the CEO, management and committees and monitoring the exercise of these responsibilities in their day-to-day management of the Company;
- Where required, challenging Company management and holding it to account;
- Approving the Company's remuneration policies for non-executive Directors, the CEO and senior executives;
- Overseeing the management of the Company's interactions, disclosures and communications with shareholders and the broader investor community; and
- Reviewing the division of functions and responsibilities between the Board, the CEO and the Company's senior executives.

3. Board Composition

The number of Board Directors shall be determined in accordance with the Company's Constitution and the requirements of the Corporations Act.

The Board should comprise:

- not less than half of the Directors being independent Directors (as defined by the ASX Corporate Governance Council); and
- people with a mix of skills, knowledge, experience, expertise and diversity of backgrounds and genders to enable the Board to discharge its duties effectively.

4. The Role of the Chair

The Board shall appoint a Chair in accordance with the Company's Constitution. The Chair of the Board should be a non-executive Director.

The role of the Chair is to:

- Lead the Board and promote constructive and efficient relations between the Board and Company management and between Directors;
- Facilitate the effective, respectful and constructive contribution of all Directors;
- Chair general meetings of the Company; and
- Exercise such specific and express duties as are delegated to the Chair by the Board from time to time.

5. The Role of the CEO

The CEO is responsible for the day-to-day management of the Company, with the support of the Company Leadership Team. The Board delegates to the CEO the powers to manage the day-to-day business of the Company, subject to those powers reserved to the Board in clause 2 above and any specific delegations of authority approved by the Board.

The CEO's responsibilities include:

- Managing the day-to-day operations of the Company in accordance with the purpose, values, strategy, business plans, risk management framework and policies approved by the Board;
- Developing strategies, budgeting and planning to achieve the Company's business objectives, and make recommendations to the Board on such initiatives;
- Assigning duties and responsibilities to the Company's Senior Executives, and supervise and report on their performance to the Board;
- Recommending to the Board significant organisational changes, and major capital expenditures, acquisitions or divestments which are beyond delegated thresholds;
- Ensuring compliance with the Company's continuous disclosure obligations, in accordance with the roles and responsibilities delegated under the Continuous Disclosure Policy;
- Reporting regularly to the Board with accurate, timely and clear information so that the Board is fully informed to discharge its duties effectively;
- Implementing the policies and processes approved by the Board; and
- Exercising such additional duties as are delegated to the CEO by the Board from time to time.

6. The Role of the Company Secretary

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary is appointed (and if applicable removed) by the Board and all Directors have a right of access to the Company Secretary.

The Company Secretary's responsibilities include:

- Advising the Board on governance matters;
- Monitoring that Board and committee policy and procedures are followed;
- Co-ordinating the timely completion and distribution of Board and committee papers; and
- Ensuring that the business conducted at Board and committee meetings is accurately captured in meeting minutes.

7. Director Conduct

In performing the responsibilities set out in this Charter, where appropriate, the Board should act in accordance with the content and obligations of the Company's Corporate Governance Policies including:

- Corporate Code of Conduct
- Shareholder Communications Policy
- Continuous Disclosure and Market Communications Policy; and
- Risk Management Policy.

8. Board Meetings

The Board will meet no less than six times per year and as otherwise required in accordance with the Company's Constitution.

9. Committees of the Board

The Board may from time to time establish and delegate any powers to a Committee of the Board in accordance with the Constitution. Committee charters will be approved by resolution of the Board.

10. Board Performance Review

The Board will periodically review its performance. Such a review may include external evaluation.

11. Directors and Officers Liability Insurance

The Company will take out an appropriate level of Directors and Officers Liability insurance to provide protection for Directors from risks associated with the role of Director.

12. Independent Professional Advice for Directors

Where the Board collectively, or Directors individually, judge that independent professional advice is necessary to assist them to discharge their responsibilities as Directors, they may seek such advice at the Company's expense with the approval of the Chairperson, such approval not to be unreasonably withheld.

13. Adoption of Charter and Board Review

This Charter was adopted by the Board and takes effect on the date on the front cover of this Charter and replaces any previous policy in this regard. The Board will review this Charter periodically.