



## QRxPharma Limited Board Charter

### 1. Purpose

This document sets out the key responsibilities and roles of the Board of QRxPharma Limited ACN 102 254 151 ("the Company").

### 2. Overriding responsibilities

The Board is committed to:

- protecting the interests of shareholders and other stakeholders in the Company (such as employees, business and research partners, those who may benefit from products developed by the Company, their medical attendants and caregivers and the community as a whole);
- promoting and maintaining good corporate governance culture and structures to facilitate the growth of the Company while managing risks and being accountable to stakeholders;
- attracting and supporting a team with an appropriate and diverse blend of qualifications, skills, background and knowledge;
- acting efficiently, honestly and fairly; and
- acting in accordance with all applicable laws and regulations.

### 3. Key roles

The Board is ultimately responsible for the business and management of the Company. Taking into consideration the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council ("**Principles**"), the Board acknowledges that their key responsibilities are:

- Overseeing the business and strategic direction of the Company in order to maximise performance and generate appropriate levels of shareholder return.
- Appointment, evaluation and removal of:
  - the CEO,
  - the Company Secretary,
  - and, where appropriate, ratifying the appointment and removal of senior executives.
- Establishing reviewing, ratifying and monitoring systems of internal controls, risk management and legal compliance.
- Reviewing the performance and implementation of corporate strategies and risk management by senior management and ensuring that senior management have the necessary resources to carry out their functions.
- Approving and supervising significant capital expenditure, capital management, acquisitions and divestments.
- Approving and monitoring annual budgets and strategic plans.

- Approving and monitoring financial and other reporting made to shareholders and the ASX under the continuous disclosure regime.

#### **4. Delegation**

The Board may from time to time establish committees to assist in the discharge of its responsibilities. As at the date of this Charter, the Board has established:

- an Audit and Risk Committee, which is responsible for overseeing the external and internal auditing of the Company's activities;
- a Remuneration Committee, which is responsible for making recommendations to the Board on remuneration packages for executives, senior Managers and non-Executive Directors;
- a Nominations Committee, which is responsible for making recommendations to the Board on the composition of the Board and succession planning for Directors and senior executives; and
- a Scientific Advisory Board to provide advice to the Board by evaluating the soundness of the technical basis of the science position adopted by the Company.

#### **5. Board Membership**

The Board is committed to ensuring that there will be at least five directors of whom a majority will be non-executive directors, (and where possible, independent). Consistent with Principle 2, a director is regarded as independent if that director is a non-executive director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided<sup>1</sup>;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer<sup>1</sup>; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The Board is also committed to ensuring that its members have a diverse range of skills, background experience and expertise. This will assist the Board to maximise performance and ensure appropriate levels of shareholder return.

#### **6. Independent Professional Advice to Directors**

Each director may obtain legal or other professional advice relevant to the performance of his or her duties as a director of the Company at the Company's expense provided the director:

- informs the chair of the reason for seeking advice, of the name and qualifications of the advisor from whom the advice will be sought, and of the estimated cost of the advice; and

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<sup>1</sup> The Board has decided that a business relationship or contract where the company pays or receives in excess of \$100,000 in a year is regarded as material

- obtains the prior written consent of the Chair (which will not be unreasonably withheld) to the director obtaining the advice at the Company's expense. The Chairman must inform the other directors or any such request for consent as soon as possible.

The details or copies of the advice so obtained must be provided to the Board as soon as possible after the advice is obtained unless the Chairman has agreed that the advice obtained is personal to the Director's specific lawful performance, duties and/or responsibilities as a director.

**7. Review**

The Board reviews its performance and Charter annually to ensure that it is operating effectively and in the best interests of the Company.

**8. Process**

The Board will meet as frequently as required but must not meet less than four times each year.

The terms and conditions of the appointment and retirement of members of the Board are set out in the letters of appointment and as provided in the Constitution.

Last reviewed: June 2011