

MEDIBIO BOARD CHARTER

1. Introduction

1.1 The directors of Medibio Limited are committed to excellence in corporate governance and support the Principles of Good Corporate Governance and Recommendations ('Principles') developed by the ASX Corporate Governance Council as the basis for enhancing the credibility and transparency of our capital markets.

1.2 This charter sets out the key governance principles adopted by the Board in governing the company. In adhering to the responsibilities and powers as set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law.

2. Board composition

2.1 The composition of the Board is determined in accordance with the following established guidelines:

(a) The Board determines the criteria for Board membership and reviews the composition of the Board, nomination of all directors and terms and conditions of appointment to the Board.

(b) The Company's Constitution provides:

(i) for the number of directors to be at least 3 and no more than 10.

(ii) directors are appointed for terms not exceeding three years but are eligible for reappointments.

(iii) that one-third of the company's directors (except the Managing Director) are required to retire by rotation at each AGM, with each director being eligible for re-election.

(c) The Company's Constitution and the Corporations Act 2001 also governs the appointment and removal of the Company's Managing Director (if in existence) and its non-executive directors.

3. Responsibilities of the Board

3.1 The Board guides and monitors the business and affairs of the company to ensure the interests of shareholders are protected. The tabulation below summarises the principal responsibilities or functions of the Board (left hand column), and the policies and processes it applies in discharging these responsibilities (right hand column).

Responsibilities	Policies Applied
To set the goals and objectives for the Corporation, and to ensure a strategic planning process is in place to progress towards achievement to these	◆ Regular reviews of Medibio's strategic plan, goals and objectives are conducted by the Board.
To monitor progress against a more detailed budget which reflects the strategic plan, and to ensure that corrective action is taken when necessary.	◆ The Board reviews monthly progress against budget for significant performance indicators presented by the Chief Financial Officer.

<p>To ensure compliance with all statutory requirements, and with self-imposed standards such as those in the environmental and safety areas.</p>	<ul style="list-style-type: none"> ◆ Risk management policies ◆ The Board has approved a code of conduct covering minimum standards of conduct and integrity to be observed by members of staff. ◆ The Board delegates preparation of the plans, reports and other returns required under the Corporations Act and the ASX Listing Rules to the Managing Director or the Chief Executive Officer and Company Secretary. The Board reviews all ASX Announcements prior to release. ◆ The Board receives regular reports on performance or issues.
<p>To ensure that all areas of potential business and operational risk are reviewed so that where practicable effective risk management measures are in place.</p>	<ul style="list-style-type: none"> ◆ An audit programme is formulated and progressed under the particular guidance of the Audit Committee. Reports are reviewed by the Audit Committee and specific findings discussed by the Board. ◆ The Board reviews annually insurance arrangements recommended by the Chief Financial Officer. ◆ The Board delegates operational management to the Managing Director or the Chief Executive Officer. The Board receives and discusses reports on operational incidents which are significant.
<p>To ensure that the Board itself operates effectively to enhance the performance of the Corporation.</p>	<ul style="list-style-type: none"> ◆ At appropriate times, the Board determines changes to Directors to achieve a good mix of expertise and experience. ◆ The Board arranges for induction of new Directors, and may make external training courses available to directors. ◆ The Board from time to time reviews its performance and procedures – both by informal internal discussion, and a more structured and externally facilitated exercise. Measures to improve performance are implemented where agreed as desirable.
<p>To ensure that the Managing Director or the Chief Executive Officer and senior executive team of the Corporation are of high calibre,</p>	<ul style="list-style-type: none"> ◆ The Chairman and other Board members review the performance of the Managing Director or Chief Executive Officer, and appropriately rewarded and have a clear understanding of their responsibilities and delegated authority determine any changes to terms and conditions. To ensure that the Corporation maintains a high reputation with all stakeholders, and communicates effectively with them. ◆ The Board monitors information on stakeholder and community reaction to Medibio.

4. Directors and Board meetings

4.1 The company's non-executive directors meet at least 6 times per year and otherwise as required with the Managing Director or the Chief Executive Officer and Company secretary and other members of management as appropriate.

4.2 The quorum for any Board meeting of directors is 2 directors who at any given time are able to vote on the particular matter before the meeting at that time.

5. Relationship between Board and management

Overview

5.1 Subject to formal delegations of authority, the Board has delegated the management function to the Managing Director or Chief Executive Officer. However, ultimate responsibility for strategy and control rests with the Directors.

5.2 The Board approves corporate objectives for the Managing Director or the Chief Executive Officer.

5.3 The Managing Director or the Chief Executive Officer is accountable to the Board for the exercise of the delegated authority and, with the support of senior management, must report to the Board on the exercise of the authority through reports, briefings and presentations to the Board.

5.4 The Board requires succinct, clear, verifiable and high quality reports and information from management that will enable the Board to discharge its duties effectively.

5.5 The Board will adopt appropriate structures and procedures to ensure it retains its independence from management. This includes the separation of the roles and responsibilities of the Chair and Managing Director or the Chief Executive Officer.

Managing Director or Chief Executive Officer

5.6 The day-to-day management and operations of the Company are the responsibility of the Managing Director or Chief Executive Officer, who reports to the Board on key management and operational issues, including:

- (a) developing and implementing corporate strategies and making recommendations to the Board on significant corporate strategic initiatives;
- (b) maintaining effective risk management and compliance management frameworks;
- (c) appointing and determining the terms of appointment of senior management, developing and maintaining succession plans, and evaluating the performance of key executives;
- (d) keeping the Board and market fully informed about material continuous disclosure; and
- (e) managing day-to-day operations in accordance with standards for social, ethical and environmental practices.

6. Committees

6.1 The Board from time to time establishes Committees to streamline the discharge of its responsibilities and support the Board in matters that require more intense review.

6.2 The Board may establish a separate Audit Committee which is governed by an Audit Committee Charter. In the event the Board does not establish an Audit Committee the full Board fulfills the functions of the Audit Committee similarly governed by the Audit Committee Charter.

7. Role of the Chair

7.1 The Board will appoint one of its members to be Chair.

7.2 It is intended that the Chair should be an independent Non-Executive Director.

7.3 The Chair is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business.

7.4 The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Directors and between the Board and management of the Company.

7.5 The Chair is responsible for briefing Directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation.

8. Role of the Company Secretary

8.1 The Board will appoint a Company Secretary.

8.2 The Company Secretary is accountable to the Board. All Directors will have direct access to the Company Secretary.

8.3 The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.

8.4 The Company secretarial function supports Directors by providing:

- (a) continuing education to update and enhance their knowledge as the business environment changes;
- (b) access to information in appropriate form, currency and quality, including procedures to cover additional requests of management; and
- (c) access to independent professional advice, where requested.

9. Effective date

9.1 This Board Charter was ratified by the Board of Medibio on 23 June 2010 and amended on 31 January 2012.