

BOARD CHARTER

1. General

The Board of Directors:

- (a) is responsible for guiding and monitoring Botanix Pharmaceuticals Limited (**Company**) on behalf of shareholders; and
 - (b) has authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.
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2. Board Responsibilities

The specific responsibilities of the Board include:

- (a) Approving the Company's statement of values to ensure the desired culture within the Company is maintained and monitoring the implementation of such values and culture at all times.
- (b) overseeing the Company, including its control and accountability systems;
- (c) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;
- (d) ratifying the appointment, and where appropriate, the removal, of senior executives;
- (e) satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- (f) Reviewing the Company's Risk Management Framework Policy at least annually to satisfy itself that it continues to be sound.
- (g) Approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (h) in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- (i) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- (j) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;

- (k) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (l) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- (m) overseeing the management of safety, occupational health and environmental matters;
- (n) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- (o) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (p) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (q) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (r) reporting accurately to shareholders, on a timely basis.
- (s) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.
- (t) Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.
- (u) ensuring the Company enters into a written agreement setting out the appointment terms with the individual personally (except where a bona fide professional services firm is being engaged on an outsourced basis, in which case, the agreement may be with that entity);
- (v) undertaking appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history) before appointing a director or senior executive;
- (w) Prepare and maintain a Board skills matrix setting out the measurable mix of skills that the Board currently has. The Company will disclose this matrix in, or in conjunction with, its Annual Report.

3. Board Committees

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. The Board has not established any committees at this time

4. COMPOSITION OF THE BOARD

The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

The composition of the Board is to be reviewed regularly against the Company's Board skills matrix prepared and maintained by the Company Secretary to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction and to deal with new and emerging business and governance issues.

In considering whether a Director is independent, the Board should consider the definition of what constitutes independence as detailed in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition* as set out in Annexure A (**Independence Tests**).

The Company must disclose the length of service of each Director in, or in conjunction with, its annual report (**Annual Report**).

The Company must disclose the relevant qualifications and experience of each member of the Board in, or in conjunction with, its Annual Report.

5. Management

Responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board will ensure that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the management team.

While there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the Company's values and risk appetite set by the Board.

6. Conflicts of Interest

Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company and will advise the Company Secretary of all directorships or executive positions held in other companies.

If a potential material conflict of interest or conflict of duty arises, the Director concerned will advise the Board Chair prior to any Board meeting at which the conflicted matter is to be discussed. The Director will not receive the relevant Board papers and will not be present or participate in the Board meeting while the relevant matter is considered unless

the other Directors approve that Director's participation in the deliberation and voting on the relevant issue in accordance with the Corporations Act 2001 (Cth). Any potential conflict must be recorded in the Board minutes.

7. The Chair

The Board Chair will be elected by the Board and should, where practical, be an independent Director and not act in the role as managing Director.

The Board Chair's role includes:

- (a) leading the Board;
 - (b) facilitating effective contribution of all Directors and promoting constructive and respectful relations among the Directors and between the Board and management;
 - (c) approving board agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues;
 - (d) representing the views of the Board and the Company to the public; and
 - (e) presiding over meetings of the Board and general meetings of shareholders.
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1. The Company Secretary

The Board appoints and removes the Company Secretary. All directors are to have direct access to the Company Secretary.

The Company Secretary:

- (a) is responsible for the day to day operations of the Company Secretary's office, including the administration of Board and committee meetings, overseeing the Company's relationship with its share registry and lodgements with the ASX, ASIC and other regulators.
 - (b) is responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with the Continuous Disclosure Policy
 - (c) supports the effectiveness of the Board by monitoring that Board policy and procedures are followed and co-ordinating the completion and despatch of Board agendas and briefing papers.
 - (d) is accountable to the Board through the Board Chair, on all matters to do with proper functioning of the Board
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2. Access to Advice

Directors may obtain independent professional advice at the Company's expense on matters arising in the course of their Board duties, after obtaining the Board Chair's

approval. Whenever practicable, the advice must be commissioned in the joint names of the director and the Company, and where appropriate a copy of any such advice should be provided to and for the benefit of the entire Board.

8. Foreign Directors

If a Director does not speak the language in which corporate documents are written or Board or shareholder meetings are held, the Company will ensure that:

- (a) such documents are provided to a translator nominated by the Director to be translated into the Director's native language; and
 - (b) The Director may nominate a translator to be present at all Board and shareholder meetings attended by the Director.
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9. Board Evaluation

The Chairman has the overall responsibility for evaluating the performance of the

The review may include consideration of the following measures:

- (a) assessment of the performance of the Board as a whole having regard to the principles set out in the Board Charter;
- (b) the performance of the Chairman and individual Directors and their contribution to the functioning of the Board;
- (c) Review the Board's interaction with management.
- (d) Review the type and timing of information provided to the directors.
- (e) whether the Board has the right mix of skills, experience and perspectives to address the Company's needs

The method and scope of the performance evaluation will be set by the Chairman and which may include a Board self-assessment checklist to be completed by each director. The Chairman may also use an independent adviser to assist in the review.