



Giaconda Limited Board Charter

Composition of Board

Giaconda aims to have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and have Giaconda achieve its objectives. The constitution provides for a minimum of 3 directors. The members in general meeting may increase or reduce the number of directors.

The Board have adopted the following composition:

- a majority of the Board will be independent non-executive directors;
- the Chair will be an independent non-executive director; and
- the CEO will be a director.

Giaconda assesses a director as independent if they are a non-executive director (i.e. not a member of management) and:

- is not a substantial shareholder of Giaconda or an officer of, or otherwise associated directly with, a substantial shareholder of Giaconda;
- within the last three years has not been employed in an executive capacity by Giaconda;
- within the last three years has not been a principal of a material professional adviser or a material consultant to Giaconda, or an employee materially associated with the service provided;
- is not a material supplier or customer of Giaconda, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with Giaconda other than as a director of Giaconda;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Giaconda; 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 Giaconda.

General Responsibilities

The directors are responsible for the oversight of Giaconda including:

Strategy

- Input into and final approval of management's development of strategy and performance objectives; and
- reviewing and approving strategies of Giaconda.

Risk Management

- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance; and
- ensuring that appropriate risk management systems, internal control, reporting systems and compliance frameworks are in place and operating effectively.



Finance

- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures and dividend policy; and
- approving and monitoring financial and other reporting.

Senior Management

- Appointing the CEO and ratifying the appointment, where appropriate, the removal of other senior executives;
- monitoring senior management's performance and implementation of strategy against goals and objectives and ensuring that appropriate resources are available;
- determining the remuneration of the CEO and senior executives based on performance; and
- ensuring there are plans and procedures for recruitment, training, remuneration and succession planning for senior executives.

Sustainability

- Ensuring there are appropriate standards of Corporate Governance; and
- ethical standards.

Specific Powers

The Board of Giaconda has the following powers as well as any others specifically reserved for the Board by law:

Finance

Approving:

- strategic plan and budget, at least annually;
- major capital projects and related expenditure;
- land and building leases;
- capital management including the issue of any shares, options, equity instruments, or other securities in Giaconda;
- major financing facilities and the giving of security over group assets (including mortgages and charges over Giaconda's property); and
- approval of half year end and year end financial statements.

Board Structure

- Appointment of the Chair;
- membership and terms of reference of Board committees, and matters referred to the Board by its committees.

Auditors

Appointment of auditors and their annual audit fees.

Internal Governance

Approving:

- the limits delegated to the CEO and senior executives and items outside such limits;
- significant changes to the organisational structure;
- the acquisition, establishment, disposal or cessation of any significant business of Giaconda including any licence of its therapies;



- any public statements which reflect decisions by the Board, significant issues of Giaconda's policy or strategy;
- capital expenditure policy, financial policies and other key policies;
- any changes to the powers delegated by the Board; and
- any changes to the powers specifically reserved for the Board.

Senior Management

- Selection, appointment and removal of the CEO, and the determination of terms and conditions of service (including remuneration); and
- approving each of the following:
 - appointment and removal of members of the senior management team and the Company Secretary; and
 - employee share and option plans, short term and long term incentive plans.

Litigation

Strategic matters in relation to litigation.

Subject to law and the Board's ultimate responsibility for oversight, the Board may delegate to its committees, a director or any other person, authority to perform any of its functions and exercise any of its powers.

The Board has delegated responsibility for day-to-day management of Giaconda to the CEO. However, the CEO must consult the Chair on matters that are sensitive, extraordinary or of a strategic nature.

Meetings

The Board meets not less than eight times per year and may, at the discretion of the Chair, meet more frequently in order to fulfil its duties.

The agenda for Board meetings are prepared by the Company Secretary in conjunction with the Chair and CEO.

Standing items at directors meetings include:

- reports from the Chair, CEO, COO, CMO and Company Secretary including disclosure matters;
- reports from Board committees; and
- financial reports.

Board papers will, where possible, be provided to directors at least one week prior to the relevant meeting.

Board Committees

The Board operates through committees for governance of particular areas of the business. These committees enable a more detailed involvement of the Board with the business in line with the committee charters.

The Board determines the terms of reference and composition of the following committees, namely:

- Audit, Risk and Compliance Committee;
- Nominations Committee;
- Remuneration Committee.



The Board also determines the terms of reference and composition of ad hoc Board committees.

Delegated Responsibility

Delegation of responsibility is focussed in three key areas:

1. Business Strategy

- management will be authorised to execute the strategy in accordance with the business plan approved by the Board; and
- any deviations from the approved business plan will need to be approved by the Board prior to the event taking place.

2. Financial Management

- the Board will approve the Budget as developed and satisfactorily presented by the COO on an annual basis;
- management will be authorised to execute financial management in accordance with the approved budget;
- any material deviations from the approved budget will need to be approved by the Board prior to the event taking place.

3. Legal Liability

All legal liabilities and obligations outside those limits delegated by the Board must be approved by the Board prior to the incurring of those liabilities and obligations (such as the signing of an agreement).

Self-Performance evaluation

The Board will regularly evaluate the performance of the Board as a whole, each of the Board committees and each individual director. The evaluation will include setting the goals and objectives of the Board for the upcoming year and effects and any improvements required to this charter.

The performance evaluation may involve the use of an external consultant.

Access to Information

All directors are required to enter a Board Paper Access Deed to regulate the directors' common law right of access to information of Giaconda.

The Board and appointed committees are to be provided with the information they need to efficiently discharge their responsibilities.

Management should supply the Board and committees with information in a form, timeframe and quality that will enable them to effectively discharge their duties.

Directors are to be entitled to request any additional information where they consider that the information supplied by management is insufficient to support informed decision-making.

Indemnification of Directors

All directors are required to enter a Deed of Indemnity to provide an indemnity (the same as set out in the Constitution) to give the directors with a method of enforcing the indemnity after they cease to be a director and to spell out the obligations of each party in relation to the indemnity.



Access to Independent Advice

Any Director may seek independent professional advice as considered necessary at Giaconda's expense with the prior approval of the Chair.

30 October 2006