

# IMMURON LIMITED

ABN 80 063 114 045

## ROLE OF BOARD & MANAGEMENT

(Corporate Governance Recommendations 1.1 & 2)

### CHARTER

#### 1 BOARD.

##### 1.1 Role.

The primary role of the board is to provide effective governance over the Company's affairs to ensure the interests of the shareholders are protected and the confidence of the investing market is maintained whilst having regard for the interests of all the stakeholders.

##### 1.2 Composition.

The board determines its size and composition, subject to the limits imposed by the Company's Constitution, which requires a minimum of three and a maximum of ten.

The Company will at all times bear in mind the need to have a majority of independent directors. An independent director is independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement. Notwithstanding this, the board recognises that in a small, specialised industry such as biotechnology, it is very desirable that board members have some industry background and therefore may not be completely independent.

##### 1.3 Chairman.

The Chairman of the board shall be;

- elected by the board,
- a non-executive director, and
- independent

##### 1.4 Meetings.

The Board shall meet as often as deemed necessary by the Directors in order to fulfil their duties and responsibilities as Directors and as dictated by the needs of the business. It is expected that under normal circumstances the board will meet at least once each month.

The Chairman or a majority of the Board members may convene the meetings.

A quorum shall consist of a majority of the Board members.

The non-executive directors of the board will meet together without the presence of executive directors at least four times per year to discuss matters pertaining to the Company's executive management.

##### 1.5 Conflict of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company.

##### 1.6 Access.

The Board shall have full and free access to executives and other employees of the Company.

### **1.7 Professional Advice**

The Board collectively and each director individually may take, at the expense of the Company, such independent professional advice as is considered necessary to fulfil their relevant duties and responsibilities.

Individual Board members seeking such advice must obtain the approval of the Chairman (which may not be unreasonably withheld) and the advice will be made available to all the Board members as appropriate.

### **1.8 Code of Conduct.**

Each member of the Board shall abide by the terms of the Company's Code of Conduct in all dealings with and on behalf of the Company.

To ensure that all Board members understand what is expected of them, in addition to their obligations under the Corporation Law, the Company will provide to them a letter setting out the key terms and conditions relating to their appointment.

### **1.9 Nomination Committee.**

The Company is of a size that does not warrant a separate nomination committee, therefore the board assumes this role as and when required.

### **1.10 Duties & Responsibilities.**

The Board is responsible to the stakeholders for;

1. Setting the Company's values and standards of conduct and ensuring that these are adhered to so as to safeguard the reputation of the Company,
2. Providing strategic direction and approving corporate strategic initiatives including input into and final approval of management's development of corporate strategy and performance objectives,
3. Oversight of the Company, including its control and accountability systems,
4. Appointing and removing the Chief Executive Officer and setting all aspects of his/her employment contract,
5. Ratifying the appointment and, where appropriate, the removal of the Chief financial Officer and the Company Secretary,
6. Reviewing and ratifying systems of risk management and internal compliance and controls, codes of conduct and legal compliance
7. Monitoring senior management performance and ensuring appropriate resources are available,
8. Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures,
9. Approving and monitoring financial and other reporting,
10. Board nominations. The Company is of a size that does not warrant a separate nomination committee, therefore the board assumes this role as and when required, and

11. The full board will exercise the responsibilities and set the policies for remuneration of directors and senior managers so as to comply with the Corporation Act, accounting standards and the ASX Listing Rules.

## **2 Management.**

Through the Chief Executive Officer, management is responsible to the board for the;

1. Development and implementation of agreed corporate strategy and performance objectives,
2. Undertaking the day to day activities of the Company,
3. Identifying all matters to be included in a risk profile of the Company and ensuring that effective risk management systems are implemented and adhered to,
4. Observing the code of conduct, and
5. Ensuring that the board is fully informed of all matters which may have a material impact on the ability of the Company to meet its obligations