

INTRODUCTION

The Board of the Company has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. With this in mind, the Board has formalized the corporate governance framework within which the Company operates.

This document outlines the Company's corporate governance policy in the form of a Board Charter, which is a written policy document that defines the respective roles, responsibilities and authorities of the Board, both individually and collectively, and of the management in setting the direction, management and control of the organisation. As such, it establishes the guidelines within which the Directors and Offices are to operate as they carry out their respective roles.

ROLE OF THE BOARD

The Board is ultimately responsible for all matters relating to the running of the Company. The Board's role is to govern the Company rather than manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

To fulfill this role the Board is responsible for:

- The Corporate Governance and ethical behaviour of the Company;
- Oversight of the Company, including its control and accountability systems;
- Appointing, reviewing the performance of, and removing the Managing Director;
- Ratifying the appointment and the removal of the Chief Financial Officer and the Company Secretary;
- Input into and final approval of the Company's corporate strategy, business plan and performance objectives;
- Ratifying and reviewing systems of risk management and internal compliance and controls, codes of conduct, and legal compliance (including compliance with ASX listing rules);
- Monitoring senior management's performance and implementation of strategy, and ensuring proper resources are available;
- Approving and monitoring the progress of capital expenditure, capital management and acquisition and divestitures; and
- Approving and monitoring financial and other reporting.

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From time to time, the Board may establish committees to assist it in carrying out its responsibilities, and shall adopt such charters setting out matters relevant to the composition, responsibilities, powers and modus operandi, and such other matters as the Board considers appropriate. The Board has established the following committees:

- Audit and Risk Management Committee
- Remuneration Committee.

BOARD PROCESSES

The full Board currently holds nine scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the Chairman and Managing Director. Executives are regularly involved in Board discussions and directors have other opportunities, including visits to operations, for contact with a wider group of employees.

COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- The Board shall be comprised of a majority of independent non-executive directors
- The Board shall comprise directors with a broad range of expertise both nationally and internationally
- Directors appointed by the Board are subject to election by shareholders at the following Annual General Meeting
- While directors are not appointed for a fixed term, under the Company's Constitution and the ASX Listing Rules, at least one third of the directors (excluding the Managing Director) must retire by rotation each year and submit themselves for re-election by shareholders
- The tenure of executive directors is linked to their holding of executive office.

An independent director is a director who is not a member of management (a non-executive director) and who:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company
- Has not within the last three years been employed in an executive capacity by the Company
- Is not, and has not been within the last three years, a principal of a professional adviser to the Company
- Is not a significant supplier or customer of the Company or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer
- Has no significant contractual relationship with the Company other than as a director of the Company
- 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.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's Constitution directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

NOMINATION, APPOINTMENT AND RETIREMENT OF DIRECTORS

The Board will be responsible for succession planning and identification of new Board members. A separate nomination committee is not considered to be appropriate given the size of the organisation. The Board's view is that the role of this committee is more appropriately discharged by the Board itself.

The composition of the Board is reviewed on a regular basis to ensure that it has the appropriate expertise and range of skills.

If a vacancy occurs, or if it is considered that the Board would benefit from the services of an additional director with particular skills, the Board (if necessary, with the assistance of an external consultant) would select a panel of candidates with the appropriate expertise and experience. The Board would then appoint the most suitable candidate. The Company's Constitution requires that directors appointed by the Board submit themselves for re-election at the first meeting of shareholder following their appointment.

The Board is responsible for the selection, appointment and succession planning process of the Company's Chief Executive Officer.

DIRECTOR EDUCATION

Directors have the opportunity to visit the Company's facilities and meet with management to gain a better understanding of business operations.

DIRECTORS AND STAFF DEALING IN COMPANY SHARES

The Constitution does not preclude directors or staff from acquiring shares in the Company or disposing of those shares. However, the Board has instituted the attached policy that governs the trading of shares by directors or staff – "Insider Trading Policy".

In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Stock Exchange, directors must advise the Company of any transactions conducted by them in shares in the Company.

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DIRECTOR ACCESS TO PROFESSIONAL ADVICE

In the discharge of their duties, directors have the right to seek independent professional advice at the expense of the Company, subject to the prior approval of the Chairman or another director of the Company.

MINUTES

Minutes will be maintained for all meetings of the Board of Directors.

RESPONSIBILITIES OF EXECUTIVE MANAGEMENT

The purpose of this policy is to outline the responsibilities of the Chief Executive Officer/Managing Director and the Chief Financial Officer/Company Secretary.

CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

1. Lead the business planning process, defining the Company's vision, mission, values and strategy and accepting accountability for the implementation of plans agreed with the Board
2. Lead the Company's research and development programs effectively and efficiently
3. Raise equity capital as and when required on terms acceptable to the Board
4. Ensure the efficient running of TBG's manufacturing facilities
5. Recruit, motivate, develop and retain appropriate staff capable of ensuring the longer term prosperity of the Company
6. Ensure the security of intellectual property generated by TBG, regularly reviewing intellectual property issues and making recommendations to the Board for licensing or other commercial agreements
7. Keep the Board informed of all strategic and tactical developments within the Company on a 'no surprise' basis
8. Maintain an effective and advantageous liaison with the media, analysts and shareholders, by means of a proactive public relations and investor relations strategy
9. Maintain compliance with all regulatory requirements relating to an ASX listed entity
10. Establish and maintain compliance with the relevant pharmaceutical industry regulatory bodies and standards including cGMP; cGCP and cGLP
11. Ensure appropriate standards of occupational health and safety and social and environmental responsibility is maintained
12. Ensure that the ethical standards established by the Board are complied with.

CHIEF FINANCIAL OFFICER/COMPANY SECRETARY

1. Manage the Company's Finance, IT and Secretarial function
2. Prepare and present the Annual Operating. Capital and Cash Flow Budgets and long-term financial plans
3. Prepare monthly management accounts for distribution to Management and the Board
4. Prepare Half yearly, Annual Statutory Financial Accounts and the Company's Annual Report to Shareholders
5. Maintain and develop the Company's accounting system
6. Manage the Treasury and Capital Management activities

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7. Fulfill the role of statutory duties of Company Secretary, ensuring compliance with regulatory bodies such as the ASX, ASIC, ATO and the IR&D Board in Australia and NASDAQ and SEC in the USA
8. Co-ordinate risk management activities
9. Manage the Information Technology function including administration of existing systems and future development
10. Provide financial advice to the Board and Management as appropriate and upon request
11. Participate in all major contract negotiations
12. Actively participate in the general management of the Company.