

## BOARD CHARTER

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### 1 PURPOSE

This charter sets out the major principles adopted by the board of directors (Board) to manage its affairs and enable it to discharge its responsibilities to Sienna Cancer Diagnostics Ltd (“Sienna” or “the Company”). The charter operates in conjunction with the Sienna Constitution (“Constitution”) and relevant laws (including the *Corporations Act 2001 (Cth)* (Corporations Act) and ASX Listing Rules).

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### 2 ROLE OF THE BOARD

The role of the Board is to provide strategic direction, appropriate corporate governance structures, and effective oversight of the management of the Company. The Board's primary objective is to increase shareholder value within an appropriate framework that protects the rights and interests of all shareholders, whilst ensuring the Company is properly managed. Day to day management of the Company's affairs and implementation of its strategy are delegated to the Chief Executive Officer (CEO), who must report progress to the Board regularly.

In fulfilling its role, the Board will:

- Serve the best interests of the Company's shareholders, whilst being cognisant of the interests of other stakeholders, including its employees, customers and the community;
  - Devote sufficient time and effort to understanding the Company's operations;
  - Be familiar with, and comply with, all relevant laws and regulations applicable to directors and the Board;
  - Undertake their duties with appropriate care and diligence in accordance with their legal obligations and the Constitution;
  - Act with integrity and objectivity, and in accordance with the ethical and other standards set out in the Company's corporate governance policies, codes and charters;
  - Exercise any authorities responsibly and within their limits.
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### 3 RESPONSIBILITIES OF THE BOARD

Board responsibilities include:

#### Strategy

- formulating, approving, and periodically reviewing, the Company's strategic plan, in conjunction with the CEO;
- monitoring organisational performance, the implementation of strategy, and achievement of the Company's strategic objectives;
- ensuring appropriate resources are available to allow the Company to achieve its strategic objectives;
- determining the structure of the Company.

#### Governance and Risk

- overseeing the business and affairs of the Company including its control and accountability systems;
  - establishing and approving charters of Board committees;
  - establishing and monitoring the effectiveness of corporate governance policies and practices;
  - ensuring business risks are identified, approving systems and controls to manage those risks;
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- ensuring there are effective management policies, procedures and processes in place, including the Code of Conduct, to promote a positive culture within the Company;
- overseeing the management of occupational health and safety and environmental performance;
- meeting statutory and regulatory requirements.

#### **The CEO, the board and senior management**

- appointing and removing the Chief Executive Officer (CEO), and determining the terms and conditions of appointment, including remuneration;
- agreeing performance targets with, and monitoring and assessing the performance of, the CEO;
- appointing and removing the Company Secretary;
- ratifying the appointment of senior executives;
- succession planning for the Board and senior management.

#### **Financial**

- approving the annual budget, including capital expenditure and cash flows, as proposed by management;
- approving and monitoring the progress of major capital expenditure, acquisitions and divestitures;
- approving the levels of authority to be given to the CEO and CFO in relation to expenditure and the operation of banking and credit facilities, and authorising any further delegations of those authorities to other senior employees of the Company (current board-approved authorities are detailed within the 'Process for the Approval of Expenditure & Authorisation of Bank Transactions' policy);
- overseeing the integrity of the Company's accounting and corporate reporting systems via the Audit Committee;
- approval of the annual and half-year financial reports based on the recommendation of the Audit Committee.

#### **ASX and Statutory Reporting**

- monitoring and approving financial and other statutory reporting;
- monitoring and approving certain disclosures to ASX (in accordance with the Company's 'Continuous Disclosure Policy').

Directors are entitled to seek independent professional advice related to the discharge of their responsibilities as Directors, at the Company's expense, subject to the prior approval of the Chairperson (which must not be unreasonably withheld).

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## **4 COMPOSITION OF THE BOARD**

The Board recognises that directors should have a broad mix of skills, knowledge and experience, so that as a whole, the Board is able to effectively guide and govern the Company.

Subject to the Constitution, the Board is responsible for determining the composition of the Board, including:

- the number of directors (at least 3, no more than 10), and terms and conditions of directors' appointments;
- appointing a chairperson, ensuring the chairperson is an independent, non-executive director;
- ensuring a majority of directors are independent, non-executive directors;
- succession planning.

Directors are not required to hold shares in the Company as part of their appointment.

#### **An independent director is considered to be one who:**

- is not a member of management of the Company;
- is not a substantial shareholder (holding more than 5% of the issued capital of the Company) or directly associated with a substantial shareholder (as defined in section 9 of the Corporations Act);
- within the three years previous to the proposed appointment, has not been employed in an executive capacity by the Company;
- is not a current or past (within the 3 years previous to the proposed appointment), employee or partner of the Company's external auditor;
- is free of any interest that could materially interfere with or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

Family ties and cross directorships may also be relevant in considering interests and relationships which may compromise independence.

Directors considered by the Board to be independent will be identified as such in the "Directors' Report" section of the Company's annual report. The Board will state its reasons if it considers a director to be independent, despite the existence of relationships set out above, and the "Directors' Report" will disclose the existence of any such relationships.

All directors, whether independent or not, are expected bring independent judgement to Board decisions.

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## 5 CHAIRPERSON

The chairperson is appointed by the Board, which may specify a period during which the chairperson is to hold that office (Constitution clause 15.4).

The role of the chairperson is to ensure that the Board fulfils its role and responsibilities. The responsibilities of the chairperson include:

- leading and managing the Board in the discharge of its duties;
- managing the relationship between the Board and the CEO, ensuring regular, effective communication on key Company matters, and that all Board members are properly informed on such matters;
- ensuring that the processes adopted by the Board allow it to effectively provide strategic direction, corporate governance structures and oversight of management;
- ensuring that the Board meets at regular intervals to consider the Company's performance and other key issues facing the Company;
- setting the agenda for Board meetings in consultation with the CEO, Company Secretary and other Directors;
- deciding in consultation with other Directors whether the Board requires additional advice or information from management or external advisors;
- ensuring in conjunction with other Board members that the Board comprises Directors with an appropriate blend of skills and experience to enable it to perform its functions.

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## 6 REMUNERATION OF DIRECTORS

In accordance with ASX Listing Rules and the Constitution, remuneration of non-executive directors is determined in maximum aggregate by shareholders from time to time in a general meeting. Directors' fees are allocated from the maximum fees pool by the Board on the recommendation of the Remuneration Committee. Superannuation payments made to directors under Super Guarantee legislation do not count towards the total director fee pool. The Remuneration Committee may take independent advice with respect to directors' fees on an as-needed basis.

Currently there are no separate payments made to directors for serving on Board committees, or for attendance at committee meetings as an invitee, or attending to other Sienna or Board activities.

The reasonable expenses incurred by directors in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Sienna policies.

Currently there is no plan to provide remuneration, rewards, or other benefits to non-executive directors on their cessation as a director.

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## 7 TERM OF OFFICE

The term of office of Directors is dictated by the Constitution (clauses 13.1 and 13.3) and ASX Listing Rules. No director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the director's election, whichever is the longer, without submitting themselves for re-election, and there must be an election of at least one Director at each annual general meeting.

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## 8 COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes, among other things:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring whether Board and committee policies and procedures are followed;

- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors.

The decision to appoint a Company Secretary will be formally resolved by the Board (in accordance with section 204D of the Corporations Act). The decision to remove a Company Secretary will be made or approved by the Board.

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## **9 BOARD MEETINGS**

The Board will meet regularly in accordance with an agreed schedule and hold extra meetings as required. Directors are expected to prepare fully for all Board meetings and to attend as many Board meetings as is reasonably practicable.

A quorum will be a majority of Directors entitled to vote, if there are four or more directors. Where there are three directors, all directors are required to be present.

In the chair's absence, the members who are present will elect a chair for that meeting.

The Board meeting agenda and relevant papers will be distributed to all directors at least four days prior to the meeting.

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## **10 CONFLICTS OF INTEREST**

Board members will be invited to disclose conflicts of interest at the start of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once they have been acknowledged. Directors who have declared, or are deemed to have a real or perceived conflict of interest, will be excused from Board discussions regarding the issue and will abstain from voting on the issue.

To meet directors' obligations regarding the disclosure of conflicts of interest, directors must:

- Promptly disclose active private or other business interests and any other matters which may lead to potential or actual conflicts of interest;
- Fully disclose all relationships they have with Sienna that may call into question their independence (see section 4). Directors' dealings with the Company should always be at 'arm's length' to avoid the possibility of actual or perceived conflicts of interest.

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## **11 INVITEES**

Other people may attend meetings of the Board by invitation. They may take part in discussions but have no voting rights. On occasion they may be asked to leave the meeting if the Board requires a closed session.

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## **12 VOTING**

In accordance with the Constitution (clause 15.5), matters will be decided by a majority of votes of Directors. In the case of an equality of votes, the Chairperson of the meeting has a second or casting vote in addition to the Chairperson's deliberative vote.

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## **13 MINUTES**

Minutes must be prepared, reviewed by the chair and circulated to the other members of the Board with the board papers for the subsequent Board meeting. The minutes must be ratified by board resolution at that Board meeting and be signed by the chair.

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## **14 BOARD COMMITTEES**

To ensure the Board has adequate time to concentrate on strategy, planning and the Company's performance, the Board will delegate certain specific duties to Board committees. There are currently two established committees, the Remuneration Committee and the Audit and Risk Committee. Each committee has a defined charter to assist

and support the Board in the conduct of its duties and obligations. The structure and membership of each committee and their charters are reviewed annually. Other committees may be formed from time to time as required.

The Board has chosen not to establish a Nomination committee. The responsibilities of such a committee rest with the Board, including director and executive succession planning and the identification of directors to fill skills gaps. All existing directors interview potential Board candidates and shareholders are provided with all relevant information, including biographical details, when directors are put forward for election at general meetings.

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## **15 TRADING THE COMPANY'S SHARES**

The Corporations Act prohibits "insider trading" and imposes significant penalties if a person with "inside information" engages in insider trading. The offence is committed when inside information is used to trade or cause others to trade in the Company's shares. Causing others to trade means to incite, induce, encourage, or tip off.

The Company has developed a Share Trading Policy ([www.siennadiagnostics.com.au/investor/governance](http://www.siennadiagnostics.com.au/investor/governance)) which addresses insider trading. All directors are required to comply with this policy when trading Sienna's shares.

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## **16 BOARD CHARTER REVIEWS**

The Board will review this charter annually to ensure that it remains consistent with the Board's objectives and responsibilities.