

BIOPROSPECT BOARD CHARTER

1. Introduction

- 1.1 The directors of BioProspect Limited are committed to excellence in corporate governance and support the Principles of Good Corporate Governance and Recommendations ('Principles') developed by the ASX Corporate Governance Council as the basis for enhancing the credibility and transparency of our capital markets.
- 1.2 This charter sets out the key governance principles adopted by the Board in governing the company. In adhering to the responsibilities and powers as set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law.

2. Board composition

- 2.1 The composition of the Board is determined in accordance with the following established guidelines:
 - (a) The Board determines the criteria for Board membership and reviews the composition of the Board, nomination of all directors and terms and conditions of appointment to the Board.
 - (b) The Company's Constitution provides:
 - (i) for the number of directors to be at least 3 and no more than 10.
 - (ii) the Chairman must be a non-executive director.
 - (iii) directors are appointed for terms not exceeding three years but are eligible for reappointments.
 - (iv) that one-third of the company's non-executive directors (except the Managing Director) are required to retire by rotation at each AGM, with each director being eligible for re-election.
 - (c) The company's Constitution also governs the appointment and removal of the company's Managing Director and its non-executive directors.

3. Responsibilities of the Board

3.1 The Board guides and monitors the business and affairs of the company to ensure the interests of shareholders are protected. The tabulation below summarises the principal responsibilities or functions of the Board (left hand column), and the policies and processes it applies in discharging these responsibilities (right hand column).

Responsibilities	Policies Applied
To set the goals and objectives for the Corporation, and to ensure a strategic planning process is in place to progress towards achievement to these	<ul style="list-style-type: none"> ◆ Regular reviews of BioProspect's strategic plan, goals and objectives are conducted by the Board.
To monitor progress against a more detailed budget which reflects the strategic plan, and to ensure that corrective action is taken when necessary.	<ul style="list-style-type: none"> ◆ The Board reviews monthly progress against budget for significant performance indicators presented by the Chief Financial Officer.
To ensure compliance with all statutory requirements, and with self-imposed standards such as those in the environmental and safety areas.	<ul style="list-style-type: none"> ◆ Risk management policies ◆ The Board has approved a code of conduct covering minimum standards of conduct and integrity to be observed by members of staff. ◆ The Board delegates preparation of the plans, reports and other returns required under the Corporations Act and the ASX Listing Rules to the Managing Director and Company Secretary. The Board reviews all ASX Announcements prior to release. ◆ The Board receives regular reports on performance or issues.
To ensure that all areas of potential business and operational risk are reviewed so that where practicable effective risk management measures are in place.	<ul style="list-style-type: none"> ◆ An audit programme is formulated and progressed under the particular guidance of the Audit Committee. Reports are reviewed by the Audit Committee and specific findings discussed by the Board. ◆ The Board reviews annually insurance arrangements recommended by the Chief Financial Officer. ◆ The Board delegates operational management to the Managing Director and Chief Operating Officer. The Board receives and discusses reports on operational incidents which are significant.

<p>To ensure that the Board itself operates effectively to enhance the performance of the Corporation.</p>	<ul style="list-style-type: none"> ◆ At appropriate times, the Board determines changes to Directors to achieve a good mix of expertise and experience. ◆ The Board arranges for induction of new Directors, and may make external training courses available to directors. ◆ The Board from time to time reviews its performance and procedures – both by informal internal discussion, and a more structured and externally facilitated exercise. Measures to improve performance are implemented where agreed as desirable.
<p>To ensure that the Managing Director, the Chief Operating Officer and senior executive team of the Corporation are of high calibre, appropriately rewarded and have a clear understanding of their responsibilities and delegated authority</p>	<ul style="list-style-type: none"> ◆ The Chairman and other Board members review the performance of the Managing Director, and determine any changes to terms and conditions.
<p>To ensure that the Corporation maintains a high reputation with all stakeholders, and communicates effectively with them.</p>	<ul style="list-style-type: none"> ◆ The Board monitors information on stakeholder and community reaction to BioProspect.

4. Directors and Board meetings

- 4.1 The company's non-executive directors meet at least 6 times per year and otherwise as required with the Managing Director and Company secretary and other members of management as appropriate.
- 4.2 The quorum for any Board meeting of directors is 2 directors who at any given time are able to vote on the particular matter before the meeting at that time.

5. Committees

- 5.1 The company has established only one other committee:
- (a) An Audit Committee
- 5.2 A separate Charter has been prepared for the Audit Committee
- 5.3 It is a policy of the company that the Chairman and a majority of the directors on the Audit Committee be independent directors.

6. Effective date

- 6.1 This Board Charter was ratified by the Board of BioProspect on 23 June 2010.