



BOARD CHARTER

Introduction

In carrying out its responsibilities and powers as set out in this Charter, the Bionomics Limited (Bionomics) Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently, and in accordance with the law in fulfilling its primary responsibility of looking after the interests of Bionomics shareholders. The Board believes that the interests of shareholders are best served by also taking into account the interests of other stakeholders such as Bionomics employees and individuals engaged in Bionomics directed research at Bionomics' affiliated institutions.

The Board will work to promote and maintain an environment within Bionomics that establishes these principles as basic guidelines for all of its employees.

Purpose and Role

The Board is responsible for:

- Charting the strategic direction of Bionomics, approving Company objectives in line with that strategic direction and monitoring progress towards Board approved objectives;
- Monitoring compliance with regulatory requirements and ethical standards; and,
- Appointing, and reviewing the performance and remuneration of the Chief Executive Officer.

In performing the responsibilities set out above the Board will act at all times:

- In a manner designed to create and continue to build sustainable value for shareholders; and
- In accordance with the duties and obligations imposed upon them by the Constitution of Bionomics, the Australian Stock Exchange and by law.

Powers and Responsibilities

The Board delegates all management responsibility for the business of the Company to the Chief Executive Officer except for matters expressly required by law to be approved by the Board and the following powers which are specifically reserved for the Board:

- Approval of each of the following:
 - The business plan, scientific, corporate and financial objectives linked to the plan, the annual budget and financial plans including available resources and major capital expenditure initiatives.
 - Major corporate initiatives including third party agreements relating to commercialisation and the scope of the Company's scientific activities.
 - Announcements to shareholders and the Australian Stock Exchange.

- The review and ratification of Bionomics' corporate governance procedures, systems of risk management and internal compliance and control, codes of conduct, and the monitoring of compliance.
- Appointment of direct reports to the Chief Executive Officer and appraisal of management's performance in achieving Board approved objectives.

Membership of the Board

The Company's constitution provides for the number of directors to be not less than 3 and not more than 12 as determined by the directors from time to time.

The current members of the Bionomics Limited Board and their tenure on the Board are as follows:

Member	Current Position	Director Since
Christopher Fullerton	Chairman and Non-Executive Director	2009
Errol De Souza	Non-Executive Director	2008
Christopher Fullerton	Non-Executive Director	2008
Deborah Rathjen	CEO & Managing Director	2000

Responsibilities of the Chairman and the Chief Executive Officer

Within the Charter of the Board, the responsibilities of the Chairman of the Bionomics Board are as follows:

- To provide leadership of the Board for the efficient organisation and conduct of the Board's function, and for the briefing of all directors in relation to issues arising at board meetings.
- To facilitate the effective contribution of all directors and promote constructive and respectful relations between board members and between board and management.
- To communicate board thinking to the Chief Executive Officer (CEO)

The relationship between the Chairman and the CEO shall be based on a shared understanding that there is a mutual requirement of both the CEO and the Chairman to bring to the attention of the other in a timely manner important matters relating to the Company of which they become aware and of those matters which the CEO is obliged to report to the Chairman as set out in the CEO's contract of employment or other directives made to the CEO from the Board from time to time.

The Chairman shall ordinarily convene a meeting of independent, non-executive directors without executive directors present around the time of the Company's AGM and whenever all directors are present together in person. The Chairman may also convene such a meeting at such other times as deemed necessary or as requested from time to time, but in any event at least three times per year.

The responsibilities of the CEO are to implement Company strategies and policies.

Independence and Independent Decision Making

The Board aims to maintain a majority of its members as independent directors.

An independent director is one who is independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

The Board considers all current Board members other than Dr Rathjen as independent directors.

Issues relating to an assessment of the independence of a director shall be determined by reference to the guidance provided by the ASX in its Corporate Governance Guidelines as set out in Appendix 1. The Board shall determine the thresholds of materiality from the perspective of both the Company and its directors in determining whether such a director maintains an independence of mind.

To assist all directors to bring an independent judgement to bear in decision making, it has been agreed by the Board that Directors of Bionomics may seek independent professional advice, at the expense of Bionomics Limited, on any matter connected with the discharge of their responsibilities. Prior written approval of the Chairman is required, but this will not be unreasonably withheld. Copies of this advice will be made available to, and for the benefit of, all Board members at the discretion of the Chairman.

Conflicts of Interest

All Board members are required, as a continuing obligation, to immediately notify the Board in writing of any actual or potential conflicts of interest or any circumstances that may affect a Board member's level of independence.

Where there is on any matter a potential or actual conflict of interest involving any Board member, generally such Board member is not entitled to:

- Receive any Board papers relating to the matter,
- Attend any part of a board meeting on the matter, or,
- Vote on that matter,

Unless the other directors unanimously decide otherwise. In other circumstances, management of actual or potential conflicts of interest shall be determined by the Chairman in consultation with other Board members.

Board Committees

The Board may from time to time establish committees to assist it in carrying out its responsibilities, and shall adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

As at the date of the adoption of this Board Charter the following committees have been formed:

- Compensation Committee.
- Audit and Risk Management Committee.

The Chairmen of all sub-committees of the Board shall report directly to the full Board of Bionomics Limited.

Director Appointment

In the event that the Board believes a new director should be appointed to the Board, it may convene a Board Nomination Committee.

Potential candidates for Board appointment will be sought based on the statement of Necessary Director Competencies set out in Appendix 2 as amended by the Board for any particular Board appointment. The search for new non-executive directors may be undertaken with the assistance of a professional search firm.

Upon the Board resolving to make a new appointment, the Chairman shall provide a letter of appointment to the appointee which the appointee shall sign as a pre-condition to their formal commencement as a member of the Board.

Performance Review

The Board shall undertake an annual performance evaluation of itself that:

- Compares the performance of the Board with the requirements of its Charter;
- Involves the Chairman meeting individually with each Board member to assess how board performance may be improved; and
- Effects any improvements to the Board Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such manner as the Board deems appropriate. The first performance evaluation will take place in the 2006/07 financial year.

Adopted 17 August 2004

APPENDIX 1

Guidelines for Assessing the Independence of a Director

Box 2.1 ASX Corporate Governance Council Guidelines 2001

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

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment.
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided.
- Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has no material contractual relationship with the Company other than as a director of the Company.
- 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 interest 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.

APPENDIX 2

Statement of Necessary Competencies

The Board looks to maintain its Board composition with members who as a group have expertise in areas of current and future importance to the Company as it grows. These include:

- Finance in both Australian and international markets.
- Financial and other risk management controls.
- Experience in growing organisations as a CEO or senior manager in international biotechnology companies.
- Legal, including intellectual property law.
- Experience in entering into and managing strategic alliances and other like science based arrangements.

The Board recognises that it may not be possible to obtain people with all these skills at any one time on the Board as a whole.