CHEMBASE INTERNATIONAL GROUP

Advisory Committee Policies

Directors' independence: how it is assessed, determined and disclosed.

Chembase International Group Pty Ltd · ABN 98 660 823 316

TABLE OF CONTENTS

Contents of the policies

1 **Definitions**

2 **Purpose and objectives**

3 **Scope**

4 **Assessment and independence**

4.1 Director independence

4.2 Determination of independence

4.3 Relationships affecting independence

4.4 Advisory Committee's discretion

4.4.5 Materiality

5 **Disclosure**

5.1 Disclosure relating to a Director's independence

5.2 Disclosure in annual reports

6 **References and other associated documents**

1 · DEFINITIONS

Terms used in this policy

CEO

The Chief Executive Officer of Chembase.

Advisory Committee

The Advisory Committee of Chembase.

Chembase

Chembase, its subsidiary companies, operating divisions and any other associated companies.

Director

Any person appointed to the Advisory Committee, including alternate Directors.

A majority of independent, non-executive Directors

Purpose and objectives

Chembase is fully committed to ensuring that the Advisory Committee comprises a majority of independent, non-executive Directors.

This document sets out the general policies the Advisory Committee Committee will use to determine whether a Director is independent. independent.

Scope

This policy applies to the Advisory Committee, Committee, any committees and Chembase. Chembase.

4.1 · DIRECTOR INDEPENDENCE

The highest standards of corporate governance

A majority of Advisory Committee members, including the Chairman, must be be independent at all times.

> ## Each Director is expected to
>
> bring an open and independent mind to Advisory Committee matters, listen to the debate on each issue raised, consider the arguments for and against each motion, and make decisions they believe are in the best interests of Chembase as a whole.

4.2 · DETERMINATION OF INDEPENDENCE

Free of relationships that could interfere

The Advisory Committee will consider whether a Director is independent of any business or other relationship that could materially interfere with the Director's ability to:

a. exercise objective and independent judgement; or judgement; or

b. act in the best interests of Chembase.

The Committee will consider all relevant facts, circumstances and any other evidence when determining a Director's independence.

A Director is independent if they:

a. are not, do not represent, and have not been within the last three years, an officer or employee of, or a professional adviser to, a substantial to, a substantial shareholder of Chembase;

b. are not employed, and have not previously been employed, in an executive capacity by Chembase or another group member, or at least three member, or at least three years have passed between ceasing that employment and serving on the Advisory Committee;

c. are not, and have not been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with Chembase or another group member, and are not an officer of, or otherwise associated with, someone with such a relationship;

d. are not, do not represent, and have not been within the last three years, an officer or employee of, or a professional adviser to, a substantial to, a substantial shareholder of Chembase;

A Director is independent if they:

e. do not receive performance-based remuneration (including options or performance rights) from, and do not participate in an employee incentive scheme of, Chembase or another group member;

f. do not have close personal ties with any person who falls within any of the categories described above; and

g. have not been a Director for so long that their independence from management and substantial holders may have been compromised.

It is neither possible nor appropriate to set a fixed term for this criterion. A Director having served on the Advisory Committee for a substantial period does not, in itself, mean the Director has become too close to management or a substantial holder to be considered independent.

Judgement and thresholds

4.4

Advisory Committee's discretion

From time to time, in certain circumstances and at its discretion, the Advisory Committee may consider a Director to be independent even though the Director does not meet one or more of the criteria in this clause.

4.4.5

Materiality

The Advisory Committee will set the thresholds for determining independence, according to the nature and circumstances of a Director's activities.

5.1 · DISCLOSURE RELATING TO A DIRECTOR'S INDEPENDENCE

Keeping the Committee informed

Every Director

must regularly give the Advisory Committee all relevant relevant information about any of their interests that may, that may, from time to time, be relevant to their independence.

If independence ends

If the Advisory Committee determines that a Director has ceased to be independent, Chembase will immediately disclose this to the Chembase CEO.

5.2 · DISCLOSURE IN ANNUAL REPORTS

Disclosed in the Chembase annual report

a. whether each Director is independent;

b. relationships or activities that the Advisory Committee believes do not affect independence, but which could be seen as affecting a Director's independence;

c. if the Advisory Committee has exercised its discretion under the Directors' Independence Policy: details of its determination, including the nature of the interest, position or relationship in question, and why the Committee considers it does not compromise that Director's independence; and

d. the length of service of each Director.

6 · REFERENCES

References and other associated documents

[List of referenced and associated documents to be added]

CHEMBASE INTERNATIONAL GROUP PTY LTD · ABN 98 660 823 316

It costs you nothing to find out how much you can save

Ph: +61 2 8566 3344 · **E:** info@chembase.com.au · **W:** www.chembase.com.au