Board Charter

Ceretas Limited (ACN 681 662 224)

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1 Introduction

This Board Charter (**Charter**) sets out the roles and responsibilities of the board of directors of Ceretas Limited (ACN 681 662 224) (**Company**) (**Board**).

2 Role of the Board

The role of the Board is to maintain and build the Company's capacity to deliver sustainable shareholder return in a manner consistent with the Company's values, including prioritising safety, health, the environment and the community.

The Company's vision, mission and values (as also disclosed in its Code of Conduct) are set out in Annexure A.

The Board's key responsibilities are to:

(a) demonstrate leadership;

(b) determine the Company's purpose and strategic objectives. The Board may do this by reviewing, testing, challenging and providing oversight and input into the management recommended strategic plans for the Company;

(c) approve the Company's statement of values and code of conduct to underpin the desired culture within the Company;

(d) optimise Company performance and shareholder value within a framework of appropriate risk assessment and management; and

(e) appoint the Chairperson and regularly evaluate their performance; and

(f) appoint and, when necessary, replace the Managing Director (or equivalent) and regularly evaluate their performance.

The Board must perform its role in accordance with the duties and obligations imposed on it by the Company's constitution (**Constitution**) and applicable laws.

3 Constitution

The Constitution vests the Board with the power to manage the Company. The Board may delegate certain of its powers to the Managing Director (or equivalent), committees of the Board and certain other persons. The Board retains ultimate responsibility for the management of the Company. The Constitution governs the regulation of meetings and proceedings of the Board.

4 Board composition and nomination process

The Board shall have at least three, but no more than 10, members. Appointments to the Board are based on merit and are made with a view to maintaining an appropriate balance of skills and experience on the Board. The Company does not currently have a Remuneration and Nomination Committee and, consequently, the Board as a whole makes recommendations on remuneration, new appointments and matters regarding successions.

In considering such issues, the Board will consider the skills matrix of the directors of the Company (**Directors**) and/or senior executives, and whether the Company would benefit from a particular set of skills or experience which is aligned with the Company's plans and values. In addition, the Board will consider other factors such as the number of independent non-executive Directors presently on the Board and the Company's Diversity Policy. This process will be driven by the Board as a whole, or if deemed appropriate, the Board may also delegate specific responsibilities to ad-hoc committees from time to time.

All Directors (except for an exempt Managing Director (or equivalent) under the Constitution) shall submit themselves for election or re-election (as the case may be) in accordance with the Constitution.

New Directors are given a thorough briefing by the Chairperson and/or Company Secretary on key Board issues and provided with appropriate background documentation. These issues shall include:

(a) the Company's financial, strategic, operational and risk management position;

(b) their rights, duties and responsibilities; and

(c) the role of the Board and committees of the Board.

The Board will periodically review whether there is a need for existing Directors to undertake professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. This review may be conducted concurrently with the Board performance review, which is set out in section 12 below.

5 Chairperson

The Directors from time to time elect one of their number to the office of Chairperson and may determine the period for which that Director is to be Chairperson. The Chairperson, where possible, will be independent (and not the current or former Managing Director (or equivalent)).

The Chairperson is responsible for leadership of the Board and ensuring the Board functions effectively. In performing this role, the Chairperson's responsibilities include:

(a) approving the agenda of matters to be considered by the Board and convening Board meetings as necessary or appropriate;

(b) managing the conduct, frequency and length of Board meetings so as to ensure that the Board maintains an in-depth understanding of the Company's performance and the opportunities and strategic issues it faces;

(c) facilitating constructive and respectful communications between Directors and between the Board and management; and

(d) annually implementing a review of the performance of the Board as a whole.

Should the Chairperson be absent from a meeting, the members of the Board present shall appoint a Chairperson for that particular meeting.

6 Board committees

The Board may from time to time establish committees to assist it with carrying out its responsibilities. The Board approves charters setting out the composition and responsibilities of such committees and such other matters as the Board may consider appropriate.

Committees comprise Directors with the necessary skills and experience to perform their roles as members of such committees. Other Directors may be invited to attend committee meetings, and senior executives and other employees may also attend by invitation. Following each committee meeting, the Board is provided with a verbal report on meeting proceedings as well as the minutes of the meeting. Copies of committee papers are made available to the Board. The Board may also delegate specific responsibilities to ad-hoc committees from time to time.

Where the Board does not consider that the Company will benefit from a particular separate committee:

(a) the Board should, where necessary, carry out the duties that would ordinarily be assigned to that committee; and

(b) the Company should disclose in, or in conjunction with, its annual report:

  (i) the fact a committee has not been established; and

  (ii) if an audit and risk committee has not been established:

    (A) the processes the Board employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner; and

    (B) the process it employs for overseeing the Company's risk management framework.

7 Company Secretary

The Company Secretary acts as secretary of the Board and shall attend all meetings of the Board. The Company Secretary must:

(a) be accountable (and report directly) to the Board (through the Chairperson if appropriate) on all governance matters;

(b) advise and support the Chairperson, the Board and its committees in managing the day-to-day governance framework of the Company;

(c) assist with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed;

(d) coordinate timely completion and despatch of Board agendas and papers; and

(e) assist with all matters relating to the proper functioning of the Board, including advising on governance matters and assisting with the induction and professional development of Directors.

8 Meetings and minutes

The Board shall meet regularly, in accordance with a schedule agreed at the commencement of each calendar year and the circumstances of the Company require. Any Director can convene a Board meeting. Any action permitted to be taken at any meeting of the Board may be taken without a meeting if written consent thereto is signed by all the members of the Board, provided that such written consent shall be filed with the minutes of the proceedings of the Board. Minutes of meetings of the Board shall be prepared by the Company Secretary and circulated to all Directors as soon as practicable after each meeting.

Minutes of meetings of the Board shall be confirmed at the next meeting of the Board and then signed by the Chairperson.

9 Access to information

Any Director shall have direct access to, and may seek information Directly from, any employee or external party, including external auditors, provided that:

(a) all enquiries are made known to the Chairperson; and

(b) comments on the performance of management should be made through the Chairperson.

Subject to the approval of the Board, any Director may, at the Company's expense, obtain any external professional advice they require to fulfil their duties.

10 Responsibilities and duties

In addition to the above matters and those for which the Board is responsible under applicable laws, the Board has the following responsibilities:

(a) overseeing control and accountability systems designed to ensure appropriate standards are met in relation to the Company's health safety environment and community obligations;

(b) approving the appointment and replacement of senior executives and the Company Secretary, and determining the terms and conditions of their engagements, including the remuneration framework;

(c) monitoring and assessing management's development and implementation of strategies, business plans, budgets and objectives, and ensuring sufficient resources are available to management for those purposes;

(d) ensuring that systems are in place to facilitate effective management of the principal risks to the Company;

(e) ensuring that the Company has adequate reporting systems and internal controls (both financial and operational), codes of conduct and legal compliance systems, and monitoring each of them;

(f) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;

(g) protecting the Company's financial position and its ability to meet its debts and other obligations as they fall due;

(h) ensuring that the Company's accounts comply with relevant accounting standards and present a true and fair view;

(i) reviewing and approving annual, half-yearly and quarterly activities and cashflow financial reports;

(j) approving business plans and budgets (including major capital expenditure) and monitoring performance against them;

(k) approving and monitoring the progress of capital expenditure, capital management and material acquisitions and divestments;

(l) overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with shareholders, other stakeholders and the public (which includes the receipt and review of copies of all material market announcements promptly after they have been made);

(m) approving and monitoring financial and other reporting, including the external audit;

(n) annually assessing the independence of Directors (having regard to the ASX Corporate Governance Principles and Recommendations with respect to independence);

(o) satisfying itself that the Company's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;

(p) establishing, overseeing and regularly reviewing the Company's risk management framework for identifying, analysing, evaluating, treating and monitoring material risks throughout the Company;

(q) approving the issue of shares or other securities in the Company; and

(r) monitoring the effectiveness of governance practices generally.

11 Matters delegated to management

The Board has delegated to the Managing Director (or equivalent) authority over the day-to-day management of the Company and its operations. This delegation of authority includes responsibility, and accountability to the Board, for:

(a) developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;

(b) operating the business within the parameters set by the Board from time to time and keeping the Board informed of material developments in the businesses;

(c) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring such matters to the Board for its consideration and approval;

(d) identifying and managing operational and other risks and, where those risks could have a material impact on the business, formulating strategies for managing such risks for consideration by the Board;

(e) managing financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;

(f) ensuring that the Board is provided with sufficient information on a timely basis, in particular with respect to performance, financial condition, operating results and prospects, to enable the Board to fulfil its governance responsibilities; and

(g) implementing the policies, processes, procedures and codes of conduct approved by the Board.

12 Board performance review

The Board shall conduct a formal review of its effectiveness against this Charter on a periodic basis, which shall involve:

(a) evaluating the performance of each Director against appropriate measures (including, if warranted, by considering the use of external advisers to conduct this performance review);

(b) for non-executive Directors, evaluating the performance of the Chairperson;

(c) comparing its performance with the requirements of its Charter;

(d) setting out its future goals and objectives; and

(e) reviewing and recommending any changes to its Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such manner as the Board deems appropriate.

13 Executive performance review

Unless determined otherwise by the Board, the Managing Director (or equivalent) will review the performance of the senior executives on an informal basis. These evaluations will take into account criteria such as the achievement and performance of the Company's objectives and (where appropriate) performance benchmarks, and the achievement of individual performance objectives. The Board recognises the need for flexibility in defining performance objectives which reflect the current status of the Company and the development of its business.

Unless determined otherwise by the Board, the Board will review the performance of the Managing Director (or equivalent).

14 Remuneration matters

As noted above, the Company does not currently have a Remuneration and Nomination Committee and, consequently, the Board as a whole makes recommendations on

remuneration, new appointments and matters regarding successions. When setting the level and composition of remuneration, the Board will, as part of its consideration, balance a number of factors, including:

(a) the Company's desire to attract and retain high quality Directors and senior executives;

(b) whether the Company's incentive structures are properly aligned with its purpose, values, strategic objectives and risk appetite; and

(c) the implications for the Company's reputation and standing if it pays excessive remuneration.

15 Charter review

The Board will review this Charter annually to ensure it is consistent with the Board's roles and responsibilities. Any proposed amendments to this Charter arising from a review will be put to the Board for consideration.

Annexure A – Vision, mission and values

1 Our Vision

To develop the world's leading portable therapeutic ultrasound platform for treating Alzheimer's disease and other neurological conditions.

2 Our Mission

We are building a non-invasive, portable ultrasound system to treat Alzheimer's disease through direct neuromodulation and, in parallel, to open the blood-brain barrier to clear harmful proteins and enable targeted drug delivery to the brain. Our platform brings accessible treatment closer to patients - wherever they are.

3 Our Values

Safety First

We work on the brain. That demands rigour in everything - from how we write code to how we make decisions under pressure. We move fast, but never at the cost of safety.

Excellence with Ownership

We are a small team doing consequential work. Every individual is expected to deliver excellent work, flag problems early, and take pride in their contribution.

Always Learning

We operate at the edge of science and engineering, which means staying open to what we don't yet know. We learn fast, share openly, and build on every insight.

Honest and Caring

We are direct, warm, and dependable with each other and our partners. Trust is how we move faster than others - and it's built through honesty, follow-through, and genuine care.

Accountable to All

We remain accountable to every shareholder, philanthropist, and funder in our community. Above all, to the patients and families depending on us to deliver.