

NEW SAC Terms of Reference

BACKGROUND

The Scientific Advisory Committee (SAC) will be established to advise the Board on an independent basis on how the company's scientific programs are progressing to time lines, milestone and budget. If and as required, the SAC will assist the board in assessing and evaluating any IP that may be under consideration by management. This will include but not be limited to the evaluation of the science, technical fit with HealthLinx existing IP and ease of integration. The SAC will also be required to monitor and report what other groups are undertaking research in the target area and to monitor and report on any trends (complimentary or otherwise to our IP) that may be occurring in the market place. It is anticipated that the SAC and the Commercialisation Committee will work closely together.

The document will consider:

1. SAC Membership
2. SAC Accountability
3. SAC Functioning and Communication
4. Roles and Responsibilities of the SAC as a Body
5. SAC Chairman Responsibilities
6. Member Remuneration

1. SAC Membership:

The SAC will comprise a Chair, and a maximum of 4 members. Certain ex-officio members that have relevant responsibilities in the Company may also be part of the SAC with right of attendance—these will include the Chief Scientific Officer, the Chief Executive Officer and key staff members on request by the Chair.

The proposed membership is:

Chair: Dr. Elizabeth Dax,

Members : A/Prof. Greg Rice (Aus), Prof. Michael Quinn (Aus), Prof. Bruce Kemp and Leonovic Ilag

Ex Officio: TBD.

2. SAC Accountability

The SAC is a quasi-independent advisory body reporting to the Board of Directors of HealthLinx.

3. SAC Functioning and Communication:

The SAC will formally meet in Melbourne one (1) week prior to every Board meeting with the Chair of the SAC reporting back to the Chairman of the Board within 48 hours of the meeting. Outcomes, recommendations and issues that may affect the scientific programs that the company has committed to, are to be tabled at the next Board Meeting (in the week following the SAC meeting) If any SAC member cannot attend the meeting a telephone/teleconference hook up will be established for participation where possible. A quorum will be 3 members of the SAC

In addition there may be the need for the SAC to participate in corporate workshops, strategy meetings or scientific development and planning meetings.

The Agenda for the meeting is primarily the responsibility of the CSO working closely with SAC Chair. All directors, senior managers, commercial and scientific, may propose items that are relevant to current and/or future scientific/product development programs the company has adopted.

Before each meeting the CSO of HealthLinx will ensure that members receive documents relating to matters on the agenda at least 5 working days prior to the SAC meeting.

Members of the SAC should make themselves available for email and telephone discussions with all senior members and directors of the Company.

The CEO can submit agenda items for the SAC however, does not have control over the SAC as to its direction nor can the CEO determine its Agenda or meeting times. However, the Chairman of the Board is responsible for monitoring that the SAC is functioning as it should, and implementing with the CSO any recommendations offered by the SAC and adopted by the Board.

4. Roles and Responsibilities of the SAC as a Body:

Provision of expertise in the evaluation, monitoring and advise of scientific programs and their projects (including those part of a collaborative partnerships).

The SAC will evaluate the scientific merit of all project objectives, timelines and milestones with the specific "mandate" to inform the Board of its opinion on the company's ability to resource the said projects within their respective budgets and timelines. The SAC will undertake evaluation of these projects as to their scientific worth, the design of the projects and method of project management, and the monitoring of the progress against milestones and/or expectations.

5. SAC Chairman's Responsibilities:

The Chairman is specifically responsible for:

- a) establishing the Agenda;
- b) proposing and handling appointment and re-appointment of members;
- c) ensuring adequate communication with SAC members occurs in between meetings;
- d) providing written reports of SAC meetings to the Board including evaluations and recommendations in regard to programs, projects and people;
- e) liaising with the Chairman of the Board;
- f) periodic review of the constitution and functioning of the SAC as the company evolves, including making recommendations for change;

The Chair of the SAC will be formally evaluated by the Chairman of the Board annually.

6. Remuneration:

Members of the SAC will receive reimbursement of any travel and/or accommodation costs incurred to attend the meetings and will participate in an option package of 200,000 options with a strike price of 0.20c maturing in 2009. The Chair of the SAC will be remunerated with a \$12,000 p/a retainer for the duties requested of that person by the Board.

7. Conflict of Interest:

Where any member of the SAC has a conflict of interest pertaining to the review of any scientific program that the company has committed to or any IP that the company is considering in-licensing that person must announce there conflict and excuse themselves from any meeting that will discuss the said project.

Non-compliance to this will result in the immediate termination of the member's SAC service agreement and all option plans whether vested or not.