

Board Charter

1. Board Responsibilities

The role of the Board of Directors is to represent and protect the interests of the Company's shareholders. The Board is responsible for the corporate governance of the Company and guides and monitors the business and affairs of the Company.

In furtherance of its responsibilities, the Board of Directors will:

- Review, evaluate, provide input into and approve, on a required basis, PolyNovo's corporate strategy.
- Monitor and evaluate senior management's performance and implementation of strategy, and ensure appropriate resources are available.
- Review, evaluate and approve PolyNovo's budget and forecasts.
- Review, evaluate, approve and monitor major resource allocations and capital investments, and acquisitions and divestitures.
- Review and monitor the financial and operating results of PolyNovo.
- Review, evaluate and approve the overall corporate organisational structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- Review, evaluate and approve compensation strategy as it relates to senior management of PolyNovo.
- Review and ratify systems of risk management and internal compliance and control, codes of conduct, and legal compliance.
- Appoint the Chairman of the Board.
- Appoint and remove the Chief Executive Officer and senior managers.
- Where necessary identify and nominate individuals qualified to become Board members.
- Review and monitor the effectiveness of PolyNovo's Corporate Governance.
- Responsible for PolyNovo's continuous disclosure obligations in consultation with senior management.

2. Delegation of Board Authorities to Management

The Board has delegated to the CEO and the senior executive team authority over the day to day management of the Company and its operations. This delegation of authority includes responsibility for:

- developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- operating the Company's business and implementing all policies, processes and codes of conduct approved by the Board;
- keeping the Board informed of all material developments relating to the businesses;
- where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- identifying and managing risks (and where those risks could have a material impact on the Company's business, formulating strategies for managing these risks for consideration by the Board);
- managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
- implementing the Company's internal controls, establishing procedures for monitoring these controls; and ensuring that these controls and procedures are appropriate and effective;
- taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis; and
- ensuring that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects so that the Board is in an appropriate position to fulfill its corporate governance responsibilities.

3. Size & Composition of the Board

PolyNovo's constitution prescribes that the number of Directors of the Company which shall constitute the whole Board shall not be less than 3 or more than 12 unless the company in General Meeting by resolution changes the maximum or minimum number. The exact number of Directors within such range shall be fixed from time to time by resolution of the Board.

The Board shall have a balanced representation of relevant areas of experience and types of expertise. The Board will review the skills represented by its Directors and determine whether the composition and mix of those skills are appropriate to achieving PolyNovo's mission.

The Chairman is ultimately accountable for leadership of the Board with specific responsibilities such as managing the conduct, frequency and length of Board meetings and facilitating open and constructive communications amongst Board members and between the Board and Chief Executive Officer.

Where practical, the Chairman will be an independent non-executive Director and at least half the Board will be non-executive Directors who are also independent. To be considered independent, a non-executive Director may not have a direct or indirect material relationship with the Company. The Board has determined that a material relationship is one which impairs or inhibits, or has the potential to impair or inhibit, a Director's exercise of judgement on behalf of the Company and its shareholders. An assessment of Director independence is regularly undertaken by the Company in light of the interests disclosed by them, and each Director will provide the Board with all relevant information for this purpose. The independence of each Director is disclosed in the Annual Report. Where the independence of a Director is lost, this will be disclosed to the market.

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4. Qualifications and Desirable Characteristics of Directors

To be considered for membership on the Board, a candidate should meet the following criteria:

- Be of proven integrity with a history of achievements that reflect high standards.
- Demonstrate intelligence, wisdom and thoughtfulness in decision-making that usually will be based on broad experience.
- Be able and willing to commit the time and energy necessary to attend to the Company's affairs including attending Board and Board Committee meetings.
- Be committed to building sound, long-term growth in the value of the Company.
- Be able to objectively review and evaluate management's performance and implementation of strategy.

5. Board Meetings

Regular Board meetings will be held at least six times per year, and special meetings will be called as necessary. Directors are expected to attend Board meetings and meetings of the committees on which they serve. Directors should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.

The Chairman, Chief Executive Officer or Committee Chairpersons may from time to time invite corporate officers, other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

6. Board Committees

The Board will create the following Committees if it considers the committee to be appropriate for the size and operation of the Company;

- Audit and Risk Committee
- Remuneration Committee

The Board may also establish ad hoc committees from time to time to delegate specific responsibilities.

Each committee will have its own charter which will set forth the purposes, goals and responsibilities of the committee.

It is the Board's policy that committees of the Board should:

- be entitled to obtain independent professional or other advice at the cost of PolyNovo, unless the Board determines otherwise
- be entitled to obtain such resources and information from PolyNovo including direct access to employees and advisers to PolyNovo as they may require, and
- operate in accordance with committee charters as approved by the Board.

7. Director Access to Officers and Employees

Directors have full and free access to officers and employees of PolyNovo. Any meetings or contacts that a Director wishes to initiate may be arranged through the Chief Executive Officer or the Company Secretary or directly by the Director. The Directors will use their judgement to ensure that any such contact is not disruptive to the business operations of PolyNovo and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a Director and an officer or employee of PolyNovo.

8. Director's Access to Independent Professional Advice

For the purposes of proper performance of their duties, Directors are entitled to seek independent professional advice at PolyNovo's expense, unless the Board determines otherwise. In addition, each Director will be a party to a deed with PolyNovo whereby PolyNovo has agreed to indemnify its Directors against certain liabilities, to maintain Directors and Officers Insurance coverage for its Directors and to provide access to its Directors to PolyNovo's documents and information. The deeds are on terms similar to those adopted by other public listed companies.

9. Appointment and Retirement of Non-Executive Directors

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive Directors on a case by case basis and in conformity with requirements of the ASX Listing Rules and the Corporations Act. As PolyNovo is a small Company, a separate nomination committee has not been created. Appointment and retirement of Directors will be in accordance with the following:

- The Board will consider from time to time changes that the Board believes to be desirable to the size of the Board or any committee thereof.
- Where a Board vacancy exists (including a vacancy created by an increase in size of the Board), the Board will identify individuals believed to be qualified to become Board members to stand for election as Directors at the Annual General Meeting of shareholders. In nominating candidates, the Board shall take into consideration the qualifications of the candidate and the characteristics of the candidate as described in paragraph 3. These factors may include judgement, skill, diversity, experience with businesses and other organisations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.
- Where a vacancy exists on any Board Committee, the Board will appoint a Director to that committee taking into consideration the factors set out in the charter of the committee, if any, as well as any other factors it deems appropriate.

New non-executive Directors are engaged via a letter of appointment. The Board and Company Secretary are responsible for ensuring that an effective induction process is in place for new Directors appointed to the Board.

The Board is also responsible for developing a succession plan for board members.

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10. Resignation from the Board

Any Director may resign at any time by giving notice to the Chairman of the Board. Such resignation shall take effect upon receipt of a written resignation or at a time agreed with the Chairman.

11. Term Limits

The Board does not believe it should establish term limits. Term limits hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into PolyNovo and its operations and, therefore, provide an increasing contribution to the Board as a whole.

12. Director Compensation

Non-executive Directors shall receive reasonable compensation for their services within limits approved by shareholders. Directors who are employees of PolyNovo shall receive no additional compensation for serving as Directors.

The form and amount of Director compensation will be determined by the Board.

13. Performance Evaluation of the Board

The Board of Directors will conduct a regular self-evaluation to determine whether it and its committees are functioning effectively. The assessment will focus on the Board's collective contribution to PolyNovo and specifically focus on areas in which the Board or management believes that the Board could improve.

PolyNovo's Board charter is in accordance with PolyNovo's Constitution and changes are made with the approval of the Board.