

Market Disclosure Policy

1. Objective

The objective of this policy is to:

- (a) ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act 2001 (Cth);
- (b) ensure officers and employees are aware of the Company's continuous disclosure obligations; and
- (c) establish procedures for:
 - (i) the collection of all potentially price-sensitive information;
 - (ii) assessing if information must be disclosed to ASX under the ASX Listing Rules or the Corporations Act 2001 (Cth);
 - (iii) releasing to ASX information determined to be price-sensitive information and to require disclosure; and
 - (iv) responding to any queries from ASX (particularly queries under Listing Rule 3.1).

2. Disclosure Officer

- 2.1 The Disclosure Officer is appointed by the Board. The Disclosure Officer is the Company Secretary.
- 2.2 The Disclosure Officer is responsible for:
 - (a) conducting all disclosure discussions with ASX;
 - (b) communicating with ASX about general matters concerning the ASX Listing Rules (in accordance with ASX Listing Rule 12.6);
- 5.3 The Disclosure Officer is responsible for:
 - (a) ensuring officers and employees are aware of and adequately understand:
 - (i) the continuous disclosure obligations;

- (ii) their responsibilities in relation to the continuous disclosure obligations and to protect the confidentiality of information (including, when instructing advisers or conducting negotiations in relation to any matter that may give rise to price-sensitive information); and

(iii) this policy; and

- (b) If the Disclosure Officer thinks it necessary, implementing training sessions for officers and employees in relation to the continuous disclosure obligations, their responsibilities in relation to those obligations and the protection of confidential information and this policy.
- (c) implementing and supervising procedures for reporting potentially price-sensitive information; and
- (d) ensuring (using all reasonable endeavours) announcements are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

3. Deciding if information should be disclosed

- 3.1 The Management Group, comprising the Chief Executive Officer, and the Company Secretary are responsible for deciding if information is price sensitive and to seek board approval to disclosed this information to the market.
- 3.2 If the Management Group receives board approval in accordance with paragraph 3.1 the Disclosure Officer must:
 - (a) provide the board with the proposed ASX announcement for review and approval; and
 - (c) once board approval is received, lodge announcement with the ASX; and

- (b) once the information has been disclosed to the ASX, send a copy of the announcement to each director.

3.3 If an officer or employee is in doubt about whether information is potentially price-sensitive, he or she must immediately give the information to a member of the Management Group.

4. Assessing if information is price-sensitive

- 4.1 The guiding principle is that the Company must immediately disclose to ASX any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Company Securities.
- 4.2 If information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Company Securities, it is considered material.
- 4.3 Examples of the types of information that may need to be disclosed include:
 - (a) a change in asset values or liabilities;
 - (b) a formation or termination of a joint venture or strategic alliance;
 - (c) an entry into or termination of a major contract;
 - (d) a significant transaction involving the Company or any of its controlled entities;
 - (e) an agreement between the Company and one of its directors or one of their related parties; and

Market Disclosure Policy continued

4.4 Other types of information that may need to be disclosed include those matters referred to in the Code of Best Practice for Reporting by Life Science Companies:

- (a) information regarding intellectual property rights such as patents (both at time of grant and updates of status);
- (b) licensing deals and other relationships of commercial significance;
- (c) the regulatory process that applies to the development of products in relevant jurisdictions and significant steps in the development process as they occur;
- (d) reporting of non-clinical efficacy and safety studies;
- (e) clinical trial progress and clinical trial results;
- (f) manufacturing approvals, and major irregularities arising from regulatory audits;
- (g) key staff appointments and departures;
- (h) period reporting of research and development activities.

5. False markets, market speculation and rumours

- 5.1 The Management Group monitor movements in the price or trading of Company Securities to identify circumstances where a false market may have emerged in Company Securities.
- 5.2 If ASX asks the Company to give it information to correct or prevent a false market, the information will be provided to ASX after following the procedures set out in paragraph 3.2.

6. Trading halts

- 6.1 The Company may ask ASX to halt trading in Company Securities to:
- (a) maintain orderly trading in its securities; and
 - (b) manage disclosure issues.

6.2 The Management Group will recommend to the Board if a trading halt is required. The Board will make the final decision on whether the Company will enter a trading halt.

7. Authorised spokespersons

- 7.1 Only person(s) authorised by the Board in specific cases, may speak on behalf of the Company to institutional investors, stockbroking analysts and the media.
- 7.2 Authorised persons are the Chief Executive Officers, the Company Secretary (where appropriate) and the Chairman of the Board.

8. Open briefings to institutional investors and stockbroking analysts

- 8.1 The Company may hold open briefings with institutional investors or stockbroking analysts to discuss information that has been released to the market.
- 8.2 For the purposes of this policy:
- (a) public speeches and presentations by the chief executive officers or Chairman are open briefings; and
 - (b) any meeting that is not an open meeting is a one-on-one briefing.
- 8.3 Price-sensitive information that has not been released to the market must not be disclosed at open briefings.
- 8.4 If an employee participating in a briefing thinks that something has been raised that might be price-sensitive information that has not been publicly released, he or she must immediately inform the Disclosure Officer or the Chairman (if the Disclosure Officer is unavailable).

9. One-on-one briefings with institutional investors and stockbroking analysts

- 9.1 The Company may hold one-on-one briefings with institutional investors and stockbroking analysts. At these briefings, the Company may give background and technical information to help institutional investors and stockbroking analysts better understand its business operations and activities.
- 9.2 For the purposes of this policy, a one-on-one meeting includes any communication between the Company and an institutional investor or a stockbroking analyst.
- 9.3 Price-sensitive information that has not been released to the market must not be disclosed at one-on-one briefings.
- 9.4 If an employee participating in a one-on-one briefing thinks that something has been raised that might be price-sensitive information that has not been publicly released, he or she must immediately inform the Disclosure Officer or Board (if the Disclosure Officer is unavailable).

10. Presentational and briefing materials

Any presentational or briefing materials for open or one-on-one briefings must not contain any price-sensitive information that has not been released to the market.

Market Disclosure Policy continued

11. Review of reports by analysts

- 11.1 The Company is not responsible for, and does not endorse, reports by analysts commenting on the Company.
- 11.2 If an analyst sends a draft report to the Company for comment:
- (a) employees must immediately send it to the Disclosure Officer;
 - (b) any response to it will not include price-sensitive information that has not been disclosed to the market;
 - (c) it will only be reviewed to correct factual inaccuracies on historical matters; and
 - (d) no comment will be made on any profit forecasts contained in it.
- 11.3 Any correction of a factual inaccuracy does not imply that the Company endorses a report.
- 11.4 A standard disclaimer will be made in any response to an analyst.

12. Chat Rooms Neither the Company's Directors nor the Company's employees may participate in chat room discussions on the internet where the subject matter relates to the Company.

13. Policy breaches

If an employee breaches this policy, he or she may face disciplinary action, including dismissal in serious cases.

14. Review and changes

- 14.1 The Board will review this policy as often as it considers necessary.

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