

Remuneration and Nomination Committee Charter

1. Remuneration and Nomination Committee Charter

This Charter governs the operations of the Remuneration and Nomination Committee ('Committee').

The Committee shall review and reassess the Charter regularly and, if necessary, recommend changes to the Board of Directors ('Board') for approval.

2. Membership

The Committee shall, wherever possible, to be:

- appointed by the Board,
- comprised of at least three members of non-executive directors, all of which are to be independent, and
- chaired by an independent director.

The size and composition of PolyNovo's Remuneration and Nomination Committee will have regard to factors such as the size and complexity the Company's and its projects, stakeholders and legislative or other requirements.

The terms of appointment to the Committee are ongoing until the Board resolves to appoint or remove members.

The Company Secretary will attend Committee meetings at the invitation of the Chairman to take minutes if required.

3. Meetings

The Committee shall meet as often as necessary to undertake its role effectively, but not less than annually.

The Committee chairman will report to the Board (at the next Board meeting) following each meeting on the activities, findings and recommendations of the Committee.

A quorum for the Committee meetings is two, and voting on recommendations to be put to the Board requires majority in favour.

4. Roles and Responsibilities

The Role of the Committee in respect of Remuneration matters are to:

- provide support and advice to the Board on the level and composition of remuneration for executives, non-executive directors and senior management having regard to the guidelines set out in the ASX Principles,
- review and make recommendations as to employee incentive and equity based plans,
- oversee superannuation arrangements for directors, senior executives and other employees,
- monitor whether there is any gender or other inappropriate bias in remuneration for directors, senior executives and other employees, and
- advise the Board in relation to compliance with corporate governance, legal, regulatory requirements in relation to remuneration.

No Director or executive will be involved in decisions as to their own remuneration.

The Role of the Committee in respect of Nomination matters are to:

- review Board composition and skills,
- assist the Board with Board appointments, re-appointments, performance reviews and succession planning,
- oversee the induction and professional development programs for the Board,
- advise on succession planning for the CEO and senior management and periodic evaluation of succession plans,
- review membership and performance of Board committees as required,
- endorse senior management appointments,
- establish and review processes and criteria for evaluation of the Board as a whole, committees of the Board and individual directors.

The Committee's objectives in determining remuneration and incentive framework, policies and practices are to:

- (a) attract and retain high quality directors,
- (b) motivate relevant senior management to pursue the long-term growth and success of the Company,
- (c) demonstrate a clear relationship between performance and remuneration,
- (d) create an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives of the Company,
- (e) limit severance payments on termination to pre-established contractual arrangements that do not commit the Company to making unjustified payments in the event of non-performance, and
- (f) be compliant with all relevant laws and regulations and have regard to shareholder expectations.

The Committee's objectives in assisting the Board with nomination matters are to:

- (a) develop and oversee the process for the search and selection of new directors for nomination for appointment by the Board,
- (b) consider whether directors have the appropriate mix of skills and competencies,
- (c) develop Board successions plans,
- (d) ensure that shareholders receive all material information relevant to an informed decision on whether or not to elect a director,
- (e) develop and recommend to the Board the process for periodically evaluating the performance of the Board, its Committees and its individual directors.

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A member of the Committee will not participate in the review of his or her own performance.

The Board will, taking into consideration the Committee's recommendations, make the final determination on the criteria to be adopted for the selection of candidates, and on whether it will support the appointment of such candidates to the Board.

In relation to diversity obligations, the Committee will oversee the implementation and ongoing monitoring of the Company's diversity policy and strategy including a yearly review. The review will include an annual assessment of remuneration of gender and the relative proportion of men and women in the Company's workforce and the Company's progress in achieving diversity strategy. The Committee will report to the Board on diversity objectives and progress against those objectives.

5. Access to information and independent advice

The Committee has the authority to seek any information it requires from any employees of the Company and all employees must comply with those requests.

The Committee may engage and compensate independent expert external advisers on terms determined by the Committee to assist in performing its duties.

6. Approval and adoption

This Remuneration and Nomination Committee Charter was approved by the Board on 16 September 2016. Any amendments to this Remuneration and Nomination Committee Charter are subject to approval by the Board.