

Commercial Code of Conduct

September 2016



Overarching Statement

PolyNovo's products deliver outstanding clinical outcomes for people affected by tissue loss or damage. Regardless of your role you directly contribute to assisting a person, somewhere, to recover from major tissue loss. Their surgeons and healthcare professionals expect open and honest communication that supports them using our products.

Our Commercial Code of Conduct ensures we hold ourselves and our actions to the high standards expected in Australia, the US and around the world. We are open and welcoming of scrutiny in how we conduct our business.

This Code sets requirements for business conduct underpinned by our company policies, and provides supportive guidance on expected behaviours. How we conduct ourselves through interactions, communications and market activities defines us and our brand. Our interactions reflect who we are and how we wish to be perceived. The core values of PolyNovo are honesty, integrity and openness. Your behaviour must be an exemplar of these values.

I am very proud of the PolyNovo team and our goal of "regenerating tissue, changing lives" and I would encourage you to embrace the standards contained within this document.



Paul Brennan
Chief Executive Officer

"The core values of PolyNovo are honesty, integrity and openness. Your behaviour must be an exemplar of these values."

Introduction

What is PolyNovo's Commercial Code of Conduct?

The Code sets basic requirements for business conduct that underpin all our company policies, and procedures. It outlines the expected behaviours of our teams that reflect our company values of honesty, integrity and openness.

Why do we have a Code?

All companies are judged, assessed and critiqued by their corporate behaviours and dealings. The code provides a protective frame of reference to guide our/your behaviour to ensure all of our dealings make a positive impact to all we engage. As a publicly listed company we have obligations, both ethically and legally, to our customers and shareholders. Navigating risk in a rapidly changing business environment that has global complexities requires a road map of the safest paths to travel.

We must protect our personal and business reputations and deliver the standard of care that our customers expect in a safe and effective manner. Putting our customers first and asking ourselves; "Is that good enough for those that we love and care for?", should be our assessment filter. We must always behave fairly, legally and with integrity.

Whenever we become aware of breaches of our Code or the law, we must take action to address the cause and prevent any re-occurrences. Depending on the individual circumstances, corrective and preventive steps may require:

- Re-training,
- Counselling and/or
- Disciplinary actions or termination of employment.

You have an obligation to report when you are in a situation or are aware of a situation you believe may violate, or lead to a violation, of the Code or the law. You are protected within the PolyNovo Whistle-Blower's Policy to speak out and report areas of concern to the senior management team or the board of directors.

Who must follow the Code?

All employees of PolyNovo are required to comply with the Code of Conduct, company policies and laws that govern our activities. You are a leader, regardless of your role in the business, others see your behaviour and it reflects on yourself and PolyNovo. Being a role model for your peers, business partners, customers and others establishes credibility and trust.

If you lead a team, you have additional responsibilities to serve as a positive role model in every respect and to help your employee's review, understand and apply the Code.

Relevant aspects of this Code should be included in the contracts of third-party suppliers, contractors and distributors conducting business on behalf of PolyNovo.

Decisions, Considerations and Guides

These questions will assist you in making the right decisions:

- Will this conduct breach the Code of Conduct, company policy or the law?
- Is the conduct consistent with your responsibilities and the expectations of the company?
- If this behaviour was reported in the media, would you be proud of the behaviour?
- Could the conduct harm your personal reputation or that of PolyNovo?

If any of your answers to these questions reflects negatively upon you or the Company, seek management support.

Seeking advice and guidance on the Code?

- You have the support of your manager and colleagues; reach out to others. Your first “port of call” is your line manager. If either of you require further guidance after reviewing the relevant policies, contact senior management. Both the Company Secretary and CEO are available for any questions you may have. If they cannot directly respond, they will seek further counsel to ensure you are given the facts to support the response.
- The Finance Team are available for any payment and invoice concerns. They are familiar with the audit principles and taxation codes as they may apply to the business and the situation requiring clarification.
- The policies are available through the Quality system.

Every Employee’s Responsibility

It is up to all of us as individuals to be accountable for our conduct and our principles of open, transparent and honest communication should underpin our responses at all times. Remember:

- If in doubt do not act, defer to your line manager for advice/ guidance. Your management team is here to support you.
- If you think an activity or behaviour could lead to a violation, it is your responsibility to speak up.
- Whether you report anonymously or not, you should provide as many details as possible so the issue can be addressed thoroughly and promptly. In addition, you have a responsibility to cooperate in an investigation.
- Our company does not tolerate retaliation against anyone who raises a concern under this Code or assists with an investigation. Any employee who engages in retaliation will face disciplinary action, which could result in termination of employment.

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Every Manager's Responsibility

Managing other employees is an important function. As a role model you set the example and must always act in a manner consistent with our Code of Conduct.

These guidelines* are to support you to:

- Always demonstrate ethical behaviour in the performance of your duties;
- Recognize and reward ethical behaviour.
- Make fair and objective business-based decisions;
- Review the Code at least once a year with your employees;
- Help employees understand the Code and company policies;
- Ensure employees are aware of, and properly trained on, the relevant laws, regulations and company policies that govern the business activities that they are engaged in on behalf of the Company;
- Create an environment where employees are comfortable speaking up without fear of retaliation;

*Acknowledge the Johnson&Johnson Code of Business Conduct for the basis of these helpful principles.

What we learn, read and practice informs our knowledge and expands our skills.

How we act is how we are judged.

- Take any concern raised by an employee regarding compromises to the Code seriously and if need be escalate the matter to your line manager or senior management as soon as possible;
- Take corrective or preventive action when someone violates the Code;
- Fully support any investigation.

Business Conduct

Was a company we must conduct ourselves in a positive fashion with the responsibility to know and follow laws and regulations that apply to our business.

Why?

Compliance with laws and regulations (e.g. US FDA Guidelines) is mandatory with both personal and corporate penalties applicable for breaches. However, we must also demonstrate our commitment to being a responsible corporate citizen. We care and respect all people whether they are customers, competitors or officials. It establishes a basis of trust and mutual respect.

Noncompliance with laws and regulations can result in civil and criminal fines and penalties, imprisonment and other commercial or personal disciplinary actions.

How?

We have a range of policies that have been established to guide you and provide corporate support for you in your position. Following these policies gives you a level of comfort and protection.

Your employee handbook, HR Manual, and in particular, quality system policy documents are a comprehensive repository of information and support. The Privacy Act document, available on the PolyNovo website, is a key document for you to refer to. Working in a medical device company, you will be exposed to intimate aspects of the lives of patients and HCPs. This privilege must be respected and privacy assured of the shared information.

Every employee has a duty to be familiar with and follow the relevant laws, regulations, Company policies and procedures that govern the business activities.

Whether you are in Research & Development, Manufacturing, Sales & Marketing or Administrative support functions, we all own the responsibility to deliver the best products and services for our patients and HCPs. Personal integrity in all our behaviours builds corporate integrity and trust.

Ethical Considerations and Perceptions

We must uphold ethical, scientific and clinical standards and comply with all laws and regulations in all Research & Development activities, regardless of where they are undertaken. Non-clinical (animal) trials must be conducted with the same respect to ethics committee requirements and ensure PolyNovo adheres to the humane treatment of all animals.

Patient and HCP safety must be paramount in our research activities. The guiding principle must be “do no harm”. Confidentiality and respect of personal privacy along with compliance to all relevant privacy laws must guide our actions.

Compliance with each countries regulatory standards is essential for PolyNovo to sell products. In countries where the regulatory requirements are low, we must treat them with the same respect as the developed markets, exceeding the minimum standard and ensuring that we “do no harm”.

We must adhere to the applicable manufacturing, packaging, distribution, export laws and regulations for our industry and in the countries where we do business.

Marketing and Sales activities must be compliant with the local industry bodies and regulatory standards. Our product claims must be truthful, not misleading, and be consistent with regulatory approvals for our products. Only the regulatory approved claims can be promoted i.e. there can be no “off label” promotion. We should never denigrate a competitor; instead, talk to the positive attributes of our own products.

We will comply with all laws relating to product quality and safety, demonstrate post-market surveillance of our products and diligently report adverse events and product quality complaints through our Quality and Regulatory team to the relevant authorities.

Anti-corruption and Anti-bribery Laws

PolyNovo is opposed to all forms of corruptions and bribery. We will adopt and adhere to the laws of each country in which we operate. Various jurisdictions require regular reporting of all marketing, educational and entertainment expenditure, and PolyNovo will openly report all such activities. We strictly prohibit payments, rebates, gifts and gratuities that may inappropriately influence or reward a customer or agent to order, purchase or use our products and services, whether provided directly or through a third party such as a distributor. In the US the Sunshine Act applies to dealings with HCPs. Please ensure that all US HCP interactions are compliant and reported as per the legislative requirements. PolyNovo will be involved in a wide variety of research projects, clinical trials, product evaluations, sales and marketing activities, educational events, conferences, and contracts with public and private enterprises. Often a HCP may advocate the use of our product. This must always be on the basis of efficiency and clinical outcomes and not be influenced by any means of reward.

PolyNovo has a contract with the US Department of Health and Human Services through the BARDA agency. We must adhere to all standards of probity as outlined by the US Department of Justice. At no time may PolyNovo offer any form of entertainment or payments to any government agency or their employees.

Any third party who conducts business on our behalf, or in the name of PolyNovo, must also comply with these laws and standards.

Sunshine Act (USA)

The Sunshine is specific to the US Market. It applies to all Doctors or Physicians within, or associated to teaching hospitals. All payments must be reported. Payment is defined as anything of value, the price of a meal, payments for services, reimbursement of cost, speaker programs, advisory boards and any other transfer of “value” to a physician.

Payments to Physicians is centrally reported and publicly available <https://openpaymentsdata.cms.gov/>

Nurses and Allied Health staff are not included.

Antitrust and Competition Laws

Antitrust and competition laws protect consumers, customers, HCPs, shareholders and others from unfair business practices. These laws vary per country in which we operate however, they do address illegal agreements between competitors that restrict free competition, price fixing and unfair trade practices. We comply fully with all applicable laws.

Each of us are accountable for dealing fairly with customers, suppliers, competitors and third parties. PolyNovo requires you to always act in an honest and ethical manner in all of your business activities.

Global Trade Compliance

The United Nations, US State Department or US Department of Justice may impose various anti-boycott and trade sanctions laws in response to human rights concerns. As a provider of healthcare products and services conducting export and import transactions, we must comply with all applicable local, regional and international trade laws, rules and regulations. We will respect trade sanctions imposed by governments that are applicable to our activities.

“Third country” payments

No payments of any kind will be channelled through to a third party in any country other than the country of the direct sale. For questions regarding “third country” payments, contact the CFO or CEO.

Political activities and contributions of Company funds

No payments of any kind will be made by PolyNovo to political parties and campaigns. Employees are free to contribute their time and support to candidates, parties and civic organizations. However, an employee’s individual involvement must be totally voluntary, on the employee’s own time and at the employee’s own expense. Employees are not authorised to directly, or indirectly, commit Company funds or assets to a political party or campaign.

Employees who are involved in tender processes, or who offer to provide our products and services under a contractual agreement to any company or public authority, must fully comply with the relevant procurement processes and laws.

Ethical Purchasing

Our company purchases goods and services to conduct our business. This runs from Research & Development through to Sales and Marketing. When making any purchases, we must act fairly toward vendors and suppliers, respecting the confidentiality of the agreements and be free of any “conflicts of interest”.

No employee may receive personal gifts, sponsorships or entertainment from a supplier. If a small gift, regardless of value, is received it must be declared to the CFO and shared with all the staff, e.g. chocolates, champagne, etc. No gift of substantive value, over \$30, should be accepted by an employee from any supplier.

Business dinners

The basic principle is that each party pay their share of the invoice. If this is not possible, you should report the receipt of the dinner and ensure that the next dinner, to a similar value, is paid for by PolyNovo. This removes any “indebted gratitude” towards a supplier and ensures that our purchases are made on ethical grounds. No sporting or other entertainment should be received or provided by a PolyNovo employee without explicit written pre-approval by the CFO.

Sustainability and environmental laws and regulations

The protection of the environment is essential in all our activities. We do manufacture products from various chemical compounds. All chemicals and processes must be compliant with the EPA (Environmental Protection Agency), Fire Protection, and Occupational Health and Safety standards. PolyNovo is subject to environmental audits and we will uphold the highest standard of compliance at all times.

Recycling is adopted throughout our business practices. When printing documents, please ensure double-sided printing is the default. Make use of waste recycling bins where provided.

Each of us at PolyNovo have an obligation to care for each other.

We should treat each other with respect, dignity and fairness. We all have the right to a clean, safe and supportive work environment. Creating such a workplace is not just the responsibility of management we must all be accountable for our behaviour and positive supportive behaviours should be celebrated and encouraged.

We have a diverse work place with employees from different cultural backgrounds. Each person brings a unique perspective and skill to our business that improves our understanding and interaction with the world. Every person is valued and makes a meaningful contribution to the team. Teamwork and respect will ensure productivity and growth to our business. PolyNovo provides equal opportunities for employment. Employment decisions are based on merit, qualifications, skills and achievements

Our customers are from equally diverse back-grounds. Respect for each other, regardless of gender, race, creed, age, sexuality, physical ability or differences is essential in how we address our market. We are enriched through this diversity. Disrespect of others will not be tolerated, nor will offensive and unwelcome conduct that may interfere with a person's ability to perform his or her work.

Harassment, ridicule or demeaning behaviours are not acceptable at any time. Inappropriate conduct meant as a joke, a prank or even a compliment can lead or contribute to harassment, even if not intended. These provisions apply to interactions with employees, customers, contractors, suppliers and applicants for employment and any other interactions where employees represent PolyNovo.

Safe and Healthy Work Environment.

PolyNovo is required to provide a safe and healthy workplace for employees, visitors and vendors working within, or visiting, our facilities. Every employee is accountable for making their work area safe and tidy. Please report any defects, hazards or potential hazards to the OH&S officer, your line manager or senior management. You are required to comply with applicable workplace safety and industrial hygiene policies, laws, regulations and standards.

Use of Social Media

“Social media” includes any digital communication channels that allow individuals to create and share content and post comments. We are a publicly listed company on the Australian Securities Exchange (ASX) and as such are bound by continuous disclosure laws. No employee is allowed to make any form of press release or social media post without explicit permission by the Chairman, CEO or Company secretary. You are bound by the terms of your employment and the confidentiality clauses it contains.

In personal activities on social media, employees should be polite, respectful, and remember that your conduct may reflect on PolyNovo and your colleagues. Remember to respect and accept the diversity of others. The internet is a public place and PolyNovo as your employer, along with our customers, may see the content of these posts. Always use good judgment and ask yourself, “How does this reflect on me and PolyNovo?”

Financial Integrity, Protecting Our Assets and Reputation

What does this mean?

PolyNovo is a publicly listed company on the ASX. We are subject to full independent financial audits twice per year. Our accounting practices must comply with the regulatory standards at all times and ensure probity at all levels of the company.

We keep complete and accurate financial records that accurately reflect the financial state of the company. Our assets are valued and protected property. Assets may be in the form of plant, equipment, intellectual property, trademarks, raw materials, finished goods, customer list or other aspects related to the conduct of the business.

We have an obligation to our shareholders, customers, government agencies, tax office and the ASX to be a viable and sustainable business. To maintain this status, we have an Asset Register, which is an audited document kept by the finance department. We have financial control standard operating procedures, levels of authority for approval and signing of various documents, defined expense claim processes and many other checks and balances. We issue a fully disclosed financial statement to the market via our Annual Report.

We record sales during the appropriate accounting period in accordance the financial standards. We prohibit the use of company funds, assets or information for any illegal purpose, including the purchase of privileges or special benefits through bribes, political contributions or other illicit payments.

Inaccurate financial reporting could undermine shareholder confidence, impact our reputation and subject the company to fines and penalties.

All payments or usage of PolyNovo funds must be reviewed and approved by the next senior manager. When submitting business expenses, follow PolyNovo’s Travel & Entertainment policies. Clearly and accurately describe all requests for payments and provide supporting documentation; wherever possible, provide a competing quote. All established suppliers should be subjected to a competitive quote process every three years.

Use of Company Assets

PolyNovo assets are provided and available to generate value and revenue for the company. Computers, mobile devices, information technology hardware and software, vehicles, facilities, machinery, raw materials, inventory, intellectual property, supplies and other assets have a distinct business purpose. When working with company information or technology tools (such as laptops, email, databases, etc.), employees must protect the information with unique passwords that are never shared. Your work devices are provided for the conduct of PolyNovo business and are not for extended personal use.

Company information should not be stored with unapproved internet or cloud services as that information may not be protected and may be accessed by unauthorized people.

Intellectual Property and Confidential Business Information

Our intellectual property and confidential information are our most valued asset. We actively segregate access to various IP and unless you have specific authorisation to view various files and file structures please do not try to access the data. Some of the information in databases is protected for privacy reasons and required by law to be restricted. You have been granted access to the data and material seen as appropriate and this information remains, at all times, the property of PolyNovo.

Intellectual property includes copyrights, patents, trademarks, product and package designs, brand names and logos, research and development, inventions and trade secrets. Employees should avoid talking about or sharing information about these things in public places, such as airports and restaurants. Any suspected theft of intellectual property or unauthorized disclosure of, or access to, our company information should be immediately reported to your manager, who will decide on further escalation to the Company Secretary or CEO.

We must respect the trade secrets and confidential information of other companies and individuals. Only information gathered from public or legal access should be shared within PolyNovo and no illegally sourced data should ever be stored on PolyNovo IT systems.

As an employee it is your responsibility to protect confidential Company information. This may mean securing hard copy documents at work by either locking-up, restricting access or not making visible confidential documents or files to non-employees and/or passers-by. It may also mean protecting soft copies or in some cases hard copies of confidential PolyNovo documents or files at home.

Non-public information concerning PolyNovo's strategies, market entries, product pricing, financial performance, partnerships, employees, corporate transactions and other confidential information should never be discussed with anybody who is not an employee or officer of PolyNovo unless expressly required by law (eg. tax authorities, regulators, etc...).

Employees should take care when opening confidential work files or discussing non-public PolyNovo information in social situations, at home, at business functions, conferences and when working or talking (even amongst each other PolyNovo employees) when in public places including building foyers, hotel lobbies, airport lounges, travelling in taxis, travelling on public transport, travelling in aeroplanes and travelling using taxis/Uber.

Avoid competitive information discussions with employees of competitors in all circumstances, including at professional association or industry meetings. Be truthful and open that you are a PolyNovo representative in any effort to learn about competitors.

If employees are responsible for locking up and/or activating alarm(s) at PolyNovo company premises they should take due care that applicable doors are properly shut and secure and that alarms and other security measures are properly activated and maintained. If the employee is unsure what to do they should promptly call a senior manager for instructions.

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ASX Security Laws and Insider Trading

By law, we are required to publicly disclose certain important information about our company, such as sales, earnings and significant acquisitions, regulatory matters and other material events. When we publicly disclose this information, it is our responsibility to do so in fair, complete, accurate, timely and understandable ways. Employees may find out important information about the Company before it is released to the public; however, it is every employee's responsibility to keep non-public information confidential. All employees are bound by the share trading policy that is covered in your induction process.

Conflicts of Interest

When considering any potential conflict of interest, you must ask yourself how someone external to the situation would perceive the behaviour. Is it in accordance with PolyNovo's principles of open and honest communication? Is it fair? Is the decision process based on merits, talent, experience and objectivity?

We all have personal relationships; however, they should not drive our business decisions. Our motivation must be what is best for PolyNovo, not the individual. If you have a close personal relationship with a supplier, customer or candidate for a role you must openly declare the relationship and if possible remove yourself from the decision process. If you cannot you should ensure you have competitor quotes and logical detailed justification to support your decision. It must bear scrutiny and be seen as ethical.

By discouraging and avoiding conflicts of interest, we clearly communicate our integrity as a company and build trust.

You should discuss any potential conflicts, or questions about how to best handle a situation where a conflict might exist, with your manager, Human Resources or Senior Management.

PolyNovo is a member of AusBiotech Association. Further details of their code may be found here: www.ausbiotech.org/content.asp?pageid=172

AdvaMed www.avamed.com

Eucomed <http://www.medtecheurope.org/industry-themes/topic/93> and other industry codes restrict HCP gifts and entertainment. You must become familiar with these codes if you are conducting any business in their jurisdiction and apply them to your interactions with HCPs.



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