

Corporate Governance Statement

Introduction

The Board of PolyNovo is responsible for the corporate governance of the Group and guides and monitors the business on behalf of its shareholders. The Board has strived to reach a balance between industry best practice and appropriate policies for the Company in terms of its size, stage of development and role in the biotechnology industry.

The Company performed a review of its Board policies and governance practices with reference to the Principles of Good Corporate Governance (Principles) and the Recommendations (Recommendations) (4th edition) established by the ASX Corporate Governance Council (**ASX Principles and Recommendations**). The Recommendations are not mandatory and cannot, in themselves, prevent corporate failure or poor corporate decision-making. They are intended to provide a reference point for companies regarding their corporate governance structures and practices.

The Directors have considered each of the ASX Principles and Recommendations applicable for the year ended 30 June 2024.

Principle 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1

The role of the Board is to represent the interests of shareholders, by providing the Group with good governance and strategic direction. The Company has adopted a Board Charter setting out the matters reserved to it, including its function and responsibilities and those delegated to management.

The Company delegates authority to Senior Management for the day-to-day running of the business in accordance with the agreed delegations. Senior Management reports directly to the Chief Executive Officer.

The Board Charter is available at <https://polynovo.com/about-us/>.

Recommendation 1.2

The Company considers the character, industry or relevant experience, education, and skillset, as well as interests and associations of candidates

for appointment to the Board and conducts appropriate checks to verify the suitability of the candidate, prior to their election.

The Company ensures that all material information relevant to a decision to elect or re-elect a Director is disclosed in the notice of meeting provided to shareholders.

Recommendation 1.3

The roles and responsibilities of each non-executive Director is set out in their letter of appointment, which the Director receives and commits to on their appointment. The letter of appointment specifies the time commitment, expectations in relation to committee work or any other special duties attaching to the Director position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the Company's key governance policies. A copy of the governance policies can be found on the PolyNovo website.

Each Executive Director and Senior Executive has entered into a service contract that sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Contract details of each Executive Director and those Senior Executives who are designated key management personnel are summarised in the Remuneration Report section of the Annual Report.

Recommendation 1.4

The Company Secretary is accountable to the Board for ensuring the Company's corporate governance processes are adequate. The appointment or removal of the Company Secretary is a matter for the Board. Details of the Company Secretary's experience and qualifications are set out in the Directors' Report section of the Annual Report.

Recommendation 1.5

The Company has adopted a Diversity Policy setting out objectives with respect to diversity. The policy is available in the corporate governance section on the Company's website.

As at 30 June 2024 the Group has 254 employees (146 male and

108 female).

As at the date of this report, the Board has two female members. The Company is an Equal Opportunity Employer and actively encourages diversity in the workplace.

Recommendation 1.6

The Board is responsible for reviewing its own performance. A review of Board performance is conducted by the Chairman and Directors on an ongoing basis and through an annual self-assessment process. A Board evaluation process was conducted during the previous financial year. All Directors have access to continuing education and are provided with the information they need to discharge their responsibilities effectively. The Company Secretary plays an integral role in supporting the Board by monitoring Board policy and procedures and co-ordinating meeting documentation.

Recommendation 1.7

The Company conducts a formal review of the Senior Executives of the Group on an annual basis. An evaluation process was conducted during the previous financial year. The Charter of the Remuneration Committee includes responsibility for the evaluation of the performance of Senior Management and Executives.

Principle 2: Structure the Board to be Effective and Add Value

Recommendation 2.1

The Board has established a Remuneration & Nomination Committee (**R&NC**) comprised by 3 non-executive directors. The R&NC conducts a continuous review process to ensure that it addresses Board succession issues to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The current members of the R&NC are:

- Mr David Williams - Chairman
- Mr Leon Hoare
- Ms Christine Emmanuel-Donnelly

Details of the qualifications of R&NC members are included in the Directors' Report section of the Annual Report.

There is a formal Charter for the R&NC, which is available at <https://polynovo.com/about-us/>. The R&NC met 7 times during the 2024 Financial Year.

Recommendation 2.2 – 2.4

As at the date of this report, the Board of PolyNovo comprises six Directors:

- Mr David Williams – Non-executive Chairman (appointed as Non-executive Director on 28 February 2014 and Non-executive Chairman on 13 March 2014)
- Dr Robyn Elliott – Non-executive Director (appointed 28 October 2019)
- Ms Christine Emmanuel-Donnelly – Non-executive Director (appointed 13 May 2020)
- Mr Bruce Rathie – Non-executive Director (appointed 18 February 2010)
- Mr Andrew Lumsden – Non-executive Director (appointed 4 June 2021)
- Mr Leon Hoare – Non-executive Director (appointed 27 January 2016)

The Directors have a combination of commercial acumen and experience in the biotechnology industry and capital markets. The relevant qualifications and background of each Director are set out in the Directors' Report section of the Annual Report.

The Board has adopted the Council's recommended criteria for assessing Director independence. To be assessed as independent, a Director must fulfil a number of criteria as outlined in the ASX Principles and Recommendations. As at the date of this report, all Directors are considered independent.

None of the Directors are a substantial holder of shares in the Company. As such, all non-executive Directors are considered independent as at 30 June 2024.

Recommendation 2.5

The Chairman is considered to be independent. The roles of the Chairman and Chief Executive Officer are not performed by the same person as at the date of this report.

Recommendation 2.6

The Company Secretary issues induction material to each Director upon appointment.

The Company has an induction process for each newly appointed Director

whereby the Director has access to key Company personnel.

The Company provides the Board with access to independent professional advice at the Company's expense unless the Board determines otherwise.

Principle 3: Instil a culture of Acting Ethically and Responsibly

Recommendation 3.1

The Company places high value on a culture of compliance and expects its Directors, Senior Executives and employees not only to obey the law but to behave ethically responsibly and with integrity so as to observe not only the letter but the spirit of the law. This is considered necessary to preserve and protect PolyNovo's reputation and standing in the community and with key stakeholders, such as customers, employees, suppliers, creditors, law makers and regulators.

Recommendation 3.2

The Company distributes its Code of Conduct to all employees, including Senior Executives and Directors. The Code of Conduct documents the practices necessary to maintain confidence in the Company's integrity and these practices are in line with the Council's guidelines on good corporate governance. A copy of the policy is available at <https://polynovo.com/about-us/>.

The Code of Conduct requires all employees and Directors to, among other things:

- act in accordance with the Company's values;
- comply with the law;
- act honestly and with integrity;
- treat fellow staff members with respect and not engage in bullying, harassment or discrimination;
- deal with customers and suppliers fairly;
- not place themselves in situations that result in a conflict of interest;
- use the Company's assets responsibly and in the best interests of the Company; and
- be responsible and accountable for their actions.

The Company has agreed to indemnify its Directors against certain liabilities and to maintain Directors' and Officers' insurance coverage.

Recommendation 3.3

The Company has put in place a Whistleblower Policy and an independent "Speak Up" platform for reporting illegal, unethical, and improper conduct, which provides among other things, that the Board is informed of any material incidents reported. A copy of the policy is available at <https://polynovo.com/about-us/>.

The Company considers that the best source of information about whether PolyNovo is living up to its values are its employees. They are encouraged by the policy to speak up about any unlawful, unethical or irresponsible behaviour within the organisation.

Recommendation 3.4

The Company has an anti-bribery and corruption policy as part of its Code of Conduct. Giving bribes or other improper payments or benefits to public officials is a serious criminal offence and can damage PolyNovo's reputation and standing in the community. The policy requires that the Board is to be informed of any material incidents of bribery or corruption, as such incidents may be indicative of issues with the culture of the organisation.

Principle 4: Safeguard the Integrity of Corporate Reports

Recommendation 4.1

The current membership of PolyNovo's Audit and Risk Committee meets the criteria set out in the ASX Principles and Recommendations.

The current members of the Audit and Risk Committee are:

- Mr Andrew Lumsden - Chairman
- Mr Bruce Rathie
- Dr Robyn Elliott

The members of the Audit and Risk Committee are financially literate and have substantial public company experience. Details of the qualifications of Audit and Risk Committee members are included in the Directors' Report section of the Annual Report. The Company's external auditor is invited to attend Audit and Risk Committee meetings as required. The Audit and Risk Committee met 4 times during the 2024 financial year.

There is a formal Charter for the Audit and Risk Committee, which is available at <https://polynovo.com/about-us/>.

Recommendation 4.2

The Chief Executive Officer and Chief Financial Officer have provided a declaration to the Board of their opinion

concerning the Company's annual Financial Report as required under section 295A of the Corporations Act 2001. The opinion includes a declaration by the Chief Executive Officer and the Chief Financial Officer that their opinion has been formed on the basis of the Company's system of risk management and internal control.

Recommendation 4.3

The Company's external audit function is performed by EY. Representatives of EY attend the AGM each year and are available to answer shareholder questions regarding the audit. The Board supervises a system of thorough review by the Senior Executive team of any periodic corporate reports published by the Company which are not subject to audit.

Principle 5: Make Timely and Balanced Disclosure

Recommendation 5.1

The Company's Market Disclosure Policy reflects the recommendations by the Council regarding continuous disclosure. Company announcements are made in a timely manner, 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. The Market Disclosure Policy is available at <https://polynovo.com/about-us/>.

The Company provides commentary in its annual Financial Report and a full review of operations for the reporting period as required by the ASX listing rules. All ASX announcements are available at www.asx.com.au.

Recommendation 5.2

The Company follows a practice of providing the Board with copies of all material ASX announcements promptly after they are made.

Recommendation 5.3

Each new and substantive investor presentation intended to be provided to investors, analysts or other third parties is released to ASX before the presentation is given.

Principle 6: Respect the Rights of Securityholders

Recommendation 6.1

The Company keeps investors informed of its corporate governance, financial performance and future prospects on its website, <https://polynovo.com/>.

Shareholders can access copies of ASX announcements, notices of meetings, annual reports and financial statements on the Company's website.

The Company has encouraged shareholders to elect to receive communications electronically. This serves the best interests of shareholders by facilitating the delivery of shareholder communications by electronic means, thus reducing costs and protecting the environment. Shareholders are encouraged to ask questions or provide feedback to the Company by email or phone as well as at the Company's AGM. Contact details of Senior Executives are provided on ASX announcements.

Recommendation 6.2

The Company has an investor relations program aimed at encouraging effective two-way communication with investors.

Recommendation 6.3

Shareholders are invited to ask questions at the Company's AGM. Contact details are made available on Company ASX announcements. All senior staff and Directors make themselves available to discuss Company affairs with shareholders.

Shareholders are encouraged to participate in meetings and are given an opportunity to ask questions of the Company and its auditor at the AGM.

The Company provides an electronic broadcast of shareholder and annual meeting results.

Recommendation 6.4

The Company has a policy that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. Consistent with relevant regulatory requirements voting at meetings of the Company held virtually (online) will be by way of a poll only.

Recommendation 6.5

The Company provides shareholders with the option to receive communications from the share registry electronically. The Company communicates regularly with its shareholders using ASX announcements, the Company's website, the Annual Report and the AGM. Access to ASX announcements is available to shareholders by using links available on the Company's website.

Policies and procedures regarding the governance of the Company are available at <https://polynovo.com/about-us/>.

Principle 7: Recognise and Manage Risk

Recommendation 7.1

PolyNovo's Audit and Risk Committee oversees the process for identifying and managing material risks in accordance with the Group's Risk Management Policy. A copy of the Audit and Risk Committee charter is available at <https://polynovo.com/about-us/>.

Further details regarding the Committee, its membership and the number of meetings held during the financial year are set out in the Directors' Report.

Recommendation 7.2 and Recommendation 7.3

The Company has a formal Risk Management Policy and a risk register. This approach to risk management involves identifying, assessing and managing the risks that affect the business, while at the same time considering these risks in the context of the Group's values, objectives and strategies.

Risks are analysed and, where possible, reduced but it is not always possible to completely mitigate all the risks faced by a biotechnology company. Identified risks are assigned to functional owners within the business and formally reviewed within the Quality System meetings, held quarterly. The Board of Directors reviews reported risks at Board meetings and reviews the risk management framework annually. The last review was carried out in June 2024. The Company does not have an internal audit function due to the size of the Company.

Recommendation 7.4

The Company does not have any material exposure to environmental or social responsibility risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The Company meets the criteria of Recommendation 8.1 which deals with remunerating fairly and responsibly. Further details in respect of the R&NC can be found in the Company's response to Recommendation 2.1 above.

Recommendation 8.2

The Board is responsible for determining, recommending, and reviewing compensation policies and arrangements for the Directors, the

Chairman and Senior Executives consistent with Principle 8.

A summary of the remuneration policy for Directors and Senior Executives is set out in the Remuneration Report section of the Annual Report. The Remuneration Report includes details of the remuneration of Directors and those Senior Executives of the Company and the Group who are designated key management personnel.

Recommendation 8.3

To the extent the Company has an equity-based remuneration scheme, the Company has a policy that participants in the scheme are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Company believes that the scheme should operate as provided in the scheme and not be blurred by hedging, synthetic or derivative arrangements.

Recommendations 9.1 - 9.3

Not applicable