

AVITA MEDICAL LIMITED

CORPORATE GOVERNANCE

Corporate Governance Statement

Avita Medical Limited (Avita Medical) is committed to continuously improving and achieving high standards of corporate governance. The Board assesses its governance framework and practice believing good corporate governance is closely related to performance and serves in the best interests of shareholders and stakeholders.

Avita Medical's corporate governance statement has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included in the company's Annual Report pursuant to ASX Listing Rule 4.10.3. The Corporate Governance Report is available at www.blackrockmining.com.au. The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

A description of the Company's main corporate governance practices and its 'if not, why not' report on compliance with the guidelines is set out below. Where the Company's practices depart from a recommendation, the Board has disclosed the departure along with reasons for adoption of its own practices.

The Avita Medical Corporate Governance Statement is structured with reference to the Third Edition Corporate Governance Guidelines, which are as follows:

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| Principle 1 | Lay solid foundations for management and oversight |
| Principle 2 | Structure the board to add value |
| Principle 3 | Act ethically and responsibly |
| Principle 4 | Safeguard integrity in corporate reporting |
| Principle 5 | Make timely and balanced disclosure |
| Principle 6 | Respect the rights of security holders |
| Principle 7 | Recognise and manage risk |
| Principle 8 | Remunerate fairly and responsibly |

For further information on corporate governance policies adopted by Avita, refer to our website
www.avitamedical.com

CORPORATE GOVERNANCE (CONTINUED)

Principle	Corporate Governance best practice recommendation	Compliance
1	Lay solid foundations for management and oversight	
1.1	Establish and disclose the functions reserved to the Board and those delegated to senior executives	✓
	<p><i>How we Comply with 1.1</i></p> <p>The Board has a Corporate Governance Statement which outlines the role and duties of the Board.</p> <p>The Company considers that the primary responsibility of the Board is to oversee the Company's business activities and management for the benefit of the shareholders by :</p> <p>a) Supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to the points noted below:</p> <p>b) Ensuring the Company is properly managed by:</p> <ul style="list-style-type: none"> i) setting and communicating clear objectives; ii) appointing and removing the Chief Executive Officer of the Company; iii) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company secretary; iv) input into and final approval of management's development of corporate strategy and performance objectives; v) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance; vi) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available; <p>c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;</p> <p>d) approval of the annual budget;</p> <p>e) monitoring the financial performance of the Company;</p> <p>f) approving and monitoring financial and other reporting;</p>	

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	<p>g) overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;</p> <p>h) liaising with the Company's external auditors either directly or via the Audit Committee as appropriate; and</p> <p>i) monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.</p> <p>The Chief Executive Officer is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his responsibilities the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.</p> <p>Matters which are not covered by the delegations require Board approval.</p> <p>The Corporate Governance Statement is available on the Company's website in the Investor Relations Centre section.</p>	

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	<p>these purposes); or</p> <p>(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<p>✓</p> <p>✓</p> <p>Not applicable</p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>✓</p> <p>✓</p>	<p>The Company does not have a documented procedure for the evaluating the performance of the Board, its committees and directors.</p> <p>An evaluation of the performance of the Board and its directors is undertaken informally each year. The Chairman of the Board is the driver of this process.</p> <p>The evaluation of the performance of the Board’s various committees is undertaken on an exception basis. This is also an informal process which is driven by the Chairman of the Board.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the</p>		<p>It is the role of the Remuneration Committee to evaluate the performance of the Board & individual</p>

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	<p>performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>✓</p> <p>✓</p>	<p>directors and key senior executives.</p> <p>The performance of the Chief Executive Officer is monitored and evaluated by the Board annually (with reference from the Remuneration Committee) by reference to key performance indicators.</p> <p>The performance of other senior executives, including the Chief Financial Officer is to be reviewed on an annual basis by the board.</p> <p>Refer to the Director's Report for a summary of performance of the Chief Executive Officer.</p>
2	Structure of the Board to add value		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and 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.</p>	x	<p>During the Reporting Period, the role of the Nomination Committee was carried out by the full Board in accordance with the Nomination Committee Charter. The Board considered that no efficiencies or other benefits would be gained by establishing a separate nomination committee during this time.</p>

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	should be independent directors.		a non-executive director who meets the criteria for independence included in the ASX Best Practice Recommendations.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	✓	The Chairman, Mr Panaccio is an independent director.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	✓	As at the date of this statement, the Company is in compliance with the requirements of 2.6
3	Act ethically and responsibly		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>The Company has implemented a suite of policies including a Code of Business Conduct which provides guidelines aimed at maintaining high ethical standards and corporate behaviour. The principals of the policies include:</p> <ul style="list-style-type: none"> • Respect the law and act in accordance with it; • Respect confidentiality and not misuse company information, assets or resources; • Avoid real or perceived conflicts of interest; • Act in the best interest of stakeholders; and • Perform their duties in ways that minimise environmental impacts and maximise workplace safety. <p>Directors and employees are expected to comply with all Company policies and to act professionally with integrity, honesty and responsibility at all times.</p>
4	Safeguard integrity in corporate reporting		
4.1	The board of a listed entity should:	✓	The Audit Committee assists the Board to meet its oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management procedures and the internal and external
	(a) have an audit committee which:		

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	<p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>		<p>audit function. In doing so, it is the Audit and Risk Committee's responsibility to maintain free and open communications between the Committee, the external auditors, the internal auditors and the management of the Company.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	✓	<p>The Board confirms that CEO & CFO are in compliance with requirements of 4.2</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant</p>	✓	<p>Confirms requirements to 4.3 are in compliance.</p>

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	to the audit.		
5	Make timely and balanced disclosure		
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance. These policies or a summary of the policies should be disclosed.	✓	<p>The Company's continuous disclosure policy has been adopted to ensure compliance with obligations under the continuous disclosure regime of the Corporations Law and the Listing Rules of the Australian Stock Exchange Limited and to ensure that all Avita Medical shareholders have access to material information about the Company and its prospects.</p> <p>The disclosure obligations include:</p> <ul style="list-style-type: none"> • All employees, Company officers and Directors must comply with the ASX Listing Rules and Corporations Law provisions relating to a timely disclosure of price sensitive information to the ASX. The Company does this by releasing written announcements to the ASX. • The Chief Executive Officer, Chief Financial Officer and Company Secretary are accountable for the establishment, communication and maintenance of this policy and ensuring that material information is disclosed to the ASX.
6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	✓	Detailed company and governance details are available to security holders at the company's website www.avitamedical.com
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	The Company encourages shareholders and stakeholders to contact senior executives and directors via website, email or via telephone.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	✓	At all shareholder meetings the chairman of the meeting invites questions both prior to the meeting and at the meeting from shareholders. This is disclosed in our communications policy available to security holders.

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6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	✓	Through our share registry – Computershare Investor Services, the company actively encourages its security holders to receive all communications electronically.
7	Recognise and manage risk		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	✓	<p>The Audit Committee assists the Board to meet its oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management procedures and the internal and external audit function. In doing so, it is the Audit and Risk Committee's responsibility to maintain free and open communications between the Committee, the external auditors, the internal auditors and the management of the Company.</p> <p>The Board monitors and receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management arrangements.</p> <p>Specific areas of risk identified initially and which will be regularly considered at Board meetings include foreign currency, performance of activities, human resources, acceptance by regulatory authorities for the Company's products, markets, manufacturing, the environment, statutory compliance and continuous disclosure obligations.</p> <p>The annual report details material financial risks which arose during the reporting period (see notes to financial statements).</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	✓	The company confirms compliance with 7.2.

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>×</p> <p>×</p>	<p>The Company does not have an internal audit function.</p> <p>The CEO and CFO are responsible for managing effective internal controls and improvement in areas of deficiencies. This is an ongoing task that occurs as weaknesses are identified.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>✓</p>	<p>Disclosures to these risks are noted in the annual report whether reported as nil or disclosed as an exposure.</p>
8	Remunerate fairly and responsibly		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p>		<p>The remuneration committee has Mr Perry, Ms Crowe</p>

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	<p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>and Mr Curnock Cook as its members.</p> <p>The remuneration Committee is chaired by Mr Perry who is independent.</p> <p>The Committee currently has 3 committee members.</p>
8.2	Companies should clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives	✓	Refer Director's Report, Annual Report
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	✓	Refer Remuneration report, Annual Report

