



**A R O A**

## **Aroa Biosurgery Limited**

### **Board Charter**

#### **Introduction**

The board of directors (**Board**) of Aroa Biosurgery Limited (**Company**) is committed to principles of good corporate governance and practice. This charter sets out the principles on which the Board will manage its affairs and discharge its responsibilities. This charter operates in conjunction with the constitution of the company, relevant laws and the listing rules of ASX (**ASX Listing Rules**).

#### **Responsibilities/Authority of Directors and Delegations**

The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring the Company's business and affairs. The Board is accountable to shareholders for the performance of the Company.

The day to day management of the Company's business and implementation of its strategy are delegated to the Chief Executive Officer (**CEO**) and by the CEO, to other senior executives. Management is responsible for providing the Board with accurate, timely and clear information to enable the board to perform its responsibilities.

The functions of the Board include:

- a) Demonstrating leadership.
- b) Setting the strategic direction for the Company.
- c) Approving the Company's strategies, objectives and
- d) plans, and monitoring the implementation of such strategies to achieve the Company's objectives.
- e) Reviewing and approving financial plans, annual budgets and major capital expenditure, and monitoring the financial performance of the Company and its ability to meet its debts and other obligations as they fall due.
- f) Establishing and approving the Company's statement of values and code of conduct to underpin the desired culture of the Company and ensure that appropriate training in those values is provided to executive management and employees.
- g) Approving systems and controls within a framework which enables identification, assessment and management of risks
- h) Reviewing and overseeing the operation of the Company's accounting and corporate reporting systems and systems of risk management, internal compliance, internal controls and reporting and codes of ethics.
- i) Approving major capital expenditure, acquisitions and divestitures and monitoring capital management.
- j) Approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board.
- k) Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company.

- l) Appointing and (where appropriate) removing the CEO, approving other senior executive appointments, planning for executive succession and monitoring the performance of the CEO and other senior executives.
- m) Evaluating, at least annually, the performance of the Board, its committees and individual directors.
- n) Whenever required, challenging management and holding it to account.
- o) Reviewing and approving the company's remuneration policies and ensuring they are aligned with the Company's purpose, values, strategic objectives and risk appetite.
- p) Ensuring appropriate resources are available to management.
- q) Adopting appropriate procedures and monitoring the Company's compliance with laws including health and safety laws, regulations, listing rules and accounting standards.
- r) Reporting to shareholders on the Company's performance on a timely basis.
- s) Monitoring the effectiveness of the Company's governance practices.

### **Chair**

The Board elects the chairperson (**Chair**) in accordance with the Constitution.

To the extent practicable given the size and composition of the Board from time to time, the Chair will be an independent Director who is selected on the basis of the person's achievements and record as a leader. The role of the Chair and the CEO must not be exercised by the same individual.

The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all the Directors in relation to issues at Board meetings.

The Chair may be moved from office in accordance with the Constitution or relevant laws.

Should the Chair be absent from a meeting, members of the Board present shall appoint a chairperson for that particular meeting.

### **Non-Executive Directors**

In accordance with statutory requirements and in keeping with developments at common law, the Non-Executive Directors should provide an independent and non-biased view on matters before the Board, and retain an over-arching role of guiding the Board and management with respect to the affairs of the Company including:

- a) setting a standard of honesty, fairness, integrity, diligence and competence in respect of their positions as Directors;
- b) exercising their powers and discharging their duties in good faith and in the best interests of the Company;
- c) using their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- d) use care and diligence;
- e) maintain and use an independent questioning mind with respect to matters at the Board;
- f) actively engage in the conduct of Board matters

- g) provide guidance to the CEO and other senior executives with respect to the strategic direction of the Company and any operational issues that may arise;
- h) to the extent practicable, attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- i) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company.

### **Managing Director and CEO**

The CEO is appointed (and where necessary replaced) by the Board.

- a) The CEO is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.
- b) The CEO must develop alongside the Board a consensus for the Company's vision and direction and construct with other senior executives programs to implement the vision.
- c) The CEO is responsible for carrying out the day to day management of the Company, including implementing the strategic objectives and operating within the risk appetite set by the Board.
- d) The CEO must keep the Board informed of all the activities of the Company which are considered relevant to the Board (including price sensitive information, quantitatively or qualitatively material information relating to the Company, information relevant for consideration of material risks, matters outside the business plan and information which a normal prudent Board would expect to be aware of and consider).
- e) The Managing Director must:
  - a. exercise their powers and discharge their duties in good faith and in the best interests of the Company.
  - b. use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
  - c. use care and diligence;
  - d. attend all Board meetings and Board functions unless there are valid reasons for non-attendance.

All senior executives in the Company should be employed under written agreements setting out the terms of their appointment.

### **Company Secretary**

The Secretary of the Company is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes, among other things:

- Advising the Board and its committees on governance matters;
- Monitoring the Board and committee policy and procedures are followed;
- Coordinating the timely completion and despatch of Board and committee papers;
- Communicating with the regulatory bodies and ASX on statutory requirements and filings;

- Ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of Directors.

The decision to appoint or remove a company secretary should be made or approved by the Board.

### **Committees of the Board**

The Board has the authority to establish committees to assist it in carrying out its responsibilities and to delegate powers accordingly to the committees. The Board shall adopt a formal charter that sets out the delegated functions and responsibilities, the composition and the administrative matters relating to a committee. The Board currently has the following formal committees:

- a) Audit Committee
- b) Risk Committee
- c) Remuneration Committee

The Board is responsible for the oversight of its committees including reviewing each committee's composition, structure, charter and performance.

In addition to these permanent committees, the board may also form ad hoc committees for specific purposes or projects, from time to time.

The Board shall review the effectiveness of each of the above committees against its charter, on an annual basis, in conjunction with the Chair of the relevant committee.

The Board will deal with matters referred to it by any committee.

### **Board composition**

The composition of the Board shall be not less than five (5) and not more than eight (8) Directors. The Chairperson of the Board shall be an independent Director and shall not be the CEO. A majority of the Board shall be independent.

When considering "independence" the Board shall have regard to the ASX published "Corporate Governance Principles and Recommendations" and the factors outlined as relevant to independence which include the materiality of the interest, position, association or relationship, to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its shareholders generally.

The Board shall disclose which Directors it considers to be "independent". The Board will regularly review the independence of each Director in light of interests disclosed and will disclose any changes to the market in compliance with the ASX Listing Rules.

### **Nomination responsibilities**

The Board shall have the following responsibilities with respect to nomination of Directors:

- a) assess regularly the structure, size, composition, skills, experience, independence and diversity required by the Board to fulfil its responsibilities and duties to shareholders having regard to the strategic direction of the Company and reporting the outcome of the assessment to the Board;
- b) establish processes for identification of suitable candidates for appointment as new Directors to the Board having regard to the skills required and skills represented on the Board;
- c) ensure appropriate checks are undertaken with respect to the appointment of new Directors to the Board, including as to the person's character, experience, education, criminal record and bankruptcy history;
- d) make recommendations for the appointment and re-election of Directors and members of the Board's committees;
- e) when submitting to shareholders the names of candidates for appointment or election as Directors, ensuring that the notice of meeting provides the Company's shareholders with the information necessary to allow the shareholders to make an informed decision on the appointment or the election;
- f) develop a process for evaluating the performance of individual Directors, Board committees and the Board as a whole;
- g) ensure that an effective induction process is in place for new Directors and regularly review this process for its effectiveness;
- h) develop, and review on an annual basis, a Board skills matrix setting out the mix of skills that the Board has or is looking to achieve in its membership;
- i) review regularly whether the Directors as a group have the skills, knowledge and familiarity with the Company, its industry and its operating environment required to fulfil their role on the Board or on Board committees and consider training and continuing professional development required to maintain skills and knowledge needed to perform their role as Directors effectively or to fill any identified gaps;
- j) review the time required from a Non-Executive Director with respect to Board duties and whether the Non-Executive Directors are meeting that requirement; and
- k) oversee succession planning for the Board and for the CEO and other members of executive management.

The procedure for nomination, appointment and retirement of Directors is set out in the Constitution of the Company and is also subject to the requirements of law and the ASX Listing Rules.

### **Board Meetings**

The Board will meet as often as it deems appropriate. The Board meeting agenda and relevant papers will be provided to Directors sufficiently prior to Board meetings. Directors will keep confidential Board discussions, deliberations and decisions that are not publicly known.

Confidential Information received by a Director in the course of the exercise of directorial duties remains the property of the Company and will not be disclosed unless properly authorised or required by law.

Directors are entitled to have access to management and external auditors in order to seek explanation, in consultation with the CEO.

The Board may at any time convene an unscheduled meeting of the Board to consider urgent or other matters.

Periodically, Directors may meet without the MD and/or CEO or management present, to review the performance of management generally and discuss corporate governance issues.

Senior Executives will be invited to attend meetings as required. Other Company executives, external auditors, internal auditors and advisers, as the Chair sees fit, may be invited to attend meetings.

Board papers shall be provided to Directors sufficiently far in advance of scheduled meetings to permit adequate preparation.

Any action permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent thereto is signed by all Directors entitled to vote on the resolution, provided that such written consent shall be filed with the minutes of the proceedings of the Board.

The Company's Constitution governs the regulation of Board meetings and proceedings.

### **Circular Resolutions**

The Board may pass resolutions in writing by circulation without holding a Board meeting.

Circulating resolutions may be distributed by electronic means and signed by one or more Directors in a single document or any number of counterparts in hard or digital copies.

A circulating resolution passed by all of the Directors is as valid as if it had been passed at a properly constituted meeting of the Board.

Passing a resolution by circulation is not considered a meeting of the Board.

### **Remuneration of Directors**

Cash remuneration of Non-Executive Directors is determined in maximum aggregate by the shareholders, and is allocated by the Board on the recommendation of the Remuneration Committee.

Directors are not required to hold shares in the Company as part of their appointment. Directors may, in accordance with the Company's remuneration framework and policies, receive equity-based remuneration as approved by the Company's shareholders.

Reasonable expenses incurred by a Director in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.

There is no plan to provide remuneration, reward or other benefits to non-executive Directors upon the cessation of them holding office as a Director.

## **Indemnity and Insurance**

The Company holds an insurance policy for its Directors and officers and grants Directors an indemnity, which indemnifies Directors to the maximum extent permitted by law.

## **Conflicts of Interest**

Directors are required to disclose any conflicts or potential conflicts of interest to the Board to avoid conflicts of interests as described in the Company's Code of Conduct. These disclosures will be noted in the Company's interest register.

A Director must disclose to the Chair and the Company Secretary any direct or indirect involvement in a competitor to the Company, as a shareholder or otherwise, including any personal interest in any transaction to be entered into by the Company which may conflict between the interests of the Company and the Director.

If a conflict of interest arises, the Director concerned will not receive Board papers relating to that matter. When that matter comes before the Board for discussion, that Director will absent him/herself from the meeting and will abstain from voting on the issue, unless the relevant resolution is one in respect of which all Directors are required to sign a certificate or it relates to the granting of an indemnity under section 162 of the Companies Act. Any material interests shall be captured in the minutes of the meeting and it will be disclosed in the Annual Report and the accounts.

## **Board Appraisals/Performance Evaluation**

The Board will annually review its overall performance as well as the performance of the Board committees and individual Directors. This may include, at the Board's discretion, a performance evaluation of the Chair conducted by another Non-Executive Director nominated by the Board. The Board will, if it considers it appropriate, obtain the assistance of independent professional consultants to assess the performance of the Board and to examine ways of assisting the Board in performing its duties more effectively.

The Board must confirm whether a performance evaluation has been undertaken in its Annual Report or Corporate Governance Statement.

## **Independent Professional Advice**

A Director has the right to obtain independent professional advice should it be necessary in order to perform his or her duties and responsibilities as a Director. The prior approval of the Chairman is required before incurring any costs that will be borne by the Company.

## **Letters of appointment, Director induction and continuing education**

The Company provides formal induction for new Directors. A letter of appointment outlining the Board's expectation of the Director and any particular terms of appointment are provided to new Non-Executive Directors. In the case of Executive Directors, the terms and conditions of appointment will be set out in the Executive Director's employment agreement or in an addendum to it.

The Company has formal and informal processes to educate new and existing Directors about the nature of the business, current issues and the corporate strategy.

### **Review of Charter**

The Board is responsible for reviewing this Board Charter to determine if it remains appropriate to the needs of the Company, from time to time.

The amendment or revocation of this Charter may only be effected by a resolution of the Board.

The Charter will be available on the Company's website within a reasonable time after any such updates or amendments have been approved.

*Approved by the Board in March 2025*

*Document version control:*

<i>Custodian</i>	<i>Company Secretary</i>
<i>Date previously approved by the Board</i>	<i>March 2025</i>
<i>Date of next scheduled review</i>	<i>March 2027</i>