

Allegra Orthopaedics Limited Board Charter

1. Board Functions

The functions of the Board include:

- (a) charting the direction, strategies and financial objectives for Allegra Orthopaedics Limited (**Company**) and its subsidiaries;
- (b) overseeing and monitoring organisational performance against these goals and objectives;
- (c) ensuring the significant risks facing the Company have been identified and appropriate control, monitoring and reporting mechanisms are in place;
- (d) monitoring financial performance including approval of the annual and half year financial reports and liaising with the Company's auditors;
- (e) enhancing and protecting the reputation of the Company;
- (f) appointing and assessing the performance of the executive team and other senior management;
- (g) communicating with and protecting the rights and interests of all shareholders and other stakeholders;
- (h) ensuring that appropriate and effective remuneration packages and policies are implemented by the Company;
- (i) approving and monitoring major capital expenditure, capital management and significant business transactions;
- (j) formation and monitoring of corporate governance policies and codes of conduct; and
- (k) ensuring the board is comprised of individuals who are best able to discharge responsibilities of directors having regard to the law and the best standards of governance.

2. Board Composition

The Allegra Board is comprised of a minimum of 3 and a maximum of 10 Directors. A majority of Directors should be independent.

The composition of the Board is subject to shareholder approval. All nominations for appointment to the Board are recommended by the Nomination and Remuneration Committee and are reviewed by the current Board. The Board currently comprises Peter Kazacos (Chairman), Anthony Hartnell and Sean St Clair Mulhearn.

At each Annual General Meeting, one third of the Board will retire and, if those Directors so choose, will offer themselves for re-election.

The Board meets monthly and receives a summary financial report incorporating the results from the investment activities.

3. Remuneration

The Company's policies regarding the terms and conditions for remuneration relating to the appointment and retirement of board members are approved by the board following receipt and consideration of professional advice.

4. Resources available to directors

Directors have the right to seek independent professional advice in the furtherance of their duties as directors of the Company at the Company's expense. The Chairman's prior approval of such expenditure is required.

5. Committees

The Board has established Committees to assist in the execution of its duties and to allow detailed consideration of complex issues. However, the Board does not delegate major decisions to Committees. All matters determined by Committees are submitted to the Board as recommendations for Board decision. The initial Committees that have been established are: the Audit & Risk Committee and the Nomination & Remuneration Committee.

6. Audit & Risk Committee

The main responsibilities of the Audit & Risk Committee include reviewing the effectiveness of the internal control environment, prudent management of financial risks, fulfilling the Company's accounting, financial reporting obligations, reviewing the effectiveness and efficiency of operations, and maintaining an effective and efficient audit. The Charter for the Audit & Risk Committee is set out at Annexure A.

7. Nomination & Remuneration Committee

The main responsibilities of the Nomination & Remuneration Committee include setting and evaluating Director standards and making recommendations to the Board on remuneration packages and policies and Board and management succession plans. The Charter for the Nomination and Remuneration Committee is set out at Annexure B.

8. Independence of Auditors

The Board:

- (a) closely monitors the independence of its auditors;
- (b) regularly reviews the independent safeguards put in place by its auditors;
- (c) requires the rotation of the audit partner every 7 years;
- (d) has policies to restrict the type of non-audit services which can be provided by its auditors;
- (e) undertakes a detailed monthly review of non-audit fees paid to its auditors; and
- (f) imposes restrictions on the employment of ex-employees of its auditors.

9. Internal control framework

The Company has developed a set of policies and procedures (set out in the Company's procedures manual) in relation to the Company's compliance and risk programs. This provides the Board and management with an ongoing program to identify, monitor and manage compliance issues and significant risks with a view to enhancing the value of the shareholder's investment and safeguarding the Company's investments.

10. Shareholder Communications

The Board aims to keep shareholders informed of all major developments affecting the Company's activities and its state of affairs through announcements to the Australian Stock Exchange, releases to the media and dispatch of financial reports. All such announcements are also placed on the Company's website at www.allegraorthopaedics.com

11. Ethical Standards/Business Conduct

The Company actively promotes a set of values designed to assist all personnel in their dealings with each other, competitors, customers and the community.

The acquisition and disposal of securities in the Company is only permitted after full disclosure is made to the chairman and confirmation is received. The Company has adopted a Securities Dealings Policy, a copy of which is annexed at Annexure C.

The Company collects personal information in accordance with the relevant legislation. The Company has adopted a Privacy Policy, a copy of which is annexed at Annexure D.

12. Political Contributions

The Company does not contribute any funds to political parties.