

Audit and Risk Committee Charter

Cryosite Limited (ACN 090 919 476)

Audit and Risk Committee Charter

1. Formation

- (a) The board of directors (**Board**) of Cryosite Limited ACN 090 919 476 (**Company**) has established the Audit and Risk Committee (**ARC** or **Committee**) under the Company's constitution and has delegated to it the role and responsibilities set out in this audit and risk committee charter (**Charter**).
- (b) This Charter governs the composition, membership, roles and responsibilities of the Committee.

2. Role

- (a) The role of the ARC is to assist the Board in discharging its responsibilities in relation to the following:
 - (i) oversight of the integrity and quality of interim and annual financial reporting and disclosures;
 - (ii) identification and management of key risks, financial risks and regulatory risks;
 - (iii) oversight of compliance with applicable laws, regulations, standards and industry codes; and
 - (iv) oversight of the adequacy of the internal control and risk management and compliance systems and framework.
- (b) The role of the ARC is not an executive role.

3. Responsibilities

3.1 Oversight of systems of risk management, compliance and control

The ARC is responsible for overseeing the financial and risk management compliance and internal control frameworks of the Company and its related bodies corporate (**Group**). In carrying out its role, its responsibilities in this context include:

- (a) overseeing the creation, implementation and maintenance of the risk management system and internal control frameworks, including reviewing and maintaining the risk management policy attached at Annexure A;
- (b) reviewing the effectiveness of the Company's implementation of its risk management system and internal controls on an ongoing basis;
- (c) making recommendations to the Board in relation to changes to the risk appetite set by the Board;
- (d) developing an understanding of the overall business environment, relevant laws, regulations and codes of particular significance to the Company and the Company programs in place to provide reasonable assurance of compliance;
- (e) reviewing reports on insurance coverage and claims trends; and
- (f) providing oversight of the Group's national quality, health, safety, environmental, social and governance performance and risks.

3.2 Oversight of reporting financial information

The ARC is responsible for overseeing the Company's system of reporting financial information with a view to safeguarding its integrity. In carrying out its role, its responsibilities in this context include:

- (a) reviewing all financial information in the annual and interim reports that are distributed externally with particular focus on;
 - (i) the adequacy, accuracy, necessity and completeness of financial information;
 - (ii) comparing any changes from prior periods;
 - (iii) considering important questions of judgment affecting the overall integrity of information, including the quality of earnings;
- (b) recommending that the Board approve the release of financial report and disclosures when satisfied with propriety and accuracy of the financial reports; and
- (c) reviewing all significant accounting policy changes and, where appropriate, recommending to the Board that the changes be adopted by the Company.

3.3 Oversight of external audit function

The ARC is responsible for overseeing the activities and effectiveness of the Group's external auditor. In carrying out its role, its responsibilities in this context include:

- (a) establishing guidelines for the selection and appointment of the external auditor and the rotation of the external audit partner;
- (b) making recommendations to the Board in relation to the appointment and removal of the external auditor, and overseeing the rotation of the principal external audit partner;
- (c) reviewing external auditors' assessment of financial statement materiality and proposed disclosure of any critical audit matters;
- (d) making inquiries in relation to the causes of any significant year-end adjustments;
- (e) reviewing and appraising the quality of the audit work undertaken;
- (f) reviewing the annual financial statements with the external auditors and reporting to the Board on those financial statements, and any issues arising out of the financial statements, as necessary or appropriate; and
- (g) approving the annual audit fee.

3.4 Other external audit matters

The ARC will take reasonable care to ensure:

- (a) adequate audit coverage is achieved by the external audit;
- (b) that no management restrictions or limitations have been placed on the external auditors; and
- (c) the objectivity and independence of the external audit is preserved.

3.5 Other responsibilities

The ARC will:

- (a) meet with the chief risk officer (if so appointed), the lead external audit partner without other members of management present, on a periodic basis and whenever it is deemed appropriate by the Committee Chair;
- (b) review external audit findings to ensure that any reported major deficiencies or weaknesses in controls have been identified, and appropriate and timely corrective action is taken by management;
- (c) evaluate exposure to fraud, including reviewing reports from management on any major defalcations, frauds, thefts, or losses and the measures taken or proposed to prevent any recurrence;
- (d) assess and recommend to the Board for adoption the scope, cover and cost of insurance, including insurance relating to directors' and officers' liability, company reimbursement, professional indemnity, crime, and special accident liability;
- (e) if it considers appropriate, investigate any complaint or allegation made to the Group;
- (f) discuss with management and the external auditor the implementation and post-implementation plans relating to any new accounting pronouncement;
- (g) monitor, review and assess the Group's compliance, internal control and risk management systems, including the effectiveness of these systems;
- (h) discuss with management and the external auditor any correspondence with standard setters, regulatory or governmental bodies and any published records which raise material issues regarding the Company's financial statements; and
- (i) examine any other issues referred to it by the Board.

4. Reporting to the Board

The ARC will regularly report regularly to the Board about all matters relevant to the ARC's role and responsibilities, including:

- (a) an assessment of whether external reporting is consistent with the ARC's information and knowledge and if this external reporting is adequate for shareholder needs;
- (b) any recommendations for changes to the financial statements;
- (c) the ARC's guidelines for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (d) any recommendations for the appointment or removal of an external auditor;
- (e) a statement to the Board for inclusion in the annual report as to whether the ARC is satisfied that the provision of any non-audit services is compatible with the independence of the external auditor; and
- (f) the results of its review of risk management and internal compliance and control systems.

5. Audit and Risk Committee membership

5.1 Appointment

The composition of the ARC will be determined from time to time by the Board who may decide appointments, rotations and resignations within the Committee.

5.2 Number

- (a) Subject to paragraph 5.2(b), the Committee should comprise:
 - (i) at least two directors; and
 - (ii) all non-executive directors, who are financially literate and at least one of whom is financially qualified and competent,in each case as determined by the Board and all of whom should be independent.
- (b) While the Company will aim to have a Committee of the size and composition outlined in paragraph 5.2(a) above, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Committee from time to time.
- (c) A member of the ARC may act through their alternate if the alternate is a member of the ARC or would be eligible to be appointed as a member of ARC in their own right.

5.3 Chair

- (a) The Board will appoint one member of the ARC to be its chair.
- (b) The chair must be an independent director who is not the chair of the Board.
- (c) In the absence of the chair at a particular meeting of the ARC, the remaining members present will elect one of their number, who must be an independent director and not the chair of the Board, to be the chair of the meeting.

5.4 Secretary

A member of the Audit and Risk Committee, or the company secretary of the Company, will act as secretary of the Committee.

5.5 Qualifications and experience

- (a) The Committee must be of sufficient size, independence and technical expertise to effectively discharge its mandate.
- (b) Each member of the Committee must be able to read and understand financial statements and at least one member must be a qualified accountant or other financial professional with experience in financial and accounting matters and a broad understanding of the Australian accounting standards.

5.6 Each member of the Committee should have a broad understanding of the industry in which the Group operates.

6. Committee meetings

6.1 Frequency of meetings

- (a) The Committee will meet as often as it considers necessary to discharge its responsibilities.

- (b) Nevertheless, it is intended that the ARC will meet at least two times per year. The meetings will be set in order to allow adequate time for preparation of substantive reporting to the Board.

6.2 Calling of meetings

- (a) The chair of the ARC will call a meeting of the ARC if requested to do so by the Chair of the Board, a member of the ARC, the chief executive officer, or the external auditor.
- (b) Meetings will be convened by the Committee secretary.

6.3 Quorum

A quorum for a Committee meeting is two of its members.

6.4 Holding of and attendance at meetings

- (a) Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- (b) The Chair of the Board and other directors who are not members of the Board have a standing invitation to attend any meeting of the ARC.
- (c) Any employee of the Group or any external auditor of the Group, any external professional adviser or any other person may attend a meeting of the ARC if invited by the ARC or its chair.

6.5 Resolutions without meeting

The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in the Company's constitution or equivalent.

7. Minutes of Audit and Risk Committee meetings

- (a) The Committee must keep minutes of its meetings including the names of those present.
- (b) Minutes of each Committee meeting must be included in the papers for the next full Board meeting after each meeting of the Committee, along with significant accompanying papers presented at the Committee meeting, except if there is a conflict of interest.
- (c) Minutes must be distributed to all members, after the chair has approved them.

8. Access to information and independent advice

The Committee has authority from the Board to:

- (a) investigate any matter brought to its attention and seek any information it considers necessary to fulfil its responsibilities;
- (b) access:
 - (i) management to seek explanations and information from management;
 - (ii) external auditors to seek explanations and information from them, without management being present; and
- (c) seek professional advice from employees of the Group and from independent external advisers where it considers it necessary or appropriate, at the Group's cost and without management being present.

9. Public availability of materials

This Charter and a list of the members of the Committee with their relevant qualifications and experience shall be made publicly available on the Company's website.

10. Review and changes to this charter

10.1 Review of this charter

- (a) The Committee will review this charter periodically to ensure that it is operating effectively and whether any changes are required.
- (b) The Board may change this charter from time to time by resolution.

10.2 Review of performance

The Committee will evaluate its performance periodically by reference to this Charter.

11. Approved and adopted

This charter was approved by the Board on 13 November 2023.

Annexure A – Risk Management Policy

1. Introduction

The Company is committed to ensuring that:

- (a) its culture, processes and structures facilitate realisation of the Group's business objectives whilst material risks are identified, managed, monitored and wherever appropriate and possible, mitigated; and
- (b) to the extent practicable, its systems of risk oversight, management and internal control comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

2. Purpose

The purpose of the policy is to:

- (a) ensure management recognises opportunities (upside risk) and threats (downside risk) are part of operating the Group's business;
- (b) encourage appropriate tolerance of certain risks across the business;
- (c) establish procedures to analyse material risks within agreed parameters across the business;
- (d) promote a culture of compliance;
- (e) establish procedures to monitor and manage material risk; and
- (f) ensure a risk framework is in place which can react should the risk profile of the business change.

Risks governed by this policy include potential risks and this policy includes financial, operational, regulatory and other risks. Management should promote a culture of voluntary and transparent risk reporting and regular risk assessment throughout all levels of the Group.

3. Risk Management Framework

Risk should be managed and monitored on a continuous basis and the Company has designed a framework to allow the Company to achieve its business objectives whilst assisting management and ideally, providing early warnings of material risks.

3.1 Management responsibilities

The following are intended to form part of the normal procedures for management's risk and compliance responsibilities:

- (a) Evaluating the adequacy and effectiveness of management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for the management of balance sheet risks.
- (b) Evaluating the adequacy and effectiveness of the Group's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.
- (c) Evaluating the structure and adequacy of the Group's business continuity plans.

- (d) Evaluating the structure and adequacy of the Group's own insurance program, having regard to the Group's business and the insurable risks associated with its business.
- (e) Reviewing and making recommendations on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies.
- (f) Overseeing the establishment and maintenance of processes to ensure that there is:
 - (i) an adequate system of internal control, management of business risks and safeguard of assets; and
 - (ii) a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- (g) Evaluating the Group's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance.
- (h) Disclosing whether the Group has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.
- (i) Reviewing the Group's main corporate governance practices for completeness and accuracy.
- (j) Reviewing the procedures that the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices and consumer laws, industrial relations, occupational health and safety, and the environment).
- (k) Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act, Australian Accounting Standards and Board requirements).
- (l) Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.
- (m) Reviewing the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards.
- (n) Promoting and monitoring the culture of risk management within the Group (having regard to the risk appetite set by the Board).
- (o) Reviewing and discussing with management and the internal and external auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.

3.2 Identification and assessment of all material risks

- (a) The Board sets the company's acceptable level of risk. This allows the Company to assess decisions so that the anticipated risk is consistent with the risk policy.
- (b) Management must identify any material risks, analyse the probability of the material risk occurring and predict the most likely effect the risk would have on the business should it occur. In the analysis of material risks, Management should consider:
 - (i) the magnitude of the risk;
 - (ii) control mechanisms to manage the risk; and
 - (iii) consequences and likelihood.

- (c) There are a number of risks that are inherent to the business activities that the Group undertakes. These risks may change over time as the external environment changes and as the Group expands its operations. The risk management process requires the regular review of the Group's existing risks and the identification of new and emerging risks facing the Group, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

3.3 Monitoring and mitigation of risks and reporting

- (a) Material risks identified should be continually reviewed by management and regularly by the Board. Mitigated material risks should also be considered by the Board from time to time, having regard to establishing appropriate precautions from reoccurrence which can be communicated throughout the business.
- (b) The Board and Audit and Risk Committee periodically review the material risks of the Company. Management will provide a report for these reviews on material risks.