

Cryosite Limited

Corporate Governance Statement

1 Introduction

Cryosite Limited (**Cryosite** or **Company**) strives to constantly demonstrate the highest standards of corporate governance, which are in line with the Company's core values, to protect and enhance shareholders' long-term interests.

The board of Cryosite Limited (**Board**) is responsible for the overall corporate governance of the Company and is accountable to shareholders in discharging its duties. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Company.

In this document, the Board has set out the principles it has adopted and the framework of rules, systems and processes to ensure these principles are appropriately implemented.

The Board has not adopted all of the recommendations of the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**), as the Board believes that, given the size of Cryosite, more appropriate, efficient and cost-effective methods can be implemented in some instances.

Where the Board has not followed a recommendation, the reasons for not following the recommendation are set out in the relevant section of this statement. The Board regularly reviews its governance and compliance practices and ensures that the corporate governance framework remains relevant.

This Corporate Governance Statement reports against the ASX Principles, is current as at 20 August 2024, has been approved by the Board and is available on the Company's website at www.cryosite.com.

The purpose of publishing this statement is to provide clarity and to instil confidence in investors and other stakeholders. The corporate governance practices set out in this document, unless otherwise stated, have been in place for the entire reporting period.

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2 Corporate Governance Principles

Principle 1. Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

Recommendation 1.1 – A listed entity should have and disclose a board charter setting out:
(a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.

The Board operates under the general principles set forth in its charter, which provides a framework for the effective operation of the Board. The charter outlines the responsibilities of the Board and the responsibilities that the Board has delegated to management. The Board Charter can be found at www.cryosite.com.

The Board's responsibilities include:

- defining the Company's purpose, setting strategic objectives and direction;
- protecting and enhancing the Company's assets value;
- monitoring and reviewing the Company's performance against its strategic objectives;
- reviewing internal controls, codes of conduct and legal compliance;
- reviewing the Company's accounts;
- reviewing and approving the operating budget for the Company;
- evaluating the performance and determining the remuneration of the Chief Executive Officer and Senior Management;
- ensuring that the material risks to which the company is exposed have been identified and that adequate control and reporting mechanisms are in place;
- approving transactions relating to acquisitions, divestments and capital expenditure, which are above the delegated authority limits;
- approving financial and dividend policies; and
- appointing directors, the Company Secretary and the Chief Executive Officer.

The Senior Executive Team is responsible for implementing the entity's strategic objectives, while operating within the values, code of conduct, budget and risk appetite set by the Board. The Senior Executive Team is also responsible for providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities. This is not just limited to information about the financial performance of the Company, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the Company.

The nature of matters reserved to the Board and those delegated to management will depend on the size, complexity and ownership structure of the Company, and will be influenced by its history and culture and by the respective skills of its directors and management. These may vary over time as the Company evolves. The Board will regularly review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Company.

The Board Charter further states the Company's policy on when and how directors may seek independent professional advice at the expense of the Company. This generally happens whenever directors, especially non-executive directors, judge such advice necessary for them to discharge their responsibilities as directors.

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Recommendation 1.2 - A listed entity should:

- a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and**
- b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.**

Before the appointment of a director, the Company ensures that appropriate checks are undertaken. These include checks as to the person's character, experience, education, criminal record and bankruptcy history.

When a candidate stands for election or re-election as a director, security holders are provided with the following information to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- details of any other material directorships currently held by the candidate;
- in the case of a candidate standing for election as a director for the first time:
 - confirmation that the Company has conducted appropriate checks into the candidate's background and experience;
 - if those checks have revealed any information of concern, that information;
 - details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party; and
 - if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
- in the case of a candidate standing for re-election as a director:
 - the term of office currently served by the director; and
 - if the Board considers the director to be an independent director, a statement to that effect; and
- statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has in place a letter of appointment, in the case of appointing a non-executive director, and a service contract, in the case of appointing an executive director or other senior executives, ensuring that the person appointed is personally accountable to the Company for any breach of such agreement between the person and the Company.

The exception to the above is where the Company is engaging a bona fide professional services firm to provide the services of a CFO, Company Secretary or other senior executive on an outsourced basis. In this case, the agreement is between the Company and the professional services firm.

In the case of a non-executive director, the agreement generally sets out:

- the term of appointment;
- the time commitment envisaged, including any expectations regarding involvement with board committee work and any other special duties attaching to the position;
- remuneration, including superannuation entitlements;
- the requirement to disclose directors' interests and any matters which may affect the director's independence;
- the requirement to comply with legal and regulatory requirements, ASX Listing Rules and key corporate policies, including the Company's code of conduct and its trading policy;
- the Company's policy on when directors may seek independent professional advice at the expense of the Company;

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- the circumstances in which the director's office becomes vacant;
- indemnity and insurance arrangements;
- ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

Recommendation 1.4 - The Company Secretary of a listed entity should be accountable directly to the board, through the Chair, on all matters to do with the proper functioning of the Board.

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

The Company Secretary supports the effectiveness of the Board by:

- advising the Board and its committees on governance matters and processes;
- monitoring that the Board and committees' policies and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- 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.

Each director is able to communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a company secretary is made or approved by the Board.

Recommendation 1.5 - A listed entity should

- **have and disclose a diversity policy;**
- **through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and**
- **disclose in relation to each reporting period:**
 - **the measurable objectives set for that period to achieve gender diversity;**
 - **the entity's progress towards achieving those objectives; and**
 - **either:**
 - **the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or**
 - **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.**

While the Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals, the Company, due to the size of the Board and the small number of employees, has not followed the recommendations set out above. The current diversity of employees is set out in the Company's Annual Report.

The Company's Diversity Policy can be found at www.cryosite.com.

Recommendation 1.6 - A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

While the Board values the importance and the benefits of conducting a self-evaluation of the performance of the Board, its committees and individual directors, due to the size of the Board and the fact that most of the directors were recently appointed, the Board resolved not to complete a formal review of its performance in this reporting period.

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Recommendation 1.7 - A listed entity should:

- a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and**
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

The process for assessing the performance of the CEO and the executive team is described in the Remuneration Report, which forms part of the Directors' Report and is included in the Company's Annual Report. Performance reviews for all Senior Executives have been undertaken for the performance period ending 30 June 2024.

Principle 2. Structure the Board to add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

The Board considers its size and composition regularly to ensure it has the appropriate mix of skill sets and is of a size that is conducive to making appropriate decisions and to represent the best interests of the Company as a whole. The Company's Constitution provides for a minimum of three directors and a maximum of ten directors.

Directors are appointed to the Board to achieve a combination of governance skills and industry insight and an appropriate level of diversity. All directors are expected to exercise independence in their decision making and business judgement. The skills, experience and expertise relevant to the position of each director of the Company, as at the date of the Annual Report, are included in the Directors' Report.

The Company's Constitution specifies that no director, except the managing director, may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the director's election, whichever is the longer, without submitting himself or herself for re-election.

Additionally, at every annual general meeting, one-third of the previously elected directors, and if their number is not a multiple of three, then the number nearest to, but not exceeding one third, must retire from office and submit for re-election.

Details of the current directors, their qualifications and the term they have held office is set out in the Directors' Report which forms part of the Company's Annual Report.

Recommendation 2.1 - The board of a listed entity should:

- a) have a nomination committee which:**
 - **has at least three members, a majority of whom are independent directors; and**
 - **is chaired by an independent director, and disclose:**
 - **the charter of the committee;**
 - **the members of the committee; and**
 - **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**
- 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.**

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While Cryosite has a combined Nomination and Remuneration Committee, it does not comply with this recommendation, as the committee is only comprised of two directors, one of whom is deemed to be independent. Given the size of the Cryosite Board, the Board is satisfied with the number of the committee members.

The charter of the committee is available at www.cryosite.com. The members of the committee, the number of times the committee has met in the reporting period and the attendance of members at those meetings are available in the Company’s Annual Report.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The current Board skills cover an appropriate balance of skills, knowledge, independence and diversity for a company the size of Cryosite. Details of each director’s experience and qualifications are set out in the Company’s Annual Report and are available on the Company’s website at www.cryosite.com.

Skills and Experience
Corporate Governance
Senior Management
Strategic Analysis
Accounting, Audit and Risk Management
Finance, Mergers and Acquisitions, Asset and Project Management
Medical and Pharmaceutical Industry
Warehousing, Transport and Logistics
Information Technology and Cyber Security
Legal
Government Relations and Regulatory Affairs
Marketing, Brand Management and Investor Relations
Environmental, Social and Governance

Recommendation 2.3 - A listed entity should disclose:

- a) the names of the directors considered by the board to be independent directors;
- b) if a director has an interest, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

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An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board considers that an independent director is a non-executive director who:

- is independent of management;
- is not a substantial shareholder of the Company or an officer of or otherwise associated directly with a shareholder of the Company;
- within the last three years, has not been employed in an executive capacity by the Company or an entity of the Company or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee of or materially associated with the service provider;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgement; and
- otherwise meets the criteria for independence set out in the Corporate Governance Principles and Recommendations 4th Edition published by the ASX Corporate Governance Council,

where "material" means equivalent to 5% or more of the Company's gross revenue or expenditure (whichever is the greater) in any one financial year.

The Board regularly assesses independence by considering the existence of relationships which might affect independent status as described in the list above, together with the materiality thresholds set by the Board.

Currently, Director Scott Thomas is considered by the Board to be an independent director.

The tenure of each director is disclosed in the Company's Annual Report.

Recommendation 2.4 – The majority of the board should be independent Directors

Cryosite did not comply with this recommendation during most of the reporting period. Two out of four directors did not meet the requirement of independence due to their substantial holdings in the Company. Mr Andrew Kroger (non-executive director, resigned on 25 June 2024) held 26.72% of Cryosite's total issued capital as of 25 June 2024. Mr Mark Kerr currently holds 18.44% of Cryosite's total issued capital. Additionally, Mr Andrew Kerr has transitioned to an executive director role, effective from 20 August 2024.

The Board, as of the date of this statement, comprises three non-executive directors, one of whom is considered independent.

Recommendation 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 Chair of Cryosite is a non-independent, non-executive director at the date of this statement. The Chair is responsible for leading the Board and ensuring that the Board is functioning in a sound and efficient manner.

The role of the Chair, more specifically, is to ensure the directors are properly briefed on all matters relevant to their role and responsibilities and to help facilitate effective and constructive board discussions.

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The Chair, in accepting the position, acknowledged that it will require a significant time commitment and has confirmed that other positions held will not hinder the required performance of the role.

The CEO is responsible for implementing the Company's strategies and policies as approved by the Board.

The role of the CEO is separate from the role of the Chair. This separation ensures that no single person has unfettered powers of decision, and it heightens the level of accountability of management to the Board and of the Board to shareholders.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

The induction provided to new directors enables them to actively participate in board decision-making as soon as possible. The induction includes being presented with key strategic, financial and relevant operational documents, and the facilitation of meetings with existing directors and senior executives to ensure all relevant and material information is explained thoroughly. The induction also includes an explanation of the existing human resources structure of the Company, and the roles and responsibilities of key senior executives.

The Board is given board papers, prepared by senior management, prior to every board meeting held. These papers include, but are not limited to, a CEO update, an operational update, financial reporting package, investor relations update, and other topical strategic documents relevant to the Company's operations and performance.

Directors are entitled to request any additional information from management when they consider such information necessary to make informed decisions.

Principle 3. Instil a culture of acting lawfully, ethically and responsibly

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Recommendation 3.1 - A listed entity should articulate and disclose its values.

The Board sets the Company's statement of values and charges the senior executive team with the responsibility of reflecting those values across the organisation. This includes ensuring that all employees receive appropriate training to help them understand the Company's values and how to apply those values in their day-to-day work. Further, the senior executives continually reference and reinforce those values in their interactions with staff. Our values can be found at www.cryosite.com.

Recommendation 3.2 - A listed entity should:

- a. have and disclose a code of conduct for its directors, senior executives and employees; and**
- b. ensure that the board or a committee of the board is informed of any material breaches of that code.**

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a code of conduct to guide all directors and employees, particularly the CEO and other senior executives, in respect of the ethical and compliant behaviour expected by the Company. In summary, the code requires that, at all times, all Company personnel act with the utmost integrity and objectivity, complying with the letter and the spirit of the law and the Company's policies. A copy of the code of conduct can be found at www.cryosite.com.

Material breaches of the Company's code of conduct are reported to the Audit and Risk Committee in a timely manner.

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Recommendation 3.3 - A listed entity should:

- a. have and disclose a whistleblower policy; and**
- b. ensure that the board or a committee of the board is informed of any material incidents reported under that policy.**

The Company has established a whistleblower policy that can be found at www.cryosite.com.

The policy:

- clearly identifies the types of concerns that may be reported under the policy and how and to whom reports may be made (including to senior executives and the Board);
- explains how the confidentiality of the whistleblower's identity is safeguarded and the whistleblower is protected from retaliation or victimisation;
- outlines the processes to follow up and investigate reports made under the policy;
- provides for the training of employees about the whistleblower policy and their rights and obligations under it;
- provides for the training of managers and others who may receive whistleblower reports about how to respond to them; and
- states that the policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.

Material incidents under the policy are reported to the Audit and Risk Committee in a timely manner.

Recommendation 3.4 - A listed entity should:

- a. have and disclose an anti-bribery and corruption policy; and**
- b. ensure that the board or a committee of the board is informed of any material breaches of that policy.**

The Company does not have a standalone anti-bribery and corruption policy. The Company has incorporated this policy within its code of conduct.

Principle 4. Safeguard the integrity of corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1: The board of a listed entity should:

- a) have an audit committee which:**
 - 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
 - 2. is chaired by an independent director, who is not the chair of the board, and disclose:**
 - the charter of the committee;
 - the relevant qualifications and experience of the members of the committee; and
 - 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; or
- b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**

While Cryosite has a combined Audit and Risk Committee, it does not fully comply with this recommendation, as the committee is only comprised of two members, one of whom is an independent director.

The Chair of the Audit and Risk Committee is not the Chair of the Board.

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The committee provides an efficient mechanism to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The main responsibilities of the committee are to assist the Board in fulfilling its statutory and corporate governance responsibilities by providing an:

- oversight of systems of risk management, compliance and control;
- oversight of reporting financial information;
- oversight of external audit function; and
- other external audit matters.

The Company policy is to appoint an external auditor who demonstrates quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration the assessment of performance, existing value and tender costs. It is the auditor's policy to rotate audit engagement partners at least once every five years.

An analysis of the fees paid to the external auditors is provided in the notes to the Financial Statements, which form part of the Annual Report. A breakdown of fees for non-audit services is provided in the Directors' Report. It is the policy of the external auditors to provide an annual declaration of their independence to the Company. The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The charter of the committee is available at www.cryosite.com. The members, their relevant qualifications, the number of times the committee met and the attendance of members at those meetings are available in the Company's Annual Report.

Recommendation 4.2 - 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.

The integrity of the Company's financial reporting depends upon the existence of a sound system of risk oversight and management and internal control. Management accountability for this is enhanced by the assurances it is required to give to the Board.

The CEO and the CFO have made the following certifications to the Board:

- the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- with regard to the consolidated entity disclosure statement, the statement is true and correct and complies with the requirements of Section 295 of the Corporations Act 2001;
- the financial statements, and the notes referred to in section 295(3)(b), of the Corporations Act 2001, for the financial year comply with the accounting standards; and
- the financial statements and notes for the financial year give a true and fair view.

Recommendation 4.3 - A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor

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Where a corporate report is not subject to audit or review by an external auditor, this fact is disclosed in the report or more generally in the Company's governance disclosures in its Annual Report or on its website.

Principle 5. Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1 - A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company has adopted a policy guiding the continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities.

All price sensitive information disclosed to the ASX is posted on the Cryosite website as soon as it is disclosed to the ASX.

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating the disclosure of information to the Australian Securities Exchange (ASX).

A copy of the continuous disclosure policy is available on the company's website www.cryosite.com. This policy is periodically reviewed.

Recommendation 5.2 - listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Board, in a timely manner, receives a copy of all of the Company's announcements lodged with the ASX.

Recommendation 5.3 - A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company complies with this recommendation. Where practicable, the Company provides security holders the opportunity to participate in the presentation, for example, by providing them with dial-in details or a link to a live webcast. If that is not practicable, the Company makes available on its website a recording or transcript of the presentation as soon as it reasonably can.

This policy does not apply to private meetings between the Company and an investor or analyst. However, the Company is careful not to disclose in the meeting any information that a reasonable person would expect to have a material effect on the price or value of its securities that has not already been disclosed to the market.

Principle 6. Respect the rights of security holders

The Company aims to provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The Company has a website with a "Corporate Governance" landing page where all relevant corporate governance information can be accessed.

The Company has included in the corporate governance page of its website links to:

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- the names and brief biographical information for each of its directors and senior executives;
- its Constitution, and its Board Charter;
- the corporate governance policies and other corporate governance materials referred to in these recommendations.

The Company has also included website links to copies of:

- the annual reports and financial statements;
- ASX announcements; and
- copies of notices of meetings of security holders and accompanying documents.

Recommendation 6.2 - A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

A primary aim of the Company's investor relations program is to allow investors and other financial market participants to gain a greater understanding of the Company's business, governance, financial performance and prospects.

The Company's program involves actively engaging with security holders at the AGM, meeting with them upon request and responding to any enquiries they may make from time to time.

Recommendation 6.3 - A listed entity should disclose how it facilitates and encourage participation at meetings of security holders.

Due to the small shareholder base of the Company, the Company does not provide electronic methods for shareholders to attend or interact at security holder meetings. All shareholders are advised of and given reasonable notice of when security holders' meetings are held. Where a resolution is to be put to shareholders, all shareholders are provided with details of that resolution, are invited to attend the meeting and are provided with the ability to vote online or to vote by proxy prior to the meeting. If shareholders attend the meeting, each shareholder has the right to ask questions about, or make comments on, matters related to the business of the Company.

Shareholders are also provided the opportunity to ask questions or provide comments ahead of the meeting. Where appropriate, these questions are answered at the meeting, either by being read aloud and then responded to at the meeting or by providing a transcript of the question and a written answer at the meeting.

Recommendation 6.4 - A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company complies with this principle. The Chair of security holder meetings will put all resolutions to a poll.

Recommendation 6.5 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company provides security holders with the option to receive communications from, and send communications to, the Company and its security registry electronically.

Principle 7. Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1 - The board of a listed entity should:

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- a) **have a committee or committees to oversee risk, each of which:**
- **has at least three members, a majority of whom are independent directors; and**
 - **is chaired by an independent director, and disclose:**
 - **the charter of the committee;**
 - **the members of the committee; and**
 - **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**
- b) **if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.**

While Cryosite has a combined Audit and Risk Committee, it does not fully comply with this recommendation, as the committee is only comprised of two directors, one of whom is an independent director. Given the size of the Cryosite Board, the Board is satisfied with the number of the committee members.

The charter of the committee is available at www.cryosite.com. The members, their relevant qualifications, the number of times the committee met and the attendance of members at those meetings are available in the Company's Annual Report.

The purpose of the committee is to assist the Board in fulfilling its responsibilities relating to the risk management and compliance practices of the Company.

The committee satisfies itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. They monitor the Company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks.

Recommendation 7.2 - The board or a committee of the board should:

- a) **review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and**
- b) **disclose, in relation to each reporting period, whether such a review has taken place.**

The Board annually reviews the entity's risk management framework to satisfy itself that it continues to be sound, and that the entity is operating within the risk appetite set by the Board. Based on events affecting the Company, the risk framework is regularly modified to ensure it is relevant, efficient and effective.

Recommendation 7.3 - A listed entity should disclose:

- a) **if it has an internal audit function, how the function is structured and what role it performs; or**
- 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.**

The Board is of the view that the size and complexity of the Company do not warrant the Company having an internal audit function.

The operation of the Company's compliance system is managed by the senior executives of the Company. The senior executives are responsible for designing, implementing and reporting on the adequacy of the Company's internal control system and has to report to the Board on the effectiveness of the internal control system during the year.

Recommendation 7.4 - 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.

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Disclosure regarding Material Risks and how the Company manages or intends to manage them is contained in the Director's Report, included in the Company's Annual Report. The Company's risk management policy is available at www.cryosite.com.

Principle 8. Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Recommendation 8.1: The board of a listed entity should:

- a) **have a remuneration committee which:**
1. **has at least three members, a majority of whom are independent directors; and**
 2. **is chaired by an independent director, and disclose:**
 - **the charter of the committee;**
 - **the members of the committee; and**
 - **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**
- b) **if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.**

While Cryosite has a remuneration committee, it does not fully comply with this recommendation, as the committee is only comprised of two directors, one of whom is an independent director. Given the size of the Cryosite Board, the Board is satisfied with the number of the committee members.

The charter of the committee is available at www.cryosite.com. The members, the number of times the committee met and the attendance of members at those meetings are available in the Company's Annual Report.

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company separately discloses its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives as part of the Remuneration Report, in its Annual Report.

Executive remuneration can consist of fixed pay, performance-based remuneration and equity-based remuneration, and is aligned to the success of the Company and is set by comparison with companies of a similar size.

- Remuneration packages for executive directors and other senior executives include an appropriate balance of fixed remuneration and performance-based remuneration.
- Fixed remuneration is determined by considering the Company's obligations at law and labour market conditions and is relative to the scale of the Company's business. It reflects core performance requirements and expectations.
- Performance-based remuneration is linked to clearly specified performance targets. These are aligned to the Company's short and long-term performance objectives and are appropriate to its circumstances, goals and risk appetite.

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- Equity-based remuneration, including options or performance rights, where offered, is linked to hurdles that are aligned to the Company's longer-term performance objectives.
- Termination payment terms are set down in the executives' service contract. There is no payment for removal due to misconduct.

The Board retains discretion with respect to the grant and award of incentives up to the point at which they vest. This discretion would be exercised in the events, including but not limited to, serious misconduct or material misstatement of the Company's financial statements. The Company's clawback policy is available at www.cryosite.com.

Non-executive Director Remuneration consists of Directors' fees and fees for serving as Chair or a member of the Company's committees. Non-executive Director remuneration does not include equity-based or performance-based remuneration. The remuneration is set by comparison with companies of similar size to ensure there is no conflict with directors' obligation to bring independent judgement to matters before the Board.

- **Composition:** non-executive directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity plans).
- **Fixed remuneration:** levels of fixed remuneration for non-executive directors reflect the time commitment and responsibilities of the role.
- **Performance-based remuneration:** non-executive directors do not receive performance-based remuneration.
- **Equity-based remuneration:** non-executive directors do not receive equity-based remuneration.
- **Termination payments:** non-executive directors do not receive retirement benefits other than superannuation.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:

- 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**
- b) disclose that policy or a summary of it.**

Participants are not permitted to enter into transactions to limit the economic risk of participating in an equity-based incentive scheme.

Further information on non-executive director and executive remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading 'Remuneration Report' in the Company's Annual Report.