

# CRYOSITE LIMITED – BOARD CHARTER

## 1 OVERVIEW

One of the responsibilities of the Cryosite Limited (Cryosite) Board is to ensure that the Company has an appropriate corporate governance structure to ensure the creation and protection of shareholder value.

The Board is also responsible for ensuring Cryosite recognises and adheres to its legal obligations and recognises and is sensitive to other obligations to all legitimate stakeholders, from time to time where and to the extent appropriate. “Stakeholders” are groups that are likely to feel a social, environmental or economic impact from Cryosite’s actions. They include shareholders, employees, contractors, regulatory bodies and members of the communities where Cryosite operates and are affected by Cryosite’s activities.

The Board Charter documents Cryosite’s commitment to corporate governance and sets out the role, responsibilities and conduct of the Board. It is not an “all inclusive” document and should be read as an expression of principle.

To the extent practicable, Cryosite endorses the Australian Securities Exchange (ASX) Corporate Governance Council’s *Corporate Governance Principles and Recommendations* (ASX Principles).

## 2 COMPLIANCE AND GOVERNING MATERIALS

### 2.1 CONSTITUTION

Cryosite’s Constitution is the company’s key governance document. The Board must ensure that the Board and the Company comply at all times with the provisions of the Constitution.

### 2.2 COMPLIANCE WITH LAWS

Being a public company listed on the ASX, Cryosite must comply with the *Corporations Act*, the ASX Listing Rules (Listing Rules) as well as all other applicable laws and statutes. Examples of applicable areas of regulation include:

- a) occupational health & safety legislation;
- b) employment related laws; and
- c) anti-discrimination legislation.

### 2.3 ANTI-DISCRIMINATION LEGISLATION.

As a company intending to operate from time to time in jurisdictions outside Australia, Cryosite must also take the appropriate measure to do its best to be aware of and comply with the applicable laws and statutes in those jurisdictions.

### 2.4 GOVERNANCE MATERIALS

The operations and conduct of Cryosite are administered in accordance with all governance materials approved by the Cryosite Board, including but not limited to:

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- a) this Charter;
- b) Risk Management Policy;
- c) Code of Conduct and Ethics;
- d) Personnel Share Trading Policy;
- e) Continuous Disclosure Policy; and
- f) Shareholder Communications Policy.

## 3 COMPOSITION OF THE BOARD

### 3.1 GENERAL

In accordance with the Constitution and the *Corporations Act*, the Board shall at all times have at least three directors. Where possible the majority of directors will be independent non-executive directors.

Directors may appoint alternate directors in accordance with clause 14.1 of the Constitution.

### 3.2 APPOINTMENT AND REMOVAL OF DIRECTORS

Directors will be appointed and removed in accordance with the *Corporations Act* and the Constitution.

In selecting new directors, the Board must ensure that the candidate has the appropriate range of skills, experience, expertise and diversity that will best contribute to Board effectiveness. In addition, any candidate must confirm that they have the necessary time to devote to their Cryosite Board position.

### 3.3 NOMINATION AND ROTATION OF DIRECTORS

Nomination and rotation of directors will be governed by the *Corporations Act*, the Listing Rules and the Constitution.

### 3.4 BOARD COMMITTEES

Given the nature and size of Cryosite, its business interests and stage of development, the Board has not established any committees including, Remuneration & Nomination Committee, Audit Committee and Risk Management Committee. Such matters are considered and approved by the Board as a whole.

The Board will regularly review the need for committees as the Company develops.

### 3.5 INDEPENDENCE

Independent directors are those who have the ability to exercise their duties unfettered and are not conflicted by any business or other relationships and are able and willing to express an objective opinion.

It is the approach and attitude of each non-executive director which is critical to determining independence and this must be considered in relation to each director while taking into account all other relevant factors, which may include whether the non-executive director:

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- a) is a substantial shareholder (within the definition of the *Corporations Act*) of Cryosite, or an officer of, or otherwise associated directly with, a substantial shareholder of Cryosite;
- b) has, within the last three years, been employed in an executive capacity by Cryosite;
- c) has, within the last three years, been a principal of a material professional adviser or a material consultant to Cryosite or an employee materially associated with the service provided. In this situation, the relationship with the professional adviser or consultant shall be deemed to be material if payments from Cryosite exceed \$100,000 of Cryosite's annual expenditure to all professionals and consultants or exceed \$100,000 of the recipient's annual revenue for advisory or consultancy services;
- d) is a material supplier or customer of Cryosite, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer. In this case, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed \$100,000 of the annual consolidated gross revenue of either Cryosite or of that supplier or customer;
- e) has any material contractual relationship with Cryosite other than as a director; and
- f) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Cryosite.

### 4 INFORMATION AND INDEPENDENT ADVICE

#### 4.1 NEW DIRECTORS

Prior to any formal offer being made, any potential director will be given sufficient information about Cryosite as part of his/her personal due diligence. The information may include non-public information which must be treated as commercial-in-confidence.

A new director will be given a formal letter of appointment from the Chairman confirming the key terms and conditions of their position.

Upon appointment, the Managing Director is responsible for arranging for the new director to complete an induction program to enable them to gain an understanding of:

- a) Cryosite's operations and the industry sectors in which it operates;
- b) Cryosite's financial, strategic, operational and risk management position;
- c) their rights, duties and responsibilities; Chairman's responsibility??
- d) the culture and values of Cryosite; and
- e) any other relevant information.

As part of this induction program, a new director will meet the other directors and Managing Director, Company Secretary and any other Executive Officers (collectively herein "Senior Executives"), if this has not already taken place to gain an understanding of the duties and responsibilities of the director or manager within the Cryosite structure.

#### 4.2 ONGOING INFORMATION

The Chairman and Senior Executives must ensure that updated information is provided to the Board in a timely fashion to enable them to effectively discharge their duties as directors. This may be part of, or in addition to the established Board reporting arrangements.

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## 4.3 REQUESTED INFORMATION

Directors are entitled to request additional information as they consider necessary to support informed decision-making. All directors are able to seek the information he/she requires from any employee or contractor (collectively herein “Employee(s)”) of Cryosite. Any employee must comply with such requests unless a conflict exists or is perceived to exist, or to do so would be inconsistent with the director’s duties in which case the director should seek such information from the Managing Director.

## 4.4 INDEPENDENT ADVICE

Any director may take such independent legal, financial or other advice as they consider necessary at the reasonable expense of Cryosite on any matter connected with the discharge of his or her responsibilities. Any director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice. The Chairman may determine that any advice received by a director be circulated to the Board.

All directors are entitled to the benefit of the Cryosite’s standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board Papers and at Cryosite’s expense, Directors’ and Officers’ Insurance for seven years after the director leaves the Board.

## 5 DUTIES AND RESPONSIBILITIES

### 5.1 BOARD & DIRECTORS

The Board is responsible for deciding the strategic direction of Cryosite, including:

- a) oversight of control and accountability systems;
- b) the appointment, removal and remuneration of the Managing Director; executives named in the annual remuneration annual report and the Company Secretary;
- c) input into and final approval of corporate strategy;
- d) approving and monitoring the policies and procedures relating to the Company’s external auditor;
- e) approving and monitoring the Company’s policies and their impact on diversity;
- f) evaluating, approving and monitoring the annual operating budget and business plans;
- g) approving and monitoring the progress of major capital and operating expenditure;
- h) monitoring compliance with all legal and regulatory obligations;
- i) approving and monitoring Cryosite’s risk management system (which may be a series of systems established on a per-project basis) and internal compliance and controls;
- j) remuneration policies for Non-Executive Directors and Senior Executives;
- k) monitoring performance of the Senior Executives;
- l) approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders;
- m) determining Cryosite’s dividend policy, the operation of a dividend re-investment plan (if any) and the amount and timings of all dividends; and
- n) appointing the Chairman.

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### **5.2 IN DISCHARGING HIS/HER DUTIES, EACH DIRECTOR MUST:**

- a) exercise care and diligence;
- b) act in good faith in the best interests of Cryosite;
- c) not improperly use his/her position or misuse information of Cryosite;
- d) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of Cryosite; and
- e) commit the time necessary to discharge effectively his/her role as a director.

All directors are entitled to be heard at all meetings and to the extent practicable, should bring an objective opinion to bear in decision-making.

All directors have access to the Company Secretary, who is accountable to the Board, through the Chairman, on all governance matters.

The Chairman is responsible for:

- a) leadership of the Board;
- b) developing and maintaining key strategic relationships;
- c) overseeing the Board in the effective discharge of its supervisory role;
- d) the efficient organisation and conduct of the Board's function and meetings;
- e) facilitating the effective contribution of all directors;
- f) briefing all directors in relation to issues arising at meetings;
- g) the promotion of constructive and respectful relations between directors; and
- h) committing the time necessary to discharge effectively his/her role as Chairman.

### **5.3 SENIOR EXECUTIVES**

It is the role of the Senior Executives to manage Cryosite in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

### **5.4 MEETINGS**

At a minimum, the Board will meet four times formally per annum and as frequently as may otherwise be required to deal with urgent matters.

All directors are expected to diligently prepare for, attend, and participate in all Board meetings. At a minimum, a quorum of directors under Cryosite's Constitution is two. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with Cryosite's Constitution.

The Chairman in conjunction with the Managing Director should ensure the availability and, if necessary, the attendance at the relevant meeting, of any Senior Executive responsible for a matter included as an agenda item at the relevant meeting.

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### **5.5 DIRECTOR SHARE TRADING**

The Cryosite Personnel Share Trading Policy imposes restrictions on the trading of shares by Directors, Employees and others with undisclosed price sensitive information. All Directors and Employees must comply with that Policy.

### **5.6 CORPORATE GOVERNANCE**

The Board is responsible for the adoption, oversight and administration of relevant corporate governance materials of Cryosite, including but not limited to those documents listed in paragraph 2.3.

The Annual Report will include a Corporate Governance Statement which will contain the content required by the ASX Principles (as well an explanation of any departures from the Recommendations).

As part of an effective communications strategy, Cryosite will maintain and keep current its website.

### **5.7 PERFORMANCE**

To determine whether it is functioning effectively, the Board shall:

- a) review this Charter annually; and
- b) undertake an evaluation of its performance at intervals considered appropriate by the Chairman.