



Silex

People & Remuneration Committee Charter

Silex Systems Limited

ACN 003 372 067

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1. Applicability

The People & Remuneration Committee (Committee) is a committee of Silex Systems Limited (Silex) Board and this Charter applies to all members of the Committee.

2. Role

The role of the People & Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

- (i) remuneration policies and packages of the CEO/Managing Director, Executive Directors, other Senior Executives and Management who report directly to the CEO/Managing Director, and Non-Executive Directors;
- (ii) employee incentive and equity-based plans, including the appropriateness of performance hurdles and key performance indicators and total payments proposed;
- (iii) performance development processes, including reviews, professional development and succession planning; and
- (iv) Management's design and monitoring of human resource policies and engagement and culture across the organisation.

3. Responsibilities

3.1 Executive Remuneration and Incentive Policies

- (i) motivate CEO/Managing Director, Executive Directors and Senior Executives to pursue long-term growth and the success of Silex within an appropriate control framework;
- (ii) demonstrate a clear correlation between key performance and remuneration;
- (iii) align the interests of key leadership with the long-term interests of Silex's shareholders;
- (iv) are determined with reference to appropriate market benchmarks;
- (v) promote equity and consistency across the Company; and
- (vi) are affordable and sustainable.

3.2 Executive Remuneration Packages

The Committee is to ensure that:

- (i) Executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to Silex's circumstances and objectives;
- (ii) a proportion of Executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- (iii) recommendations are made to the Board with respect to the remuneration and bonuses to be paid to Executives.

3.3 Non-Executive Directors

The Committee is to ensure that:

- (i) fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at Silex's Annual General Meeting;
- (ii) Non-Executive Directors are remunerated by way of fees; and
- (iii) Non-Executive Directors are not provided with retirement benefits other than statutory superannuation entitlements.

To the extent that Silex adopts a different remuneration structure for its Non-Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

3.4 Incentive Plans and Benefits Programmes

The Committee is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board to administer equity-based and employee benefit plans and, as such, will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans;
- (ii) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved;
- (iii) continually review, and if necessary, improve, any existing benefit programmes established for employees; and
- (iv) approve any collective employee agreements and industrial agreements.

3.5 Human Resources, Engagement and Culture

The Committee is to:

- (i) Oversee the development, application and any material changes made to the People & Remuneration Policy and practices across the Company, including those relating to recruitment, induction, performance management, training and development, equal opportunity and diversity and inclusion, and remuneration and benefits; and
- (ii) Monitor that appropriate methods of measuring the engagement levels and culture across the Company exist and review the results of recommendations / actions plans arising from engagement and culture surveys.

3.6 Performance Management and Succession Planning

The Committee is to:

- (i) Review and oversee the quality and compliance with Silex's performance development system for Senior Executives and Management who report directly to the CEO/Managing Director, ensuring robust performance objectives and measures are in place to drive superior outcomes and create a high-performance culture;
- (ii) Review and confirm performance objectives and targets set for the CEO/Managing Director and Senior Executives and Managers who report directly to the CEO/Managing Director, have been achieved as part of recommending to the Board bonus payments to be made; and
- (iii) Review at least annually the succession plan for Executive and key Management and senior technical positions together with development plans and Silex's leadership development strategies.

4. Composition

The Committee will be appointed by the Board and shall be composed of at least three members, the majority of which are to be independent. The Committee shall be chaired by an independent Director unless otherwise determined by the Board. The Silex CEO/Managing Director will attend and participate in all Committee meetings, however, has no voting rights. Independence is defined as per the definition included in the ASX Corporate Governance Principles and Recommendations (4th Edition).

Silex's Company Secretary, or a person designated by the Company Secretary shall be appointed as Secretary of the Committee (Committee Secretary) and will provide assistance to the Committee in preparation of the agenda and minutes of the meeting and will attend all meetings of the Committee.

5. Meetings

The Committee will meet at least twice a year, with further meetings as required. Minutes of all meetings of the Committee are to be kept and the minutes and a report of actions taken or recommended to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules, as set out in Silex's Constitution as they apply to the meetings of the Board.

6. Authority

The Committee is authorised:

- (i) to seek any information it requires in order to perform its duties, from any employee of Silex; and
- (ii) to obtain, at Silex's expense, external legal or other professional advice on any matter within its Charter.

7. Performance

The People & Remuneration Committee:

- (i) Will evaluate its own performance on an annual basis;
- (ii) May obtain feedback on the Committee's performance and operations from key people such as the CEO/Managing Director and other Executive and Management staff; and
- (iii) May obtain feedback from the Board of Directors on the effectiveness of the Committee.

8. Review

The Charter will be reviewed regularly to ensure it meets best practice standards, complies with all governance principles of those stock exchanges on which it is listed and meets the requirements of Silex and the Board.