



Board Charter

Approved by the Board
1 April 2025

SILEX SYSTEMS LIMITED
ACN 003 372 067

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1 Applicability

The purpose of this Board Charter (**Charter**) is to specify the authority delegated to the Board of Silex Systems Limited (**Silex** or the **Company**).

This Charter sets out the role and responsibilities of the Board, which responsibilities may be delegated to committees of the Board or to Management, as well as setting out the membership and the operation of the Board.

This Charter applies to all Directors of Silex.

2 Role of the Board

The central roles of the Board are to set the strategic direction for Silex, to select and appoint the CEO/Managing Director and to oversee Silex's management and its business activities. The Board ensures that the activities of the Company comply with its Constitution, from which the Board derives its authority to act, and with legal and applicable regulatory requirements.

The Board should be mindful that:

- 1) While the primary objective of Silex is to create, and to continue to build, sustainable value for shareholders, the legitimate interests of other parties who may have an interest in or be affected by the activities of Silex should be taken into account; and
- 2) Shareholders and other parties who may have an interest in or be affected by the activities of Silex expect that the Directors will undertake their responsibilities with honesty, integrity, care and diligence, in the best interests of the Company as a whole, and in accordance with law and in a manner which reflects the highest standards of corporate governance.

3 Powers of the Board

In addition to matters required by law to be approved by the Board, the following powers are reserved for the Board:

- 1) Appointing and, where appropriate, removing the CEO/Managing Director;
- 2) Authorising the issue of any shares, options, equity instruments or other securities;
- 3) Authorising expenditure in excess of discretionary limits delegated at any time to the CEO/Managing Director;
- 4) To:
 - a) Consider and approve strategy and business plans;
 - b) Monitor corporate performance with agreed objectives;
 - c) Approve the annual budget;
 - d) Approve and monitor the progress of major capital expenditure, capital management, acquisitions and divestitures;

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- e) Ratify the appointment, and, where appropriate, the removal of the Chief Financial Officer/Company Secretary;
 - f) Approve the annual and half yearly accounts;
 - g) Oversee the management of work health and safety and environmental compliance and performance;
 - h) Oversee and evaluate Management's implementation of the Company's strategic direction, objectives and goals, instilling the Company's values and its performance generally;
 - i) Satisfy itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects Management to operate;
 - j) Satisfy itself that an appropriate framework exists for relevant information to be reported by Management to the Board;
 - k) Approve corporate governance policies of Company-wide or general application; and
 - l) Determine delegations to Board committees and the CEO/Managing Director and approve transactions in excess of delegated levels.
- 5) Monitoring and ensuring the maintenance of adequate risk management controls and reporting mechanisms;
- 6) Ensuring Silex is properly managed, for example by:
- a) Appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next Annual General Meeting of Silex; and
 - b) Liaising with Silex's external auditors and Audit Committee.
- 7) Other than as detailed in Section 3, the Board has delegated responsibility for the management of Silex's business and affairs to the CEO/Managing Director;
- 8) To the extent practicable, the Company endorses and seeks to follow the ASX Corporate Governance Principles and Recommendations;
- 9) The Constitution is the Company's key governance document. The Board must ensure that it and the Company comply at all times with the Constitution;
- 10) As a public company listed on the ASX and the OTCQX International, the Company must comply with the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules, the OTCQX International Rules, as well as all other applicable laws, moral codes and statutes. Examples of applicable areas of regulation include: (a) work health and safety legislation; (b) environmental protection legislation; (c) employment related laws; and (d) anti-discrimination legislation.

4 Responsibility of the Board

4.1 The Chair

The responsibilities of the Chair include:

- 1) Ensuring the effective performance of, and providing leadership to, the Board;
- 2) Ensuring the efficient organisation and conduct of the Board's function;
- 3) Setting the agenda for Board meetings with the Company Secretary and CEO/Managing Director;
- 4) Chairing Board meetings and shareholder meetings. If the Chair is not present within 10 minutes of the time appointed for the holding of that meeting, the deputy Chair (if one is elected) will assume this role. If the deputy Chair is not present or there is no deputy Chair, a Director chosen by a majority of Directors present will assume this role;
- 5) Briefing the CEO/Managing Director in relation to issues arising at Board meetings; and
- 6) Arranging regular evaluation of the performance of the Board and its Committees and of individual Directors.

4.2 Board Responsibilities

The Board's responsibilities include:

- 1) Providing strategic direction, contributing to the development and approval of corporate strategy and corporate objectives and monitoring performance;
- 2) Evaluating the performance of, and succession planning for, the CEO/Managing Director;
- 3) Encouraging a culture of ethical and responsible decision making;
- 4) Reviewing and reporting on diversity within the Company to include the relative proportion of women and men in the workforce at all levels of Silex;
- 5) Reviewing and ratifying systems of risk management and risk appetite, compliance and control;
- 6) Ensuring adherence to the ASX Listing Rules, in particular, adopting a Continuous Disclosure Policy and monitoring its operation;
- 7) Reviewing policies, procedures and practices employed in relation to work health and safety, workplace equality and diversity, native title, cultural heritage and the environment;
- 8) Monitoring the financial performance and reporting of Silex;
- 9) Satisfying itself that appropriate mechanisms are in place for the governance of subsidiary companies; and
- 10) Convening and attending general meetings of Silex's shareholders.

4.3 Delegation to Committees, CEO and Management

Under the Constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board. Directors are entitled to attend Committee meetings and receive Committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chair of each Committee will report back on Committee meetings to the Board at the next full Board meeting or as otherwise required by the Board.

The Board has delegated to the CEO/Managing Director the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this Charter. The Board may impose further specific limits on CEO/Managing Director delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time. The CEO/Managing Director has authority to sub-delegate to the senior management team.

4.4 Company Secretary

- 1) The Company Secretary supports the effectiveness of the Board by monitoring that the Board's policies and procedures are followed and to monitor that Board decisions are implemented;
- 2) All Directors have access to the Company Secretary; and
- 3) The Company Secretary is accountable to the Board on all governance matters.

5 Board Composition

- 1) The Board shall comprise Directors with a range of backgrounds and experience with the majority being Non-Executive Directors determined by the Board to be capable of bringing independent judgement to bear on decision making;
- 2) In accordance with the Silex Constitution, the Board is to be composed of not less than three Directors and the maximum number of Directors is to be fixed by the Directors, but must not be more than ten unless the Company in general meeting determines otherwise; and
- 3) The Chair of the Board shall be an independent Director and shall act as a conduit for issues that the independent Directors have as a group.

6 Independence of Directors

All Directors - whether independent or not - should bring an independent judgement to bear on all Board decisions.

In considering whether a Director is independent, the Board will have regard to:

- 1) The factors relevant to assessing the independence of a Director published in the ASX Corporate Governance Principles and Recommendations;
- 2) The corporate governance guidelines developed by the Australian Securities Exchange;

- 3) Such materiality thresholds, standards or guidelines as the Board may adopt from time to time; and
- 4) Any information, facts or circumstance that the Board considers relevant.

The Board will regularly assess the independence of each Director in light of the interests disclosed by them. That assessment will be made at least annually and at, or around the time, that the Board considers candidates for election to the Board. Each independent Director must provide the Board with all relevant information for this. The outcome of this assessment will be reflected in the corporate governance section of the Company's Annual Report and in the Company's annual Corporate Governance Statement.

If a Director is, or becomes aware of, any information, facts or circumstance which will, or may, affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and Chair.

Directors must at all times act in accordance with legal and statutory requirements, and discharge all their duties as Directors.

7 Board Meetings

All Board meetings will be conducted in accordance with the Constitution and the Corporations Act, as follows:

- 1) The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.
- 2) Board agendas should be settled by the Chair with the CEO/Managing Director and Company Secretary.
- 3) The Company Secretary will provide Board and papers to Directors at least five business days prior to each meeting.
- 4) All Directors are generally expected to prepare adequately, attend and participate at each Board meeting. All Directors should actively consider the sufficiency of the contents of the Board papers that they have been provided for consideration.
- 5) Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- 6) The Board acknowledges that some special Board meetings may be called at short notice and the five-business day requirement may be unable to be met.
- 7) The number of Directors necessary to constitute a quorum is three unless otherwise determined by the Directors in accordance with the Constitution.
- 8) Generally, Board decisions will be resolved by a majority vote. In the case of an equality of votes upon any proposed resolution, the Chair of the meeting has a casting vote in addition to any vote the Chair has in his or her capacity as a Director.

- 9) The Company Secretary should aim to circulate Board minutes for the Chair for review within five working days from the date of the relevant meeting. The Chair should provide comments to the Company Secretary within three working days of the receipt of minutes.

8 Board Committees

The Board may establish standing and ad hoc committees to assist it in carrying out its responsibilities. For each Committee, the Board should adopt a charter setting out its role, composition, powers, responsibilities, structure, resourcing and administration.

In particular, the Board will establish and maintain as standing Committees:

- 1) Audit Committee; and
- 2) Remuneration and Nomination Committee.

Directors may attend any meetings of any Board committee or request a copy of any Committee paper.

9 Board Performance

The Board will undertake an annual performance evaluation that:

- 1) Reviews the performance of the Board against the requirements of this Charter;
- 2) Reviews the performance of the Board Committees against the requirements of their respective Charters; and
- 3) Reviews the individual performances of the Chair, CEO/Managing Director and the Directors.

The Board, through the Remuneration and Nomination Committee, will determine the scope of the performance evaluation and how it is carried out, in order to achieve its objectives.

10 Outside Directorships

Non-Executive Directors should continually evaluate the number of Boards on which they serve to ensure that each company can be given the time and attention to detail required to properly exercise their powers and discharge their duties.

A Non-Executive Director must notify the Chair prior to accepting an invitation to become a Director of any company.

11 Independent Advice

The Board and its committees may seek advice from independent experts whenever it is considered appropriate. With the written consent of the Chair, individual Directors may seek independent professional advice, at the expense of Silex, on any matter connected with the discharge of their responsibilities. The Chair may determine that any advice received by a Director be circulated to the Board.

12 Review

The Board will review this Charter regularly and update it as required or deemed as appropriate. This Charter may be amended by resolution of the Board.

Version	Date Issued	Approval
0	10-Dec-2013	Silex Systems Limited Board of Directors
1	02-Jul-2021	Silex Systems Limited Board of Directors
2	01-Apr-2025	Silex Systems Limited Board of Directors