



Remuneration and Nomination Committee Charter

Approved by the Board
1 April 2025

SILEX SYSTEMS LIMITED
ACN 003 372 067

Remuneration and Nomination Committee Charter



Contents

1	Applicability.....	2
2	Role of the Committee	2
3	Responsibilities of the Committee	2
3.1	Executive Remuneration and Incentive Packages	2
3.2	Non-Executive Directors Fees	3
3.3	Incentive Plans and Benefits Programmes	4
3.4	Human Resources, Engagement and Culture.....	4
3.5	Performance Management and Succession Planning.....	4
3.6	Board Composition	5
3.7	Board Renewal	5
3.8	Board Performance	5
3.9	Nomination Criteria.....	6
4	Composition.....	6
5	Meetings	6
6	Authority	7
7	Reporting to the Board.....	7
8	Performance	8
9	Review.....	8

Remuneration and Nomination Committee Charter



1 Applicability

The purpose of this Remuneration and Nomination Committee Charter (**Charter**) is to specify the authority delegated to the Remuneration and Nomination Committee by the Board of Silex Systems Limited (**Silex** or the **Company**) and to set out the role, responsibilities, membership and operation of the Committee.

The Remuneration and Nomination Committee (**Committee**) is a committee of the Board established in accordance with the Company's constitution and is authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. The Committee has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time. This Charter applies to all members of the Committee.

2 Role of the Committee

The role of the Committee is to assist the Board and make recommendations to the matters with which it is charged with responsibility as per this Charter which includes:

- 1) The selection and appointment of members of the Board, so that the Board has an effective balance of skills, knowledge, experience, independence and diversity in order to effectively discharge its responsibilities and duties, and add value through effective decision making; and
- 2) The Company's remuneration policies, to ensure that remuneration is sufficient and reasonable and that its relationship with performance is clear.

3 Responsibilities of the Committee

3.1 Executive Remuneration and Incentive Packages

The Committee is to ensure that:

- 1) Executive remuneration packages involve a balance between fixed and incentive pay, are determined with reference to appropriate market benchmarks and reflect short and long-term performance objectives appropriate to Silex's circumstances, objectives and interests of Silex's shareholders;
- 2) A proportion of Executives' remuneration is structured in a manner designed to link reward to corporate and individual performance; and
- 3) Recommendations are made to the Board with respect to the remuneration and incentives to be paid to Executives.

When making the recommendations to the Board, the Committee shall:

Remuneration and Nomination Committee Charter



- 1) Consider the ASX Corporate Governance Principles and Recommendations in respect of executive remuneration packages and Non-Executive Director remuneration set out under Principle 8 of the ASX Corporate Governance Principles and Recommendations; and
- 2) Ensure that both cash and equity-based remuneration is structured in accordance with the thresholds and restrictions under Company's constitution, the ASX Listing Rules, OTCQX International Rules, the *Corporations Act 2001* (Cth) (**Corporations Act**).
- 3) Should the Board retain a remuneration consultant to provide advice to the Board, the Committee must:
 - a) Approve the appointment of the remuneration consultant prior to binding documentation being entered into between the Company and the remuneration consultant;
 - b) Ensure that the remuneration consultant is sufficiently independent and the Committee has set aside sufficient time to ensure such independence;
 - c) Review the appointment of the remuneration consultant each year having regard to their independence, their competence to provide unbiased advice to the Company, their consultancy fees and any questions of resignation or dismissal; and
 - d) Report to the Board each year on the performance of the remuneration consultant.

3.2 Non-Executive Directors Fees

The Committee is to ensure that:

- 1) 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 for approval at Silex's Annual General Meeting;
- 2) Non-Executive Directors are remunerated by way of fees; and
- 3) 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 shareholders.

Remuneration and Nomination Committee Charter



3.3 Incentive Plans and Benefits Programmes

The Committee is to:

- 1) Review and make recommendations concerning incentive 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;
- 2) Review any plan for legislative, regulatory and market developments;
- 3) Ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved;
- 4) Continually review, and if necessary, improve, any existing benefit programmes established for employees; and
- 5) Approve any collective employee agreements and industrial agreements.

3.4 Human Resources, Engagement and Culture

The Committee is to:

- 1) Oversee the development, application and any material changes made to human resources, engagement and culture policies 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
- 2) 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.

3.5 Performance Management and Succession Planning

The Committee is to:

- 1) Review and oversee the quality and compliance with Silex's performance development system for 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;
- 2) Review and confirm performance objectives and targets set for the CEO/Managing Director, Executives and Management who report directly to the CEO/Managing Director, have been achieved as part of recommending to the Board incentive payments to be made; and

Remuneration and Nomination Committee Charter



- 3) Review, at least annually, the Company's succession plan in place for the Board and other executive management (such as for the CEO/Managing Director) to ensure that these plans work to maintain an appropriate balance of skills, experience and expertise at the Company.

3.6 Board Composition

The Committee is to:

- 1) Regularly review the size and composition of the Board and mix of expertise, skills, experience and personal qualities that may be required to ensure Board diversity and allow the Board to execute its functions; and
- 2) Ensure the individuals recommended for appointment as Non-Executive Directors expressly acknowledge prior to their appointment, their ability to devote the time necessary to carry out their duties and responsibilities as a Director.

3.7 Board Renewal

The Committee is to:

- 1) Develop and implement processes to identify suitable candidates for nomination or appointment to the Board, including maintaining a board skills matrix and engaging external consultants or specialists to provide advice or services;
- 2) Ensure that the Company complies with the requirements of the ASX Listing Rules, OTCQX International Rules, the *Corporations Act* and the Constitution in relation to the appointment, re-election and retirement or removal of Directors; and
- 3) Review the nominations for Non-Executive Directors who wish to be elected or re-elected to the Board by shareholders, and make a recommendation to the Board as to whether the nomination or re-nomination of the relevant candidate or Director should be approved.

3.8 Board Performance

The Committee is to:

- 1) Review and recommend, in cooperation with Management a process for the induction and continuing professional development of Non-Executive Directors and a plan, as required, for enhancing Non-Executive Directors' skills and competencies.
- 2) Oversee a process for evaluating the performance of the Board, its committees and the Non-Executive Directors annually.

Remuneration and Nomination Committee Charter



3.9 Nomination Criteria

When reviewing a nomination for a Directorship, the Committee must take into account:

- 1) The expertise, skills, experience, perspectives, personal qualities and attributes that will best ensure the Board effectiveness;
- 2) The diversity of Board composition;
- 3) The capability of the candidate to devote the necessary time and commitment to the role; and
- 4) Potential conflicts of interest, and independence.

4 Composition

- 1) The Board of Directors will nominate the Remuneration and Nomination Committee members and the Chair of the Committee;
- 2) The Chair of the Remuneration and Nomination Committee is to be an independent, Non-Executive Director;
- 3) The majority of the Committee shall be independent, Non-Executive Directors. Independence is assessed as per the guidance included in the ASX Corporate Governance Principles and Recommendations.
- 4) The Committee will appoint a Secretary (**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) The Board will decide appointments, rotations and resignations within the Committee having regard to the ASX Listing Rules, OTCQX International Rules, the *Corporations Act* and the Constitution.

5 Meetings

- 1) Committee meetings shall be held at least twice a year, with additional meetings as required.
- 2) Meetings of the Committee 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.
- 3) Committee meetings will be governed by the same rules, as set out in the Constitution as they apply to the meetings of the Board. The Committee may invite other persons to attend meetings, if considered appropriate by the Chair of the Committee, for example external consultants or specialists. However, no such individual should be directly involved in deciding his or her remuneration.

Remuneration and Nomination Committee Charter



4) Minutes:

- a) Minutes of all Remuneration and Nomination Committee meetings are to be kept, and the minutes the minutes and a report of actions taken or recommended shall be given at each subsequent Board meeting.
- b) The draft minutes of each Remuneration and Nomination Committee meeting are to be approved by the Chair and circulated to all Committee members as soon as practicable but no later than the distribution date for papers for the next Committee meeting at which the minutes of the meetings are to be confirmed;
- c) A copy of the Remuneration and Nomination Committee minutes, once they have been approved by the Chair, will be included in the papers for the next Committee meeting.

6 Authority

The Board authorises the Remuneration and Nomination Committee, within the scope of its responsibilities to:

- 1) Perform activities within its Charter.
- 2) Seek any information it considers necessary to fulfil its responsibilities;
- 3) Have access to Management to seek explanations and information from Management; and
- 4) Obtain, at Silex's expense, external legal or other professional advice on any matter within its Charter.

7 Reporting to the Board

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at its next meeting on all material matters and recommendations relevant to the Committee's duties and responsibilities. Where any Committee member has a contrary view to a Committee decision, that view is to be reported to the Board.

In accordance with the requirements of the ASX Listing Rules, OTCQX International Rules and the *Corporations Act*, the Company will disclose annually in its Annual Report details of the nature and amount of remuneration paid to each Director and other key management personnel of the Company. The disclosure will include the payment of any non-monetary incentive components such as options or performance rights. In addition, the Company will disclose details of other agreements with Directors, executive management and other key management personnel in accordance with the requirements of the ASX Listing Rules, OTCQX International Rules and the *Corporations Act*.

Remuneration and Nomination Committee Charter



8 Performance

The Remuneration and Nomination Committee:

- 1) Will evaluate its own performance on an annual basis;
- 2) 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
- 3) May obtain feedback from the Board of Directors on the effectiveness of the Committee.

9 Review

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

Version	Date Issued	Approval
0	23-Apr-2013	Silex Systems Limited Board of Directors
1	29-Jun-2020	Silex Systems Limited Board of Directors
2	20-Feb-2024	Silex Systems Limited Board of Directors
3	01-Apr-2025	Silex Systems Limited Board of Directors