

26 November 2024

ASX Limited

Via email: ListingsComplianceSydney@asx.com.au

Dear ASX Compliance,

Silex Systems Limited (“Silex”, “Company”, “SLX”): Confirmation of Compliance with Listing Rule 12.7 (ASX Ref: 102890)

We refer to your letter received via email, dated 21 November 2024 and provide the following information with respect to the actions taken to be in full compliance with Listing Rule 12.7.

In accordance with the details provided in Silex’s Corporate Governance Statement for the year ended 30 June 2024, Mr C D Wilks was noted as the Company’s Audit Committee Chair. It was further noted that Mr Wilks was not currently considered independent due to his long tenure with the Company. Mr Wilks was considered the most suitably qualified to hold the position of Chair of the Audit Committee, being the Finance Director of Sonic Healthcare Limited, an ASX 50 company. It is noted that whilst not in compliance with Listing Rule 12.7, the Audit Committee at all times has consisted entirely of non-executive directors, and has had a majority of independent directors.

On 14 October 2024, Silex announced changes to its Board, notably the appointment of Susan Corlett, with effect from 22 November 2024. Ms Corlett has been appointed as an independent non-executive director and has also been appointed as Chair of the Audit Committee, effective 25 November 2024.

As a result of the new Board appointment and the appointment of Ms Corlett as Chair of the Audit Committee, the Company is in compliance with the requirements of Listing Rule 12.7 and specifically Recommendation 4.1 of the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations’, with the Audit Committee now consisting of:

- (a) only non-executive directors;
- (b) a majority of independent directors;
- (c) an independent chairperson, who is not chairperson of the Board; and
- (d) at least three members.

The Company can also confirm that it has made the necessary actions to ensure compliance with the ASX Listing Rules.

This letter has been authorised for release by the Board of Directors.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Julie Russell', is shown within a light blue rectangular box.

Julie Russell
CFO / Company Secretary



21 November 2024

Reference: 102890

Ms Julie Russell
Company Secretary
Silex Systems Limited
PO Box 75 Menai Central, NSW 2234

By email: Julie.Russell@silex.com.au

Dear Ms Russell

Silex Systems Limited ('SLX'): Breach of Listing Rule 12.7

ASX refers to the following:

- A. SLX's corporate governance statement for the year ended 30 June 2024 released on the market announcements platform on 29 August 2024, together with SLX's annual report for the period.
- B. SLX's inclusion in the S&P/ASX 300 Index on 3 March 2023.
- C. Listing Rule 12.7 which states:
"If the entity was included in the S&P/ASX 300 Index at the beginning of its financial year it must also comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the audit committee for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year."
- D. Recommendation 4.1 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations which states that the board of a listed entity should have an audit committee which:
 - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - is chaired by an independent director, who is not the chair of the board.

It appears that SLX is in breach of Listing Rule 12.7 because SLX's board considers the chair of its audit committee as a non-executive director but not as an independent director, as disclosed in its corporate governance statement.

Action required

In light of the above, ASX requires SLX to prepare an announcement for release to the market under Listing Rule 18.8(a) that explains the breach outlined in this letter. The announcement must explain:

1. the circumstances giving rise to the non-compliance with Listing Rule 12.7;
2. the steps SLX will take to comply with Listing Rule 12.7;
3. the reasonable timeframe within which SLX expects to complete the steps identified above; and
4. the arrangements SLX will have in place to ensure the proper discharge of the responsibilities that would ordinarily be discharged by an audit committee that meets the recommendations set by the ASX Corporate Governance Council in relation to its composition and operation. This must include a description of SLX's arrangements for ensuring appropriate independent oversight of accounting

judgments, financial disclosures and audit-related matters while SLX remains non-compliant with Listing Rule 12.7.

In addition, once SLX complies with Listing Rule 12.7, ASX requires SLX to immediately make an announcement to the market confirming its compliance. This direction is also made under Listing Rule 18.8(a).

When and where to send your response

Please provide a draft announcement that addresses points 1 – 4 above as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Wednesday, 27 November 2024**.

The draft announcement should be sent by e-mail to ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance