

## BOARD CHARTER

### 1. Purpose

This Charter sets out the role, responsibilities, composition, structure and processes of the Board of Weebit Nano Limited (Company).

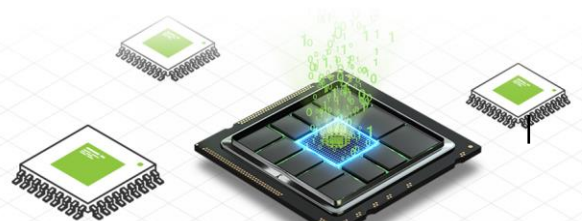
These matters are also governed by the Company's constitution, the Corporations Act, the ASX Listing Rules and general law.

### 2. The Role of the Board

The Board's role is to direct, govern, promote and administer the Company while protecting the interests of the Company and its shareholders. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company 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. The Board is also responsible for the overall corporate governance of the Company. The Board has the authority to determine, all matters relating to policies, practices, management and operations of the Company.

#### Board Responsibilities

- (a) Monitoring the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (b) to (k);
- (b) Ensuring the Company is properly managed by:
  - (i) Appointing and removing the Managing Director of the Company;
  - (ii) Determining the composition of the Board including appointment and retirement of Directors and the election of the Chair of the Board;
  - (iii) Approving the appointment and removal of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and all direct reports to the CEO and determining the terms and conditions of employment, including remuneration; Input into and final approval of management's development of corporate strategy and performance objectives;
  - (iv) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
  - (v) Monitoring Senior Management's performance and implementation of strategy, and ensuring appropriate resources are available;
  - (vi) Ensuring that appropriate and effective remuneration packages and policies are implemented by Remuneration Committee; and,
  - (vii) Ensuring compliance with the Company's Constitution and with the Continuous Disclosure requirements of the ASX Listing Rules and the Corporations Act.



- (c) Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (d) Approval of the annual budget;
- (e) Monitoring the financial performance of the Company;
- (f) Approving and monitoring financial and other reporting;
- (g) Overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions between management and the Board remain appropriate to the needs of the Company;
- (h) Formation and monitoring of corporate governance policies, codes of conduct and committees;
- (i) Liaising with the Company's external auditors;
- (j) Monitoring the environmental performance of the Company; and,
- (k) Ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and the best standards of governance.

### **Board Committees**

To assist the Board in carrying out its responsibilities, the Board has the authority to establish committees, and to delegate powers accordingly.

The Board is responsible for approving and reviewing the charter, terms and membership of each committee established by the Board.

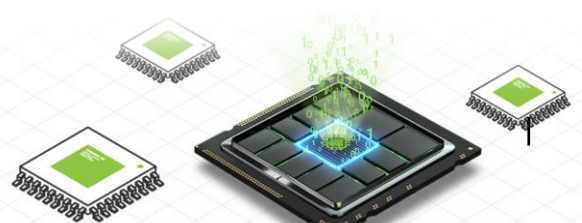
All non-executive Directors shall be entitled to attend meetings and receive papers and minutes of Board committees unless a conflict of interest exists.

The Board retains ultimate accountability to the Company's shareholders in discharging its duties and it may revoke or alter its delegations to the CEO, senior management or to the Committees as it deems necessary.

### **3. Board Structure**

#### **Number of Directors**

- The Board will comprise of at least 3 Directors.
- A majority of Directors shall be independent Directors.
- The office of Chair of the Board and the role of the CEO must not be performed by the same individual.



## **Director Independence**

The Board will assess the independence of each non-executive director prior to appointment and then annually. Each director is required to provide the Board with all relevant information to enable it to make this assessment.

The Board defines an independent director as a non-executive director (that is, not a member of management) who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

When assessing the independent status of a non-executive director, the Board will consider a range of relevant factors, including those set out in the ASX Corporate Governance Principles and Recommendations (4th Edition) (ASX P&R).

The Board may determine that a non-executive director is independent notwithstanding the existence of an interest, position or relationship referred to in the ASX P&R. In such a case, the Board will outline the reasons for making its determination in its annual governance disclosures.

If there is a change in a non-executive director's interests, positions or relationships, the director must inform the Board. If the Board determines that a director's status as independent has changed, that determination will be promptly disclosed to the market.

## **Selection, appointment, re-election and tenure**

The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of the Group, and to guide and monitor the management of the Group, the Board will regularly review its mix of skills to make sure it comprises skills needed to address existing and emerging business and governance needs relevant to the entity.

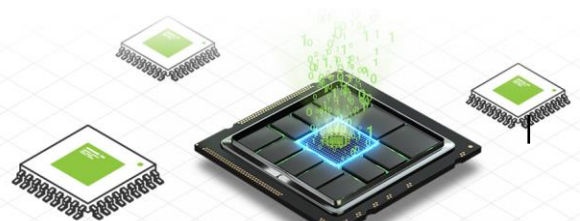
When considering the potential reappointment of an existing Director, the Board will take into account the individual's performance as well as the current and future skills and experience mix required by the Board.

When considering vacancies, the Board will take into account a candidate's capacity to enhance the mix of skills and experience of the Board.

The terms and conditions of the appointment of all Directors will be set out in a letter of appointment.

The Company will perform appropriate background checks before appointing a Director. This requirement extends to senior management. The Board must ensure a process is in place for evaluating the performance of the Board, the Committees of the Board and individual Directors.

The performance of the CEO and CFO are to be reviewed annually by the Chair of the Board and other non-Executive Directors, as deemed appropriate by the Chair of the Board.



## **Induction and training**

Each director will undertake an induction program on appointment and is expected to undertake ongoing education and training to maintain the skills and knowledge required to perform their role effectively. The Chair will periodically review whether there is a need for the Board to undertake professional development, and whether the Board collectively has the skills, knowledge and experience to deal with new and emerging business and governance issues.

## **Expectations of Directors in Board Process**

Directors shall, in good faith, conduct themselves in a manner that is consistent with generally accepted procedures for the conduct of Board and Committee meetings.

Directors have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

The Directors acknowledge that all proceedings of the Board and its Committees are strictly confidential and will not be disclosed to any person other than Board members or as agreed by the Board or as required by law.

## **4. Role of the Chair of the Board**

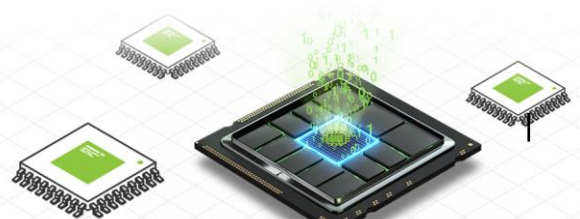
### **The Board will appoint the Chair.**

The role of the Chair is to lead the Board, facilitate the effective contribution of all directors, promote constructive and respectful relations between the Board and management, and ensure the efficient conduct of the Board's function. The Chair will guide and promote the ongoing effectiveness and development of the Board and individual directors.

## **5. Role of the CEO**

### **The CEO reports directly to the Board and has the following key responsibilities:**

- Managing and administering the day-to-day operations of the Group and its businesses in accordance with the core values, strategy, business plans and policies approved by the Board;
- Developing strategies for the Group, its businesses and management, and making recommendations to the Board on such strategies, having regard to the reputation and key stakeholders of the Group and to instil the Group's core values throughout the Group;
- Achieving the Company's goals and vision, in accordance with the strategies, policies, programs and performance requirements approved by the Board;
- Supporting a culture within the Group that promotes ethical and socially responsible behaviour in accordance with the Group's core values;
- Developing the Group's annual budget and conducting the Group's activities within the approved annual budget.
- Developing and maintaining the Group's risk management framework and systems, including internal compliance and control mechanisms;



- Assigning responsibilities to direct reports and to supervise and report on their performance to the Board;
- Recommending to the Board significant operational changes, major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
- Reporting regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively and,
- Exercising such additional powers as are delegated to the CEO by the Board from time to time.

## **6. Role of Management**

The role of management is to support the CEO and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The Management team will usually be responsible for implementing the entity's strategic objectives and instilling and reinforcing its values, all while operating within the values, code of conduct, budget and risk appetite set by the board.

## **7. Board Meetings**

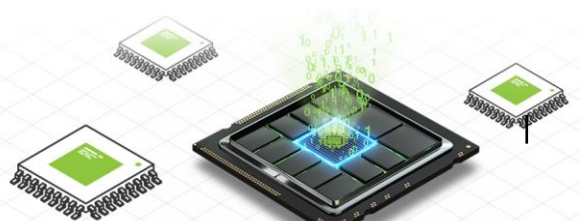
- The Board shall meet at least eight times per year, and otherwise as often as the Directors determine necessary to enable the Directors and the Board to fulfil their duties and responsibilities.
- A Director may call a meeting of the Directors, and the Company Secretary must, if requested by a Director, call a Board meeting.
- The Company Secretary or his/her delegate is responsible for distributing Board meeting papers to directors prior to each meeting.
- A quorum for a Board meeting shall be determined in accordance with the Constitution.
- As deemed appropriate, Non-executive Directors will meet without management present.

## **8. Director Conduct**

Directors will act with honesty and integrity and will observe the highest standards of ethical and responsible behaviour. Each director is bound by the Companies Code of Conduct, their appointment letter and all applicable policies.

### **Conflicts of interest**

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest. Under the Company's constitution and at law, directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest.



**The following procedures are to be followed by a director who believes they may have a conflict of interest or material personal interest:**

- the director must disclose to the Chair and the Board any actual or potential conflict or material personal interest which may exist, or might reasonably be thought to exist, as soon as it arises;
- a determination as to whether or not a conflict exists will be made, and if necessary this determination will be made by the Board (excluding the potentially conflicted director); and
- an appropriate course of action will be set based on the determination made, and such action may require the conflicted or interested director to absent themselves when the Board discusses and votes on matters to which the conflict or interest relates.

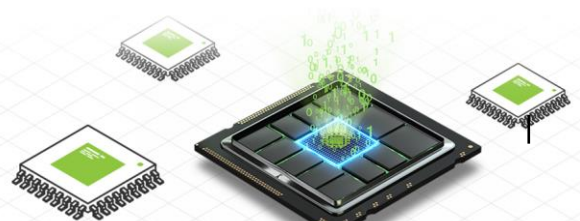
**Ethical Standards and Legal Duties**

- Code of Conduct - Each Director shall abide by the terms of the Company's Code of Conduct and is expected to demonstrate leadership and uphold the ethical standards and corporate behaviour described in the Code of Conduct.
- Values - The Board will operate in a manner reflecting the values of the Group and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.
- Conflicts of interest and related party transactions - Each Director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial conflict, whether it be a conflict of interest or conflict of duties. All Directors are required to comply with the Company's Conflicts of Interest and Related Party Policy.
- Dealing in shares - Directors must ensure any dealings in shares are in strict compliance with the Company's Securities Trading Policy, as directed by the Chair of the Board and otherwise in accordance with the values of honesty and integrity.

**9. Access to independent professional advice**

The Board has authority to conduct or direct any investigation required to fulfill its responsibilities and has the ability to retain, at the Companies expense, such independent professional advice as it considers necessary from time to time in the performance of its duties.

Each director has the right to seek independent professional advice at the Companies expense, subject to prior consultation with, and the consent of, the Chair (or in the case of a request by the Chair, the consent of another non-executive director). A copy of the advice must be provided to the Board except where this would result in unreasonable prejudice to the director seeking the advice.



## Insurance

The Company will maintain a Director's & Officer's Liability Policy.

### 10. Performance Evaluation and Charter Review

The Board will undertake an annual evaluation of its performance, including its performance against the requirements of this Charter, the performance of individual committees and the performance of individual directors. The assessment may be facilitated by an external consultant.

The Board will periodically review this Charter to determine its adequacy for current circumstances and approve any material amendments.

