



Silex Systems Limited

Continuous Disclosure Policy

Updated: 13 October 2016

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1. APPLICABILITY

This policy applies to:

- Executive, Non-executive directors and Designated officers;
- Full-time, part-time and casual employees; and
- Contractors, subcontractors, consultants and all other persons performing work at the direction of, or on behalf of Silex Systems Limited (Silex).

Failure to comply with the Continuous Disclosure Policy may lead to a breach of stock exchange listing rules or a breach of application legislation which could result in Directors incurring personal liability. Failure to comply with this policy may lead to disciplinary action up to and including termination of employment.

2. PURPOSE

Silex is listed on the Australian Securities Exchange (ASX) and on OTC Markets Group (OTCQX) and therefore is required to comply with the listing rules of these exchanges.

The purpose of this Continuous Disclosure Policy is to ensure that Silex preserves the integrity of important Company information which may have a material effect on the price or value of the Company's securities, while ensuring it meets its obligations under the listing rules of the exchanges on which it is listed, the Corporations Act 2001 (Cth) as well as applicable corporate governance standards.

3. CONTINUOUS DISCLOSURE

Silex will, subject to exceptions set out in the applicable listing rules, immediately notify the market by announcing to the stock exchange any information or major development related to the business of Silex which a reasonable person would expect to have a material effect on the price or value of its securities.

The Company Secretary is responsible for ensuring that announcements are communicated to the ASX and OTCQX in accordance with applicable laws, listing rules and obligations.

The requirement to disclose this information does not apply if, and only if, each of the following conditions is and remains satisfied as per Listing Rule 3.1A:

(a) one or more of the following conditions apply:

- (i) it would be a breach of the law to disclose the information;
- (ii) the information concerns an incomplete proposal or negotiation;
- (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- (iv) the information is generated for the internal management purposes of Silex; or
- (v) the information is a trade secret.

(b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and

(c) a reasonable person would not expect the information to be disclosed.

In this event, the information will be kept confidential to the extent permitted by law until the Company determines it is necessary or appropriate to publicly disclose.

4. POLICY

- Directors and other Designated Officers will make themselves aware of the continuous disclosure regulations in the ASX Listing Rules.
- In the event that any Director or Designated Officer becomes aware of any fact or circumstance which may give rise to a requirement to disclose such information under the Listing Rules, they will immediately inform the Company Secretary, the CEO/Managing Director or the Chair.
- Prior to disclosure, the Company Secretary, in conjunction with the CEO/Managing Director and/or the Chair, will review the information to enable a judgment as to the appropriate disclosure to be made.
- If there is uncertainty as to whether disclosure is required then the Company will seek external legal advice.
- The Company, through the Company Secretary, will notify the ASX of any information it has determined is required to be disclosed, ensuring that such information is not released to any other party prior to the ASX confirming its release to the market.

- The Company Secretary will then post the information on the Company's website.
- All contact from the media regarding the Company must be referred to the CEO/Managing Director.

5. SHAREHOLDER AND PUBLIC COMMUNICATION

Silex is committed to ensuring that accurate information regarding Silex, including its financial situation, performance, strategy, activities and governance is provided equally to all shareholders and market participants.

Silex will continue to maintain a company website (www.silex.com.au) to complement the official release of material information to the market. The following information can be accessed through the website:

- Company announcements to the ASX/OTCQX
- Annual Reports
- Notices of Meeting and Explanatory Memorandum
- Current and prior year financial reports
- Corporate governance information

Otherwise then as approved by the CEO/Managing Director, the only Silex employees authorised to make any public statement on behalf of, or attributable to, Silex are:

- CEO/Managing Director;
- Chair; and
- Company Secretary.

6. REVIEW

The Board shall regularly review the contents of, and compliance with, this Policy, to ensure it meets best practice standards, complies with all governance principles and meets the requirements of Silex and the Board.