POLICY ON CONTINUOUS DISCLOSURE

Silex Policy No: 9
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1. Purpose

Silex Systems Limited is a listed company on the Australian Stock Exchange (ASX) and therefore must meet the requirements of ASX Listing Rule 3.1 (Continuous Disclosure) and the Corporations Act 2001 to keep the market informed of material events as they occur. This document describes the policy for directors and other Designated Officers who become aware of material information which may require disclosure under the ASX Listing Rules.

2. ASX Listing Rule 3.1

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the company's securities.

A confidentiality agreement must not prevent an entity from complying with its obligation to give ASX information for release to the market.

Examples:

The following information would require disclosure if material under this rule:

- a material change in the entity's financial forecast or expectation
- achievement of a technical or commercial milestone or key achievement in the development of the company's portfolio of technologies
- the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by it or any of its child entities
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
- giving or receiving a notice of intention to make a takeover
- an agreement between the entity (or a related party or subsidiary) and a director (or a related party of the director)
- a material change in accounting policy adopted by the entity
- any rating applied by a rating agency to an entity, or securities of an entity, and any change to such a rating
- a proposal to change the entity's auditor.

3. 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 either the Company Secretary, the Managing Director or the Chairman.
- Prior to disclosure, the Company Secretary, in conjunction with the Managing Director and/or the Board Chairman, 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 Silex's Managing Director.

4. Shareholder and Public Communication

Silex will continue to maintain a company website to complement the official release of material information to the market. This enables broader access to Company information by investors and other stakeholders. The following information can be accessed electronically:

- Company announcements to the ASX
- Annual Reports
- Current and prior years financial data and press releases
- Corporate governance information