

POLICY REGARDING INTEGRITY OF FINANCIAL REPORTING

Silex Policy No: 8

Version date: 16 April 2004

1. Purpose

The Board of Silex Systems Limited has a responsibility to ensure the integrity of the Company's financial reporting. The Company requires a structure of review and authorization designed to ensure the truthful and factual presentation of its financial position. This structure includes the review and consideration of the financial statements by the audit committee and processes to ensure the independence and competence of the Company's external auditors.

ASX Corporate Governance Council Best Practice Recommendations 4.1 and 7.2 require Silex's Managing Director and Director-Corporate to state in writing to the Board that:

- the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards
- the statement above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2. Policy

- Silex's Board is to maintain an effective Audit Committee.
- Silex's external auditors will be required to provide an annual declaration of their independence.
- Silex's Managing Director and Director-Corporate are to provide signed statements as described above in relation to each set of Half Year and Full Year consolidated financial statements.