



Silex

Silex Systems Limited

ABN: 69 003 372 067

ASX: SLX

Share Purchase Plan Offer Booklet

To raise up to \$20,000,000¹

Offer closes at 5.00pm (AEDT) on 30 March 2023

This is an important document that requires your immediate attention.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser.

Not for release to US wire services or distribution in the United States

¹ Subject to Silex Board discretion to scale back applications and/or increase to a maximum of \$25,000,000.

Important notices

Defined terms and abbreviations used in this document are set out in Clause 19 of the Terms and Conditions in Section 4.

The Offer Booklet is dated 13 March 2023.

The offer of New Shares under the Offer is an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, which grants relief from the requirement for the Company to provide prospectus disclosure in relation to the Offer.

The Offer Booklet is not a prospectus under Chapter 6D of the Corporations Act and has not been lodged with ASIC. Accordingly, the level of disclosure of this Offer Booklet is significantly less than that required in a prospectus or other disclosure document. Eligible Shareholders should therefore rely upon their own knowledge of the Company, refer to the disclosures made by the Company to the ASX, and refer to their professional advisers before deciding whether to participate in the Offer.

The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

The Offer Booklet should be read in its entirety before you decide to participate in the offer.

Silex recommends that you monitor its announcements and the Share price, which can be found on the ASX website at www.asx.com.au (ASX code: SLX). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

Participation in the Offer is only open to Eligible Shareholders (being holders of Shares in the Company at 7:00pm (AEDT) on the Record Date (being Friday, 24 February 2023) with a registered address in Australia or New Zealand, provided that such shareholder is not in the United States or acting for the account or benefit of a person in the United States). The Offer is also being extended to Eligible Shareholders of the Company who are custodians to participate in the Offer on behalf of certain Participating Beneficiaries on the Terms and Conditions set out in this Offer Booklet.

Eligible Shareholders can access their personalised Application Form along with this Offer Booklet online at:

www.computersharecas.com.au/slx spp

If you apply to participate in the Offer by making a BPAY[®] 2 or EFT payment (for Eligible Shareholders with a registered address in New Zealand only), you are accepting the risk that the market price of Shares may change between the date of the Offer and the Issue Date. This means it is possible that up to or after the Issue Date, you may be able to buy Shares at a lower price than the Issue Price.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES AND OTHER OVERSEAS JURISDICTIONS

² ® Registered to BPAY Pty Limited ABN 69 079 137 518

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Booklet. Any information or representation in connection with the Offer not contained in the Offer Booklet may not be relied upon as having been authorised by the Company or any of its officers.

Times and dates

Times and dates in this Offer Booklet are (except where historical) indicative only and subject to change. All times refer to Australian Eastern Daylight Time (AEDT) only.

Currency

Unless otherwise stated, a reference to dollars (\$) or cents (¢) in this Offer Booklet is a reference to Australian currency.

Questions

If you have any questions, please contact the Offer information line 1300 556 161 (within Australia) or +61 3 9415 4000 (for callers outside Australia) during business hours, or consult your financial or other professional adviser.

1 Key offer information

Key dates

Event	Description	Date
Record Date	The date on which Silex determines Eligible Shareholders	7:00pm (AEDT) Friday, 24 February 2023
Announcement Date	SPP announced including the Closing Date	Monday, 27 February 2023
Offer Booklet	The date on which the Offer Booklet and Application Forms are made available	9:00am (AEDT) Monday, 13 March 2023
Offer Opens	The date on which applications for New Shares can be submitted	Monday, 13 March 2023
Offer Closes	SPP closes	5:00pm (AEDT) Thursday, 30 March 2023
Announcement of results of SPP	Results of SPP announced	Tuesday, 4 April 2023
Issue of New Shares	New Shares issued under the SPP	Thursday, 6 April 2023
Trading Commences	New Shares issued under the SPP expected to commence trading on ASX	Tuesday, 11 April 2023
Holding Statements sent to Eligible Shareholders	The date of which holding statements sent to Eligible Shareholders under the SPP	Normal course of business (i.e., end of month)

Note: The timetable above is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times, without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date of the Offer, to accept late applications either generally or in particular cases or to withdraw the Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

The Company also reserves the right not to proceed with the Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

The commencement and quotation of New Shares is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

2 Letter from the Chair

13 March 2023

Dear Shareholder,

Silex Systems Limited - Share Purchase Plan Offer

On behalf of the Board, I am pleased to offer you the opportunity to apply for up to \$30,000 worth of New Shares at \$4.05 per Share (**Issue Price**) (free of brokerage), under Silex's Share Purchase Plan (**SPP**), subject to the Terms and Conditions detailed in this Booklet.

The Offer will open on Monday, 13 March 2023 and is scheduled to remain open until 5:00pm (AEDT) on Thursday, 30 March 2023. Silex may, at its discretion, vary any of the above dates, including closing the Offer earlier, by sending a revised timetable to the ASX. The Issue Price is \$4.05 and represents a 19.2% discount to the volume weighted average market price of the Shares on the ASX during the 5 days on which sales in shares were recorded immediately prior to the announcement date of the SPP on 27 February 2023.

Silex is seeking to raise up to \$20,000,000 under the SPP through the issue of up to 4,938,271 Shares at an issue price of \$4.05 per Share, the same price at which Shares were recently issued under a \$120 million placement announced to the market on 27 February 2023 (**Placement**). If the total demand for the SPP exceeds \$20,000,000, then the Silex Board reserves the right to reject or scale back applications in its absolute discretion or elect to increase the amount raised under the SPP to a maximum of \$25,000,000 through the issue of a maximum of 6,172,840 Shares at an issue price of \$4.05 per Share, subject to the ASX Listing Rules. In the event a scale back is undertaken you may receive less than the parcel of New Shares for which you have applied. Should this happen, the balance of any application money that is not applied to acquire New Shares will be refunded to you, without interest.

The SPP is not underwritten.

On 27 February 2023, Silex announced a Placement to raise \$120,000,000 and the SPP to raise a further \$20,000,000. Assuming the targeted amount of \$20,000,000 is raised under the SPP, approximately \$140,000,000 will be raised in total under the Placement and SPP. The proceeds from the Placement and SPP will be applied towards the following:

- Acceleration of CY2023 activities for the commercial-scale pilot demonstration of SILEX uranium enrichment technology in collaboration with exclusive technology licensee, Global Laser Enrichment LLC (GLE) – preserving the option to potentially commence commercial operations up to 3 years earlier than planned³;
- Support GLE in the pursuit of the 'Triple Opportunity' emerging in the global nuclear fuel supply chain;
- Scale-up of the Zero-Spin Silicon pilot facility for initial commercial production and development of product conversion capability;
- Development of the SILEX technology for cost-effective production of highly enriched Ytterbium-176 (Yb-176) – required for the production of Lutetium-177 (Lu-177) used in nuclear medicine cancer treatments; and

³ Continued acceleration of the commercialisation plan beyond CY2023 remains conditional on the availability of government and industry support, along with geopolitical and market factors

- General working capital requirements and to strengthen the Company's balance sheet.

Participation in the SPP is optional. The Offer under the SPP is being made to Silex shareholders who were registered holders of Shares with an address in Australia or New Zealand at 7.00pm (AEDT) on Friday, 24 February 2023.

Full details of the Offer and how to participate are contained in the Terms and Conditions in Section 4 of this document which I encourage you to read and consider carefully. The Company may close the Offer once it has raised \$20,000,000, and accordingly if you would like to participate in the SPP you are encouraged to submit your application as early as possible.

If you have any questions, please contact the offer information line on 1300 556 161 (within Australia) or +61 3 9415 4000 (for callers outside Australia) during business hours, or consult your financial or other professional adviser.

Thank you for your continued support of Silex.

Yours sincerely,



Craig Roy
Chair
Silex Systems Limited

3 Frequently asked questions

Set out below are answers to some key questions that you may have about the Offer. This table is qualified by and should be read in conjunction with the Terms and Conditions in Section 4.

Question	Answer
What is the Offer?	The Offer enables Eligible Shareholders to apply to purchase up to \$30,000 worth of New Shares in Silex at \$4.05 per New Share. The Issue Price represents a 19.2% discount to the volume weighted average market price of the Shares on the ASX during the 5 days on which sales in shares were recorded immediately prior to the announcement date of the SPP.
Am I eligible to participate?	You are eligible to participate in the Offer if you fulfil the criteria set out in Clause 2 of the Terms and Conditions. For you to be eligible to participate in the Offer, you must have been a holder of Silex shares at 7.00pm (AEDT) on 24 February 2023 (Record Date) and your registered address must be in Australia or New Zealand. If you are a Custodian holding Shares on behalf of one or more beneficial holders, you may also apply to purchase up to \$30,000 worth of New Shares on behalf of each beneficial holder, subject to providing a Custodian Certificate with your payment and complying with the criteria set out in Clause 7.2 of the Terms and Conditions.
Do I have to participate?	Participation in the Offer is optional.
Can I transfer my entitlement to participate?	If you are eligible to participate in the Offer, you cannot transfer your right to purchase New Shares under the Offer to anyone else.
How do I apply?	To apply for New Shares under the Offer you can either: Option 1: Pay by BPAY® Make payment by BPAY® as shown on the Application Form. New Zealand based Eligible Shareholders cannot apply using BPAY® unless they have an Australian bank account. Option 2: Pay by EFT For Eligible Shareholders with a registered address in New Zealand only. Make payment by EFT as shown on the Application Form. Personalised Application Forms are available online at: www.computersharecas.com.au/slx spp
What is the minimum investment for each Shareholder?	The minimum investment for each Shareholder is \$2,000, with increments of \$1,000.
What is the maximum investment for each Shareholder?	The maximum investment for each Shareholder is \$30,000. ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 restricts the value of SPP Shares that can be issued to you or a Custodian on your behalf under any similar arrangement to \$30,000 per Eligible Shareholder in any 12 consecutive months.
How many shares will I receive?	You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in Clause 6 of the Terms and Conditions. The Issue Price for New Shares will be \$4.05. Silex may in its discretion undertake a scale back of applications for New Shares. Therefore, if a scale back is undertaken you may receive less than the parcel of New Shares for which you have applied. Details about any scale back are set out in Clause 10 of the Terms and Conditions. If applications are scaled back, excess funds will be returned to applicants without interest.

Question	Answer
When will I receive my shares?	Silex intends to issue New Shares on 6 April 2023 (Issue Date). Holding statements in respect of those New Shares will be dispatched in the normal course of business (i.e., end of the month). However, these dates are indicative and Silex may, at its discretion, extend the Offer, close the Offer earlier or vary the Issue Date by sending a revised timetable to ASX.
When can I trade allocated shares?	You can trade your New Shares after the Issue Date. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Issue Date before trading any New Shares you believe you have acquired under the Offer.
Is the Offer underwritten?	The SPP is not underwritten.
How much will be raised under the SPP?	Silex is seeking to raise up to \$20,000,000 under the SPP through the issue of up to 4,938,271 Shares at an issue price of \$4.05 per Share, the same price at which Shares were recently issued under a \$120 million Placement announced to the market on 27 February 2023. If the total demand for the SPP exceeds \$20,000,000, then the Silex Board reserves the right to reject or scale back applications in its absolute discretion or elect to increase the amount raised under the SPP to a maximum of \$25,000,000 through the issue of a maximum of 6,172,840 Shares at an issue price of \$4.05 per Share, subject to the ASX Listing Rules.
What will funds raised under the SPP be used for?	Proceeds of the Offer will be used to accelerate commercialisation of the SILEX technology across opportunities in nuclear fuel (via GLE); to scale-up initial production of Zero-Spin Silicon; development of the SILEX technology for Medical Isotopes; for working capital; and to strengthen the Company's balance sheet.

4 Terms and conditions

Important Notice

If you participate in the Offer by making a payment you are accepting the risk that the market price of Shares may change between the Record Date, the Announcement Date, the date of this Offer Booklet, the date on which you make a payment by BPAY® or EFT and the Issue Date. This means that, up to and/or after the Issue Date, you may be able to buy Shares on the ASX at a lower price than the Issue Price.

Please read these Terms and Conditions carefully as you will be bound by them in participating in the Offer. The Important Notices and Key Dates for the Offer sections of this Offer Booklet form part of these Terms and Conditions.

1 Offer

- 1.1 The Company offers each Eligible Shareholder the opportunity to participate in the Offer by subscribing for up to \$30,000 worth of New Shares in Silex Systems Limited at \$4.05 per New Share, subject to and in accordance with the Terms and Conditions set out below.
- 1.2 The Offer of New Shares is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, which grants relief from the requirement to prepare a prospectus for the Offer of New Shares.
- 1.3 All references to \$ or dollars in this Offer Booklet are references to Australian dollars, unless otherwise indicated.

2 Eligibility to participate

- 2.1 You are eligible to participate in the Offer if you were a registered holder of Shares at 7.00pm (AEDT) on Friday, 24 February 2023 (**Record Date**) with an address on the share register in Australia or New Zealand, unless:
 - (a) you hold Shares on behalf of another person who resides outside Australia or New Zealand; or
 - (b) you are, or are acting for the account or benefit of, a person in the United States.
- 2.2 Silex has decided that it is either unlawful or not reasonably practical to make the Offer to Shareholders other than the Eligible Shareholders, having regard to the number and value of New Shares offered and the costs of complying with the relevant legal and regulatory requirements in those jurisdictions outside Australia or New Zealand.
- 2.3 If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply in aggregate for one maximum parcel of New Shares.
- 2.4 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under Clause 7.1(k) by one joint holder will be effective in respect of the other joint holder(s).
- 2.5 Subject to these Terms and Conditions, Eligible Shareholders who are Custodians may participate in the Offer on behalf of each Participating Beneficiary on whose behalf the Custodian is holding Shares.

- 2.6 If you hold Shares as a trustee or nominee for another person, but are not a “Custodian” as defined in the ASIC Instrument, you cannot participate for beneficiaries in the manner described above.
- 2.7 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in Clause 7.2.
- 2.8 Directors and employees of Silex who hold Shares may be Eligible Shareholders.

3 Rights are non-renounceable

If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

4 Issue Price

- 4.1 The Issue Price for New Shares is \$4.05 per New Share.
- 4.2 In accordance with the ASIC Instrument, the Company notes that:
- (a) the closing price of the Shares traded on the ASX on 22 February 2023 (being the last day Shares were traded prior to Silex’s announcement of the Offer) was \$5.13 per Share. The Issue Price of \$4.05 represents a 21.1% discount to that closing price;
 - (b) the market price of Shares may rise or fall between the date of this Offer and the date when New Shares are issued to you under the Offer;
 - (c) by making an application under this Offer, each Eligible Shareholder will be acknowledging that although the Issue Price is at a discount to the closing price specified in section 4.2(a) above, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make the Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Offer may rise or fall accordingly;
 - (d) the Issue Price is a 19.2% discount to the volume weighted average market price of the Shares on the ASX during the 5 days on which sales in shares were recorded immediately prior to the announcement date of the SPP;
 - (e) the method for determining the Issue Price was based on matching the issue price of Shares to be offered under the Placement. The Issue Price was determined at the time of entering into a trading halt in respect of the Placement; and
 - (f) the Issue Price is less than the market price of the Shares during a ‘specified period’ (being the 5 trading days immediately prior to the announcement date of the SPP Offer).

5 Timing

- 5.1 The Offer opens on Monday, 13 March 2023 and closes at 5.00pm (AEDT) on Thursday, 30 March 2023 unless extended or closed earlier. Silex proposes to issue the New Shares on Thursday, 6 April 2023 and send written confirmations to shareholders shortly thereafter.
- 5.2 Applicants will also be able to confirm the number of New Shares issued to them via the Share Registry's offer information line on 1300 556 161 (within Australia) or +61 3 9415 4000 (for callers outside Australia).
- 5.3 Silex reserves the right to extend the Offer or close the Offer earlier, or vary the proposed Issue Date at any time by making an announcement to ASX.

6 Applying for New Shares

- 6.1 You may apply for a parcel of New Shares under the Offer in increments of \$1,000. The minimum application amount is \$2,000. Silex reserves the right to accept applications outside of these set application amounts. The maximum investment under the Offer is \$30,000 per Eligible Shareholder.
- 6.2 No fractions of Shares will be issued. The number of New Shares will be rounded up to the nearest whole number after dividing the application money received by the Issue Price.
- 6.3 You may not spend more than \$30,000 applying for New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.4 If you wish to apply for New Shares under the Offer, you should either:
- (a) pay directly via BPAY® on the internet or by telephone, using your unique Customer Reference Number and the Biller Coder details on the Application Form. The Application Form does not need to be returned in this case; or
 - (b) pay by EFT (for Eligible Shareholders with a registered address in New Zealand only), in Australian dollars to the account set out on the Application Form, quoting your unique reference number and following the instructions as set out in the Application Form. The Application Form does not need to be returned in this case.
 - (c) Personalised Application Forms can be found online at:
www.computersharecas.com.au/slxspg
- 6.5 Do not forward cash or cheques. Receipts for payment will not be issued.
- 6.6 Funds paid via BPAY® or EFT (for Eligible Shareholders with a registered address in New Zealand only), must be received by the Share Registry by **5.00pm (AEDT) on Thursday, 30 March 2023**. Silex may reject applications received after this time. If your EFT does not clear, your application will not be accepted and you agree to be responsible for any costs incurred.
- 6.7 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, Silex may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded application money.

- 6.8 You cannot withdraw or revoke your application once you have your payment.
- 6.9 In accordance with ASX Listing Rule 7.2, Exception 5, the total number of Shares that are able to be issued under the SPP must not exceed 30% of the number of Shares currently on issue.
- 6.10 It is presently intended that a maximum of 4,938,271 Shares will be issued under the Offer, which would raise a maximum of approximately \$20,000,000 before costs. If the total demand for the SPP exceeds \$20,000,000, then the Board reserves the right to reject or scale back applications in its absolute discretion or elect to increase the amount raised under the SPP to a maximum of \$25,000,000 through the issue of a maximum of 6,172,840 Shares at an issue price of \$4.05 per Share, subject to the ASX Listing Rules.
- 6.11 The Company reserves the right, in its absolute discretion, to allot fewer New Shares than an Eligible Shareholder applies for under the Offer, or no New Shares, and any determination by the Directors in respect of any scale back (as provided for in Clause 10) will be final.

7 Effect of making an application

- 7.1 If you submit a payment:
- (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
 - (b) you authorise Silex to correct minor errors in your application and to complete the application by inserting any missing minor details;
 - (c) you acknowledge that the market price of Shares may rise or fall between the date of this Offer and the Issue Date and that the Issue Price you pay for the New Shares may exceed the market price of the Shares on the Issue Date;
 - (d) you accept the risk associated with any refund that may be dispatched to you at your address as shown on the share register;
 - (e) you acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;
 - (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (g) you represent and warrant that you are not in the United States, and are not applying for New Shares on behalf of a person in the United States;
 - (h) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States;
 - (i) you acknowledge that you have not been provided with investment advice or financial product advice by Silex or the Share Registry;

- (j) you acknowledge that the Company and its officers and agents are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these Terms and Conditions;
- (k) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar Silex arrangement in the 12 months prior to your application, exceeds \$30,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s); and
- (l) you agree that your application is irrevocable and unconditional.

7.2 If you are a Custodian, you certify that:

- (a) you are a Custodian as defined in the ASIC Instrument;
- (b) as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have instructed you to apply for New Shares;
- (c) the Participating Beneficiary has been given a copy of this Offer Booklet;
- (d) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading; and
- (e) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar Silex arrangement in the 12 months prior to your application, exceeds \$30,000.

7.3 Custodians wishing to participate on behalf of one or more beneficiaries and are uncertain about how to do so should contact the Share Registry to obtain more information on how to apply and the form of Custodian Certificate to be given.

7.4 Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you are not a Custodian as defined in the ASIC Instrument, you cannot participate for beneficiaries in the manner outlined in Clause 7.2 above. In this case, the rules for multiple registered holdings as described in Clause 2.3 apply.

7.5 Custodians, trustees and nominees may not distribute any document relating to the SPP to any person in the United States.

8 Rights attached to the New Shares

New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Issue Date. Silex will apply for the New Shares to be quoted on ASX.

9 Costs of participation

No brokerage and transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue and allotment of, New Shares under the SPP.

10 Applications may be scaled back

- 10.1 A scale back is a reduction in the allotments of New Shares under the SPP (compared to the parcels applied for) that the Company may undertake if it receives applications under the SPP for more New Shares than it wishes to issue.
- 10.2 The Company reserves the right to issue an Eligible Shareholder fewer Shares than the number specified in the Application Form for whatever reason, including to avoid possible subscription of over \$30,000 worth of Shares by a Shareholder through multiple applications or joint holdings or subscriptions that would result in a breach of the \$30,000 limit in the ASIC Instrument.
- 10.3 Silex aims to raise up to \$20,000,000 under the SPP. The SPP is not underwritten. Silex reserves the right, in its absolute discretion, to close the Offer early or to scale back applications and/or increase to a maximum of \$25,000,000 in aggregate.
- 10.4 If applications are scaled back, Silex may in its absolute discretion apply the scale back to the extent and in any manner that it sees fit. If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be issued will be rounded up to the nearest whole number of New Shares.
- 10.5 In the event of a scale back, the difference between the application monies received, and the number of New Shares issued to you multiplied by the Issue Price, will be refunded by Silex, without interest, following the issue of the New Shares.
- 10.6 Scale back decisions are made by the Board and are final.

11 Refunds

- 11.1 Refunds pursuant to the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 11.2 If a refund is made, payment will be by cheque mailed to your address as shown on the Company's share register.
- 11.3 You will not receive any interest on funds refunded to you.
- 11.4 Any refund made to you is dispatched at your risk.

12 Foreign Restrictions

- 12.1 The New Shares offered under the Offer are not being offered or sold to the public within New Zealand other than to Eligible Shareholders (being holders of Shares in the Company at 7:00pm (AEDT) on the Record Date with a registered address in New Zealand) and to whom the Offer is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand) (or any replacement exemption notice). This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

- 12.2 This Offer Booklet and the accompanying Application Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Application Form may be distributed or released in the United States. The New Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do so or procure) or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The New Shares to be offered and sold in the Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

13 Dispute resolution

Silex reserves the right to settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer and the decision of Silex will be conclusive and binding on all shareholders and other persons to whom the determination relates.

14 Waiver, amendment, suspension and termination

- 14.1 Silex may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where Silex does not notify you of the event.
- 14.2 Silex is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.

15 Governing law

These Terms and Conditions are governed by the laws in force in New South Wales.

16 Binding terms

By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of Silex.

17 Reliance on Terms and Conditions

These Terms and Conditions have been prepared in accordance with the ASIC Instrument, which relates to share purchase plans that do not require a prospectus or disclosure document. Accordingly, the level of disclosure in these Terms and Conditions is considerably less than the level of disclosure required in a prospectus or other disclosure document.

Nothing in these Terms and Conditions constitutes financial or investment advice. In deciding whether or not to participate in the SPP, you should rely on your own knowledge of Silex, refer to disclosures made by Silex to ASX (which are available for inspection on ASX’s website at www.asx.com.au (ASX code: SLX) and on Silex website at <https://www.silex.com.au/>) and seek the advice of your professional adviser.

18 Privacy Notification

Silex and the Share Registry value your privacy and will take reasonable steps to protect your personal information in accordance with applicable data privacy laws and regulations. Note, however, that Silex and the Share Registry are located primarily in Australia and data privacy laws may be less strict in Australia than those of the country in which you reside when you receive this Offer.

This privacy statement sets out how information about you will be collected, held, used and disclosed to and accessed by third parties during your participation in the SPP and while you hold Shares.

Silex and the Share Registry are bound by the *Privacy Act 1988* (Cth) in relation to the collection, use and disclosure of any personal information about you. Chapter 2C of the Corporations Act requires personal information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. If we are unable to collect this personal information about you, you will be unable to participate in the SPP. This personal information must continue to be included in the public register if you cease to be a shareholder.

19 Definitions

In this document the following terms have these meanings:

Definition	Meaning
AEDT	Australian Eastern Daylight Time.
Announcement Date	means the date on which the Offer was first announced to ASX, being Monday, 27 February 2023.
Application Form	The application form which accompanies this Offer Booklet to be used to make an application in accordance with the instructions set out on that form.
ASIC	The Australian Securities and Investments Commission.
ASIC Instrument	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.
ASX	ASX Limited or the Australian Securities Exchange, as the context requires.
Board or Silex Board	The board of Silex Systems Limited.
Closing Date	The date on which the Offer closes, being Thursday, 30 March 2023 at 5.00pm (AEDT).
Company or Silex	Silex Systems Limited ACN 003 372 067 (ASX: SLX).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	<p>A custodian is defined in section 4 of the ASIC Instrument as a person that provides a custodial or depository service in relation to shares of a body corporate or interests in a registered scheme and who:</p> <ul style="list-style-type: none"> a) holds an Australian financial services licence covering the provision of a custodial or depository service; b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service; c) holds an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme; d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

Definition	Meaning
Custodian Certificate	A certificate complying with subsection 8(3) of the ASIC Instrument.
Director	A director of the Company.
Eligible Shareholder	A person who is eligible to participate in the Offer in accordance with Clause 2.1 of the Terms and Conditions.
Issue Date	The date the New Shares under the Offer will be issued, expected to be 6 April 2023 (subject to change).
Issue Price	The price payable per New Share under the Offer, being \$4.05 per New Share.
Offer	The share purchase plan offer made to Eligible Shareholders under this document.
Offer Booklet or SPP Offer Booklet	This offer booklet in relation to the Offer, including the Terms and Conditions and the personalised Application Form accompanying this offer booklet.
Opening Date	The date on which the Offer opens, being Monday, 13 March 2023.
New Shares	The Shares offered under the Offer.
Participating Beneficiary	A Beneficiary with a registered address in Australia or New Zealand, provided that such Beneficiary is not in the United States.
Payment	BPAY [®] payment if you are an Eligible Shareholder with a registered address in Australia or making a BPAY [®] payment or electronic fund transfer (EFT) if you are an Eligible Shareholder with a registered address in New Zealand.
Record Date	7.00pm (AEDT), Friday, 24 February 2023.
Share Registry	Computershare Investor Services Pty Limited.
Shares	Fully paid ordinary shares in Silex.
Share Purchase Plan or SPP	The Share Purchase Plan referred to in this document.
Shareholder	A holder of a Share.
Silex Board	The board of Silex Systems Limited.
Terms and Conditions	The terms and conditions of the Offer set out in Section 4 of this Offer.
US Securities Act	<i>US Securities Act of 1933</i> , as amended.
US Persons	As defined in Regulation S of the U.S. Securities Act.