

Disclosure of ceasing to have substantial holding

Section 279, Financial Markets Conduct Act 2013

To NZX Limited
and
To SLI Systems Limited (SLI)

Date this disclosure made: 28 February 2018

Date last disclosure made: 12 May 2017

Date on which substantial holding ceased: 27 February 2018

Substantial product holders giving disclosure

Full names: Pioneer Capital Management Limited ("**PCML**")

Pioneer Capital Partners I LP and NZVIF (INF) Limited (together,
"**PCP1/NZVIF**")

Matthew Gainsford Houtman

Summary of previous substantial holding

Class of quoted voting products: Ordinary shares

Summary for PCML, PCP1/NZVIF and Matthew Gainsford Houtman (i.e. total for all substantial product holders giving this disclosure)

For **last** disclosure,—

(a) total number held in class: 6,083,563

(b) total in class: 62,260,816

(c) total percentage held in class: 9.771%

For current holding **after** ceasing to have substantial holding,—

(a) total number held in class: 450,090

(b) total in class: 62,260,816

(c) total percentage held in class: 0.722%

Summary for **Pioneer Capital Management Limited**

For **last** disclosure,—

- (a) total number held in class: 6,070,230
- (b) total in class: 62,260,816
- (c) total percentage held in class: 9.750%

For current holding **after** ceasing to have substantial holding,—

- (a) total number held in class: 436,757¹
- (b) total in class: 62,260,816
- (c) total percentage held in class: 0.701%

Summary for **Pioneer Capital Partners I LP and NZVIF (INF) Limited**

For **last** disclosure,—

- (a) total number held in class: 5,913,798
- (b) total in class: 62,260,816
- (c) total percentage held in class: 9.499%

For current holding **after** ceasing to have substantial holding,—

- (a) total number held in class: 280,325
- (b) total in class: 62,260,816
- (c) total percentage held in class: 0.450%

Summary for **Matthew Gainsford Houtman**

For **last** disclosure,—

- (a) total number held in class: 169,765
- (b) total in class: 62,260,816
- (c) total percentage held in class: 0.273%

¹ This holding comprises: (1) 156,432 ordinary shares in SLI that are legally and beneficially owned by PCML; and (2) 280,325 ordinary shares in SLI in which PCML has a relevant interest. As previously disclosed, PCML (in its capacity as the investment manager for PCP1/NZVIF) has the power to exercise voting rights attaching to, and the power to dispose of, the SLI ordinary shares beneficially owned by PCP1/NZVIF.

For current holding **after** ceasing to have substantial holding,—

- (a) total number held in class: 169,765²
- (b) total in class: 62,260,816
- (c) total percentage held in class: 0.273%

Details of transactions and events giving rise to ceasing of substantial holding

Details of the transactions or other events requiring disclosure:

Since the last substantial product holder notice dated 12 May 2017, PCP1/NZVIF sold a total of 633,473 ordinary shares in SLI beneficially owned by them through eight separate on-market transfers, which (in aggregate) had the effect of reducing its substantial holding in SLI by more than 1%:

Date	Number of SLI ordinary shares sold on-market	Percentage of SLI ordinary shares on issue
22 June 2017	283,473	0.455%
1 August 2017	50,000	0.080%
9 August 2017	26,500	0.043%
21 August 2017	15,000	0.024%
23 February 2018	169,850	0.273%
26 February 2018	50,150	0.081%
26 February 2018	2,500	0.004%
27 February 2018	36,000	0.058%
Total	633,473	1.017%

The aggregate consideration received for the above on-market transfers was \$198,115.

On 27 February 2018, PCP1/NZVIF also sold 5,000,000 ordinary shares in SLI beneficially owned by them through an off-market transfer to Forsyth Barr Custodians Limited (representing 8.031% of the total SLI ordinary shares on issue), for total consideration of \$1,250,000. This off-market transaction has resulted in the substantial product holders giving this notice ceasing to have a substantial holding in SLI ordinary shares.

² This holding comprises: (1) 13,333 ordinary shares in SLI that are legally and beneficially owned by Mr Houtman; and (2) Mr Houtman's relevant interest in 156,432 ordinary shares in SLI that are legally and beneficially owned by PCML. The MGH & KMW Family Trust (of which Mr Houtman is a trustee) holds 45% of the shares in PCML and accordingly, Mr Houtman has a deemed relevant interest in those shares.

Additional information

Addresses of substantial product holders:

Pioneer Capital Management Limited: Grant Thornton New Zealand Limited, Level 4, 152 Fanshawe Street, Auckland 1140, New Zealand

Pioneer Capital Partners I LP: First Building On The Right, Heather Street, Parnell, Auckland 1052, New Zealand

NZVIF (INF) Limited: Unit 1b, Ascot Office Park, 93-95 Ascot Avenue, Greenlane, Auckland, New Zealand

Contact details: Graham Fussell, phone: (09) 304 0870, email: graham.fussell@pioneercapital.co.nz

Nature of connection between substantial product holders:

PCML is the investment manager for PCP1/NZVIF. Mr Houtman, through an associated trust, owns 45% of PCML and is deemed to have a relevant interest in the ordinary shares in SLI held by PCML, as well as having a relevant interest in the shares in SLI held in his own right.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Forsyth Barr Custodians Limited.

Disclosure has effect for purposes of directors' and senior managers' disclosure

Matthew Gainsford Houtman is also a non-executive director of SLI. This disclosure also constitutes disclosure for the purposes of the directors' and senior managers' disclosure obligations. (Note that there has been no change in Mr Houtman's relevant interest in SLI ordinary shares.)

Certification

I, Graham Fussell, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.