

Continuous Disclosure Policy and Communications Strategy

Adopted by Board July 2015

Introduction

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the state of affairs of Memphasys Limited.

Furthermore, Memphasys Limited respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company is committed to:

- (a) communicating effectively with shareholders;
- (b) providing shareholders with ready access to balanced and understandable information about the Company and corporate proposals; and
- (c) making it easier for shareholders to participate in general meetings of the Company.

2. Communication to stakeholders

This Policy provides that information will be communicated to shareholders and the market through:

- (a) the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- (b) the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- (c) the Half-Yearly Directors' and Financial Reports; and
- (d) Announcements released to ASX as required under the continuous disclosure requirements of the Listing Rules and other information that may be mailed to shareholders;
- (e) Other announcements which the Board deems not material but provide further information on the Company's operations.
- (f) The Memphasys' Website.

3. Communication channels

The Company will actively promote communication with shareholders through a variety of measures, including the use of the Memphasys' website and email. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.memphasys.com via a link to the ASX website: www.asx.com.au under ASX code '**MEM**'.

The Board encourages full participation of shareholders at Annual General Meetings and general meetings and uses these meetings to assist shareholders in understanding Company objectives and strategies in relation to its business activities.

The Memphasys' Annual Report is the main vehicle for communicating with shareholders on the activities and performance of the Company in the previous 12 months. The Annual Report will be posted on the Memphasys' website and will be downloadable.

In accordance with the Listing Rules, Memphasys will notify the ASX immediately of information:

- (a) concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities; and
- (b) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Company securities.

This also applies to information that the market requires to correct or prevent a false market where trading in Company securities occurs in the absence of material price-sensitive information; or on the basis of information that is inaccurate or misleading. In such a circumstance and in compliance with the Listing Rules, Memphasys Limited will give the ASX the information needed to correct or prevent the false market.

4. Determining 'disclosable' information

In accordance with legal, statutory and ASX listing requirements (particularly Listing Rule 3.1), Memphasys Limited will disclose all information concerning it, of which it is or becomes aware, that a reasonable person would expect to have a material effect on the price or value of its securities.

Information will be taken to have a material effect on the price or value of Memphasys Limited securities if a reasonable person would expect the information to, or be likely to, influence persons who commonly invest in securities in deciding whether or not to trade the securities.

The Board Secretary, in consultation with the Chairman, has responsibility for determining whether a particular piece of information is material or falls within the exception, otherwise the information should be provided to the ASX for a determination.

5. Continuous disclosure compliance

The Company Secretary has responsibility for:

- (a) ensuring employees (including Directors and Officers) receive a copy of this Policy statement as well as a copy of Guidance Note 8 of the Listing Rules, which highlights the general principles and obligations set out in Chapter 3 of the Listing Rules pertaining to Continuous Disclosure;

- (b) conducting education sessions for new staff members;
- (c) ensuring that Memphasys Limited has an effective reminder system regarding the obligations of employees to notify the Company Secretary or Chairman of matters that may be disclosable under this Policy, and to otherwise comply with this Policy. This may be via email, in staff meetings or by refresher courses conducted annually;
- (d) including in the reminder system a requirement that all staff members report potential breaches of this Policy directly to the Company Secretary or Chairman; and
- (e) ensuring that Directors and Officers are briefed in detail regarding the continuous disclosure regime.

6. Disclosure agreements

All Directors will enter into a Director Disclosure Agreement with Memphasys Limited (as set out in Guidance Note 22 of the Listing Rules). The Company Secretary is to maintain records of signed copies of these agreements.

7. Release of ASX announcements

Memphasys Limited recognises that non-public, material information (which may include positive as well as negative information affecting the prospects for Memphasys), must be released in a timely manner and when released, must be made broadly available to the market. Accordingly, all new material information in the first instance will be released to the ASX.

The procedure for the release of ASX announcements is as follows:

- (a) the Board shall review and provide written approval to the Company Secretary in respect of all key announcements prior to release to the market;
- (b) any relevant parties named in the announcement shall review for factual accuracies in respect of information attributable to them and provide written consent for inclusion of the names in the announcement to the Company Secretary;
- (c) the Chairman (and in their absence another Director) is to give the final sign-off before release to the ASX;
- (d) all announcements are to be released electronically by the Company Secretary;
- (e) after confirmation of the release has been obtained from ASX, the Company Secretary will circulate the release to all Directors and Officers of the Company;
- (f) the Company Secretary is to maintain a register and copy of all announcements released.

As a policy matter, the Company will not comment on rumours unless, in the circumstances, this would amount to a breach of Listing Rule 3.1B or other applicable laws.

8. Dealing with the media and analysts

All media enquiries relating to Memphasys Limited are to be coordinated by the Company Secretary, in consultation, with the Chairman. Media comment will be made only by the Chairman or other authorised Company spokesperson.

The Chairman will approve all press releases referring to material issues prior to release.

Memphasys Limited will actively seek to provide private briefings to analysts, institutions and stockbrokers to enhance their understanding of the Company. However, these private briefings must not involve the disclosure of price-sensitive information. If any new information is provided in the presentation, a copy must be lodged with the ASX prior to that meeting. If price-sensitive information is inadvertently disclosed at a private briefing, then the information must be announced to the ASX as soon as practicable.

If an analyst asks a question at a private briefing which touches on a price-sensitive area, then the Company spokesperson can only use publicly available information in the answer. Where this is not possible, then the Company spokesperson should decline to answer the question or take it on notice and answer it after a general disclosure to the ASX has been made. As such, at any private briefing at least two executives should be present and a detailed record of the meeting be taken.

In respect of telephone conversations with investors, analysts and the media, a note of the conversation should be made.

9. Dealing with shareholders

Memphasys Limited will use annual general and other general meetings to communicate with shareholders about its financial performance and business strategy. At all shareholder meetings, the Company will actively encourage and allow a reasonable opportunity for shareholder participation.

In all other cases, depending on the nature of the enquiry, the Chairman, Company Secretary or Share Registry will deal with private shareholder enquiries.

10. Publication

A copy of this Policy is available at www.memphasys.com