Continuous Disclosure Policy and Communications Strategy

1. Introduction

The Board recognises its duty is to promote effective communication with shareholders and 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. Assessing if information is 'price sensitive'

The guiding principle is that the Company must immediately disclose to ASX any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of Company Securities.

If information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Company Securities, it is material.

However, information could be material in other ways. If there is any doubt, the information should be disclosed to the Company Secretary or another member of the Market Disclosure Committee (if the Company Secretary is unavailable).

Examples of the types of information that may need to be disclosed include:

(a) a change in revenue, or profit or loss, forecasts;

(b) a change in asset values or liabilities;

(c) a change in tax or accounting policy;

(d) a change in the attitude of significant investors to investing in Company Securities;

(e) a decision of a regulatory authority in relation to the Group's business;

(f) a relationship with a new or existing significant customer or supplier;

(g) a formation or termination of a joint venture or strategic alliance;

(h) an entry into or termination of a major contract;

(i) a significant transaction involving the Company or any of its controlled the Company;

(j) a labour dispute;

(k) a threat, commencement or settlement of any material litigation or claim;

(l) the lodging of a document containing price-sensitive information with an overseas exchange or other regulator so that it is public in that country;

(m) an agreement between the Company and one of its directors or one of their related parties; or

(n) a director's health.

There are many other types of information that could give rise to a disclosure obligation. For example, a development in a company affiliated with, but not controlled by, the Company may be price-sensitive when related to the Company itself.

6. Exception to disclosure

The Company is not required to give ASX information if:

(a) a reasonable person would not expect the information to be disclosed;

(b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

(c) one or more of the following conditions in ASX Listing Rule 3.1A.3 applies:

  (i) it would be a breach of the law to disclose the information;

  (ii) the information concerns an incomplete proposal or negotiation;

  (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;

  (iv) the information is generated for internal management purposes; or

  (v) the information is a trade secret.

Each of (a), (b) and (c) must be satisfied in order for the exception to apply.

7. False markets, market speculation and rumours, and cyber breaches

Market speculation and rumours, whether substantiated or not, have the potential to impact on the Company. Speculation may also contain factual errors that could materially affect the Company. Cyber Breaches are assessed depending upon the materiality of the breach and the impact on the Company's normal operations (this is further described in Annexure A)

The Market Disclosure Committee will monitor movements in the price or trading of Company Securities to identify circumstances where a false market may have emerged in Company Securities.

If ASX asks the Company to give it information to correct or prevent a false market, the Company Secretary is responsible for giving the information to ASX after following the procedure in paragraph 10.

The Group's general policy on responding to market speculation and rumours is that it does not respond to market speculation or rumours. However, the Market Disclosure Committee may decide to make a statement in response to market speculation or rumours if:

(a) it considers it is obliged at that time to make a statement to the market about a particular matter; or

(b) ASX asks for information,

(c) to prevent or correct a false market occurring in Company Securities.

8. 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.

9. 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.

10. 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.

11. 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.

12. Dealing with shareholders

Memphasys Limited will use 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.

13. Publication

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

Adopted July 2015 / Reviewed May 2018 / Reviewed and udpated August 2024

Annexure A – CYBER BREACH

On 27 May 2024, updated guidance from the Australian Securities Exchange (**ASX**) regarding continuous disclosure obligations for cyber breaches came into effect.

ASX's recent update to Guidance Note 8 (**GN 8**) includes a detailed data breach case study, providing practical insights for the Company navigating cybersecurity incidents.

1. Application of the Listing Rule 3.1A exception

The data breach case study outlines scenarios where immediate disclosure may not be warranted, due to insufficient information or uncertainty about the breach's impact on the Company's securities. The role of confidentiality is also discussed.

The example set out in GN 8 confirms that the mere existence of a cyber incident does not (of itself) enliven an obligation for immediate disclosure, but a listed Company must continually assess the materiality and the justification for maintaining confidentiality of the breach, to ensure that timely disclosure is made when or if required under the listing rules.

Investigation of the Incident

At the point where the Company is aware of the breach, but uncertain about its scope and impact on its business (for example, because data is encrypted and may therefore even if actually taken, be useless to a hacker), the exception in Listing Rule 3.1A.1 (bullet point 3) (along with the elements in Listing Rules 3.1A.2 and 3) are likely to apply to avoid disclosure, as it is not yet clear that the breach is price sensitive. This may even apply when a ransom demand threatening disclosure of a sample of information is received, or if it becomes known that *some* personal information routinely stored in encrypted form has been accessed (but the extent of access, and whether that information was exfiltrated, remains unknown) and this information is made known to the Office of the Australian Information Commissioner (**OAIC**) on a confidential basis.

At this stage:

- confidential engagement with regulators may remain confidential and does not result in loss of confidentiality for disclosure purposes; and
- preparation of a draft ASX announcement that may be rapidly released if necessary is recommended.

Announcement of the incident

If, at any point, it becomes evident that the breach is likely to be price sensitive, an announcement should be made. This will occur, for example, if it becomes evident that a large amount of customers' sensitive information (such as personal information and credit card details) has been exfiltrated in unencrypted form. The same applies if a journalist becomes aware of the matter or if it becomes necessary to notify affected customers, as in these cases, the confidentiality element in Listing Rule 3.1A is lost.

Evolution of the incident

The case study provides commentary along a continuum as the incident unfolds, noting inflection points when disclosure may become necessary:

- discovery that a breach has occurred, but the extent and effect of the breach is not yet known;
- ransom demand;
- confirmation from experts that *some* personal and financial information has been exfiltrated, but there is insufficient information to determine if the breach is price sensitive, because the extent of the exfiltrated information and the extent to which that information was stored in encrypted form is not yet known;
- confidential engagement with regulators;

- formal notification to the OAIC;
- loss of confidentiality through the media or an obligation to notify affected customers;
- confirmation that a large amount of customers' personal and financial information in unencrypted form has been exfiltrated;
- post announcement events, such as threats of wider publication of stolen data and payment of ransom demands;
- actual release of stolen information on the dark web; and
- potential class action from impacted customers or shareholders (and, subsequently, service of any such class action).

While the case study does not touch on this particular scenario, one other factor that a listed Company may need to consider is the extent to which the business activities of the Company are disrupted due to the cyber incident, such as when data is encrypted by the ransomware threat actor or when systems are inaccessible. Again, the key will be whether or not this is price sensitive.

2. Announcement content

The case study highlights information that the ASX expects should be included in announcements, such as a description of the breach, its potential impact on operations and the Company's financial position, and the remedial measures being implemented and when further market updates can be expected. Specific inclusions recommended in ASX disclosure include:

- awareness of the type of data accessed;
- whether data has been exfiltrated;
- the number of customers or accounts impacted;
- whether data was accessed through T's systems or a third party system; and
- whether the incident is continuing.

3. ASX's approach to confidential engagement with regulators

ASX confirms that where a Company engages with regulators on a confidential basis about a data breach incident (ie before there is a formal notification lodged and/or notification to impacted individuals), such engagement does not result in loss of confidentiality for the purposes of the Listing Rule 3.1A exception to disclosure. Accordingly, the confidentiality limb of that exception will still apply and, provided the other prerequisites are satisfied, disclosure will not be required.

4. Use of trading halts and voluntary suspensions

During cybersecurity incidents, the Company may use trading halts and voluntary suspensions to manage market uncertainties. However, trading halts and voluntary are not means to simply delay disclosure and may be only appropriate where resolution of uncertainty is expected within a short period so as to enable more detailed disclosure. The Company must engage with ASX early if they consider they may need a trading halt or voluntary suspension to manage their disclosure obligations with respect to a cyber-incident.