

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

MEMPHASYS LIMITED

ABN/ARBN

33 120 047 556

Financial year ended:

30 JUNE 2022

Our corporate governance statement¹ for the period above can be found at:²

☒ This URL on our website:

<https://www.memphasys.com/investor-relations/corporate-governance/> where there is a link to the 2022 Corporate Governance Statement

¹ “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council’s recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity’s corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

The Corporate Governance Statement is accurate and up to date at 31 August 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 31 August 2022

Name of authorised officer authorising lodgement: Andrew Metcalfe, Company Secretary

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	X and we have disclosed a copy of our board charter at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 1.1 of the Company's Corporate Governance Statement	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	X	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	X	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	X	

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate-governance/charters/").

⁵ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	X and we have disclosed a copy of our diversity policy at: https://www.memphasys.com/investor-relations/corporate-governance/ and we have disclosed the information referred to in paragraph (c) at: Item 1.5 of the Company's Corporate Governance Statement 	X set out in our Corporate Governance Statement Refer to Item 1.5 (c) (i) of the Corporate Governance Statement in respect of the Measurable Objectives and reasons why Directors have not adopted specific measurable objective targets to achieve gender diversity in FY2022

Key to Disclosures Corporate Governance Council Principles and Recommendations

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1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	X and we have disclosed the evaluation process referred to in paragraph (a) at: Item 1.6 of the Company's Corporate Governance Statement X and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Item 1.6 of the Company's Corporate Governance Statement	
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	X and we have disclosed the evaluation process referred to in paragraph (a) at: Item 1.7 of the Company's Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Item 1.7 of the Company's Corporate Governance Statement	

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	X and we have disclosed a copy of the charter of the committee at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 2.1 of the Company's Corporate Governance Statement and the information referred to in paragraphs (4) and (5) at: Item 2.11 of the Company's Corporate Governance Statement	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	X and we have disclosed our board skills matrix at: Item 2.2 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	X and we have disclosed the names of the directors considered by the board to be independent directors at: Item 2.3 of the Company's Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: Item 2.3 of the Company's Corporate Governance Statement and the length of service of each director at: Item 2.3 of the Company's Corporate Governance Statement	
2.4	A majority of the board of a listed entity should be independent directors.		X set out in our Corporate Governance Statement Item 2.4 of the Company's Corporate Governance Statement and reasons why a majority of the board are not independent and how the Board responds to this guideline
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	X set out in our Corporate Governance Statement (from 26 April 2022)	X set out in our Corporate Governance Statement (until 26 April 2022) Item 2.5 of the Company's Corporate Governance Statement and reasons why the chair was not independent and is CEO, and how the Board is responding to this guideline
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	X Item 2.6 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	X and we have disclosed our values at: Item 3.1 of the Company's Corporate Governance Statement	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	X and we have disclosed our code of conduct at: Item 3.2 of the Company's Corporate Governance Statement	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	X and we have disclosed our whistleblower policy at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 3.3 of the Company's Corporate Governance Statement	
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	X and we have disclosed our anti-bribery and corruption policy at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 3.4 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	X and we have disclosed a copy of the charter of the committee at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 4.1 of the Company's Corporate Governance Statement and the information referred to in paragraphs (4) and (5) at Item 4.1 of the Company's Corporate Governance Statement and in the Company's annual report	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	X Item 4.2 of the Company's Corporate Governance Statement	
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	X Item 4.3 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	X and we have disclosed our continuous disclosure compliance policy at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 5.1 of the Company's Corporate Governance Statement	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	X Item 5.2 of the Company's Corporate Governance Statement	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	X Item 5.3 of the Company's Corporate Governance Statement	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	X and we have disclosed information about us and our governance on our website at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 6.1 of the Company's Corporate Governance Statement	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	X Item 6.2 of the Company's Corporate Governance Statement	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	X and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Item 6.3 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	X Item 6.4 of the Company's Corporate Governance Statement	
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	X Item 6.5 of the Company's Corporate Governance Statement	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	X and we have disclosed a copy of the charter of the committee at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 7.1 of the Company's Corporate Governance Statement and the information referred to in paragraphs (4) and (5) at Item 7.1 of the Company's Corporate Governance Statement	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	X and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at Item 7.2 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	X and we have disclosed how our internal audit function is structured and what role it performs at: Item 7.3 of the Company's Corporate Governance Statement	
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	X and we have disclosed whether we have any material exposure to environmental and social risks at: Item 7.4 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	X and we have disclosed a copy of the charter of the committee at: https://www.memphasys.com/investor-relations/corporate-governance/ Item 8.1 of the Company's Corporate Governance Statement and the information referred to in paragraphs (4) and (5) at: Item 8.1 of the Company's Corporate Governance Statement	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	X and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Item 8.2 of the Company's Corporate Governance Statement	
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	X and we have disclosed our policy on this issue or a summary of it at: Item 8.3 of the Company's Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	N/A	
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	N/A	
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	N/A	

Memphasys Limited (ABN 33 120 047 556)

Corporate Governance Statement

Year Ended 30 June 2022

This statement has been approved by the Board of Memphasys Limited and is current as at 31 August 2022.

Memphasys Limited's approach to Corporate Governance

Memphasys Limited ('Memphasys' or the 'Company') has adopted a program to continuously review and improve its charters, policies and procedures periodically as required to ensure its corporate governance framework remains current and compliant with best corporate practice.

This Corporate Governance Statement is attached to the Appendix 4G (Key to Disclosures – Corporate Governance Council Principles and Recommendations) for lodgement with ASX. In support of the information contained in the Appendix 4G, details of the Company's ongoing adherence to the ASX Corporate Governance Council Principles and Recommendations are outlined below. This Corporate Governance Statement addresses the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' – 4th Edition released in 2019 (referred to as 'ASX Principles or Recommendations').

The Company's Charters and Policies for the Board and its current Board sub-committees referred to in this Corporate Governance Statement are available in the Corporate Governance section of Memphasys website at <https://www.memphasys.com/investor-relations/corporate-governance/> (collectively such charters and policies are known as the "Corporate Governance Documents"). A copy of the 2022 Annual Report is also available on the Memphasys website at <https://www.memphasys.com/investor-relations/corporate-governance/>

Comms Group continuously monitors and updates the Company's risk management framework including the review and identification of requisite Board skills to ensure that the Company is in a strong and sustainable financial position to achieve its strategic goals and to ensure Directors hold the skills, knowledge and experience that enables the Board to discharge its duties and responsibilities effectively.

This Corporate Governance Statement reports in detail the Company's progress in adopting, implementing and adhering to the specifics of the ASX Principles and Recommendations.

Principle 1 Lay Solid Foundations for Management and Oversight

1.1 Roles and Responsibilities

Memphasys' Board Function and Board Charter (Board Charter) was adopted in July 2015 and is reviewed periodically as required. The Board Charter is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>

[governance/](#). The document outlines the roles and responsibilities of the Board and management including those items expressly reserved to the Board and those delegated to management.

1.2 Director Selection

During the 2022 reporting period Mr Robert Cooke was appointed to the Board, and Mr Shane Hartwig resigned as a director. Mr Cooke was appointed as Chair of the Company in April 2022 and Ms Alison Coutts was appointed Managing Director and CEO. The election of Mr Cooke will be put to shareholders at the 2022 Annual General Meeting (AGM).

In considering candidates for the selection, election and appointment as a Director, the Board assess a candidate's background, qualifications, industry experience and personal attributes. As part of this process and at regular intervals, the Board will conduct a skills assessment to ensure that Directors possess the appropriate skills, experience and attributes to govern the Company.

When appointing a Director, the Company conducts appropriate pre-appointment checks and security holders have the opportunity of reviewing relevant information prior to voting on the appointment at the AGM.

1.3 Terms of Appointment

Memphasys has written agreements with Directors setting out the key terms and responsibilities of their appointment.

Senior Executive employment contracts clearly state the terms of appointment and the expectations of the Company regarding performance including any performance-based incentives. This includes applying claw back provisions for bonuses where key targets are not achieved and ensuring terms and conditions meet best corporate practice.

1.4 Company Secretary

All Board members have access to the Company Secretary. The role of the Company Secretary is outlined in the Board Charter. The Company Secretary assists and advises the Board on governance and compliance matters. The Company Secretary has a direct reporting relationship to the Executive Chairman of the Board.

Company Secretarial services are managed by Mr Andrew Metcalfe, an experienced independent Company secretary and business consultant. Mr Metcalfe was appointed to the position on the 29 November 2016. Mr Metcalfe is professionally qualified for the position having been a Company secretary and governance advisor to ASX listed companies for over 25 years.

1.5 Diversity Policy

Memphasys' Diversity Policy is available in the Corporate Governance section of the Company's website, at <https://www.memphasys.com/investor-relations/corporate-governance/>, which promotes diversity of religion, race, ethnicity, gender, disabilities, age, cultural background, socio-economic background, sexual orientation, perspective, experience and other areas of difference. Memphasys is an inclusive workplace that values diversity which encompasses nationality, age,

religious beliefs, sexual orientation as well as gender diversity. Memphasys is an equal opportunity employer.

The Company have not adopted specific measurable objectives or gender targets for the Board, senior executives or for employees. However the Board is aware of good governance requirements to set specific targets as the Company expands its size and strategic development in the communications sector. Memphasys Limited has 10 employees with an additional four senior consultants. Directors are of the view that specific targets are not necessary given the current size and stage of development of the Company. The Board believes that gender diversity has already been achieved with a small professional staff of 7 males (including two consultants) and 7 females (including two consultants), one of whom is the Managing Director of the Company.

To provide an accurate reflection of the proportion of women across the whole organisation including contractors, as at the date of this Corporate Governance Statement:

- Board: 25%
- Senior Executive/Senior Management: 25%
- Employees/Contractors: 56%

1.6 Board and Committee Performance and Evaluation

Memphasys has an evaluation process for its Board and Board sub-committees and Directors which is stated in the Board Charter available on the Company's website. The process of performance review enables the Board to identify areas for improvement. The Board performance evaluation, amongst other things, is based on the Company's performance against long term objectives, the business plan and annual budget performance.

An informal and ongoing evaluation of the Board, the People & Remuneration Committee and Audit and Risk Committee was conducted during the 2022 reporting period. Directors confirmed that the Board and committees were functioning appropriately and provided suitable forums for discussion of Company business.

1.7 Senior Management Performance Evaluation

Memphasys sets key performance indicators for its senior management and performance is evaluated against these targets annually. During the 2022 reporting period, annual reviews against these targets were conducted.

Principle 2 Structure the Board to Add Value

2.1 People & Remuneration Committee

Memphasys Limited has a People & Remuneration Committee (PRC) to assist the Board in reviewing succession planning, remuneration policies and practices.

The PRC Charter provides that the Committee meets at least twice per annum and its members comprise of at least three (3) non-executive directors including an independent chairperson. Independent Non-Executive Director, Mr Paul Wright, is chair of this committee in line with ASX

recommendations. Other members of the PRC are Mr Andrew Goodall, a non-independent Non-Executive Director, Mr Shane Hartwig, an independent Non-Executive Director (until his resignation on 26 April 2022), Mr Robert Cooke, an independent Non-Executive Director (following his appointment to the Board on 26 April 2022) and Ms Alison Coutts, the Company's Managing Director and CEO. Two of the four Committee members are independent. During the 2022 reporting period the PRC met once with all members attending.

The PRC Charter is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

2.2 Skills of Directors

The Board is structured to provide a broad mix of skills and experience in biotechnology and medical devices (representing its main undertaking), finance, business, risk management, strategy, engineering and the commercialisation of intellectual property. Qualifications and experience of each Director set out in the Directors Report of the 2022 Annual Report. Directors have access to executive staff to provide specialised information as required.

A formal Board Skills Gap Analysis was not undertaken in the 2022 reporting period, however before the Board appointed Mr Robert Cooke, it undertook an informal skills review to determine the appropriate mix of skill and experience required for the Board to continue its research and development and commercialisation programs. The Board Skills Matrix below sets out the current mix of skills of Directors for the future needs of the Company.

Expertise and Experience of Directors		Diversity	
Skills and Qualifications	Corporate Strategy Corporate Finance General Management Biotechnology Medical Devices Commercialisation Legal Investor Relations Business Development and Marketing International sales, branding and marketing Remuneration (including employee share option schemes) Corporate Governance Operational and Project Management of medical devices	Gender	Female: 1 (25%) Male: 3 (75%)
Industries and Markets	Biotechnology / Pharmaceuticals Medical Devices Professional Services Finance Stockbroking and Investment Banking	Nationalities	Australian New Zealand
Geographic Experience	Australia Europe Asia North America New Zealand	Spread of Tenure	< 1 year (1) 1-3 years (1) > 3 years (2)

2.3 Independent Directors

The Board assesses the independence of each Non-Executive Director based on the interests and associations disclosed by the Directors and in-line with the ASX Principles and Recommendations.

The Board composition, experience and skills is reviewed annually and as at the date of this

Corporate Governance Statement comprises three Non-Executive Directors.

Director	Date Appointed	Executive or Non-Executive	Independent	Next AGM for re-election
Mr Robert Cooke	26 April 2022	Non-Executive	Yes	2022
Ms Alison Coutts	29 Nov 2013	Executive	No	N/A
Mr Andrew Goodall	14 Mar 2012	Non-Executive	No	2024
Mr Shane Hartwig*	31 July 2019	Non-Executive	Yes	N/A
Mr Paul Wright	13 Mar 2020	Non-Executive	Yes	2023

* Mr Hartwig resigned on 26 April 2022

2.4 Majority should be Independent Directors

Due to the size and stage of development of Memphasys, the Company has not been able to follow the ASX recommendation that a majority of Board members should be independent. Mr Andrew Goodall is a substantial shareholder and therefore not considered independent; Ms Alison Coutts is the Managing Director and also a substantial shareholder and is not considered independent. Mr Shane Hartwig (until his resignation) and Mr Paul Wright have been appointed as independent Directors, and Mr Robert Cooke has been appointed as an independent Director. The Company has a ratio of two non-independent Directors to two independent Directors and considers that it has made considerable progress towards meeting the ASX recommendation that the majority of Board members be independent. All Directors bring a diverse skill base and are professionally qualified to represent the Company and its security holders at the present time.

2.5 Chair should be Independent and not CEO

During the reporting period until 26 April 2022, Memphasys was unable to follow the ASX recommendation that the Chair and CEO be independent as the Company had an Executive Chairman. Following the appointment of Mr Robert Cooke as Chair on 26 April 2022, the Company was able to comply with that ASX recommendation

Memphasys acknowledges that a separation of roles between the chairperson and CEO is best practice corporate governance to minimise the possibility of a lack of transparency and promote constructive debate at Board level.

2.6 Induction Program for New Directors

Directors are provided with substantial information about Memphasys Limited when commencing their Directorships. Memphasys supports additional professional education to assist a director in their role if this is required.

Principle 3 Instill a Culture of Acting Lawfully, Ethically and Responsibly

3.1 Company Values

The Company's core values and commitments are:

a) Honesty and Integrity

The Directors and executives will act honestly, in good faith and in the best interests of the Company as a whole and will not engage in conduct likely to bring discredit upon the Company.

b) Fair Dealing

The Directors and executives will deal fairly with the Company's external service providers, colleagues, suppliers, competitors and shareholders and will maintain a high standard of responsibility and awareness as corporate citizens.

c) Diligence

The Directors and executives will use due care and diligence in fulfilling the functions of office and in exercising the powers attached to that office.

d) Independence

The Directors and executives will be independent in their judgement and actions and take all responsible steps to be satisfied as to the soundness of all decisions taken by the Board of Directors and by the executives.

e) Avoid Conflicts of Interest

The Directors and executives acknowledge that there may be times when their personal or other interests conflict with those of the Company. In these circumstances, the Directors and executives will take action to remove or manage the conflict, so as to avoid detriment to the Company or any perception of conflict of interest

f) Safety – We are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of associated persons, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.

g) Environment, Social and Corporate Governance Standards – We act in a manner that aims to preserve and protect the Company's reputation consistent with reasonable expectations of our investors and the broader community in which we operate, acting ethically and responsibly and complying with all laws and regulations that apply to the entity and its operations, acting responsibly towards the environment and complying with legislation as part of the Company's operations.

3.2 Code of Conduct

Memphasys' Code of Conduct policy is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

The Code of Conduct emphasises the Company's minimum standards of conduct and integrity and the expectations of the Company regarding conduct of staff and executives in maintaining ethical standards. The Code's focus is to ensure that all Directors, executives, and employees act ethically, sustainably and responsibly in conducting the Company's business affairs, as well as displaying and exercising a duty of care to all employees, clients and stakeholders carrying out their duties and responsibilities while striving at all times to enhance the reputation and performance of the Company. The ethical and responsible conduct of the affairs of the Company depend upon the understanding and judgment of its staff, having regard to their sense of honesty, fairness and decency.

Memphasys values ethical behaviour, integrity and respect. Memphasys considers that working with integrity, honesty and respect includes encouraging employees and stakeholders to speak up in relation to conduct that does not align with this code of conduct or with the law and taking steps to protect the identity of that person when they do speak up.

This code applies to anyone who works for the Company including all directors, senior executives and employees, joint venture partners as well as temporary and contract staff (including subcontractors). Any material breaches of the Code of Conduct by a Director or member of management or any material breaches of the code that call into question the culture of the organisation will be brought to the attention of the Board.

3.3 Whistleblower Protection Policy

Memphasys has a Whistleblower Protection Policy that complies with the amendments to the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) that are effective from 1 July 2019. A copy of the Whistleblower Protection Policy is available on Memphasys website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

The Policy is underpinned by a strong commitment to building a culture in the Company that reflects sound governance and promotes ethical behaviour in the detection and management of fraudulent, corrupt or improper conduct. The Whistleblower Protection Policy provides protection to whistleblowers by establishing a mechanism for concerns to be raised on a confidential basis without fear of intimidation or reprisal.

Memphasys encourages employees and stakeholders to speak up without fear of intimidation or reprisal in relation to conduct that does not align with Memphasys' corporate policies or the law and Memphasys will protect disclosers when they do.

The Whistleblower Protection Policy applies to any individual who is either a current or former officer and director, employee, contractor, supplier, unpaid worker, or relative, dependent or spouse of any officer, employee, contractor and supplier, collectively referred to as a Discloser.

3.4 Anti-bribery and Corruption Policy

Australia has strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to actions carried out in other countries (i.e. wide-reaching extra-territorial effect). Directors, employees and contractors must comply with and uphold all laws against bribery, corruption and related conduct applying to the Company in all the jurisdictions where the Company operates.

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- a) official misconduct;
- b) bribery and blackmail;
- c) unauthorised use of confidential information;
- d) fraud; and
- e) theft.

Accordingly, the Company has a strict policy not to offer or receive secret commissions or bribes to further its business interests.

Memphasys is committed to adopting effective systems to counter bribery and related improper conduct and to monitor and enforce these systems.

Securities Trading Policy

The Board has adopted a Securities Trading Policy which regulates dealing in Memphasys securities by Directors, Key Management Personnel, employees, contractors and consultants of Memphasys and their related parties, collectively referred to as Designated Persons. Designated Persons must not deal in Memphasys securities if they are in possession of price sensitive information which would, if the information were publicly known, be likely to have a material effect on the price or value of Memphasys Securities; or influence persons who commonly invest in securities in deciding whether or not to deal in Memphasys Securities. Under the Securities Trading Policy, Designated Persons must not buy, sell or subscribe for Memphasys securities except during permitted periods.

The Securities Trading Policy provides that Designated Persons may not deal in Memphasys securities during the following periods:

- a) the period from the end of the Company's financial year (30 June) until 24 hours after the announcement of the full year financial results for Memphasys are received and announced to the general market by the ASX;
- b) the period from the end of the Company's half year (31 December) until 24 hours after the announcement of the half year financial results are received and announced to the general market by the ASX; and
- c) the period of 24 hours following a general meeting of shareholders
- d) the period of 24 hours after the issue of any material release to the ASX or disclosure document offering securities in the Company; and
- e) at any other time for a specified period as determined by the Board of Memphasys.

A breach of the Securities Trading Policy will be regarded by Memphasys as serious misconduct which may lead to disciplinary action and/or dismissal.

A copy of the Securities Trading Policy is available on the on Memphasys website at <https://www.memphasys.com/investor-relations/corporate-governance/>

Principle 4 Safeguard Integrity of Corporate Reports

4.1 Audit and Risk Committee

Memphasys has an Audit and Risk Committee ('ARC') which oversees the audit functions of the Company and ensures risks are identified and managed. One of the key responsibilities of the ARC is to oversee Memphasys' relationship with the external auditor and the external audit function.

Until his resignation on 26 April 2022, Mr Shane Hartwig an independent Non-executive Director, chaired the ARC during the 2022 reporting period in line with ASX recommendations for an independent chair. Mr Hartwig's qualifications are reported in the Company's annual report. Other

members of the ARC include Mr Andrew Goodall, a non-independent Non-Executive Director and Mr Paul Wright, an independent Non-Executive Director. Ms Alison Coutts, the Company's Managing Director and CEO, attends by invitation. The ARC met twice during the 2022 reporting period with all committee members attending.

Two of the three Committee members are independent; and during the 2022 reporting period each of the committee members, due to their experience in business and finance, was able to significantly contribute to the purpose and function of the committee.

The ARC Charter is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

4.2 Financial Statement Confirmation

Prior to approving the Company's financial statements for a financial reporting period, the Board receives a declaration from the CEO and CFO that, in their opinion, the financial records of Memphasys Limited have been properly maintained, that its financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance and that the Company's system of risk management and internal control is operating effectively in relation to financial reporting.

4.3 Integrity of Corporate Reports

Memphasys' auditors review the Company's Half Year Report and Annual Report prior to publication. Apart from these documents, there are no other periodic reports reviewed by the Company's external auditors.

Principle 5 Make timely and Balanced Disclosure

5.1 Continuous Disclosure

Memphasys has a Continuous Disclosure Policy and Communication Policy which describes the Company's continuous disclosure obligations and how they are managed. The policy states that:

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

"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."

Continuous Disclosure Policy and Communication Policy has been adopted to ensure:

- the promotion of investor confidence by ensuring that all investors have equal and timely access to material information concerning the Company, including material information about its financial position, performance, ownership and governance; and
- providing announcements that are accurate, balanced and expressed in a clear and objective manner.

A copy of the policy can be viewed in the Corporate Governance section of the website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

5.2 Market Announcements

The Board automatically receives a copy of market announcements immediately after they have been made. Memphasys's website contains copies of ASX announcements covering such publications as market updates, annual and half yearly financial statements and material business updates. ASX announcements considered material and price sensitive are approved by the Board.

5.3 Investor Presentations

Memphasys releases a copy of any substantive investor presentation on the ASX Market Announcements Platform ahead of the presentation. Presentations are also published on the Company's website.

Principle 6 Respect the Rights of Security Holders

6.1 Information to Investors via Website

Information on Memphasys, as well as its governance policies and procedures, is available to investors on the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

6.2 Investor Relations

Memphasys has an Investor Relations page on the Company's website, <https://www.memphasys.com/investor-relations/corporate-governance/>, with links to the various documents and announcements the Company lodges with the ASX. Contact details are also provided on the website for investors wishing to contact the Company's Share Registry or Memphasys directly.

6.3 Participation at Meetings

Shareholders are encouraged to participate in meetings which are announced to the ASX, included on the Company's website and by mailouts to all security holders prior to a meeting of shareholders.

6.4 Substantive resolutions by Poll, not show of hands

Memphasys security holders are given the opportunity to vote on all substantive resolutions by Poll at the Company's AGM or at a General Meeting. Notices of meeting are sent out in advance of the meeting with proxy voting forms attached.

6.5 Communicating Electronically

The Investor Relations page on the Company's website provides email addresses for security holders to communicate electronically with either the Company's Share Registry or Memphasys directly at <https://www.memphasys.com/investor-relations/corporate-governance/>. Shareholders are offered the option of receiving information electronically from Memphasys via the Share Registry.

Principle 7 Recognise and Manage Risk

7.1 Risk management

The Board recognises that risk management is a continuous and ongoing process. As well as overseeing the audit functions of Memphasys, the ARC ensures potential risks are identified and managed. During the 2022 reporting period the committee met twice and committee meetings were chaired by independent Director, Mr Shane Hartwig, with all members attending the meetings. Other members of the ARC are Mr Andrew Goodall, a non-independent Non-Executive Director and Mr Paul Wright, an independent Non-Executive Director. Two of the three Committee members are independent.

The ARC Charter is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>.

7.2 Risk Management Framework

Memphasys is committed to identifying and managing economic, environmental, and social sustainability risks which may create material exposure for Memphasys in the short, medium and long term.

Memphasys manages risk through its ARC and the Memphasys Board. The Company's Risk Register provides a framework for risk identification and monitoring. The Register was reviewed regularly and updated during the 2022 reporting period. The Risk Matrix is also reviewed regularly and updated to ensure immediate identification and reporting of risk.

Management and research & development team meetings also provide forums for discussing and monitoring risk. Any suggested mitigation strategies are considered at the ARC and by the Memphasys' Board as appropriate.

7.3 Internal Audit

Management has implemented risk and internal control systems for assessing, monitoring and managing strategic, operational, financial reporting and compliance risks for the Company. The systems are based upon policies, guidelines, delegations and reporting as well as the selection and training of qualified personnel. The internal processes are reviewed by the Company's external auditors during their regular audits.

The Board believes the control framework of formal audits and Company policies and procedures is well suited to the current size, operations and stage of development of the business.

7.4 Risk Exposure

Memphasys manages risk through its ARC and the Board. Risk is also discussed and monitored in management and research & development team meetings where mitigation strategies are devised as appropriate.

During the 2022 reporting period, the main exposure to economic risk for Memphasys was the possibility of a major economic downturn which could impact the Company's ability to raise capital. However, even during the global Covid-19 pandemic and unstable political and economic conditions,

the Company was able to maintain and progress its R&D projects and raise capital during this time via the conversion of options to ordinary shares. The Board and the ARC continually monitor the Company's cash flow position and adopt the appropriate strategy to maintain solvency in the face of any economic risk.

During the 2022 reporting period the Company was engaged mainly in its research and development program and the initial commercialisation program of its products and considers these activities does not have any notable social sustainability risks.

Principle 8 Remunerate Fairly and Responsibly

8.1 Remuneration Committee

The PRC Charter provides that the Committee meets at least twice per annum and its members comprise of at least three (3) non-executive directors including an independent chairperson. Independent Non-Executive Director, Mr Paul Wright, is chair of this committee in line with ASX recommendations. Other members of the PRC are Mr Andrew Goodall, a non-independent Non-Executive Director, Mr Shane Hartwig, an independent Non-Executive Director (until his resignation on 26 April 2022), Mr Robert Cooke, an independent Non-Executive Director (following his appointment to the Board on 26 April 2022) and Ms Alison Coutts, the Company's Managing Director and CEO. Two of the four Committee members are independent. During the 2022 reporting period the PRC met once with all members attending.

The PRC Charter is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>

8.2 Remuneration Policy

Memphasys has a Remuneration Policy for non-executive directors, senior executive and professional staff which is published in the Corporate Governance section of the Company's website at <https://www.memphasys.com/investor-relations/corporate-governance/>. Fees for non-executive directors are reviewed annually by the PRC and subsequently approved by the Board. For senior executive and professional staff, the Remuneration Policy aligns the Company's business objectives with individual key performance indicators (KPIs), the company's performance and its market position. The policy is underpinned by a number of principles designed to promote and further develop the interests of the Company, its shareholders and employees by adopting good corporate governance practice in line with ASX Principles and Recommendations.

8.3 Equity Based Remuneration Scheme

Memphasys has an Equity Based Remuneration Scheme in the form of an Incentive Option Plan (ESOP) which was revised and approved by shareholders at the 2021 Annual General Meeting. A copy of the ESOP is available upon request. Options were issued to the managing director and senior executive and professional staff in August and September 2021. Specific performance hurdles have been put in place for vesting of options. A recipient must not enter into any arrangement for the purpose of hedging or that may otherwise affect their economic exposure to the option held.