



Continuous Disclosure Policy

Ellex Medical Lasers Limited
ACN 007 702 927

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1. Purpose

The purpose of this Continuous Disclosure Policy is to:

- (a) Assist Ellex Medical Lasers Limited (“Ellex” or “the Company”) in complying with its continuous disclosure obligations under the Corporations Act 2001 (Cth) (the “Corporations Act”), and the Australian Securities Exchange (“ASX”) Listing Rules;
- (b) Establish a framework to enable Ellex to provide shareholders and the market generally with timely, direct and equal access to relevant information about Ellex; and
- (c) Promote investor confidence in the integrity of Ellex and its securities through the application of disciplined disclosure procedures by its directors and employees.

2. Policy

2.1. Policy

Ellex’s policy is:

Once Ellex becomes aware, unless an exception applies, Ellex will immediately (that is, promptly and without delay) notify the market by an announcement to the ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Ellex’s securities (‘Material Information’).

2.2. What is ‘Material Information’?

Information is ‘Material Information’ if that information would, or would be likely to, influence investors in deciding whether to buy, hold or sell the Company shares.

In assessing materiality, consideration is given to Ellex’s business activities, size and place in the market. Previous disclosures to the market, and their effect on the price or value of Ellex shares, must also be considered.

The Board of Directors will ultimately determine whether any information is Material Information or otherwise requires market disclosure.

The Board of Directors will develop and issue guidelines for determining what may be Material Information for Ellex businesses and regions.

2.3. When is Ellex ‘aware’ of Material Information?

Under the ASX Listing Rules, Ellex is taken to be aware of (and therefore may be under a duty to disclose) Material Information if any of its Directors or Senior Managers have, or ought reasonably to have, come into possession of the Material Information in the course of the performance of their duties as a Director or Senior Manager of Ellex.

2.4. Confidentiality of Material Information

Directors and employees owe a duty of confidentiality to Ellex and must ensure that any Material Information that comes into their possession that has not been disclosed to the ASX is protected and the confidential nature of that information preserved by:

- (a) refraining from discussing or divulging the information to any person except in accordance with this Policy; and
- (b) ensuring that any material within their possession relating to that information is properly and securely stored and is not disclosed to an unauthorised person.

Directors and employees must also ensure that any third parties that receive or obtain Material Information are bound by appropriate obligations of confidentiality.

2.5. What are the exceptions?

The Listing Rules contain an exception so that disclosure of Material Information is not required where all of the following three tests are satisfied:

- (a) **Test 1:** One or more of the following applies:
 - i) It would be a breach of a 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 of the entity.
 - v) The information is a trade secret; and
- (b) **Test 2:** The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) **Test 3:** A reasonable person would not expect the information to be disclosed.

3. Notification process

3.1. Reporting Material Information

The Board is responsible for considering and approving draft ASX Announcements containing Material Information.

In the exceptional circumstance that, due to regulatory time constraints, it is not possible to obtain approval from the Board. The Company Secretary will circulate a copy of any such ASX Announcement to all Directors as soon as possible after its release and consider, as appropriate, any comments or clarifications sought by the Directors.

For the avoidance of doubt:

- (a) the substantive content of all market presentations relating to the company's annual or half yearly financial results;
- (b) any statement relating to the future earnings performance of the company; and
- (c) investor presentations of the Company

must be referred to, and approved by, the Board before being disclosed to the market.

3.2. Communication of Material Information

The Company Secretary is responsible for all communications with the ASX, and will coordinate all Material Information disclosures to the market.

Ellex **must not release Material Information publicly** until it has received formal confirmation of its release to the market by the ASX. The Company Secretary will verify receipt of such confirmation.

All Material Information disclosed to the ASX will be promptly placed on the Ellex website following verification of release to the market by the Company Secretary.

3.3. Trading Halts and Voluntary Suspensions

In certain circumstances, it may be necessary for Ellex to request a trading halt (and, exceptionally, a voluntary suspension) from the ASX to ensure that orderly trading in Ellex shares is maintained and to manage disclosure issues. The Board is responsible for determining if a trading halt or voluntary suspension is required.

In the exceptional circumstance that, due to regulatory time constraints, it is not possible to obtain approval from the Board. In such circumstances, the Company Secretary will notify all Directors as soon as possible after the trading halt or voluntary suspension has been requested.

4. Communications

4.1. No Selective Disclosure

Ellex's policy is:

Ellex must ensure that it does not communicate Material Information to an external party (other than its professional advisers or bankers, subject to a duty of confidence) except where that information has previously been released publicly through the ASX.

4.2. Authorised Spokespersons

The only Ellex officers and employees authorised to speak on behalf of Ellex to the media, investors or stockbroking analysts in relation to Material Information are:

- (a) the Chairman;
- (b) the CEO

or the persons to whom (with prior approval of either the Chairman or the CEO) they specifically delegate these functions.

4.3. Briefing Blackout Periods

To prevent inadvertent disclosure of Material Information, Ellex directors and management are required **not** to:

- (a) discuss any financial information, broker estimates or forecasts; nor
- (b) give any interview on or make any presentation containing any financial information, broker estimates or forecasts

in the period starting on **30 June** and ending on the release of Ellex's preliminary final financial results or in the period starting on **31 December** and ending on the release of the Ellex's interim financial results.

4.4. Earnings Expectations

Any change in earnings expectations (upwards or downwards) that is market sensitive – that is, of such a magnitude that a reasonable person would expect it to have a material effect on the price or value of Ellex's securities, must be announced to the ASX and before being communicated to anyone outside the Company.

Ellex will have regard to the principles outlined in ASX Guidance Note 8 (*Continuous Disclosure: Listing Rules 3.1 - 3.1B*) in assessing whether disclosure is required under Listing Rule 3.1 and, where it has published its own guidance, whether disclosure is also required to ensure that guidance is not misleading or deceptive.

Where Ellex is aware of information that may have an impact on its earnings expectations, but it requires further details to assess the financial impact of that information, it will consider whether to issue an interim announcement or request a trading halt and will (if appropriate) discuss its concerns with ASX.

5. Review of this policy

This Policy is subject to an annual review by the Board.

END