



December 2020

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**Securities Trading Policy**

**Nanosonics Limited**  
**ABN 11 095 076 896**

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## 1. PURPOSE OF THIS POLICY

This document sets out Nanosonics' policy regarding Dealing in Nanosonics' Securities by Nanosonics Staff. This Policy also summarises the law in relation to insider trading as well as the prohibition on insider trading and describes Nanosonics' additional requirements in relation to certain Dealings in Securities.

This policy applies to all Nanosonics Staff, including Designated Persons. Some aspects of this policy also extend to Close Associates of Designated Persons.

## 2. DEFINITIONS

Term	Definition / Description
ASX	Australian Securities Exchange
Blackout Period	A period during which no Nanosonics Staff may trade in Nanosonics Securities as detailed in Section 4.3.
Close Associate	In relation to a Designated Person: <ul style="list-style-type: none"><li>• a family member of that Designated Person who may be expected to influence, or be influenced by, that Designated Person in his or her dealings with Securities (this may include that Designated Person's spouse, de facto partner and children who live at home, the children of that Designated Person's spouse or de facto partner who live at home, or dependants of that Designated Person or that Designated Person's spouse or de facto partner); and</li><li>• a company, trust or other entity which is controlled by that Designated Person (whether alone or jointly with any other Close Associate).</li></ul>
Corporations Act	<i>Corporations Act 2001</i> of Australia
Deal or Dealing	Includes, in relation to Securities, an acquisition or disposal of the Securities, or the entry into a Derivative in relation to the Securities, or the grant, acceptance, acquisition, disposal or exercise of an option to acquire or dispose of the Securities, or the use of the Securities as security or the grant of any encumbrance over the Securities, or the engagement in any other transaction involving a beneficial interest or a change in beneficial ownership of the Securities, or the entry into any agreement to do any of the above things. This includes, without limitation, engaging in securities lending.
Derivatives	Has the meaning given in section 761D of the Corporations Act and includes options, forward contracts, swaps, futures, warrants, caps and collars.
Designated Person	<ul style="list-style-type: none"><li>• Each director of Nanosonics;</li><li>• Each Company Secretary of Nanosonics;</li><li>• Each member of the Company's Executive Team and their direct reports; and</li><li>• Any Nanosonics Staff member nominated by the Board or Company Secretary from time to time.</li></ul>
Excluded Dealing	Has the meaning given in Section 4.6
Inside Information	Has the meaning given in Section 3.1
Nanosonics or the Company	Nanosonics Limited (ABN 11 095 076 896)
Nanosonics Group	Nanosonics and its controlled entities
Nanosonics Staff	Each director, officer and employee of the Nanosonics Group, as well as contractors and consultants to the Nanosonics Group whose terms of engagement apply this policy to them.
Securities	Includes shares, options, rights or debentures of the Company, or Derivatives over any of those securities.

### 3. WHAT IS THE LAW ON INSIDER TRADING?

#### 3.1. What is Inside Information?

Inside Information is information relating to Nanosonics that is not generally available, but would, if the information were generally available, be likely to have a material effect on the price or value of the Securities. Information can include matters of speculation or supposition and matters relating to intentions, or likely intentions, of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to Deal in the Securities.

Examples of Inside Information could be:

- the financial performance of the Company against its budget;
- changes in the Company's actual or anticipated financial condition or business performance;
- changes in the capital structure of the Company, including proposals to raise additional equity or borrowings;
- proposed changes in the nature of the business of the Company;
- changes to the Board of Directors or significant changes in senior management;
- an undisclosed significant change in the Company's market share;
- likely or actual entry into, or loss of, a material contract;
- material acquisitions or sales of assets by the Company;
- a proposed dividend or other distribution, or a change in dividend policy; or
- a material claim against the Company or other unexpected liability.

#### 3.2. When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been made known in a manner likely to bring it to the attention of investors, for example through an announcement to the ASX and a reasonable period for dissemination has elapsed since it was announced; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) and/or (b) above.

Examples of possible readily observable matters are:

- (a) a change in legislation that will affect the Company's ability to make certain types of investments; or
- (b) a severe downturn in global securities markets.

### **3.3. Insider trading prohibition**

Nanosonics Staff must comply with the law at all times when they are in possession of Inside Information. Specifically, Nanosonics Staff who are in possession of Inside Information must not:

- (a) apply for, acquire or dispose of Securities (Nanosonics or any other entity) or enter into an agreement to do so; or
- (b) procure another person to do any of the things specified in paragraph (a) above; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

It does not matter how or in what capacity the Inside Information is obtained. Inside Information does not have to be obtained from the Company to constitute Inside Information.

Insider trading restrictions include Nanosonics Staff arranging for a family member or a friend to Deal in the Securities on their behalf. Insider trading restrictions also include giving 'tips' concerning Inside Information relating to the Company to others, including customers.

The prohibited conduct under the Corporations Act also extends to dealings in securities of other listed companies with which the Company may be dealing (including its customers, contractors or business partners) where an employee possesses Inside Information in relation to that other company. That is, if a senior executive or an employee of the Company is aware of information that is not generally available that may have a material effect on the price or value of another company's securities, they must not deal in the securities of that company.

Furthermore, these restrictions apply to all Securities, including without limitation shares, options, rights and Derivatives.

### **3.4. What are the consequences for breaching insider trading prohibitions?**

Breach of the insider trading laws may lead to:

- (a) criminal liability – penalties include heavy fines and imprisonment; and
- (b) civil liability – being sued by another party or the Company for any loss suffered as a result of illegal trading activities.

Breach of the law or this Policy, or both, will also be regarded by the Company as serious misconduct, which may lead to disciplinary action, including suspension or dismissal.

### **3.5. Exception in relation to employee equity plans**

Due to an exception under the law, the insider trading provisions do not apply to applications for, and acquisitions under those applications of, Nanosonics Securities by Nanosonics Staff under any Nanosonics employee equity plan.

This means that the insider trading prohibition will generally not apply to the acquisition of shares upon the exercise of share appreciation rights, performance rights or options under any Nanosonics employee equity plan.

This employee equity plan exemption is limited to acquisitions of Nanosonics Securities under a Nanosonics employee equity plan. The insider trading laws continue to prohibit Nanosonics Staff from communicating Inside Information to another person or subsequently selling the Nanosonics Securities acquired under an employee equity plan until the Inside Information has become generally available.

Notwithstanding this exemption under the insider trading law, Designated Persons must still give notice and seek approval of proposed acquisitions of Nanosonics Securities under an employee equity plan pursuant to Section 5 of this Policy.

## 4. NANOSONICS' SECURITIES TRADING POLICY

### 4.1. General policy

Nanosonics Staff, including Designated Persons, are required to comply with the law in relation to insider trading, as described in Section 3 of this Policy. In addition, Nanosonics Staff are required to comply with the policies as set out below.

### 4.2. Short-term Dealing and Short-selling of Securities

Nanosonics Staff are encouraged to be long-term holders of the Company's Securities. Nanosonics Staff may not Deal in Nanosonics' Securities for the purpose of obtaining a short-term gain. Short-term Dealing includes buying and selling Securities within a short period (e.g. 3 months) and includes entering into other short-term Dealings.

Short-selling by Designated Persons (i.e. borrowing Securities in the expectation that the price of the Company's Securities will fall) is also prohibited.

### 4.3. Blackout Periods

#### 4.3.1. Operation of Blackout Periods

There are certain periods of the year during which Nanosonics Staff must not Deal in Nanosonics Securities due to the proximity of those periods to the release of Nanosonics' financial results creating an actual or perceived risk of insider trading. Nanosonics Staff are restricted from trading in Nanosonics Securities during these Blackout Periods, subject to certain exceptions described below.

Circumstance	Blackout Period
Release of Half Year Results to ASX	From 21 calendar days prior to the end of the relevant half year (31 December) until the start of the trading day following the day of the release.
Release of Full Year Results to ASX	From 21 calendar days prior to the end of the relevant financial year (30 June) until the start of the trading day following the day of the release.
Any other period that the Board specifies from time to time.	

**Note: Nanosonics Staff are responsible for ensuring they comply with the law at all times, even when a Blackout Period is not operating.**

Nanosonics Staff who are in possession of Inside Information, which is to be the subject of an announcement by the Company, are prohibited from trading in any Securities until the start of the trading day following the day of the release of that announcement.

### **4.3.2. Exceptional circumstances**

In exceptional circumstances Nanosonics Staff may be given prior written clearance to dispose of (but not acquire) Nanosonics Securities where they would otherwise be restricted due to the operation of a Blackout Period. Those circumstances are where the person:

- (a) is in extreme financial hardship or where other exceptional circumstances apply (such as a Court order);
- (b) is not actually in possession of Inside Information in relation to Nanosonics Securities; and
- (c) has consulted and obtained prior written approval from the Chairman (in the case of an application by a director or the Managing Director), the Chair of the Audit and Risk Committee (in the case of an application by the Chairman), the Managing Director (in the case of an application by the Company Secretary) and by the Company Secretary (in all other cases).

Any clearance will be valid for 2 business days, or such other period specified, from the date it is given.

### **4.4. Dealing in Derivatives over Nanosonics Securities**

Nanosonics Staff are not permitted to Deal in any Derivatives or other financial products issued over the Securities by third parties, such as banks and other institutions, without the prior approval of the Board.

An exception may apply where the Securities form a component of a listed portfolio or index product.

### **4.5. Margin lending**

Margin lending includes the borrowing of money against the value of Nanosonics Securities, where the loan is secured by those Nanosonics Securities.

Nanosonics Staff must not enter into a margin loan or stock loan arrangement, or similar funding arrangement, without prior approval of the Board. In order to obtain such approval, they must disclose the key terms of any such arrangement to the Company Secretary. Information to be disclosed will include, as appropriate, the number of Securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.

The Company will disclose margin lending or stock lending arrangements to the market where required by law or good practice, having regard to the materiality of the arrangements to the Company, and whether or not the information would, or would be likely to, have a material effect on the price or value of the Company's shares.

### **4.6. Excluded Dealings**

Without affecting the obligation of Nanosonics Staff and their Close Associates to ensure that they comply at all times with insider trading laws, the restriction on Dealing in Securities during a Blackout Period do not apply to:

- (a) the exercise of an option under an employee equity plan;
- (b) an acquisition of Nanosonics Securities under an employee equity plan;
- (c) acquisition of Nanosonics Securities through a share purchase plan available to all retail shareholders;

- (d) acquisition of Nanosonics Securities through a rights issue or other pro rata entitlement offer;
- (e) disposal of Nanosonics Securities through the acceptance of a takeover offer;
- (f) Dealings that result in no effective change to the beneficial interest in the Securities (e.g., transfers of Nanosonics Securities already held into a superannuation fund or trust of which the Nanosonics Person is a beneficiary); and
- (g) an involuntary disposal of Nanosonics Securities that results from a margin lender or financier exercising its rights under an approved arrangement,

(each an Excluded Dealing), provided (in each case) that any subsequent Dealing by Nanosonics Staff or their Close Associates in those Nanosonics Securities is in accordance with this Policy.

## **5. SPECIFIC REQUIREMENTS FOR DESIGNATED PERSONS**

Additional obligations are imposed on Designated Persons as described below.

### **5.1. Prior notification and approval procedure**

A Designated Person may only Deal in Securities if they first:

- (a) complete and forward a Notification to Deal in the Securities in the form of Part A of Schedule 1 to the relevant Notification Officer (as defined in Schedule 2); and
- (b) receive confirmation in the form of Part B of Schedule 2, signed by the Notification Officer, to allow them to Deal in the Securities.

### **5.2. Duration of approval**

The time limit for trading specified in the approval is 5 business days or such other period as the Notification Officer specifies, unless, in the meantime, the Designated Person becomes in possession of Inside Information.

Notification of a proposed Dealing is a compliance function only, and the receipt of a completed Part B of the Notification Form to Deal in the Securities, does not constitute endorsement of the Dealing by or on behalf of the Company. It is the responsibility of each Designated Person to ensure that they are not in possession of Inside Information at the time of any Dealing.

Dealing in the Securities by Designated Persons without notification to (and where required, approval of) the Notification Officer is prohibited.

### **5.3. Notification of directors' interests**

Nanosonics is required to disclose Dealings in its Securities by directors within a prescribed period after they occur. Directors must notify the Company Secretary as soon as practicable after any Dealing in Nanosonics Securities occurs and, in any case, no more than two days after any Dealing.

### **5.4. Dealings by Close Associates**

This Policy extends to the Close Associates of a Designated Person in relation to Nanosonics Securities, including immediate family members of the Designated Person and any trusts, companies and other entities that the Designated Person controls.

This means that Designated Persons must take all reasonable steps to ensure that their Close Associates comply with this Policy in relation to Nanosonics Securities.

## **6. EMPLOYMENT AND MONITORING OF COMPLIANCE**

A copy of this Policy is provided to all Nanosonics Staff and is also available on the Company's website. As part of the induction process, all new Nanosonics Staff are required to complete an acknowledgement as set out in Schedule 3.

The Board is responsible for monitoring compliance with this policy. The Company Secretary will advise the Board of any anomalies identified.



## SCHEDULE 1 – NOTIFICATION TO DEAL IN THE SECURITIES

### Part A – For Completion by Designated Person

Name of Designated Person	
Description of Securities (i.e. number of Securities)	
Nature of agreement/Dealing (sale/purchase/subscription)	
Proposed date of transaction (i.e. date of agreement to purchase or sell)	

I confirm that:

- (a) I am not in possession of any Inside Information; and
- (b) the transaction in the Securities described above does not contravene Nanosonics' Securities Trading Policy.

Signature: .....

Dated: .....

### Part B – for Completion by Notification Officer

I confirm that I am not aware of any circumstances pursuant to which the Designated Person named above is, or is likely to be, in possession of Inside Information.

Name: .....

Title: .....

Signature: .....

Dated: .....

**The completed form is to be sent to the applicable Notification Officer.**

The time limit for trading specified in the approval is 5 business days or such other period as the Notification Officer specifies, unless, in the meantime, the Designated Person becomes in possession of Inside Information.

## SCHEDULE 2 – NOTIFICATION OFFICERS

The relevant Notification Officer for each of the Designated Persons is as set out in the table below:

<b>Designated Person</b>	<b>Notification Officer(s)</b>
Chairman	Chairman of the Audit and Risk Committee
Managing Director	Chairman of the Board
Directors	Chairman of the Board
Company Secretary	Managing Director
All other Designated Persons	Company Secretary

**SCHEDULE 3 – ACKNOWLEDGMENT BY NANOSONICS STAFF MEMBER**

I have read and understood Nanosonics Limited's Securities Trading Policy and agree to be bound by, and to comply with, the policy as amended or replaced from time-to-time.

Signature: .....

Name: .....

Title: .....

Dated: .....