



September 2023

Share Ownership Policy

Nanosonics Limited

ABN 11 095 076 896

1 PURPOSE OF THIS POLICY

The purpose of this policy is to better align the interests of Nanosonics' Non-executive directors and the Executive Leadership Team with the financial interests of the Company's shareholders. The Policy aims to encourage share ownership by Non-executive directors and the Executive Leadership Team and build long-term commitment to the Company by providing direction to Non-executive directors and the Executive Leadership Team as to the minimum levels of ownership of Nanosonics shares.

Any trading in Nanosonics' securities must be made in accordance with the Company's Securities Trading Policy.

2 WHO DOES THIS POLICY APPLY TO?

This Policy applies to Non-executive directors and the Executive Leadership Team of the Company.

3 DEFINITIONS

Term	Definition / Description
Executive Leadership Team	The Executive Leadership Team of Nanosonics as identified on its website from time to time.
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.
Share Price	The average share price over the prior 365 calendar days using the closing share price, as reported by the Australian Securities Exchange.

4 NANOSONICS' SHARE OWNERSHIP POLICY

4.1 Policy participation and requirements

The Policy requires Non-executive directors and the Executive Leadership Team to establish and maintain minimum specified levels of share ownership in the Company as follows:

- a) Each member of the Executive Leadership Team must establish a level of share ownership equivalent to one times their previous financial year's base salary.
- b) Each Non-executive director must establish a level of share ownership equivalent to the value of their previous financial year's annual director fees (including superannuation and excluding any Committee fees).

4.2 Timeline for achieving the minimum specified levels of share ownership

Each Non-executive directors and member of the Executive Leadership Team should comply with the minimum specified level of share ownership within 5 years of their commencement or appointment to the relevant role (the **Five-Year Accumulation Period**). Members of the Executive Leadership Team are not expected to purchase shares to meet the requirement.

4.3 Determination of required share ownership

The minimum level of share ownership required to be held to comply with this Policy will be calculated effective 30 June each year and advised to each individual. The minimum level of share ownership required will be calculated using the following formulas:

- a) Executive Leadership Team = base salary for previous year / Share Price.
- b) Non-executive director = annual fees for previous year (including superannuation and excluding any Committee fees) / Share Price.

4.4 Determination of the share price

For the purposes of determining the minimum level of share ownership required, the shares will be valued at the higher of Share Price, the price originally paid for the shares when they were acquired, or the price at the time of vesting.

4.5 Shares that are counted

Shares that count towards the minimum level of share ownership include:

- a) Shares held directly, or indirectly as the beneficial owner, by the individual or any “close associates” as defined by the *Corporations Act*; and
- b) Vested but unexercised securities. Where an individual holds rights or options, a notional share price will be calculated. Where required, the number of shares is determined as follows: *vested rights x (share price – exercise price)/share price*.

For the avoidance of doubt, shares, rights or options that are subject to a restriction or holding lock will be counted towards the minimum level of share ownership.

4.6 Reporting and monitoring

Each year, following the release of the Company’s financial statements, the Company Secretary will review the share ownership holding of those to whom this Policy applies and determine compliance of each individual with the terms of this Policy.

The Company Secretary will provide a report to each Non-executive director and member of the Executive Leadership Team advising how they compare to the minimum level of share ownership required pursuant to this Policy.

4.7 Compliance with the Policy

Once the minimum level of share ownership is achieved, that minimum must be maintained for as long as the individual is subject to this Policy (unless an exemption is granted pursuant to section 4.8 of this Policy below).

If a member of the Executive Leadership Team moves to a part-time role where their base salary is proportionately adjusted, the required holding will be pro-rated accordingly.

4.8 Exemptions

If a Non-executive director or a member of the Executive Leadership Team is unable to comply with this Policy in a given year after the Five-Year Accumulation Period:

- a) the individual must submit a request in writing to the Company Secretary which summarises the circumstances and describes the extent to which an exemption from the Policy is being requested as well as an estimated timeframe by which the non-compliance will be remedied; and
- b) the Company Secretary will then review this request with the Chairman and the Managing Director and an appropriate course of action will be agreed.

The Board will have a general discretion in relation to the enforcement of this Policy taking into account an individual's circumstances, any material changes to the Company's share price and any other relevant matter.

5 COMPLIANCE

This Policy will be administered by the Company Secretary who is responsible for monitoring compliance with this Policy. The Company Secretary will advise the Board of any material non-compliances identified.