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Anti-bribery and Anti-corruption Policy

Nanosonics Limited
ABN 11 095 076 896

1 PURPOSE OF THIS POLICY

This document sets out Nanosonics' responsibilities, and of those working for or with Nanosonics, in observing and upholding the Company's position on bribery and corruption, and provides information and guidance to those working for or with Nanosonics on how to recognise and deal with bribery and corruption issues.

2 WHO DOES THIS POLICY APPLY TO?

This Policy applies to each Nanosonics Staff located at any Nanosonics operation globally and Third Party Representatives of Nanosonics Group.

3 DEFINITIONS

Term	Definition / Description
Bribery and Corruption Legislation	Includes the <i>Criminal Code Act 1995</i> in Australia, the <i>Foreign Corrupt Practices Act 1977</i> and the <i>Anti-Kickback Statute 1972</i> in the United States, and the <i>Bribery Act 2010</i> in the United Kingdom.
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.
Third Party Representative	Any third party who conducts business activities on Nanosonics' behalf or distributes Nanosonics' products including Nanosonics' suppliers, distributors, resellers, and consultants.

4 PRINCIPLES

Nanosonics has a well-established reputation for conducting business in an ethical and honest way. Nanosonics is committed to instilling a strong anti-corruption and anti-bribery culture. It is Nanosonics' aim to maintain the highest level of integrity in all its interactions.

Nanosonics also strives to participate as a strong competitor in its global market, and is committed to doing so without the use of bribery or other corrupt practices to obtain an advantage.

Nanosonics applies a "zero tolerance" approach to acts of bribery and corruption by Nanosonics Staff and Third Party Representatives. Any breach of this Policy will be regarded as a serious matter by Nanosonics and will result in disciplinary action which may include termination (of employment or other contract as applicable).

5 LOCAL CONDITIONS

This Policy must be read in conjunction with, and is subject to, the laws relating to employment and the responsibilities, if any, of employers and employees in the many local environments in which Nanosonics operates. Local management will have the primary responsibility for implementing this policy within their areas of responsibility.

6 NANOSONICS' ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

6.1 What are bribery and corruption?

Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

Bribes can take on many different shapes and forms, but typically there will be a “*quid pro quo*” – meaning that both parties, or a person connected to one of the parties, will obtain a benefit. Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. A bribe could be any of the following designed to exert improper influence:

- the direct or indirect promise, offering, or authorisation, of anything of value (whether the value is material or not);
- the offer or receipt of any kickback, loan, fee, reward or other advantage; or
- the giving of aid, donations or voting.

Corruption is the misuse or abuse of power, influence or position for private gain.

6.2 Who may be guilty of bribery and corruption?

Bribery and corruption can be committed by:

- an employee, officer or director; or
- any person acting on behalf of another (i.e. a Third Party Representative); or
- organisations which authorise, permit or facilitate others to carry out such acts.

People who are likely to be approached with bribes or corrupt conduct are generally those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulation or purchase of a company's products and services, for example, tendering and contracting, or the handling of administrative tasks such as licences, customs, taxes or import/export matters. For the purposes of this Policy, a “government official” could be:

- a public official, whether foreign or domestic;
- a political candidate or party official;
- a representative of a government-owned/majority-controlled organization or a representative carrying out public services, e.g. healthcare services;
- an employee of a public international organisation (e.g. World Bank); or
- a healthcare professional working for a government or other public health institution.

6.3 Bribery and corruption laws and enforcement

Bribery is a criminal offence and penalties can be severe for both companies and individual employees.

Nanosonics recognises the Bribery and Corruption Legislation in the various countries in which it operates that prohibit bribery and corruption, including Australia, the United States and the United Kingdom. Nanosonics recognises that breaches of the law are enforced with vigour by enforcement authorities in each jurisdiction. Acts of bribery and corruption committed overseas may well result in a prosecution in that country and in other jurisdictions (for example, an individual's home nation).

6.4 Record-keeping

Nanosonics must keep financial records and apply appropriate internal controls to ensure that all underlying transactions are accurately and promptly recorded.

Nanosonics Staff must submit all expenses claims relating to gifts, entertainment or hospitality, or payments to third parties in accordance with Nanosonics Travel and Expense Policy and record the reason for expenditure.

6.5 Key risk areas for bribery and corruption

6.5.1 Gifts, entertainment and hospitality

For the purposes of this Policy, gifts, entertainment and hospitality mean payments (even those of potentially nominal value) or gestures provided to third parties of Nanosonics Group or received by Nanosonics Staff or Third Party Representatives in the course of conducting Nanosonics' business.

Provided the activity complies with all legislative requirements, this Policy allows reasonable and appropriate gifts, entertainment and hospitality (more detail below) to be offered for the purposes of:

- establishing or maintaining good business relationships;
- improving or maintaining Nanosonics' image or reputation; or
- marketing or presenting Nanosonics' products and/or services effectively.

As set out below, activities involving healthcare professionals or government officials represent a particular risk.

Evaluating what is acceptable

In order to determine what constitutes an acceptable gift, entertainment or hospitality activity, Nanosonics Staff should consider:

- the intention or purpose – why is the gift, entertainment or hospitality activity occurring? Is it to influence a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits?
- the appearance of the activity – regardless of whether the gift, entertainment or hospitality is lawful, reasonable, appropriate and for a proper purpose, how would it look if the activity were reported in the media, or if the situation were reversed?

The Company appreciates that practice varies between countries and regions and what may be normal and acceptable in one market may not be in another. Regardless of the country or region in question, any gifts, entertainment or hospitality must always be reasonable, appropriate and for a proper purpose. The intention should always be considered closely. When in doubt, Nanosonics Staff should always consult with their line manager and the General Counsel.

Nanosonics Staff are advised to always be mindful of the purpose of any payment. In addition to complying with the Nanosonics Travel and Expense Policy, Nanosonics Staff should consider whether any amount requested by a third party for a gift, entertainment or hospitality purposes is proportionate to the goods or services provided, and obtain a receipt which details the reason for the payment, and any specific requirements relating to health professionals (for example, the Sunshine Act in the United States may impose additional requirements on physicians or Nanosonics such as disclosure obligations). Suspicions, concerns or queries regarding a payment or this policy should be first raised with an individual's line manager, and then raised with the General Counsel if doubt remains.

When may gifts, entertainment and hospitality be acceptable?

A gift, entertainment, or hospitality activity conducted by Nanosonics Staff *may* be acceptable if it:

- is of a modest value – taking into account local laws, codes, customs, culture and otherwise in accordance with Nanosonics Travel and Expense Policy;
- is given in Nanosonics' name, not in the Nanosonics Staff member's name;
- does not include cash or a cash equivalent (such as gift certificates or vouchers);
- is appropriate in the circumstances, taking account of the reason for the gift, its timing and value;
- is given openly, not secretly; and
- complies with any applicable local law.

Examples of generally acceptable gifts, entertainment or hospitality activities include:

- promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners (to non-healthcare professionals); and
- modest/occasional meals as part of an ordinary business process.

When are gifts, entertainment and hospitality unacceptable?

An unacceptable gift, entertainment or hospitality activity conducted by Nanosonics Staff is one:

- made in the expectation or known possibility that either party will provide a business advantage in return;
- made during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- including cash or cash equivalents;
- offering entertainment of a sexual or similarly inappropriate nature;
- making incomplete, false or inaccurate entries in Nanosonics' books and records;
- being unduly lavish, inappropriate or extravagant under the circumstances;
- involving government officials or representatives, or politicians or political parties, without the prior approval of the General Counsel;
- being otherwise in breach of this policy.

An example of an unacceptable gift is a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay).

If the person Nanosonics does business with is a healthcare professional or government official there are often local laws and applicable industry codes that may impose additional restrictions and those restrictions must always be adhered to. Nanosonics Staff must ensure that any benefit of any value proposed to be provided to (or received from) a healthcare professional or government official is first discussed with the relevant line manager and the General Counsel, and written approval obtained from each to proceed.

6.5.2 Facilitation payments and kickbacks

Facilitation payments, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not commonly sought in Australia but are sometimes sought in other jurisdictions in which Nanosonics operates or may operate in the future. Facilitation payments are prohibited in many jurisdictions including the United Kingdom.

"Kickbacks" are typically payments made in return for a business favour or advantage.

It is Company policy for Nanosonics Staff to:

- not make, nor accept, facilitation payments or "kickbacks" of any kind; and

- avoid any activity that might lead to a facilitation payment or kickback being made or accepted (or any activity that might suggest that such a payment will be made or accepted).

6.5.3 Donations

Neither Nanosonics nor any Nanosonics Staff may make contributions to political parties intended to obtain an improper advantage for Nanosonics or in Nanosonics' name. Charitable donations must not be made unless they are legal, ethical, in accordance with local laws and practices and have the prior approval of the Chief Executive Officer.

6.5.4 Third party representatives

This Policy applies to Nanosonics' Third Party Representatives.

Local management of the Nanosonics contracting party is responsible for the evaluation of each potential third party relationship and assessing risk before entering into a contractual relationship. In doing so, local management must:

- evaluate the background, experience and reputation of the third party;
- understand the services to be provided by the third party to Nanosonics, and the methods of compensation and payment to ensure in so far as possible that they are for legitimate business purposes;
- evaluate the business rationale for engaging the third party;
- take reasonable steps to monitor the transactions of the third party; and
- ensure any agreement in place between Nanosonics and the third party incorporates all relevant Nanosonics policies including this Policy.

6.6 How to raise a concern

Nanosonics Staff must ensure that they read, understand and comply with this Policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Nanosonics or under Nanosonics' control. Nanosonics Staff are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

Nanosonics Staff must notify their line manager and the General Counsel as soon as possible if they believe or suspect that a conflict with this Policy has occurred, or may occur in the future. For example, if a client or potential client offers an incentive to Nanosonics Staff to gain a business advantage with Nanosonics, or indicates to Nanosonics Staff that a gift or payment is required to secure their business.

6.7 Protection

Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Nanosonics aims to encourage openness and will support any individual who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. Nanosonics Staff may raise any concerns using the processes set out in the Company's Speak Up Policy.

Nanosonics is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If any Nanosonics Staff believe they have suffered any such treatment, they should inform their line manager and the Chief People Culture Officer. If the matter is not remedied, and the individual raising the issue is an employee, it should be raised formally with the Executive to whom the individual ultimately reports, and/or the

Chief Executive Officer. If the matter is still not resolved within a timely fashion, the employee may raise the matter with the Chairman of the Board.

7 COMPLIANCE

A copy of this Policy is provided to all Nanosonics Staff and is also available on the Company's website.

The Board is responsible for monitoring compliance with this Policy. The Company Secretary will advise the Board of any non-compliances identified.