



December 2021

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## **Share Ownership Policy**

**Nanosonics Limited**

**ABN 11 095 076 896**

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## 1 PURPOSE OF THIS POLICY

The purpose of this policy is to better align the interests of Nanosonics' KMP with the financial interests of the Company's shareholders. The Policy aims to encourage share ownership by KMP and build long-term commitment to the Company by providing direction to KMP 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 KMP.

## 3 DEFINITIONS

Term	Definition / Description
KMP	Key Management Personnel as identified in the Company's remuneration report from time to time including Non-executive directors and Executive KMP
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

### Policy participation and requirements

The Policy requires KMP to establish and maintain minimum specified levels of share ownership as follows:

- a) Each Executive KMP must establish a level of share ownership equivalent to one times their previous financial year's base salary.
- b) Each Non-executive director KMP 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).

### Timeline for achieving the minimum specified levels of share ownership

Each KMP must comply with the minimum specified level of share ownership within 4 years of their commencement or appointment as a KMP (the **Four-Year Accumulation Period**).

### 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 Participant. The minimum level of share ownership required for KMP will be calculated using the following formulas:

- a) Executive KMP = base salary for previous year / Share Price.

- b)  $\text{Non-executive director KMP} = \text{annual fees for previous year (including superannuation and excluding any Committee fees)} / \text{Share Price}$ .

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.

### **Shares that are counted**

Shares that count towards the minimum level of share ownership include vested but unexercised securities and shares held directly, or indirectly as the beneficial owner, by the KMP.

Where a KMP holds rights or options, a notional share price will be calculated (vested rights x (share price – exercise price)/share price).

### **Reporting and monitoring**

Each year, following the release of the Company's financial statements, the Company Secretary will review the share ownership holding of each KMP and determine compliance of each KMP with the terms of this Policy.

The Company Secretary will provide a report to each KMP advising how they compare to the minimum level of share ownership required pursuant to this Policy.

### **Compliance with the Policy**

Once the minimum level of share ownership is achieved by a KMP, that minimum must be maintained for as long as the KMP is subject to this Policy (unless an exemption is granted pursuant to section 4.7 of this Policy below).

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

### **Exemptions**

If a KMP is unable to comply with this Policy in a given year after the Four-Year Accumulation Period:

- a) the KMP 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 with the KMP.

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.