



August 2020

**Continuous Disclosure and
Shareholder Communication Policy**

Nanosonics Limited

ABN 11 095 076 896

1. PURPOSE OF THIS POLICY

This Policy sets out the standards, protocols and laws relating to disclosure of Company information by Nanosonics Staff and includes the Company's Policy on disclosure of Price Sensitive Information and for communicating effectively with shareholders.

The purpose of this Policy is to:

- (a) ensure that the Company is able to comply with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules (**Disclosure Obligations**);
- (b) describe the processes implemented by the Company to ensure compliance with its Disclosure Obligations;
- (c) assist the Company to ensure that all market announcements are accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions; and
- (d) outline the Company's practices to promote effective communication with shareholders and to encourage and facilitate participation at the Company's general meetings.

2. WHO DOES THIS POLICY APPLY TO?

This Policy applies to all Nanosonics Staff located at any Nanosonics operation globally. Although the key obligations in this area arise under the Corporations Act and the ASX Listing Rules, the application of this Policy extends to all Nanosonics Staff wherever they are located.

3. DEFINITIONS

| Term | Definition / Description |
|-----------------------------|--|
| ASX | ASX Limited or the securities exchange operated by it. |
| ASX Listing Rules | The listing rules of ASX. |
| Board | The board of directors of the Company. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Disclosure Obligations | Has the meaning given in Section 1(a). |
| 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. |
| Price Sensitive Information | Has the meaning given in Section 5.1. |

4. PRINCIPLES

Nanosonics is committed to maintaining a high standard of corporate governance, taking into account the interests of all stakeholders. The Company complies with the ASX Listing Rules and supports the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for good corporate governance and the Code of Best Practice for Reporting by Life Sciences Companies.

5. CONTINUOUS DISCLOSURE

5.1. Continuous Disclosure Obligations

As a public company listed on the ASX, Nanosonics is subject to continuous disclosure requirements under the ASX Listing Rules. These requirements have the force of law under the Corporations Act.

In particular, ASX Listing Rule 3.1 provides that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately disclose that information to ASX. Information will be taken to have a material effect on the price or value of the Company's securities if it would be likely to influence investors in deciding whether to acquire or sell the Company's securities. This type of information is referred to as **Price Sensitive Information**.

Materiality is assessed using measures appropriate to Nanosonics and having regard to the examples given by the ASX in Listing Rule 3.1 and Guidance Note 8.

Price Sensitive Information can also be subject to the insider trading provisions in Part 7.10 of the Corporations Act. See the Company's Securities Trading Policy for further detail.

Price Sensitive Information must be immediately (meaning promptly and without delay) disclosed to ASX unless it falls within the scope of the confidentiality exception in ASX Listing Rule 3.1A.

5.2. Exceptions to disclosure of information

An exception to ASX Listing Rule 3.1 applies in certain specific circumstances. Under ASX Listing Rule 3.1A, Price Sensitive Information does not need to be disclosed if each of the following paragraphs (a), (b) and (c) are satisfied in relation to the information:

- (a) 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 the internal management purposes of the entity;
 - (v) the information is a trade secret;
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential;
- (c) a reasonable person would not expect the information to be disclosed.

As soon as any one of these three conditions set out in paragraphs (a), (b) and (c) above is no longer satisfied, the Company must immediately comply with its Disclosure Obligations. As Price Sensitive Information is being withheld from immediate disclosure on the basis that it is confidential, it is important that the confidentiality of Price Sensitive Information must be maintained in accordance with the Company's confidentiality policies and procedures.

All Nanosonics Staff must keep all Price Sensitive Information confidential until it is released and becomes generally available.

5.3. False market in securities

The ASX Listing Rules also provide that if ASX considers that there is or is likely to be a false market in the Company's securities, and it asks the Company to give information to correct or prevent a false market, the Company must give ASX the information needed to correct or prevent the false market.

5.4. Roles and responsibilities

Overview

This Policy will be administered by several key personnel within Nanosonics identified below. However, all Nanosonics Staff have a role to play to ensure that Nanosonics achieves the objectives of this Policy.

An overview of individuals' responsibilities under this Policy is provided in the table below:

| Person | Responsibility |
|--|--|
| Board | Review and approve significant ASX announcements. Periodically review this Policy and approve necessary amendments. |
| Company Secretary/Chief Financial Officer (CFO) and Chief Executive Officer (CEO) | Receive reports of Price Sensitive Information and take any appropriate action. |
| Company Secretary | Overall administration of this Policy and all communications with the ASX. |
| The Chairman, the Deputy Chairman, the CEO and the CFO (Authorised Spokespersons) | Only Nanosonics Staff authorised to speak to media or other external parties (e.g. analysts and investors) on behalf of Nanosonics in relation to matters subject to this Policy. |
| Nanosonics Staff | Report any information which they believe may be Price Sensitive Information to the CEO (or the CFO in the CEO's absence). Maintain strict confidentiality of all Price Sensitive Information. Observe Nanosonics' policy of not commenting on market speculation or rumours. Adhere to all associated policies including the Securities Trading Policy and the Blackout Periods set out in it. |

The Board

The Board will:

- (a) when it becomes aware of potentially Price Sensitive Information, determine whether the information should be disclosed to ASX or whether it falls within the Listing Rule 3.1A exception;
- (b) review draft significant announcements prepared by the Company Secretary, seeking to ensure that they are accurate, balanced and not misleading, do not omit material information and are expressed in a clear and objective way that allows investors to assess the impact of the information when making investment decisions;
- (c) approve significant announcements and instruct the Company Secretary to release them to the market;
- (d) review the Company's periodic disclosure documents and media announcements before release to ASX; and
- (e) periodically monitor disclosure processes and reporting and the effectiveness of this Policy in respect of the Company's Disclosure Obligations.

The Company Secretary

The Company has appointed the Company Secretary as the person responsible for communication with ASX in relation to Listing Rule matters and also for the general administration of this Policy.

The Company Secretary will:

- (a) assist the Board to ensure that the Company complies with its Disclosure Obligations;
- (b) review Board papers and other information referred to the Company Secretary for events that may give rise to Disclosure Obligations;
- (c) maintain a record of discussions and decisions made about disclosure issues by the Board and a register of announcements made to ASX;
- (d) liaise between the Board and ASX in relation to matters of disclosure;
- (e) prepare draft announcements, with the assistance of professional advisers as appropriate;
- (f) release announcements to ASX as instructed by the Board;
- (g) ensure that the Board receives copies of all material market announcements promptly after they have been made;
- (h) co-ordinate education within the Company about its Disclosure Obligations; and
- (i) organise training for relevant Nanosonics

The Company Secretary will also communicate significant amendments made to this Policy to relevant Nanosonics Staff.

The Board and other Nanosonics Staff should contact the Company Secretary if they have any questions about this Policy.

Nanosonics Staff

All Nanosonics Staff must keep all Price Sensitive Information confidential in accordance with Nanosonics' confidentiality policies and procedures. If Price Sensitive Information is no longer confidential (for example, it is reported or referred to in the media or any information agency screens, or is discussed on social media platforms), Nanosonics Staff must immediately inform the CEO (or CFO if the CEO is unavailable) to allow Nanosonics to make an assessment as to whether confidentiality has indeed been lost and to comply with the Disclosure Obligations.

5.5. Disclosure process

Notification to Company Secretary, CEO and Board

As soon as any Nanosonics Staff becomes aware of any Price Sensitive Information that might require disclosure, they must notify the Company Secretary and CEO. If the CEO determines that there may be a requirement to disclose, or is in doubt about the need to disclose the information, the CEO will refer the matter to the Board. The Company Secretary/CFO will act as the first point of contact if the CEO is unavailable.

Preparation of market announcements

If information is determined to be Price Sensitive Information requiring disclosure, the Company Secretary will prepare an appropriate market announcement that is compliant with the law and Listing Rules, is accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. The CEO and Company Secretary will coordinate input and sign-off as appropriate.

Approval of market announcements

Ultimate responsibility for the disclosure of Company information rests with the Board. All significant announcements must be circulated to directors and approved by the Board. If a Board meeting is not able to be convened promptly and without delay to approve a significant announcement, it may be necessary to request a trading halt from ASX to ensure orderly trading in the Company's securities and for the Company to remain compliant with the Disclosure Obligations.

If an announcement is urgent and it is not possible to seek the approval of the full Board, the CEO and Chairman or Deputy Chairman may approve the release of the announcement, with a copy to be promptly provided to all other directors.

Release of market announcement to ASX

The Company Secretary is responsible for releasing information to the ASX in the form of an announcement to the market. The disclosure process is not complete until ASX confirms receipt of the announcement. The announcement will then be posted on the Company's website as soon as practicable to make it accessible to the general public.

Price Sensitive Information must not be given to the media or others before it is given to the ASX, even on an embargo basis.

A copy of all material market announcements will be promptly made available by the Company Secretary to the Board following its release.

5.6. Authorised Spokespersons

The Authorised Spokespersons are the Chairman, the Deputy Chairman, the CEO, the CFO and other persons authorised by the Board from time to time. They are the only persons who may speak to the media or other external parties (e.g. analysts and investors) on behalf of Nanosonics in relation to matters subject to this Policy.

Wherever practicable, two Authorised Spokespersons should be present in any conversation with, or presentation to, financial analysts, media or any other stakeholders.

When discussing Nanosonics with third parties, the Authorised Spokesperson:

- (a) should ensure all comments relate to information within the public domain and/or are not material, as the disclosure of confidential information, even if inadvertent, may result in the information no longer falling within the exception to ASX Listing Rule 3.1 and therefore requiring disclosure to the ASX immediately;
- (b) may clarify information that the Company has released publicly through the ASX, but must seek to avoid providing additional Price Sensitive Information;
- (c) should limit any comments to the spokesperson's area of expertise wherever possible; and
- (d) should report to the Company Secretary after the external communication is made, to determine if any confidential information has been disclosed, even inadvertently, and whether as a consequence any disclosure to the ASX is necessary.

All enquiries by regulators should be passed on to the Company Secretary immediately.

5.7. Analyst and investor briefings

The Company must ensure that it does not give analysts, institutional investors or other select groups of market participants any Price Sensitive Information not already disclosed to the ASX at any time, for example, during analyst or investor briefings, or when answering analysts' or investors' questions.

The Company may conduct analyst and investor briefings or presentations from time to time. These activities will be managed by the CFO or CEO and carried out in accordance the ASX Listing Rules and Company policies.

All requests for analyst or investor meetings, briefings or Company presentations are to be directed to the CFO. Where an investor or analyst makes direct contact with Nanosonics Staff, they should immediately be referred to the CFO.

All briefing materials, such as presentations, will be announced to the ASX before the briefing and then made available on the Company's website, regardless of whether the briefing materials contain information required to be disclosed under ASX Listing Rule 3.1.

Where practicable, the Company will consider providing shareholders the opportunity to participate in such analyst or investor presentations, for example, by providing them with dial-in details or providing a link to a live webcast. If that is not practicable, the Company will consider making a recording or transcript of the presentation available on its website as soon as it reasonably can.

In addition to the above guidelines for Authorised Spokespersons, the following applies to analyst or investor meetings:

- (a) at least one of the CEO or CFO must attend all meetings involving investors and analysts with management;
- (b) any questions raised in relation to Price Sensitive Information not already disclosed to the market will not be answered or will be taken on notice. If a question is taken on notice and the answer would involve the release of Price Sensitive Information, the information will be disclosed to ASX before responding; and
- (c) a record of investor meetings must be maintained in accordance with the Company's disclosure practices.

All briefings or other dealings with analysts, institutional investors or other select groups of market participants should be carefully monitored and reviewed by participating Nanosonics Staff to ensure that Price Sensitive Information is not inadvertently disclosed, and if this occurs the Company must immediately disclose that information to ASX.

5.8. Responding to analyst reports and financial projections

Nanosonics will not comment on conclusions or assumptions in analyst reports.

It is permissible to clarify or correct any errors of fact or interpretation that analysts or investors make concerning information already disclosed to the market, but only to the extent that the clarification or correction does not itself amount to giving the analyst or investor new Price Sensitive Information (such as correcting market expectations about earnings forecasts, which would require disclosure to ASX).

5.9. Rumours and market speculation

The Company will not comment on market speculation or rumours unless the Company considers that:

- (a) there are factual errors in the market speculation or rumour that could affect the Company and that in the Board's opinion require correction or clarification;
- (b) the market speculation or rumour indicates that the subject matter is no longer confidential and therefore the exception to disclosure in ASX Listing Rule 3.1A no longer applies; or
- (c) the ASX or another regulator formally requests disclosure by the Company on the matter.

Only authorised spokespersons of the Company may make any statement on behalf of the Company in relation to market rumours or speculation. If any Nanosonics Staff becomes aware of any market speculation or rumours of which the CEO, Company Secretary or the Board may not be aware, these should be reported to the CEO or Company Secretary.

Any comments made by the Company in response to market speculation or rumour must be authorised by following the disclosure process in Section 5.54.

5.10. Trading halts

If necessary, the Company may request a trading halt from the ASX in order to maintain a fully informed, fair and transparent market in respect of the Company's securities and to manage any disclosure issues.

The Chairman and the CEO are authorised to make all decisions in relation to trading halts. If one of the Chairman or the CEO is unavailable and the trading halt is required urgently, then the other may make any decision reasonably required in respect of the trading halt.

Unless otherwise approved by the Board, the Company Secretary is the only person authorised to request a trading halt on behalf of the Company.

5.11. Breaches

It is important that the Company complies with its Disclosure Obligations. Failure to comply with the Company's Disclosure Obligations may lead to a breach of the Corporations Act or ASX Listing Rules and to personal penalties for directors and officers. Accordingly, it is incumbent upon all Nanosonics Staff to comply with this Policy.

Breaches of this Policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Nanosonics Staff. In serious cases, such action may include dismissal.

Nanosonics Staff who become aware of a violation of this Policy should immediately report the violation to the Company Secretary.

6. SHAREHOLDER COMMUNICATIONS AND INVESTOR RELATIONS

6.1. Methods of communication

Information is provided to shareholders by the Company in a number of ways including:

- (a) the Company's annual and half-yearly reports to shareholders;
- (b) the Company's website;
- (c) ASX announcements and media releases; and
- (d) the general meetings of shareholders.

6.2. Reports to shareholders

The Company produces half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, the ASX Listing Rules and applicable accounting standards. The Company also releases an ESG Report. These seek to give balanced and understandable information about the Company to shareholders.

Annual report: Unless shareholders have elected to have a hardcopy of the annual report mailed to them, the annual report (or a link where it can be downloaded) will be emailed to shareholders (to the email address recorded on the Company's share register) within the timeframe set by the Corporations Act.

Half yearly and yearly financial reports: The half yearly and yearly financial reports are announced to the ASX pursuant to the ASX Listing Rules and are available to shareholders in the same manner as other ASX announcements.

6.3. The Company's website

The Company's website contains information about the Company including shareholder communications, announcements made to the market and related information. Investor information is posted in the "Investor Centre" section on the website.

Relevant media releases, Company financial announcements and financial data and the Company's charters and policies are also available on the Company's website.

The website provides access to the Company's key corporate governance policies, share price information and details regarding how to access the Company's share registry. The website also provides information for shareholders to direct inquiries to the Company.

6.4. ASX announcements and media releases

ASX announcements and media releases are the Company's primary method for communicating information to the Company's stakeholders.

The Company will make announcements to ASX in a timely manner in accordance with the ASX Listing Rules (see Section 5 of this Policy). All ASX announcements must be authorised by following the disclosure process in Section 5.4 prior to release and will be promptly placed on the Company's website following confirmation from ASX that the announcement has been released.

6.5. Use of electronic communication and other technology

Shareholders may from time to time elect to receive information electronically as it is posted on the Company's website. Shareholders may also communicate electronically with the Company as provided for on the website. The Company will communicate by post with shareholders who have not elected to receive information electronically.

The Company may consider the use of other reliable technologies as they become available.

6.6. General meetings

General meetings (including the Company's annual general meeting) are used to communicate with shareholders and allow an opportunity for informed shareholder participation. Shareholders are encouraged to attend or, if unable to attend, to vote on the motions proposed by appointing a proxy or using any other means included in the notice of meeting. The Company conducts its general meetings in accordance with the Company's constitution, the Corporations Act and the ASX Listing Rules.

6.7. Notices of meetings

The Company seeks to ensure that the form, content and delivery of notices of general meetings will comply with the Company's constitution, the Corporations Act and ASX Listing Rules.

Notices of meeting and accompanying explanatory notes aim to clearly, concisely and accurately set out the nature of the business to be considered at the meeting and will be distributed to all shareholders prior to the meeting in the timeframe set by the Corporations Act. The Company will place notices of general meetings and accompanying explanatory material on the Company's website.

6.8. Blackout Periods

Under the Company's Securities Trading Policy, the Company adopts 'Blackout Periods' (as defined in that Policy) during which Nanosonics Staff must not deal in Nanosonics securities due to the proximity of those periods to the release of Nanosonics' financial results (unless an exception is granted pursuant to the Policy). The Blackout Periods are set out 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. | |

During Blackout Periods, the Company will not normally allow meetings between the Company's senior management and investment community representatives or the media.

7. REVIEW OF POLICY

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 periodically reviewing this Policy to ensure that it is operating effectively and whether any changes are required. This Policy may be amended by resolution of the Board.