



September 2020

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**R&D and Innovation Committee Charter**

**Nanosonics Limited**

**ABN 11 095 076 896**

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## **1. PURPOSE**

The R&D and Innovation Committee is appointed by the Board to assist the Board in discharging its responsibilities by overseeing and advising on Nanosonics' research, development and innovation activities and strategy.

## **2. AUTHORITY**

The Board authorises the Committee to:

- Perform activities identified within this charter;
- Seek any information it requires from any officer or employee of the Company, including information concerning activities or programmes being undertaken by external entities in cooperation with, or sponsored by the Company; and
- Select, set the terms of reference and appoint such consultants or advisors as the Committee considers necessary, at the cost of the Company.

The Committee will have no executive powers in regard to its findings and recommendations.

## **3. COMPOSITION**

The Committee will be composed of not less than four members, two of whom must be both non-executive Directors of the Company and ideally, independent. The Chairperson of Committee will be an independent non-executive director.

The Company Secretary will act as the Secretary of the Committee unless otherwise determined by the Committee.

## **4. MEETINGS**

The quorum required for a meeting of the Committee will be 2 members.

The Committee will meet not less than 3 times each year and at such other times as any member of the Committee shall require.

An agenda and meeting papers and appropriate briefing material will be prepared and circulated in advance to each member of the Committee where it is practicable to do so.

All Directors are invited to attend the meetings of the Committee. Members of the Committee may invite any employee or contractor of the Company or any other person who has information that the Committee requires, in order to perform its responsibilities. Invited individuals will be identified in the meeting Agenda.

The Company Secretary will take minutes of the Committee meetings. Minutes of the Committee meetings will be circulated to all members of the Committee and to the Board at its next meeting.

Other procedural matters regarding meetings of the Committee will be governed by the constitution of the Company, as applicable.

## 5. RESPONSIBILITIES

### Technology strategy

The primary responsibility of the Committee is to monitor the strategic direction of the Company's research and product development programs and technical capabilities, and make recommendations to the Board on the direction of those programs.

In addition to the primary objective outlined above, the Committee will also:

- Consider opportunities to acquire technology positions (including but not limited to contracts, grants, collaborative efforts, alliances and venture capital) or other scientific aspects of major acquisitions and business development transactions; and
- Review the market for relevant technologies including competitor assessments from time to time as appropriate.

The Committee will take into account the extent to which the R&D programs, priorities and resources are aligned with the Company's:

- Strategic priorities and broad commercial objectives;
- Agreed target markets and competitive positioning;
- Existing product pipeline;
- Clinical affairs priorities;
- Major technology positions and strategies relative to emerging technologies, changing customer needs and market requirements;
- Intellectual property strategy and portfolio; and
- Agreed risk appetite where relevant to the matters set out in this Charter.

The Committee may also from time to time receive briefings on external developments in relevant technologies and clinical fields.

### Resource allocation

- Ensure the optimal allocation of the Company's existing resources to research and development programs in line with the agreed technology strategy; and
- Make recommendations to the Board in relation to the allocation of resources.

### Reporting

Report regularly to the Board all matters relevant to the Committee's responsibilities as set out in this charter and make appropriate recommendations.

### Evaluate performance

The performance and achievements of the Committee is to be assessed annually by the chair of the Committee.

### Review of the R&D and Innovation Committee Charter

Review the R&D and Innovation Committee charter annually and discuss proposed changes with the Board.