

5 October 2023

Dear Shareholder,

2023 Annual General Meeting

On behalf of the Board of Directors of Nanosonics Limited (**Nanosonics** or the **Company**), I have pleasure in providing notice of the Company's Annual General Meeting (**AGM** or the **Meeting**) to be held on Friday, 3 November 2023, commencing at 11am (AEDT).

The AGM will be a hybrid meeting held both online and in person at our head office at Level 1, Building A, 7-11 Talavera Road, Macquarie Park NSW 2113.

For those shareholders that wish to attend in person, the Company's head office is located approximately 10 minutes' walk from Macquarie Park metro station. For those wishing to drive, parking options are available at the Macquarie Centre shopping centre which is also around 10 minutes' walk from the head office.

For those shareholders that wish to participate online, the AGM will be made accessible to shareholders via a live webcast as well as an online platform which will include the facility for shareholders to ask questions in relation to the business of the meeting and to vote in real time at the meeting. These processes are set out in the Notice of Meeting.

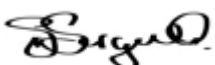
Whilst shareholders will be able to vote online during the meeting, shareholders are encouraged to lodge a proxy ahead of the meeting, even if they are participating online. If you are unable to attend the meeting, I invite you to appoint a proxy to attend and vote on your behalf, online using the Share Registry's website at www.investorvote.com.au.

The Explanatory Memorandum accompanying this Notice of Meeting is part of this Notice of Meeting and provides additional information on matters to be considered at the AGM.

You are welcome to submit questions you may have for the Company and its Auditor in advance of the Meeting. A form for this purpose is available on www.investorvote.com.au and should be made available to the Company on or before Wednesday, 1 November 2023 at the address provided at the end of the form.

The Nanosonics 2023 Annual Report and subsequent Company announcements are available from the Investor Centre on the Nanosonics website at www.nanosonics.com.au or may be requested from the Company Secretary. Shareholders who have elected to receive a printed copy of the Annual Report should have received it in the post. Shareholders who have elected to receive Share Registry communications electronically should have already received an email with a link to the Annual Report.

Yours sincerely,
Nanosonics Limited



Steve Sargent
Non-Executive Chairman

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

The 2023 Annual General Meeting (**AGM** or the **Meeting**) of shareholders of Nanosonics Limited (**Nanosonics** or the **Company**) will be held on Friday, 3 November 2023 commencing at 11:00am (AEDT) via online webcast, the details for which are set out below.

The business to be considered at the Meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Notes. A Proxy Form also accompanies this Notice of Meeting.

ATTENDING THE MEETING ONLINE

If you choose to participate online on the day of the meeting, you must use the Computershare Meeting Platform to attend and participate in the meeting.

To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/MP2UX69> on your computer, tablet or smartphone.

Online registration will open 30 minutes before the meeting at 10:30am on 3 November 2023. To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxy holders will need to contact Computershare prior to the meeting to obtain their unique email invitation link.

To participate in the meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN. Proxy holders will need to contact Computershare on +61 3 9415 4024 one hour prior to the meeting to obtain their unique email invitation link.
3. Enter your postcode registered to your holding if you are an Australian Shareholder. If you are an overseas Shareholder select the country of your registered holding from the drop-down list.
4. Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress.

Please read the "Online Meeting User Guide" at www.computershare.com.au/virtualmeetingguide for further instructions on how to participate online. We recommend that you read this guide carefully before the AGM to ensure your technology is ready (for example to ensure that your internet browser is compatible with the online portal).

BUSINESS OF AGM

2023 Reports

To receive and consider the Company's Reports of the Directors and Auditor, and the Financial Report for the year ended 30 June 2023.

Resolution 1 – Re-election of a Director, Dr Lisa McIntyre

To consider and, if thought fit, to pass the following ordinary Resolution:

That Dr Lisa McIntyre, who retires by rotation as a Director pursuant to the Company's Constitution and ASX Listing Rule 14.4, and, being eligible, offers herself for re-election, be re-elected as a Director.

Resolution 2 – Election of a Director, Dr Tracey Batten

To consider and, if thought fit, to pass the following ordinary Resolution:

That Dr Tracey Batten, who was appointed to fill a casual vacancy on the Board since the 2022 Annual General Meeting and retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, and, being eligible, offers herself for election, be elected as a Director.

Resolution 3 – Election of a Director, Dr Larry Marshall

To consider and, if thought fit, to pass the following ordinary Resolution:

That Dr Larry Marshall, who was appointed to fill a casual vacancy on the Board since the 2022 Annual General Meeting and retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, and, being eligible, offers himself for election, be elected as a Director.

Resolution 4 – Re-election of a Director, Mr Steven Sargent

To consider and, if thought fit, to pass the following ordinary Resolution:

That Mr Steven Sargent, who retires by rotation as a Director pursuant to the Company's Constitution and ASX Listing Rule 14.4, and, being eligible, offers himself for re-election, be re-elected as a Director.

Resolution 5 – Remuneration Report

To consider and, if thought fit, to pass the following non-binding Resolution:

That the Remuneration Report for the financial year ended 30 June 2023 be adopted.

Resolution 6 – Issue of 44,054 Service Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2023 Short Term Incentive (2023 STI) under the Nanosonics Omnibus Equity Plan

To consider and, if thought fit, to pass the following ordinary Resolution:

That approval be given for all purposes under the Corporations Act 2001 (Cth) and the ASX Listing Rule 10.14 for the issue of 44,054 Service Rights to Mr Michael Kavanagh under the Nanosonics Omnibus Equity Plan (Omnibus Plan) in respect of the 2023 STI, on the terms set out in the Explanatory Notes accompanying this Notice of Meeting and in accordance with the Rules of the Omnibus Plan (as amended from time-to-time).

Resolution 7 – Adoption of the Nanosonics Equity Plan

To consider and, if thought fit, to pass the following ordinary Resolution:

*That, for the purposes of ASX Listing Rule 7.2, Exception 13, and for all other purposes, approval be given for the Company to adopt the Nanosonics Equity Plan (**Nanosonics Equity Plan**) and for the issue of securities under that Plan on the terms described in the Explanatory Notes accompanying this Notice of Meeting.*

Resolution 8 – Issue of 385,140 Performance Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2023 Long-Term Incentive (2023 LTI) under the Nanosonics Equity Plan

To consider and, if thought fit, to pass the following ordinary Resolution:

That approval be given for all purposes under the Corporations Act 2001 (Cth) and the ASX Listing Rule 10.14 for the issue of 385,140 Performance Rights to Mr Michael Kavanagh under the Nanosonics Equity Plan in respect of the 2023 LTI, if Resolution 7 is passed, otherwise pursuant to the Omnibus Plan, on the terms set out in the Explanatory Notes accompanying this Notice of Meeting and in accordance with the Rules of the relevant Plan (as amended from time-to-time).

VOTING EXCLUSION STATEMENTS

In respect of **Resolution 5** (Adoption of Remuneration Report), no vote may be cast (in any capacity) by or on behalf of a person who is a member of key management personnel (**KMP**) whose remuneration details are included in the Remuneration Report, or a closely related party of such a person, unless the vote is cast as proxy on behalf of a person entitled to vote and is cast either:

- in accordance with a direction on the proxy form; or
- by the person chairing the Meeting as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the chair to exercise the proxy, even if the resolution is connected directly or indirectly with the remuneration of KMP.

KMP of the Company are the Directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The KMP during the financial year to 30 June 2023 are identified in the Remuneration Report contained in the Directors' Report for the year ended 30 June 2023.

Closely-related parties are defined in the *Corporations Act 2001* (Cth), and include certain family members, dependents and companies the KMP control.

In respect of **Resolutions 6** (Issue of Service Rights to Mr Kavanagh) and **8** (Issue of Performance Rights to Mr Kavanagh), the Company will disregard any votes cast by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive plan in question, in this case being Mr Kavanagh and his associates.

In respect of **Resolution 7** (Adoption of the Nanosonics Equity Plan and Issue of securities under Nanosonics Equity Plan), the Company will disregard any votes cast on this resolution by or on behalf of a person who is eligible to participate in the new employee incentive scheme in question (the Nanosonics Equity Plan) or any of their associates.

However, the Company need not disregard any vote in respect of Resolutions 6, 7 and 8 if it is cast by:

- A person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- The person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

QUORUM

The Company's Constitution provides that two Company shareholders present personally, or by representative, attorney, or proxy, shall be a quorum for a general meeting of the Company.

GENERAL BUSINESS

Any other business brought forward in accordance with the Company's Constitution will be considered, as appropriate.

Further information in relation to each of these Resolutions is set out in the Explanatory Notes.

VOTING ENTITLEMENTS

For the purpose of the *Corporations Act 2001* (Cth), the Company has determined that the holders of the Company's ordinary shares for the purpose of the 2023 AGM will be the holders registered as at 11:00 am (AEDT) on Wednesday, 1 November 2023. Shareholders so registered are entitled to attend and vote at the AGM (and at any adjournment of the Meeting that takes place within 28 days).

PROXIES

Proxies must be deposited, transmitted or lodged electronically at least 48 hours prior to the Meeting (or adjourned meeting).

Electronic proxies must be registered by 11:00am (AEDT) on Wednesday, 1 November 2023 using the website maintained by the Company's Share Registry at www.investorvote.com.au or, by Intermediary Online subscribers only, at <https://www.intermediaryonline.com>.

A completed Proxy Form, or a copy or facsimile that appears on its face to be an authentic copy of the Proxy Form (and the Power of Attorney or other authority under which the Proxy Form is signed), must be deposited at, or sent by facsimile transmission to, the Company's Share Registry:

By mail:	Computershare Investor Services Pty Limited GPO Box 242, Melbourne VIC 3001 Australia
By facsimile:	1800 783 447 (within Australia) +61 (3) 9473 2555 (outside Australia)

To lodge a proxy online, the holder identification number (HIN) or security holder reference number (SRN) is required. The HIN or SRN appears at the top of the Proxy Form attached.

A shareholder entitled to attend and vote at the Company's AGM is entitled to appoint not more than two persons as his / her proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights that each proxy is entitled to exercise. If the proxy appoints two proxies and does not specify each proxy's voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. Unless executed under a Power of Attorney, a Proxy Form by a corporation should be executed in accordance with section 127(1) of the *Corporations Act 2001* (Cth).

RESOLUTIONS

In accordance with the *Corporations Act 2001* (Cth) and the Company's Constitution, in order for each of Resolutions 1-8 to be effective, it must be passed as an ordinary Resolution (albeit Resolution 5 is non-binding). This means that each ordinary Resolution must be passed by more than 50% of the votes cast by shareholders who are entitled to vote on the Resolution.

Dated in Sydney this 5th day of October 2023

BY ORDER OF THE BOARD



Matthew Carbines
Company Secretary

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EXPLANATORY NOTES

These Explanatory Notes are an explanation of, and contain information about, the Resolutions to be considered at the Nanosonics Limited (**Nanosonics** or the **Company**) Annual General Meeting (**AGM** or the **Meeting**) to be held on Friday, 3 November 2023 and are to assist shareholders to determine how they wish to vote on the Resolutions. It forms part of the accompanying Notice of AGM and should be read in conjunction with it.

Item of Business – 2023 Reports

This item of business relates to the consideration of the Company's Financial Report, including the Directors' and Auditor's Reports, for the year ended 30 June 2023, and gives the shareholders the opportunity to ask questions or make comments concerning these Reports during the Meeting. A copy of the 2023 Annual Report is available on the Company's website at <https://www.nanosonics.com.au/> in the Investor Centre section or may be requested from the Company Secretary. There is no requirement for a formal resolution on this item.

Resolution 1 – Re-election of a Director – Dr Lisa McIntyre

Dr Lisa McIntyre was appointed as a Non-Executive Director of Nanosonics on 13 December 2019. She is considered to be an Independent Director. Dr McIntyre brings to Nanosonics significant healthcare and commercial experience. She was a senior partner of global strategy firm L.E.K. Consulting for 20 years. This included 10 years focussed on medical innovation in the United States, and a further 10 years in Australia focussing on the broader healthcare sector in the Asia Pacific. She is currently a Non-executive Director of Fisher & Paykel Healthcare Corporation Limited and Studiosity Pty Ltd. She is also currently a Senate Fellow of the University of Sydney. Dr McIntyre was a Director of the Garvan Institute of Medical Research for 12 years, and recently retired from HCF Group, HCF Life, HCF Foundation after a 12 year period. Under clause 21.1(a) of the Company's Constitution and ASX Listing Rule 14.4, Dr McIntyre retires by rotation and, being eligible, offers herself for re-election.

Directors' Recommendation:

The Board, excluding Dr McIntyre, recommends that shareholders vote in favour of the Resolution.

Resolution 2 – Election of a Director – Dr Tracey Batten

Dr Tracey Batten was appointed as a Non-Executive Director of the Company to fill a casual vacancy on the Board on 26 September 2023. Dr Batten brings a wealth of experience in the healthcare sector gained in both nonexecutive and executive roles, as well as medical practitioner and clinical roles, over more than 30 years. It is anticipated that Dr Batten's international experience in healthcare as well as clinical practice will be invaluable in informing the Company's strategies for improving the way the Company's customers are served. During her executive career, Dr Batten was Group CEO of Imperial College Healthcare NHS Trust in the United Kingdom, Group CEO of St Vincent's Health Australia, CEO of Eastern Health, CEO of Dental Health Services Victoria and held various other clinical and medical leadership roles. Dr Batten holds a Bachelor of Medicine/Bachelor of Surgery from the University of Melbourne, a Master of Health Administration from the University of New South Wales, and an MBA from Harvard Business School. Dr Batten is currently a non-executive director of Medibank Private Ltd, the EBOS Group Limited (NZX Listed), the Accident Compensation Corporation (a NZ Crown insurance scheme and investment fund) and the National Institute of Water and Atmospheric Research (a NZ Crown Research Institute). In addition, Dr Batten was previously non-executive director of Abano Healthcare Group Ltd (NZX Listed) and various other healthcare related research institutes,

charities and industry and government bodies. Under clause 20.5 of the Company's Constitution and ASX Listing Rule 14.4, Dr Batten, who was appointed since the 2022 AGM, will retire as a Director and, being eligible, offers herself for election.

The Company has conducted appropriate checks into Dr Batten's background and experience and those checks have not revealed any information of concern.

Directors' Recommendation:

The Board, excluding Dr Batten, recommends that shareholders vote in favour of the Resolution.

Resolution 3 – Election of a Director – Dr Larry Marshall

Dr Larry Marshall was appointed as a Non-Executive Director of the Company to fill a casual vacancy on the Board on 3 October 2023. Dr Marshall brings significant experience to the Company. Dr Marshall is a technology innovator, physicist and business leader with over 30 years' experience in leadership of technology companies. Further, Dr Marshall has deep experience in developing and commercialising new products, and fast growing companies. He has founded companies and driven innovation in Silicon Valley and Australia. Until July 2023, Dr Marshall was Chief Executive Officer of CSIRO for eight and a half years. Under his stewardship CSIRO doubled the value delivered to stakeholders, achieved a record \$1.6B in revenue, enjoyed the first sustained growth in 30 years, and became the first Australian entity to be Thompson Reuters rated in the Global Top 20 Innovation organisations. Dr Marshall lived in the United States for 26 years, where he co-founded 6 successful companies in a range of markets including medical device. Over the past 30 years, he has served as CEO/MD of 6 companies, and Chairman of 4. He was MD, then co-Chairman of Arasor, a developer and manufacturer of integrated optical and wireless solutions, which he took public in 2006. In 2007, Dr Marshall became MD of Southern Cross Venture Partners, a Silicon Valley VC firm specialising in Australian innovation. Dr Marshall holds a PhD in Physics, and a Bachelor of Science (Hons) from Macquarie University. He is a Fellow of the AICD, ATSE, AIP, and a Federation Fellow. He has been a director of 20 private sector boards in Australia and the United States, including boards of 2 companies that were subsequently listed on the Nasdaq and on the ASX respectively. Under clause 20.5 of the Company's Constitution and ASX Listing Rule 14.4, Dr Marshall, who was appointed since the 2022 AGM, will retire as a Director and, being eligible, offers himself for election.

The Company has conducted appropriate checks into Dr Marshall's background and experience and those checks have not revealed any information of concern.

Directors' Recommendation:

The Board, excluding Dr Marshall, recommends that shareholders vote in favour of the Resolution.

Resolution 4 – Re-election of a Director – Mr Steven Sargent

Mr Steven Sargent was appointed as a Non-Executive Director of the Company in July 2016, and was appointed Chairman in July 2022. He is considered an Independent Director. Mr Sargent had a 22-year career with General Electric and has extensive multi-industry, global experience across a range of industries including healthcare, energy and financial services across the USA, Europe and Asia Pacific. Mr Sargent is currently a director of Origin Energy (ASX:ORG) and Ramsay Healthcare Limited (ASX:RHK). Mr Sargent's unlisted board activities include as a Director of the Great Barrier Reef Foundation and Chairman of The Origin Energy Foundation. Previously, Mr Sargent was a Director of OFX Group, a Director of Veda Group, a Director of Bond University and a Director of the Business Council of Australia. Under clause 21.1(a) of the Company's Constitution and ASX Listing Rule 14.4, Mr Sargent retires by rotation and, being eligible, offers himself for re-election.

Directors' Recommendation:

The Board, excluding Mr Sargent, recommends that shareholders vote in favour of the Resolution.

Resolution 5 – Remuneration Report

The Company's Remuneration Report is required to be considered for adoption in accordance with the *Corporations Act 2001* (Cth). The Remuneration Report is contained in the Directors' Report of the Annual Report. The vote on this Resolution is advisory only and non-binding. The Resolution gives the shareholders the opportunity to ask questions or make comments concerning the Remuneration Report during the AGM. Under the *Corporations Act 2001* (Cth), if 25% or more of votes cast are against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a spill resolution) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) will have ceased to hold office immediately beforehand but may submit themselves for re-election.

Directors' Recommendation:

The Board recommends that shareholders vote in favour of this Resolution. Voting exclusions apply.

Resolution 6 – Issue of 44,054 Service Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2023 Short Term Incentive (2023 STI) under the Nanosonics Omnibus Plan

Shareholder approval is sought for 44,054 Service Rights to be issued to Mr Michael Kavanagh under the terms of the Nanosonics Omnibus Equity Plan (**Omnibus Plan**) and the terms set out below. As explained below, the 2023 STI has already been earned by Mr Kavanagh and fifty percent of his 2023 STI has already been paid in cash. The balance of Mr Kavanagh's 2023 STI will, subject to this Resolution being passed, be awarded as Service Rights, which will vest on 31 August 2024. A Service Condition will apply until the Vesting Date. Once vested, these Service Rights will be subject to an exercise restriction for a further 12 months to 31 August 2025.

Under ASX Listing Rule 10.14, an issue of securities to a director under an employee incentive scheme is required to be approved by shareholders. ASX Listing Rule 7.2 exception 14 further provides that if approval under ASX Listing Rule 10.14 is obtained, approval is not required under ASX Listing Rule 7.1. This means that the issue of securities to Mr Kavanagh will not be included in the Company's annual 15% limit under ASX Listing Rule 7.1.

In respect of the 2023 STI, the Board, in consideration of prior performance, market conditions and approved budgets, set two Group financial metrics with a total 60% weighting, being Profit Before Tax (PBT) and Global Total trophon Units. Each of the Group financial metrics included a measure for threshold, target and stretch performance outcomes. The remaining 40% weighted metrics were operational in nature and aligned with the business priorities. The Board determined that Mr Kavanagh achieved an overall STI outcome of 78% (against a potential maximum outcome of 130%), based on 45% achievement of the Group PBT and Global Total trophon Units metrics with a combined weighting of 60% and 82.5% achievement of the individual operational metrics with a 40% weighting. Additional detail in respect of the 2023 STI outcomes is set out in section 5.2 of the 2023 Remuneration Report.

Service Rights provide alignment between the interests of the Company's executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership unless and until the Service Rights vest. The number of Service Rights was calculated on Volume Weighted Average Price (VWAP)

of Nanosonics' shares during the 20 trading days from the date of announcement following the release of the Company's FY23 full year results. The value of each Service Right was determined to be \$4.253 with the 44,054 Service Rights having a total value of \$187,359.

Mr Kavanagh is the only Director entitled to participate in the Omnibus Plan.

Since the Omnibus Plan was last approved at the 2022 AGM held on 18 November 2022 the following Rights have been issued to Mr Kavanagh:

- 21,871 Service Rights for nil cash consideration and with a nil exercise price which vested on 31 August 2023 (2022 STI). These Service Rights are subject to an exercise restriction period of one year after the vesting date and they may only be exercised after that time.
- 231,914 Performance Rights for nil cash consideration and with a nil exercise price, and 283,930 Share Appreciation Rights for nil cash consideration and an exercise price of \$4.143 (2022 LTI). These Share Appreciation Rights and Performance Rights are subject to performance and service vesting conditions and have a vesting date of 30 September 2025. These Rights are subject to an exercise restriction period of one year after the vesting date and they may only be exercised after that time.

No further securities were issued to Mr Kavanagh since the date of the last approval.

If shareholder approval is not obtained, then, subject to the achievement of the vesting condition described below, Mr Kavanagh may receive a cash payment at the Vesting Date (defined below) equivalent in value to the 2023 STI he would have received had shareholder approval been obtained.

Details of Mr Kavanagh's other remuneration entitlements and his interests in the Company's securities can be found in the explanatory notes to Resolution 8 and on pages 54 and 56 to 58 of the 2023 Remuneration Report and are outlined below:

Mr Kavanagh's remuneration

Mr Kavanagh's remuneration entitlements for the 2023-24 financial year is as follows:

- Total Fixed Remuneration (TFR): \$910,000 (base remuneration \$882,601 and superannuation \$27,399);
- Short-Term Incentive: Up to 60% of TFR at Target and 90% of TFR at Maximum; and
- Long-Term Incentive: Up to 90% of TFR at Target and 180% of TFR at Maximum.

Mr Kavanagh currently owns, or has a beneficial interest in, the following securities of the Company at the date of this Notice of AGM:

Security	How Held	Number
Unrestricted shares	Indirect	591,133
Unrestricted shares	Direct	773,363
Performance Rights	Under the Omnibus Plan	451,205
Service Rights	Under the Omnibus Plan	51,811
Options	Under the Omnibus Plan	286,885
Share Appreciation Rights	Under the Omnibus Plan	474,044

The Service Rights will be granted under, and subject to, the Omnibus Plan, the key terms of which are summarised below. The specific terms of the 2023 STI grant to Mr Kavanagh are also set out below.

2023 STI terms

Maximum number of securities	Each vested Service Right, if any, will convert into one ordinary share on exercise. Accordingly, the maximum number of shares that may be acquired by Mr Kavanagh is 44,054 shares.
Issue price	As Mr Kavanagh's grant forms part of his STI remuneration, the Service Rights will be granted to Mr Kavanagh for nil consideration.
Exercise price	The Service Rights have a nil exercise price.
Vesting condition – Service	The Service Rights will only vest if Mr Kavanagh remains in continuous employment with Nanosonics in his current or equivalent position from the date of grant to 31 August 2024 (Vesting Date) and is not working out a period of notice as at the Vesting Date.
Exercise Restriction	The Service Rights that vest on the Vesting Date will be subject to a one-year exercise restriction to 31 August 2025 (Exercise Restriction End Date).
Lapse	Service Rights will automatically lapse if they do not vest by the Vesting Date or are not exercised before the Last Exercise Date.
Term	Service Rights will have a term ending 31 August 2028 (Last Exercise Date).
Loan terms	There is no loan scheme in relation to the Service Rights or the Omnibus Plan.
Issue date	If approved, the Service Rights will be issued no later than 6 months after the date of this Meeting. If the resolution is not approved, an alternative benefit may be considered.
Malus	<p>If the Board becomes aware of circumstances that have resulted in an unfair or inappropriate benefit to an Executive KMP including:</p> <ul style="list-style-type: none"> • a material misstatement or omission in the consolidated financial statements of the Group; • the misconduct of any Executive KMP; or • any other circumstance that the Board determines in good faith to have resulted in an unfair or inappropriate benefit to the Executive KMP, <p>the Board may, at its absolute discretion, reduce, cancel or clawback awards made under the Company's Employee Share Schemes.</p>

Other key terms of the Omnibus Plan

The following conditions apply to the Service Rights proposed to be issued under Resolution 6.

Dividends and voting

The Service Rights do not carry any dividend or voting rights prior to exercise.

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Rights not quoted

The Company will not apply to the ASX for official quotation of the Service Rights granted under the Omnibus Plan. Shares issued pursuant to the vesting of the Service Rights will rank equally with shares then on issue.

Restriction on Service Rights

The Service Rights may not be sold, disposed of, transferred or encumbered.

Board vesting discretion

Unvested Service Rights may not be exercised, unless (subject to Applicable Laws) the Board exercises its absolute discretion, in circumstances where the Board considers it to be in the best interests of the Company and the Group, to:

- (a) vary or waive the relevant vesting condition and declare the Service Rights to have vested; or
- (b) bring forward the date on which Rights may be exercised.

Change of control

Where:

- (a) a takeover bid is made for the Company and the Board recommends acceptance of that bid by the Company's shareholders;
- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may, in its absolute discretion, determine that unvested Service Rights will vest on the date determined by the Board. Service Rights that vest following a change of control will not generally be subject to restrictions on dealing.

Qualifying Event

The Board may waive any Vesting Conditions where Mr Kavanagh ceases to be employed by any Group Company as the result of a Qualifying Event. A Qualifying Event means:

- (a) death;
- (b) serious injury or illness that prohibits continued employment;
- (c) retirement;
- (d) retrenchment; or
- (e) such other circumstances that result in Mr Kavanagh leaving the employment of the relevant Group Company and that the Board determines (in its absolute discretion) is a Qualifying Event.

Forfeiture

Rights will be forfeited where:

- (a) the Board determines in its absolute discretion that Mr Kavanagh has acted fraudulently or dishonestly, or is in material breach of his obligations to any Group Company whether or not those Rights have vested; or
- (b) Mr Kavanagh ceases to be employed by any Group Company other than as a result of a Qualifying Event.

No hedging

Mr Kavanagh is prohibited from hedging the share price exposure in respect of the Rights during the vesting period applicable to those Rights.

Details of any securities issued under the Omnibus Plan will be published in the subsequent Annual Report of Nanosonics relating to the period in which the securities were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.4 who become entitled to participate in an issue of shares under the Omnibus Plan after this Resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under that rule.

Directors' recommendation

The Board, excluding Mr Kavanagh, recommends that shareholders vote in favour of the Resolution. Voting exclusions apply.

Resolution 7 – Adoption of the Nanosonics Equity Plan

Background

On 1 October 2022, amendments to the *Corporations Act 2001* (Cth) came into effect, simplifying the process for offering securities to employees under an employee share scheme (**ESS**). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a new regime for the making of offers in connection with an ESS (**New Regime**). This regime replaced the relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014 and was terminated in respect of new offers from 1 March 2023.

To ensure the Company is afforded the relief provided by the New Regime when offering securities to employees, the Company considers it prudent to phase out its existing Omnibus Plan (which was adopted in 2016) and replace it with a new Nanosonics Equity Plan (**Nanosonics Equity Plan**). The Nanosonics Equity Plan includes the new terms and conditions required by the New Regime, but is otherwise materially similar to the Omnibus Plan. A summary of the key terms of the Nanosonics Equity Plan is set out below.

ASX Listing Rules 7.1 and 7.2, Exception 13

As noted above, under ASX Listing Rule 7.1, a company must not, subject to specified exceptions, issue or agree to issue more than 15% of its issued share capital in any 12-month period.

ASX Listing Rule 7.2, Exception 13(b) provides an exception to ASX Listing Rule 7.1 for an issue under an employee incentive scheme where shareholders have approved the issue of securities under the scheme within three years before the issue.

If Resolution 7 is passed, the Company will be able to issue securities under the Nanosonics Equity Plan over a three-year period without impacting the Company's annual 15% limit under ASX Listing Rule 7.1.

If Resolution 7 is not passed, any issue of securities pursuant to the Nanosonics Equity Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior shareholder approval.

Summary of the terms of the Nanosonics Equity Plan

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<p>Eligibility</p>	<p>Under the Nanosonics Equity Plan, the Board may, from time to time, in its discretion make Offers to eligible employees (including Executive Directors, casual employees and certain contractors) for a grant of Rights or Shares.</p> <p>Rights include options, share appreciation rights, performance rights and other rights to acquire shares, which may be subject to applicable Conditions.</p> <p>Shares include:</p> <ul style="list-style-type: none"> (a) exempt share awards, which are granted for no consideration or at a discount to the market value of shares with the intention that up to \$1,000 (or such other amount which is exempted under the relevant tax laws from time-to-time) of the total value or discount will be exempt from tax; (b) salary sacrifice share awards, which are granted under a salary sacrifice arrangement; and (c) performance share awards, which are subject to Conditions. 					
<p>Offer terms and conditions</p>	<p>The Board will determine the terms and conditions of each Offer under the Nanosonics Equity Plan, including:</p> <ul style="list-style-type: none"> (a) the type of securities; (b) the number of securities; (c) any applicable Conditions; (d) the time when securities may vest; and (e) the exercise period and exercise price. 					
<p>Offer limit</p>	<p>No Offer will be made if it exceeds the issue cap requirements of under the New Regime. Currently, an offer will comply with the issue cap if:</p> <ul style="list-style-type: none"> (a) the number of Shares that may be issued under the offer; <i>plus</i> (b) the number of Shares that may be issued under an ESS in connection with offers made in the prior 3 year period; <p>does not exceed 5% of the total number of Shares on issue at the Offer date.</p>					
<p>Conditions</p>	<table border="1" data-bbox="443 1435 1431 1877"> <thead> <tr> <th data-bbox="443 1435 914 1487">Rights</th> <th data-bbox="922 1435 1431 1487">Performance Share Awards</th> </tr> </thead> <tbody> <tr> <td data-bbox="443 1498 914 1877"> <p>Rights may only vest in accordance with the applicable Conditions unless the Board exercises its discretion, in circumstances where it considers it to be in the best interests of the Company, to:</p> <ul style="list-style-type: none"> (a) deem the Conditions to be satisfied or waived; or (b) bring forward the date on which the Rights vest. </td> <td data-bbox="922 1498 1431 1877"> <p>Performance Share Awards may only vest in accordance with the applicable Conditions unless the Board exercises its discretion, in circumstances where it considers it to be in the best interests of the Company, to:</p> <ul style="list-style-type: none"> (a) deem the Conditions to be satisfied or waived; or (b) bring forward the date on which the Performance Share Awards vest. </td> </tr> </tbody> </table> <p>Rights and Performance Share Awards will lapse or be forfeited under the Plan (if not already lapsed or forfeited) if the applicable Conditions are not satisfied, subject to the Board's overriding discretion.</p>		Rights	Performance Share Awards	<p>Rights may only vest in accordance with the applicable Conditions unless the Board exercises its discretion, in circumstances where it considers it to be in the best interests of the Company, to:</p> <ul style="list-style-type: none"> (a) deem the Conditions to be satisfied or waived; or (b) bring forward the date on which the Rights vest. 	<p>Performance Share Awards may only vest in accordance with the applicable Conditions unless the Board exercises its discretion, in circumstances where it considers it to be in the best interests of the Company, to:</p> <ul style="list-style-type: none"> (a) deem the Conditions to be satisfied or waived; or (b) bring forward the date on which the Performance Share Awards vest.
Rights	Performance Share Awards					
<p>Rights may only vest in accordance with the applicable Conditions unless the Board exercises its discretion, in circumstances where it considers it to be in the best interests of the Company, to:</p> <ul style="list-style-type: none"> (a) deem the Conditions to be satisfied or waived; or (b) bring forward the date on which the Rights vest. 	<p>Performance Share Awards may only vest in accordance with the applicable Conditions unless the Board exercises its discretion, in circumstances where it considers it to be in the best interests of the Company, to:</p> <ul style="list-style-type: none"> (a) deem the Conditions to be satisfied or waived; or (b) bring forward the date on which the Performance Share Awards vest. 					

<p>Exercise of Rights</p>	<p>A Participant may exercise Rights if:</p> <ul style="list-style-type: none"> (a) the Rights have vested under the Plan; (b) the Rights have not otherwise lapsed or been forfeited under the Plan; (c) the Participant exercises the Rights during an open exercise window; and (d) the Participant pays the exercise price (if any) to the Company (subject to the Board’s discretion to allow a Participant to conduct a cashless exercise). <p>If a Right is exercised accordingly, the Company may:</p> <ul style="list-style-type: none"> (a) issue or procure the transfer of the relevant number of underlying Shares to the Participant; or (b) pay a cash amount to the Participant in lieu of issuing or procuring the transfer of Shares equal to the market value of the Shares that otherwise would have been issued or transferred.
<p>Rights attaching to Shares</p>	<p><i>Ranking</i></p> <p>Each Participant’s Shares issued will rank equally in all respects with all existing Shares from the date of issue, except for any disposal restrictions that apply.</p> <p><i>Rights and Bonus Issues</i></p> <p>A Participant has the right to participate in rights issues and bonus issues by the Company:</p> <ul style="list-style-type: none"> (a) in relation to a Participant’s Shares that are registered in the Participant’s name; or (b) in the case of Share Awards, that are registered in the name of a trustee, once those Share Awards are allocated. <p><i>Dividends</i></p> <p>A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on Participant’s Shares that, at the closing date for determining entitlement to those dividends, are standing to the account of the Participant.</p> <p><i>Voting rights</i></p> <p>A Participant may exercise any voting rights attaching to a Participant’s Shares registered in the Participant’s name or, in the case of Share Awards registered in the name of a trustee, once those Share Awards are allocated to the Participant.</p>
<p>Disposal restrictions</p>	<p>The Board may, in its discretion, impose any disposal restrictions in respect of Shares issued or transferred on the exercise of Rights.</p>
<p>Cessation of employment</p>	<p><i>Good Leaver</i></p> <p>If a Participant ceases employment, the Board may determine whether the Participant is a Good Leaver. A Good Leaver is a Participant who ceases employment as a result of:</p> <ul style="list-style-type: none"> (a) death (b) serious injury or illness which prohibits continued employment; (c) Retirement; or (d) Retrenchment, or <p>who the Board determines (in its absolute discretion) is a Good Leaver.</p> <p><i>Default treatment</i></p>

	<p>If a Participant is a Good Leaver:</p> <ul style="list-style-type: none"> (a) any vested Rights may be exercised for a 12-month period following cessation of employment, after which they will be forfeited; (b) any unvested Rights will be immediately forfeited; (c) any vested Performance Share Awards must be disposed within a 12-month period following cessation of employment, after which they will be forfeited; and (d) any unvested Performance Share Awards will be immediately forfeited. <p>If a Participant is not a Good Leaver:</p> <ul style="list-style-type: none"> (a) any Rights (whether vested or not) will be immediately forfeited; and (b) any Performance Share Awards (whether vested or not) will be immediately forfeited. <p>Irrespective of whether the Participant is a Good Leaver or not, the Participant's Shares (and any Shares issued or transferred on the exercise of Rights as contemplated above) will no longer be subject to any disposal restrictions.</p> <p><i>Board discretion</i></p> <p>Notwithstanding the above default treatment, the Board may, in its discretion, determine that some or all of a Participant's securities:</p> <ul style="list-style-type: none"> (a) lapse; (b) are forfeited; (c) vest immediately or subject to Conditions; (d) are only exercisable for a specified period and will otherwise lapse; and/or (e) are no longer subject to, or are subject to different restrictions to, some of the restrictions including Conditions and Disposal Restrictions that previously applied.
<p>Change of control</p>	<p>If a change of control event occurs before a Participant's securities have vested, then the Board may, in its discretion, determine whether:</p> <ul style="list-style-type: none"> (a) some or all unvested securities will vest or will lapse (whether subject to Conditions or not); or (b) some or all of the unvested securities will remain subject to the applicable Conditions (or substitute Conditions).
<p>Fraud, dishonesty or material misstatement</p>	<p>Where a Participant (among other things) acts fraudulently, dishonestly, or is involved in a material misstatement in the Company's financial statements, the Board may determine how to treat the Participant's securities. This may include:</p> <ul style="list-style-type: none"> (a) the Conditions applying to Securities should be altered or reset; (b) all or any securities shall be forfeited; (c) where the exercise of rights has been cash settled, that the Participant be required to repay all or part of the cash proceeds received; and (d) where dividends have been received in respect of Shares that have been granted to the Participant on exercise of Rights or those Shares have otherwise been disposed, that the Participant required to repay all or part of the proceeds received.

Maximum number of securities proposed to be issued under the Nanosonics Equity Plan

No securities have been issued yet under the Nanosonics Equity Plan. The maximum number of securities proposed to be issued under the Nanosonics Equity Plan following its approval will be 5% of the Company's securities on issue at the date of this Notice of Meeting, being 15,125,535. This figure is not an indication of the precise number of securities that will be issued, but is rather a "ceiling" for the purposes of Listing Rule 7.2, Exception 13(b). The Board believes that obtaining shareholder approval will provide the Company with additional flexibility to raise capital as and when appropriate.

Directors' recommendation:

Given the potential interest in Resolution 7, the Directors make no recommendation to shareholders with respect to Resolution 7. Voting exclusions apply.

Resolution 8 – Issue of 385,140 Performance Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2023 Long-Term Incentive (2023 LTI) under the Nanosonics Equity Plan

Shareholder approval is sought for the issue of 385,140 Performance Rights under the Nanosonics Equity Plan to Mr Michael Kavanagh under the terms of the 2023 LTI. The issue of the Performance Rights described in this Resolution are contemplated to be made under the proposed Nanosonics Equity Plan (see Resolution 7). In the event Resolution 7 is not approved by shareholders and this Resolution 8 is approved by shareholders, it is proposed that the award described in this Resolution 8 will be made under the Company's current employee equity plan, the Omnibus Plan.

As noted above, under ASX Listing Rule 10.14, an issue of securities to a director under an employee incentive scheme is required to be approved by shareholders. Accordingly, if approved by shareholders, the issue of Performance Rights under this Resolution 8 will be an exception to the capacity limit under Listing Rule 7.1 and will therefore not reduce the Company's 15% issue capacity in that Listing Rule.

Background

The structure of the 2023 LTI is as follows:

- Relative Total Shareholder Return Measure (rTSR): 50% of the LTI grant value will be based on Nanosonics' Total Shareholder Return (TSR) measured against the TSR of the ASX Small Ordinaries constituents (100 to 300), excluding the GICS Energy, Financials, Metal & Mining Industry and REITs sectors' companies. This peer group of companies is aligned to Nanosonics in terms of size and industry. Relative TSR (rTSR), rather than an index TSR, was considered an appropriate measure based on the maturity and growth of the Company's business. This metric also provides a direct link between the experience of the Company's shareholders and executive long-term rewards.
- PBT CAGR measure: 50% of the LTI grant value will be based on a 3-year Profit Before Tax (PBT) compound annual growth (CAGR) of the Ultrasound Reprocessing Business (Core trophon Business) over the performance period FY23 to FY26 measured at the fixed foreign currency rate of 0.70 AUD:USD used in the Company's FY24 business outlook. It is noted that the actual AUD:USD foreign exchange rate in FY23 was 0.673 as disclosed in the Company's FY23 full year results. PBT CAGR of the Ultrasound Reprocessing Business (Core trophon Business) is an appropriate metric as it places a focus on growth in the profitability of the Ultrasound Reprocessing Business (Core trophon Business) while continuing investment in the non-ultrasound reprocessing long term growth initiatives of the business. This metric will include all revenue and expenses directly related to the Ultrasound Reprocessing Business (Core trophon Business), inclusive

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of R&D related to the trophon product development roadmap as well as investments in geographical expansion. This will be determined by deducting revenue and costs associated with CORIS and any other non-ultrasound reprocessing business activities from total Company PBT. Excluding these costs maintains focus on driving the Company's long-term goals and future growth through product expansion.

In determining the PBT CAGR measure, the PBT over the performance period will be measured at the fixed foreign currency rate of 0.70 AUD:USD used in the Company's FY24 business outlook. This will be compared to the FY23 PBT of \$44.0 million (at an actual exchange rate of 0.673). The Company's performance is highly sensitive to AUD:USD foreign currency fluctuations with a significant portion of its revenue generated in the USA. Fixing the AUD:USD rate means that the impact of changes in foreign exchange rates on the Company's earnings over the performance period will be removed. This was considered appropriate as it provides a correlation between management performance and remuneration outcomes and minimises the risk that management are rewarded or penalised for foreign currency fluctuations outside their control. The impact of foreign currency movements will, however, be reflected in rTSR. Although the Company could have fixed the currency for PBT measurement at the FY23 actual rate (0.673), it considered that it was preferable to use the same rate as that used in the Company's full year guidance (0.70). This is on the basis that the target PBT CAGR of 14% (at 0.70 fixed rate) is equivalent to a PBT CAGR of more than 17% (at 0.673 fixed), representing outstanding performance. Further, it is noted that the rates for other less significant foreign currencies will also be fixed at the rates that underpinned the Company's FY24 outlook statement.

It should be noted that discipline over total R&D expenditure, including CORIS and non-ultrasound reprocessing R&D activities, is maintained through the PBT metric in the Company's short term incentive plan which takes into account all R&D expense.

The Company considers that these two equally weighted measures achieve an appropriate balance between shareholder experience (rTSR) and Company performance (profit growth metric).

Details of the Vesting Conditions are described below.

If Resolution 8 is approved, Mr Kavanagh will be invited to apply for 385,140 Performance Rights. These Rights may vest when performance-based Vesting Conditions are satisfied. The Rights are an entitlement to the value of a share which may be settled either in shares and/or in cash (at the Board's discretion).

The Company uses Performance Rights because they are commonly used and well supported instruments that create long-term alignment between the interests of the Company's executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership unless and until the Performance Rights vest and are exercised.

The number of Performance Rights proposed to be granted to Mr Kavanagh is calculated by dividing \$1,638,000, being Mr Kavanagh's maximum entitlement to participate in the 2023 LTI, by the share face value determined using a 20 trading day volume weighted average price of company shares traded on ASX following the release of the FY23 results (over the period 22 August 2023 to 18 September 2023). The share face value of each Performance Right was determined to be \$4.253.

If shareholder approval is not obtained, then, subject to the achievement of the Vesting Conditions described below, Mr Kavanagh may receive a cash payment at the Vesting Date equivalent in value to the 2023 LTI he would have received had shareholder approval been obtained.

The Performance Rights will be granted under the Offer letter, and subject to, the Nanosonics Equity Plan. The specific terms of the 2023 LTI grant to Mr Kavanagh are set out below.

2023 LTI terms

<p>Maximum value and number of securities</p>	<p>For the 2023 LTI, Mr Kavanagh will be invited to apply for 385,140 Performance Rights with a nil Exercise Price.</p> <p>If this Resolution is approved, the value and number of the Rights that will be awarded to Mr Kavanagh is 385,140, being the maximum 2023 LTI, \$1,638,000, divided by the share face value per right, being the being the twenty-trading day volume weighted average price following the release of results.</p> <p>When added to the other remuneration elements, it is considered that the 2023 LTI will produce a total remuneration package that is market competitive and appropriate given the Company's circumstances for FY24, based on market benchmarking and the current Nanosonics executive remuneration policy.</p>
<p>Issue price</p>	<p>The Performance Rights will be granted to Mr Kavanagh for nil consideration.</p>
<p>Exercise price</p>	<p>The Performance Rights have a nil exercise price.</p>
<p>Term</p>	<p>The Performance Rights will have a term ending, 10 years from the Grant date, on the date specified in the Offer letter (Last Exercise Date).</p>
<p>Performance Period</p>	<p>The Performance Period is the period over which Vesting Conditions are assessed. The Performance Periods are set out below:</p> <ul style="list-style-type: none"> • rTSR: from the announcement of the Company's FY23 financial results to the announcement of the Company's FY26 financial results based on the 20-day VWAP of the Company's shares following those dates. • PBT CAGR Ultrasound Reprocessing Business (Core trophon Business): from 1 July 2023 to 30 June 2026.
<p>Gate</p>	<p>A Gate is a condition that, if not fulfilled, will result in nil vesting of certain Rights, irrespective of performance in relation to the Performance Conditions. The Gate for the 2023 LTI will be as follows:</p> <ul style="list-style-type: none"> • For rTSR, the Gate is that the Company's TSR must be positive over the Performance Period. • For PBT CAGR Ultrasound Reprocessing Business (Core trophon Business), no Gate applies.
<p>Performance Conditions</p>	<p>The Performance Conditions for the 2023 LTI will be as follows:</p> <ul style="list-style-type: none"> • For the relative TSR tranche, will be based on the TSR of the Company over the Performance Period (equivalent to the change in Share Price, plus dividends declared and reinvested), compared with the TSR of the constituents of the ASX 300 Small Ordinaries Index after excluding the GICS Energy, Financials, Metal & Mining Industry and REITs sectors companies. • Vesting will be determined on the following scale:

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	Outcome	Vesting Scale												
	75 th percentile	100% of opportunity												
	50 th percentile	50% of opportunity												
	<50 th percentile	0%												
	Straight-line basis in between													
	<ul style="list-style-type: none"> For the PBT CAGR tranche, the Performance Condition will be based on the 3-year PBT CAGR of the Ultrasound Reprocessing Business (Core trophon Business) over the Performance Period measured at the fixed foreign currency rate of 0.70 AUD:USD. This will be determined as Total Company PBT excluding revenue and costs associated with CORIS and any other non-ultrasound reprocessing business activities. The disclosed FY23 Core trophon Business PBT on which CAGR will be calculated is \$44.0 million. Vesting will be determined according to the following scale: 													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">PBT CAGR achieved</th> <th style="width: 40%;">Vesting Scale</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">≥17%</td> <td style="text-align: center;">100% of opportunity</td> </tr> <tr> <td style="text-align: center;">14%</td> <td style="text-align: center;">50% of opportunity</td> </tr> <tr> <td style="text-align: center;">11%</td> <td style="text-align: center;">25% of opportunity</td> </tr> <tr> <td style="text-align: center;"><11%</td> <td style="text-align: center;">0% of opportunity</td> </tr> <tr> <td colspan="2" style="text-align: center;">Straight-line basis in between</td> </tr> </tbody> </table>		PBT CAGR achieved	Vesting Scale	≥17%	100% of opportunity	14%	50% of opportunity	11%	25% of opportunity	<11%	0% of opportunity	Straight-line basis in between	
PBT CAGR achieved	Vesting Scale													
≥17%	100% of opportunity													
14%	50% of opportunity													
11%	25% of opportunity													
<11%	0% of opportunity													
Straight-line basis in between														
Service Condition	In addition to the above Vesting Conditions, the Performance Rights will only vest if Mr Kavanagh remains in continuous employment with Nanosonics in his current or equivalent position from the date of grant to the respective Vesting Date and is not working out a notice period as at the Vesting Date.													
Vesting Date	30 September 2026													
Exercise Restriction Period	The Performance Rights will be subject to an Exercise Restriction Period of one year after the Vesting Date and they may only be exercised after that date.													

Exercise of Rights	<p>Upon exercise of vested Rights, the Exercised Rights Value will be calculated with dividend equivalent entitlement calculated at the time of exercise from the vesting date. The dividend entitlement will be delivered as additional shares equal to dividends paid since vesting date, reinvested on ex-dividend date.</p> <p>It is intended that Exercised Rights will be settled in shares. However, the board retains discretion to settle in cash or a combination of cash and shares based on the then Nanosonics share price.</p>
Lapse	<p>The Performance Rights will automatically lapse if the Performance Conditions are not met or where Performance Conditions are met, the Performance Rights will automatically lapse if they are not exercised by the Last Exercise Date.</p>
Change in control event	<p>Without limiting the extent to which the Board can exercise its discretion, the Board may determine that:</p> <p>(i) all unvested Equity Securities will vest or the number of Equity Securities eligible to vest will be pro-rated according to the portion of the Performance Period completed to the date of the Event; and</p> <p>(ii) this pro-rated number of Equity Securities will vest according to the extent to which the applicable Conditions are satisfied to that date.</p>
Loan Terms	<p>There is no loan scheme in relation to the Performance Rights or the Nanosonics Equity Plan.</p>
Grant date	<p>If approved, the Performance Rights will be granted no later than 6 months after the date of this Meeting. If the resolution is not approved, an alternative benefit may be considered.</p>
Malus	<p>If the Board becomes aware of circumstances that have resulted in an unfair or inappropriate benefit to an Executive KMP including:</p> <ul style="list-style-type: none"> • a material misstatement or omission in the consolidated financial statements of the Group; • the misconduct of any Executive KMP; or • any other circumstance that the Board determines in good faith to have resulted in an unfair or inappropriate benefit to the Executive KMP, <p>the Board may, at its absolute discretion, reduce, cancel or clawback awards made under the Company's Employee Share Schemes.</p>

The terms of the new Nanosonics Equity Plan which are summarised in Resolution 7 (Adoption of the Nanosonics Equity Plan) will apply to the award that is the subject of this Resolution 8. In the event Resolution 7 is not approved by shareholders and this Resolution 8 is approved by shareholders, the 2023 LTI grant will be made under the Company's current employee equity plan, the Omnibus Plan, the key terms of which are set out in Resolution 6.

No securities have previously been issued to Mr Kavanagh under the Nanosonics Equity Plan (being a new plan), although he has previously been issued securities under the Omnibus Plan as noted in Resolution 6.

Mr Kavanagh's remuneration

Mr Kavanagh's remuneration entitlements for the 2023-24 financial year, and the securities that Mr Kavanagh currently owns, or has a beneficial interest in at the date of this Notice of AGM, are set out in Resolution 6 above.

Further details of Mr Kavanagh's remuneration entitlements and his interests in the Company's securities can also be found on pages 54 and 56 to 58 of the 2023 Remuneration Report.

Details of any securities issued under the Nanosonics Equity Plan (or the Omnibus Plan in the event Resolution 7 is not approved by shareholders and this Resolution 8 is approved by shareholders) will be published in the subsequent Annual Report of Nanosonics relating to the period in which the securities were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the Nanosonics Equity Plan after this Resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under that rule.

Directors' recommendation

The Board, excluding Mr Kavanagh, recommends that shareholders vote in favour of the Resolution. Voting exclusions apply.

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NAN

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Wednesday, 1 November 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nanosonics Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Nanosonics Limited to be held at Level 1, Building A, 7-11 Talavera Road, Macquarie Park, NSW 2113 and as a virtual meeting on Friday, 3 November 2023 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 5, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 5, 6, 7 and 8 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of a Director, Dr Lisa McIntyre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of a Director, Dr Tracey Batten	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of a Director, Dr Larry Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of a Director, Mr Steven Sargent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of 44,054 Service Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2023 Short-Term Incentive (2023 STI) under the Nanosonics Omnibus Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Adoption of the Nanosonics Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of 385,140 Performance Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2023 Long-Term Incentive (2023 LTI) under the Nanosonics Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

For personal use only

