



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by Registrant ☒

Filed by party other than Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement  
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
☐ Definitive Proxy Statement  
☐ Definitive Additional Materials  
☐ Soliciting Material under §240.14a-12

Universal Biosensors, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required  
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies

(2) Aggregate number of securities to which transaction applies

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set for the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid

- ☐ Fee paid previously with preliminary materials  
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



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**Universal Biosensors**

May 13, 2015

Dear Stockholder:

You are cordially invited to the Meeting of Stockholders of Universal Biosensors, Inc. (the “Company”, “we”, “our” or “UBI”), to be held at Level 13, 257 Clarence St, Sydney, NSW 2000 Australia, on July 9, 2015 at 10:00 a.m. Australian Eastern Standard Time.

We discuss the matters to be acted upon at the meeting in more detail in the attached Notice of Meeting and Proxy Statement. A copy of our annual report on Form 10-K for the fiscal year ended December 31, 2014 is available at our website at [www.universalbiosensors.com](http://www.universalbiosensors.com) and has been previously distributed to you or is accompanying this Proxy Statement. We encourage you to read the annual report. It includes our audited financial statements and other important information about us.

If you are a CDI Holder, to ensure your representation, please sign, date and return the enclosed CDI Voting Instruction Form or give your instructions online using the instructions on your CDI Voting Instruction Form. If you are a stockholder, please sign, date and return the enclosed Proxy Card. We hope that you can attend the Meeting.

Thank you for your continued support of Universal Biosensors.

Yours sincerely,

/s/ Paul Wright

Mr. Paul Wright  
Chief Executive Officer



## UNIVERSAL BIOSENSORS, INC.

### NOTICE OF MEETING OF STOCKHOLDERS TO BE HELD JULY 9, 2015

May 13, 2015

NOTICE IS HEREBY GIVEN that the 2015 General Meeting of Stockholders (the "Meeting") of Universal Biosensors, Inc. (ARBN 121 559 993) (the "Company") will be held on July 9, 2015 at 10:00 a.m. Australian Eastern Standard Time at Level 13, 257 Clarence St, Sydney, NSW 2000 Australia, for the following purposes:

- 1) To re-elect each of two members of the Board of Directors to hold office until the meeting of Stockholders in 2018, or until their successors are duly elected and qualified;
- 2) To approve, on an advisory basis, the compensation of the Company's named senior executives as disclosed in this Proxy Statement;
- 3) To authorize and approve the grant of the following securities to Mr. Paul Wright:
  - (a) 60,000 zero exercise price employee options to acquire shares of our common stock; and
  - (b) 4,347 restricted shares of our common stock; and
- 4) To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING TO BE HELD ON JULY 9, 2015

Date and Time: Thursday, July 9, 2015 at 10:00 a.m. Australian Eastern Standard Time

Place: Level 13, 257 Clarence St, Sydney, NSW 2000 Australia

Items of Business:

- 1) To re-elect each of two member of the Board of Directors to hold office until the meeting of Stockholders in 2018, or in each case until their successors are duly elected and qualified;
- 2) To approve, on an advisory basis, the compensation of the Company's named senior executives as disclosed in this Proxy Statement;
- 3) To authorize and approve the grant of the following securities to Mr. Paul Wright:
  - (a) 60,000 zero exercise price employee options to acquire shares of our common stock; and
  - (b) 4,347 restricted shares of our common stock; and
- 4) To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

**The Board of Directors recommends that you vote "For" Proposals 1, 2 and 3.**

Record Date: The record date for the determination of (i) stockholders of record entitled to receive notice of and to vote at the Meeting and (ii) holders of CDIs of record entitled to receive notice of and to direct CHES Depositary Nominees Pty Ltd ACN 071 346 506 ("CDN") how to vote at the Meeting, or any adjournments or postponements thereof, is the close of business on May 11, 2015. A complete list of stockholders and CDI holders of record on the record date will be available at the Company's executive offices located at 1 Corporate Avenue, Rowville VIC 3178 Australia and at Level 7, 257 Clarence Street, Sydney, NSW 2000 Australia, for ten days before the Meeting.



**Internet Availability of Documents:**

**You may access a copy of the proxy statement and the Company's annual report on Form 10-K for the fiscal year ended December 31, 2014 at [www.universalbiosensors.com](http://www.universalbiosensors.com)**

These items are fully discussed in the following pages, which are made part of this notice.

Your Board of Directors recommends that you vote "FOR" the nominees for the Board, "FOR" the approval of the compensation for named senior executives of the Company and "FOR" the authorization and approval of the grant of securities to Mr. Paul Wright.

**If you are a stockholder, you are encouraged to vote your shares by attending the meeting or by signing, dating and mailing your Proxy Card to the Company's registrar in the enclosed envelope. If you are a CDI Holder, you are encouraged to vote your CDIs by signing, dating and mailing your CDI Voting Instruction Form to the Company's registrar in the enclosed envelope. Instructions for voting are set forth on the CDI Voting Instruction Form. Alternatively, holders of CDIs can direct CDN how to vote online by following the instructions at [www.boardroomlimited.com.au/vote/ubiagm2015](http://www.boardroomlimited.com.au/vote/ubiagm2015).**

**BY ORDER OF THE BOARD OF DIRECTORS**

/s/ Paul Wright

Paul Wright  
Chief Executive Officer

**YOUR VOTE IS IMPORTANT, WHETHER YOU OWN A FEW SHARES/CDIs OR MANY.**

This Proxy Statement is dated May 13, 2015 and is being first mailed to stockholders and CDI Holders of UBI on or about May 13, 2015.



**UNIVERSAL BIOSENSORS, INC.**  
**PROXY STATEMENT FOR MEETING OF STOCKHOLDERS**  
**To be held July 9, 2015**

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**UNIVERSAL BIOSENSORS, INC.**  
**PROXY STATEMENT FOR MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JULY 9, 2015**

**INFORMATION ABOUT SOLICITATION AND VOTING**

**General**

The enclosed proxy and CDI Voting Instruction Form is solicited by the Board of Directors of Universal Biosensors, Inc. (the “Company” or “UBI”) for use in voting at the meeting of stockholders (the “Meeting”) to be held on July 9, 2015 at 10:00 a.m. Australian Eastern Standard Time at Level 13, 257 Clarence St, Sydney, NSW 2000 Australia, and any postponement or adjournment of that meeting. Directions to the Meeting can be obtained by calling +61 (2) 8115 9805 or +61 (3) 9213 9000. The purpose of the Meeting is to consider and vote upon the proposals outlined in this Proxy Statement and the attached notice. The Company’s telephone number is +61 3 9213 9000.

**Record Date and Voting Securities**

As of the close of business on March 16, 2015, there were in total 175,893,533 shares of common stock outstanding, par value US\$0.0001 per share. 175,435,186 of our outstanding shares are held by CHES Depositary Nominees Pty Ltd ACN 071 346 506 (“CDN”), a wholly-owned subsidiary of ASX Limited ACN 008 624 691, which operates the Australian Securities Exchange (“ASX”) and the balance is held by 68 of our employees. Securities of companies incorporated outside of Australia, such as UBI, are traded as CHES Depositary Interests (“CDIs”) on the ASX. CDIs represent beneficial interests in the common stock held by CDN. CDIs are traded on the ASX. As of March 16, 2015, there were 175,435,186 CDIs on issue and available to be traded on ASX. As of March 16, 2015, there were 69 holders of shares (including CDN) and 1,879 holders of CDIs (“CDI Holders” or “Holders of CDIs”).

CDIs are exchangeable, at the option of the holder, into shares of our common stock at a ratio of 1:1. Holders of CDIs have the right to direct CDN, as the holder of record of the underlying shares of common stock represented by their CDIs, how it should vote the underlying shares of common stock represented by their CDIs and to attend stockholders’ meetings of the Company. If CDN does not receive a duly executed CDI Voting Instruction Form from a CDI Holder as to how to vote the underlying shares represented by those CDIs, those shares will not be voted and will not be considered present at the Meeting for quorum purposes. A holder of CDIs will be entitled to vote at the Meeting only if such holder directs CDN to designate such holder as proxy to vote the underlying shares of common stock represented by CDIs held by such holder. Holders of CDIs who wish to direct CDN how to vote the underlying shares of common stock represented by their CDIs should complete and return the enclosed CDI Voting Instruction Form or submit their instructions online by following the instructions on the CDI Voting Instruction Form, which is being delivered with this Proxy Statement to each CDI Holder by no later than 10:00 a.m. Australian Eastern Standard Time on July 9, 2015.

The record date is the close of business on May 11, 2015 (the “Record Date”). Only stockholders and CDI Holders of record on the books of the Company at the close of business on the Record Date are (1) with respect to stockholders, entitled to receive notice of and to vote at, and (2) with respect to CDI Holders, entitled to receive notice of and to direct CDN how to vote at, the Meeting and any adjournments thereof. Under arrangements established between the Company and CDN in connection with the issuance of CDIs, the holders of CDIs at the close of business on the Record Date are entitled to notice of and to attend the Meeting and to direct CDN how to vote by completing a CDI Voting Instruction Form or by submitting their voting instructions online.

**Voting and Solicitation**

Each stockholder of record can vote at the Meeting by attending the Meeting in person and voting at the Meeting, or by completing and returning their properly dated and duly executed Proxy Card to Boardroom Pty Limited or the Company no later than 10:00 a.m. Australian Eastern Standard Time on July 9, 2015 in the manner set out below, but may alternatively deliver a completed Proxy Card to us at the Meeting.



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Holders of CDIs who wish to direct CDN how to vote but who are not attending the Meeting must return their duly executed voting instructions, via the enclosed CDI Voting Instruction Form, to Boardroom Pty Limited or the Company no later than 10:00 a.m. Australian Eastern Standard Time on July 9, 2015 in the manner set out below. If you are a CDI Holder and you wish to direct CDN to designate you or another person as proxy to vote the underlying shares of common stock represented by CDIs held by you and attend the Meeting in person, you are encouraged to return your properly dated and duly executed CDI Voting Instruction Form to Boardroom Pty or the Company in the manner set out below but may also deliver the completed CDI Voting Instruction Form to us at the Meeting. Alternatively, CDI Holders may submit their instructions online by visiting [www.boardroomlimited.com.au/vote/ubiagm2015](http://www.boardroomlimited.com.au/vote/ubiagm2015) by no later than 10:00 a.m. Australian Eastern Standard Time on July 9, 2015. To use the online facility you will need the secure access information set out on your CDI Voting Instruction Form.

By hand	Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000, Australia; or Universal Biosensors, Inc., 1 Corporate Avenue, Rowville VIC 3178;
By post	Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia; or Universal Biosensors, Inc., 1 Corporate Avenue, Rowville VIC 3178, Australia;
By facsimile	Boardroom Pty Limited on +61 2 9290 9655; or Universal Biosensors, Inc. on +61 3 9213 9099.

At the Meeting, Proxy Holders and CDN may only vote the shares represented by all properly dated, executed and returned Proxy Cards (in the case of stockholders) and properly dated, executed and returned CDI Voting Instruction Forms or instructions properly delivered online (in the case of CDI Holders) in accordance with the instructions of the respective stockholders and CDI Holders. Proxies cannot be voted for a greater number of persons than the number of nominees named. If no specific instructions are given on a properly dated, executed and returned Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or instructions properly delivered online (in the case of CDI Holders), the shares will be voted "FOR" each nominee for the Board identified herein or otherwise designated by the Board of Directors, "FOR" the approval, on an advisory basis, of the compensation for named senior executives of the Company and "FOR" the authorization and approval of the grant of securities to Paul Wright. In addition, if other matters come before the Meeting, the Proxy Holders and CDN will vote in accordance with their or its best judgment with respect to such matters. On all matters to be voted on, each share, and accordingly, each CDI, has one vote.

We are making this proxy solicitation by and on behalf of the Board of Directors. The cost of preparing, assembling, printing and mailing this Proxy Statement and the proxies solicited hereby will be borne by the Company. Proxies may be solicited personally or by telephone, electronic mail or facsimile by the Company's officers, directors and regular employees, none of whom will receive additional compensation for assisting with solicitation.

### Quorum; Required Vote

A quorum is required for the transaction of business during the Meeting. A quorum is present when the holders of one-third of the common stock issued and outstanding and entitled to vote at a meeting, are present in person or represented by proxy. Shares that are voted "FOR", "AGAINST" or "ABSTAIN" on a matter are treated as being present at the Meeting for purposes of establishing a quorum and are also treated as votes cast by the common stock present in person or represented by proxy at the Meeting and entitled to vote on the subject matter. If no specific instructions are given on a properly dated, executed and returned Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or instructions properly delivered online (in the case of CDI Holders), the shares will be treated as being present at the Meeting for purposes of establishing a quorum. Broker non-votes discussed below are not considered entitled to vote on matters that are not considered routine.

The candidates for election as directors at the Meeting who receive the highest number of affirmative votes present or represented by proxy and entitled to vote at the Meeting will be elected. The affirmative vote of a majority of shares of the Company's common stock present or represented by proxy and entitled to vote at the





Meeting will constitute approval of the compensation for named senior executives of the Company. This vote is advisory only and is therefore not binding on the Company. The affirmative vote of a majority of shares of the Company's common stock present or represented by proxy and entitled to vote at the Meeting will constitute approval to issue the specified securities to Mr. Paul Wright. The approval of the grant of securities to Mr. Wright is not required under applicable U.S. law but is required under the ASX Listing Rules.

Abstentions will not be counted with respect to the election of directors but will have the effect of negative vote with respect to the advisory votes on the compensation for named senior executives and the approval of the grant of securities to Mr. Paul Wright.

A broker "non-vote" occurs when your broker (if applicable) submits a proxy for your shares but does not indicate a vote for a particular proposal because the broker does not have authority to vote on that proposal and has not received specific voting instructions from you. If your shares are held by a broker, the broker may require your instructions in order to vote your shares. If you give the broker instructions, your shares will be voted as you direct. If you do not give instructions, one of two things can happen depending on the type of proposal. If the proposal is considered "routine," the broker may vote your shares in its discretion. For other proposals, including the proposals in relation to the re-election of directors, the compensation of named senior executives and the grant of securities to Mr. Paul Wright, brokers that are members of an exchange registered as a national exchange under the U.S. Securities Exchange Act of 1934, as amended ("Securities Exchange Act") may not vote your shares without your instructions.

#### **Revocability of Proxies**

If you are a stockholder entitled to vote or a CDI Holder and you have submitted a Proxy Card or CDI Voting Instruction Form or instructions online (as applicable), you may revoke your Proxy Card or CDI Voting Instruction Form or online instructions at any time before the Meeting by delivering a written revocation to the Company Secretary of the Company or by delivering a duly executed Proxy Card or CDI Voting Instruction Form or submitting instructions online, in each case bearing a later date.

### **PROPOSAL ONE — ELECTION OF DIRECTORS**

Our Board of Directors has been structured as a 'staggered Board' comprising three classes of directors with members in each class of directors serving for staggered terms or until his or her successor is duly elected or until his or her earlier death, resignation or removal. The Board of Directors currently consists of two Class I directors (currently Mr. Andrew Denver and Ms. Judith Smith), whose term will expire at this year's Meeting of stockholders, two Class II directors (currently Mr. Denis Hanley and Mr. Paul Wright), whose term will expire at the meeting of stockholders in 2017, and two Class III directors (currently Mr. Marshall Heinberg and Mr. Chris Smith), whose term will expire at the meeting of stockholders in 2016. On March 12, 2015, our Board approved the appointment of Ms. Judith Smith as a Class I director to fill a vacancy created by the resignation of Mr. Andrew Jane as a Class I director.

Two (2) director nominees, Mr. Denver and Ms. Smith are seeking to be re-elected at the Meeting to hold office until the meeting of stockholders in 2018, or until their successors are duly elected and qualified. Each of Mr. Denver and Ms. Smith is presently a director whose term will expire at the Meeting. If re-elected, unless they resign, die or are removed earlier, each of Mr. Denver and Ms. Smith will hold office until the meeting of stockholders in 2018, or until their respective successor is duly elected and qualified.

For details of the qualifications, skills and experience of Mr. Denver and Ms. Smith, refer to the section below titled "Management of the Company — Board of Directors". The nominees are willing to be elected and to serve for their applicable term. Management expects that the nominee will be available for election, but if the nominee is not a candidate at the time the election occurs, it is intended that such proxy will be voted for the election of another nominee or nominees to be designated by the Board of Directors to fill any such vacancy. See also "Management of the Company."

***The Board of Directors unanimously recommends that you vote FOR the election of the nominated directors as described herein. Proxy holders and CDN will vote as directed on the Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or online (in the case of CDI Holders) or, if no direction is***





*made in a duly dated, executed and returned Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or online (in the case of CDI Holders), “FOR” this proposal. However, brokers who are members of a U.S. national securities exchange may not vote or submit instructions to the proxy holders or CDN if the beneficial owner of the shares has not given instructions. The election of directors requires the affirmative vote of a plurality of the shares of Common Stock present and voting at the Meeting.*

## **PROPOSAL TWO — ADVISORY VOTE ON THE COMPENSATION OF SENIOR EXECUTIVES**

The Company is providing stockholders with the opportunity to cast an advisory vote on the executive compensation programs and policies and the compensation paid to the senior executive officers named in this Proxy Statement. This proposal is known as a “say-on-pay vote” and is required pursuant to Section 14A of the Securities Exchange Act. Details of our compensation for our senior executives is set out under the headings “Compensation Discussion and Analysis”, “Compensation Committee Report”, “Summary Compensation Table”, “Grants of Plan-Based Awards During 2014” and “Narrative disclosure to summary compensation table and grants” of this Proxy Statement. These disclosures are intended to comply with Item 402 of United States Regulation S-K. As discussed in the Compensation Discussion and Analysis section of this Proxy Statement, our compensation principles and underlying programs are designed to attract, motivate and retain key executives who are crucial to our long-term success. The vote is advisory and is not binding on the Company. However, the Remuneration and Nomination Committee will take into account the outcome of the vote when considering future executive compensation arrangements. Details of how the Remuneration and Nomination Committee has considered the results of the advisory vote will be included in the Compensation Discussion and Analysis sections of future proxy statements.

We will seek an advisory vote in relation to compensation every year, which we believe will be the most effective means for conducting and responding to such an advisory vote.

*The Board of Directors unanimously recommends that you vote FOR this proposal to approve, on an advisory basis, the compensation for the Company’s senior executives as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related disclosure required pursuant to Item 402 of Regulation S-K contained in this Proxy Statement. The proxy holders and CDN will vote as directed on the Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or online (in the case of CDI Holders) or, if no direction is made in a duly dated, executed and returned Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or online (in the case of CDI Holders), “FOR” this proposal. However, brokers who are members of a U.S. national securities exchange may not vote or submit instructions to the proxy holders or CDN if the beneficial owner of the shares has not given instructions. In order to be adopted as an advisory vote, this proposal must be approved by the affirmative vote of the holders of a majority of the shares of Common Stock present and entitled to vote at the Meeting.*

## **PROPOSAL THREE — GRANT OF SECURITIES**

The grant of securities to directors under our incentive schemes requires the approval of stockholders under ASX Listing Rule 10.14. In accordance with ASX Listing Rule 10.14, the Company is seeking the approval of the grant of the following securities to Mr. Paul Wright, the Company’s Chief Executive Officer and Executive Director:

- 60,000 zero exercise price employee options to acquire shares of our common stock (“ZEPOs”); and
- 4,347 restricted fully paid shares of our common stock (“Restricted Shares”).

### *Proposal 3(a)*

Following annual reviews of senior executive performance, on January 29, 2015, our Board approved the grant of 60,000 ZEPOs to our Chief Executive Officer, Mr. Paul Wright, subject to the receipt of stockholder approval. The ZEPOs were approved to be granted to Mr. Paul Wright at the same time as the Company granted ZEPOs to our other senior executives. The ZEPOs would be granted pursuant to the terms and conditions of our



employee option plan (the “Employee Option Plan”). The ZEPOs are proposed to be granted for no cash consideration and with a zero exercise price. The proposed options would vest in three equal tranches over three years with the first tranche vesting on December 31, 2015, the second tranche vesting on December 31, 2016 and the third tranche vesting on December 31, 2017. In addition, in order for any of the options to vest, the first point-of-care coagulation analyzer developed by the Company in collaboration with Siemens Healthcare Diagnostics, Inc., the Xprecia Stride™ Coagulation Analyzer, must be launched in the United States.

In accordance with the Employee Option Plan, if a formal takeover offer is made for the Company, all options which have not yet vested will automatically vest. When exercisable, each ZEPO would entitle Mr. Wright to subscribe for one fully paid share of our common stock. Each share issued on exercise of a ZEPO will have the same terms, conditions and entitlements as all of the other shares of our common stock then on issue. While Mr. Wright is an executive of the Company, shares issued on exercise of the 60,000 ZEPOs are not able to be traded for a period up to four years from the date the Board of Directors approved the grant of the ZEPOs (with such grant being subject to stockholder approval) following which date the shares may not be traded without the approval of the Board of Directors (or its delegate), which approval may be granted or withheld by the Board at its sole discretion. The shares become immediately tradable (in the form of CDIs) if Mr. Wright ceases to be an employee of the Company and its associated group of companies.

Our Board of Directors considers ZEPOs a reward for past performance and a key tool in retaining and incentivizing senior executives. The Company intends to grant ZEPOs to senior executives of the Company on a recurring basis.

*Proposal 3(b)*

On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares to Mr. Paul Wright pursuant to the terms of our employee share plan (the “Employee Share Plan”), subject to the receipt of stockholder approval. The Restricted Shares were approved to be granted to Mr. Paul Wright at the same time as the Company granted Restricted Shares to all our other eligible employees. No consideration is payable in connection with the issue of Restricted Shares. The Restricted Shares have the same terms, conditions and entitlements (including par value) as our existing shares of common stock but are not able to be traded until the earlier of the following:

- three years from the date on which the Restricted Shares are issued; or
- the date the CEO ceases to be an employee of the Company or any of its associated group of companies.

The Company intends to issue Restricted Shares to all eligible employees on a recurring basis. The Company proposes to use Restricted Shares as an important tool on aligning the interests of all employees with the Company through equity ownership.

The ZEPOs and Restricted Shares would be granted to the Chief Executive Officer as soon as practicable after the Meeting, and in any event no later than 12 months from the date of the Meeting. The Company will not provide any loans or other financial assistance in connection with the grant or exercise of the ZEPOs or Restricted Shares to Mr. Paul Wright. Our Board of Directors has resolved that our non-executive directors currently comprising Messrs. Denver, Hanley, Heinberg, Smith and Smith will not receive ZEPOs, Employee Options or Restricted Shares and therefore are currently ineligible to participate under the Employee Option Plan or the Employee Share Plan. No director, other than Mr. Paul Wright, is eligible to participate in the Employee Option Plan or Employee Share Plan. The last approval for the grant of securities to a director was at the 2014 general meeting at which time stockholders approved the grant of 60,000 ZEPOs and 2,040 Restricted Shares to Mr. Paul Wright which were issued on June 12, 2014.

Further information about our remuneration framework for senior executive officers, including the use of ZEPOs and Restricted Shares, is set out in the remuneration report contained in this Proxy Statement.

***The Board of Directors unanimously recommends that you vote FOR the proposals to approve the grant of securities to Paul Wright. The proxy holders and CDN will vote as directed on the Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or online (in the case of CDI Holders) or, if no direction is***



*made in a duly dated, executed and returned Proxy Card (in the case of stockholders) or CDI Voting Instruction Form or online (in the case of CDI Holders), “FOR” this proposal. In order to be adopted, this proposal must be approved by the affirmative vote of the holders of a majority of the shares of Common Stock present and voting at the Meeting.*

#### ASX LISTING RULE VOTING EXCLUSION STATEMENT

As required by the ASX Listing Rules, the Company will disregard any votes cast with respect to Proposal 3:

- by any director of the Company (except a director who is ineligible to participate in the Employee Option Plan or Employee Share Plan) and, if ASX has expressed an opinion under ASX Listing Rule 10.14.3 that approval is required for participation in the Plan by anyone else, that person; and
- any of their associates.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.



### MANAGEMENT OF THE COMPANY

The following table sets out the name, age and position of our directors, executive officers and certain significant employees at March 16, 2015:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Served Since</u>
Andrew Denver .....	66	Director	2002
		Chairman of the Board of Directors	2005
Paul Wright .....	50	Chief Executive Officer and Director	2011
Salesh Balak .....	46	Chief Financial Officer	2006
Garry Chambers .....	51	Vice President, Technology Development	2002
Alastair Hodges, Ph.D. ....	55	Chief Scientist	2002
Adrian Oates, Ph.D. ....	53	Vice President, Quality and Regulatory	2007
Denis Hanley .....	67	Non-executive Director	2001
Marshall Heinberg .....	57	Non-executive Director	2010
Chris Smith .....	52	Non-executive Director	2013
Judith Smith .....	59	Non-executive Director	2015

Ms. Judith Smith was appointed as a director of the Company on March 12, 2015. Mr. Andrew Jane resigned as a director of the Company on March 12, 2015. Our Certificate of Incorporation provides our Board of Directors shall consist of not less than three or more than nine members, the exact number of which shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors. Our Board of Directors has resolved that there be six Directors. The Board of Directors considers that the size and composition of the Board after the Meeting is appropriate. However, the Remuneration and Nomination Committee will continue to assess the requirements for our Board.

#### Board of Directors

##### *Mr. Andrew Denver BSc (Hons), MBA, FAICD*

Mr. Denver has extensive expertise that is relevant to the Company, including in assisting the commercialization of several technology companies. Mr. Denver has a wide ranging knowledge of the life sciences industry of which our Company is a part, risk assessment, financial reporting experience and general management, which are important in the success of our business. Mr. Denver has served as the interim Chief Executive Officer of the Company from September 2010 to May 2011, a director of the Company since December 2002 and as Chairman since September 2005. Mr. Denver has been a member of the Remuneration and Nomination Committee since January 2008 and was a member of the Audit and Compliance Committee from 2006 to January 2008 and from January 2010 to July 2010 and has again served as a member of the Audit and Compliance Committee since May 2013. Mr. Denver has served as a director of Universal Biosensors Pty Ltd, a wholly owned subsidiary of the Company, since December 31, 2002. Mr. Denver's term of appointment as a director of the Company ends on the date of our 2015 Meeting of stockholders and he is seeking reappointment at the Meeting as a Class I director for a term of three years. Between 2002 and 2005, Mr. Denver was President of Pall Asia, a subsidiary of Pall Corporation after the acquisition by Pall Corporation of US Filter's Filtration and Separations business, where he was also President. Pall Corporation is a technology based filtration, separation and purification multinational company. Mr. Denver is a director and founder of PFM Cornerstone Ltd, a company which helps Australian technology businesses, which are predominantly in the life sciences industry, commercialize their technologies. Mr. Denver is a non-executive director of Vaxxas, Inc., Speedx Pty Ltd and Cochlear Ltd, all of which are life sciences companies, and until September 2010 and October 2008, was also a non-executive director of CathRx Ltd and Anzon Australia Ltd, respectively. Mr. Denver graduated from the University of Manchester with a Bachelor of Science Degree (Honors) in Chemistry and achieved a distinction in his M.B.A. at the Harvard Business School and is a Fellow of the Australian Institute of Company Directors.



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***Mr. Paul Wright MA, FAICD***

Mr. Wright was appointed as Chief Executive Officer and a director of the Company on February 24, 2011 with an effective start date of March 1, 2011. Mr. Wright has experience as Chief Executive Officer with two global technology companies and extensive experience in international management consulting and commercial development with a focus on manufacturing industries. Mr. Wright's term of appointment as a director of the Company ends on the date of our 2017 meeting of stockholders. Mr. Wright has served as a director of Universal Biosensors Pty Ltd, a wholly owned subsidiary of the Company, since March 1, 2011. Between 2008 and 2011, Paul Wright acted as a company director for two Australian private companies (Metallic Waste Solutions Pty Ltd and Comcater Pty Ltd). During 2006 and 2007, Mr. Wright was Chief Executive Officer of Vision BioSystems, a major subsidiary of Vision Systems Limited, which develops, manufactures and markets diagnostic instruments and consumables worldwide. Following the acquisition of Vision Systems Limited by Danaher Corporation in 2006, Mr. Wright worked for Danaher Corporation to assist with the integration of Vision Systems into the new parent until 2007. From 1999 to 2006, Mr. Wright was Chief Executive Officer of Invetech, a leading international product development consultancy. Prior to this, Mr. Wright gained extensive experience in international strategy consulting and commercial development, with a focus on manufacturing industries including roles at TNT Logistics and Bain & Company. Mr. Wright holds a Masters degree in Aeronautical Engineering from the University of Cambridge, a Diploma in Production Methods & Management from the University of Cambridge and has studied Corporate Finance at the London Business School. Mr. Wright is a Fellow of the Australian Institute of Company Directors.

***Mr. Denis Hanley AM, MBA, FCPA, FAICD***

Mr. Hanley has been a successful angel investor, assisting the commercialization of several Australian technologies. For this work he was awarded Membership in the Order of Australia. Mr. Hanley has extensive knowledge relevant to our Company, including the life sciences industry, the healthcare industry, risk assessment, financial reporting and general management. Mr. Hanley has served as a non-executive director since September 2001 and is the chairman of the Audit and Compliance Committee. Mr. Hanley's term of appointment as a director of the Company ends on the date of our 2017 meeting of stockholders. Mr. Hanley is a qualified accountant and company director with 40 years' experience in the management of technology-based growth businesses, such as our Company. Mr. Hanley was appointed a director of Wyong Race Club, a public company limited by guarantee, in February 2015. Mr. Hanley, until September 2014 was chairman of the Northcare Foundation, a charity serving the Royal North Shore Hospital Sydney's intensive care work. Mr. Hanley was formerly a director of ASX-listed companies, Pharmaxis Ltd and CathRx Ltd. Mr. Hanley has significant experience in global business entities including 14 years as chairman and chief executive officer of Memtec Limited, which was listed on the New York Stock Exchange. Prior to this, Mr. Hanley spent more than a decade at global medical company Baxter Healthcare, both in the Chicago headquarters and also as Australian Managing Director. Mr. Hanley was chairman of the Australian Industry Research and Development Board and was a member of the Prime Minister's Science Council under Prime Ministers Hawke and Keating. Mr. Hanley holds an M.B.A. with High Distinction from Harvard Graduate School of Business, where he was named a Baker Scholar.

***Mr. Marshall Heinberg BS (Hons), JD***

Mr. Heinberg has extensive experience relevant to our Company and insight into the global capital markets, and has worked with several life science and technology companies. Mr. Heinberg is a US-based non-executive director of the Company and was appointed in January 2010 and has served as a member of the Remuneration and Nomination Committee since November 2010 and as chairman of the Remuneration and Nomination Committee since March 12, 2015. Mr. Heinberg term of appointment as a Class III director of the Company ends on the date of our 2016 meeting of stockholders. Mr. Heinberg served as Head of the Investment Banking Department of Oppenheimer & Co. Inc. from January 2008 through June 2012. Mr. Heinberg began his investment banking career in 1987 as an Associate in the Corporate Finance Division of Oppenheimer & Company, which was acquired by the Canadian Imperial Bank of Commerce (CIBC) in 1997. Mr. Heinberg held several senior roles at CIBC World Markets including serving as a member of the U.S. Management Committee, the Deals Committee which approved U.S. corporate finance debt capital decisions and the Investment Committee which approved private equity and fund investments. Mr. Heinberg also served as a member of the Equity Transaction Committee and Financial Advisory Transaction Committee. Over the course of his career, Mr. Heinberg has held responsibility for various industry





sectors including environmental, industrial growth, technology and telecommunications. His transaction experience includes public and private debt and equity financings, as well as numerous exclusive sale and strategic advisory assignments. Mr. Heinberg was named Head of CIBC's U.S. Investment Banking Department in 2001. Upon the acquisition of CIBC's U.S. wholesale business in 2008, Mr. Heinberg was named head of Oppenheimer's Investment Banking Department. Mr. Heinberg is the founder and principal of MAH Associates, LLC which provides strategic advisory and consulting services. Mr. Heinberg also serves as an advisor to Capital Spring, a specialty finance company. Mr. Heinberg has also served as a director of National Financial Partners Corp., a business that provides advisory and brokerage services to corporate and high net worth individual clients in the United States and Canada until the company was acquired by Madison Dearborn in July 2013. Mr. Heinberg was also a non-executive director of Image Entertainment, Inc., a leading independent licensee and distributor of entertainment programming in North America, until the Company was acquired in October 2012. Mr. Heinberg has extensive experience working with both leading growth companies as well as financial sponsors. Prior to joining Oppenheimer, Mr. Heinberg practiced corporate law for approximately four years. Mr. Heinberg graduated from the University of Pennsylvania, the Wharton School with honors, with a degree in economics. He received his law degree from Fordham Law School.

***Mr. Chris Smith BSc.***

Mr. Smith has extensive experience relevant to our Company, with 25 years in the medical device industry. Mr. Smith is a US-based director and his primary expertise is in the commercialization of medical technologies through building direct and indirect sales channels, new product development, manufacturing efficiencies, margin improvement, partnerships and acquisitions and strategic market development. His skills and experience will be invaluable with the commercialization and launch of the Company's new products, especially in the United States. Mr. Smith was appointed a non-executive director of the Company in August 2013 and his term of appointment as a director of the Company ends on the date of our 2016 meeting of stockholders. Mr. Smith has served as a member of the Remuneration and Nomination Committee since March 12, 2015. Mr. Smith currently serves as President of Cochlear Americas, the Cochlear Bone Anchored division, as well the Cochlear Global Recipient Service business, which are all divisions of ASX-listed Cochlear Limited. During his career, Mr. Smith has worked in management and leadership roles in a number of medical device and healthcare companies, including Gyrus Group plc, a public company listed on the London Stock Exchange which is focused on the development, manufacturing and distribution of surgical products in the abdominal and ear, nose and throat (ENT) surgery markets. He was also one of the founders, Chief Operating Officer and Vice President, Sales and Marketing of Prism Enterprises, a company focused on neonatal/labor medical devices and consumer products. Mr. Smith was formerly a director of Acclarent, Inc., a medical device company focused on the development of surgical products to serve the ENT market which was acquired by Johnson & Johnson and Xtent, Inc., a company focused on drug-eluting stent technology for the treatment of coronary artery systems. Mr. Smith received his Bachelor of Science from Texas A&M University in the United States of America.

***Ms. Judith Smith BEc (Hons), MAppFin, F Fin, GAICD***

Ms. Smith is a highly experienced investment and funds management executive. During her career, Ms. Smith has worked in a number of investment management roles in the funds management industry, where she has been responsible for evaluating and investing in listed and unlisted companies. Ms. Smith was appointed a non-executive director of the Company on March 12, 2015 and her term of appointment as a director of the Company ends on the date of our 2015 Meeting of stockholders and she is seeking reappointment at the Meeting as a Class I director for a term of three years. Ms. Smith has served as a member of the Audit and Compliance Committee since March 12, 2015. Ms. Smith was formerly the Head of Private Equity at IFM Investors, a global fund manager, and Chair of the IFM Risk Committee. Ms. Smith was also a member of the IFM Investments Committee, a role she has retained following her retirement from the firm. Prior to her role at IFM, Ms. Smith held various investment management roles including more than a decade at National Mutual Funds Management Ltd (NMFML). At NMFML, she managed Australian equity research and strategy, as well as Australian equity portfolios. Ms. Smith holds a Master of Applied Finance from the University of Melbourne and a Bachelor of Economics (Honours) from Monash University. She is a Fellow of the Financial Services Institute of Australasia and Graduate member of the Australian Institute of Company Directors. Judith is a director of the Australian Renewable Energy Authority, Acorn Capital Investment Fund Ltd (ASX:ACQ), and industry superannuation fund, LUCRF.

**Executive Officers*****Mr. Salesh Balak BA, CA***

Mr. Balak has served as our Chief Financial Officer since November 2006 and as a director of Universal Biosensors Pty Ltd since September 2010. Prior to joining Universal Biosensors, he was chief financial officer and company secretary of Pearl Healthcare Limited, an ASX-listed entity engaged in the manufacturing and healthcare sector. Mr. Balak joined Pearl Healthcare Limited in April 2003 initially as its Group Accounting Manager and was promoted to Chief Financial Officer in June 2004. While at Pearl Healthcare Limited, Mr. Balak was instrumental in the successful acquisition of four businesses and integration of its existing businesses. Prior to joining Pearl Healthcare Limited, Mr. Balak spent 13 years in the Business Services, Audit and Financial Advisory Services divisions of KPMG in both the Melbourne and Fiji offices. He holds a Bachelor of Arts in accounting and economics and is a member of the Institute of Chartered Accountants and Certified Practicing Accountants.

***Mr. Garry Chambers***

Mr. Chambers has served as our Head of Engineering since April 2002 and as Vice President of Operations since September 1, 2006 and Vice President, Technology Development since April 2013. Prior to joining Universal Biosensors Pty Ltd, Mr. Chambers was a senior engineer with MediSense (UK), one of the first biotechnology companies to produce mass market biosensors. In 1991, Mr. Chambers relocated to Australia to join Memtec Limited, a company involved in the operation, design and installation, filtration and separation of products for water supply and waste water recycling plants, to work on sensor technologies. From 1999 to 2001, he was part of a core team based in the United States that developed the glucose sensor technology.

***Dr. Alastair Hodges BSc. (Hons), PhD***

Dr. Hodges has been working in the field of electrochemical sensors for the last 21 years and has served as our Chief Scientist since April 2002. Dr. Hodges has a BSc. (Hons.) in chemistry and gained a Ph.D. in electrochemistry from the University of Melbourne in 1987. Dr. Hodges worked as a research scientist, then senior and principal research scientist in the Australian Defense Science and Technology Organization and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in the fields of electrochemistry and transport processes, particularly involving membranes, until 1995, when he joined Memtec Limited to work on sensor technologies. Memtec was involved in the operation, design, and installation of filtration and separation products for water supply and waste water recycling plants. From 1999 to 2001 Dr. Hodges led a team that worked in the US on the development of glucose sensor technology.

***Dr. Adrian Oates BSc, MSc (Preliminary), PhD***

Dr. Oates joined us in September 2007 as Vice President, Quality & Regulatory having spent over 20 years in the device, biological and pharmaceutical healthcare industries. The scope of his role also includes oversight of clinical studies and project management having spent his early career as a research scientist and manager as well as head of project management at CSL Limited where a number of intravenous protein based replacement products were developed and commercialized. In 2000, he was appointed as Quality Director to oversee the implementation of the new Good Manufacturing Practices Code. He moved in 2004 to Cochlear Limited as Vice President, Quality & Regulatory where he was involved in the worldwide registration, accreditation and launch of a new sterile implantable medical device. After this, Dr. Oates returned to CSL Limited as Quality Director where successful FDA accreditation for Influenza vaccine was obtained. He holds a BSc (Biochemistry/Microbiology), a Master of Science (Preliminary) and a Doctor of Philosophy (Medicine) from Monash University.

See also “Management of the Company” and “Management of the Company — Board of Directors.”

**Corporate Governance**

We are not listed on a U.S. securities exchange and, therefore, not subject to the corporate governance requirements of any such U.S. exchange, including those relating to independence of directors. For purposes of determining whether our directors are independent under applicable rules and regulations promulgated by the





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Securities and Exchange Commission, we have chosen to use the definition of “independence” established by the Nasdaq Stock Market under its Marketplace Rules, as permitted by such rules and regulations.

We have determined that with the exception of Mr. Wright, all the current directors and nominees are independent as defined under the Marketplace Rules of the Nasdaq Stock Market.

We have determined that Mr. Wright is not independent as defined under the Marketplace Rules of the Nasdaq Stock Market because he is the Chief Executive Officer of the Company.

The ASX also provides guidelines for determination of whether a director should be considered independent for purpose of the ASX Listing Rules. Under these guidelines the holding of a substantial interest in the Company’s shares is considered a matter which may affect independence. Each of Messrs. Hanley and Denver are directors of a company which until September 2013 held a substantial interest in the Company’s securities as well as a company which until November 2014 held a substantial interest in the Company’s securities on trust for four individuals, including Messrs. Hanley and Denver and therefore may not be considered independent for the purposes of the ASX guidelines. Mr. Jane is managing director of Talu Ventures Pty Ltd, which holds a substantial interest in the Company’s securities on trust for two investment funds. Mr. Jane resigned as a director on March 12, 2015, however, in respect of prior years, he may not be considered independent for the purposes of ASX Guidelines.

### ***Board Leadership Structure***

The position of Chairman of the Board of Directors and Chief Executive Officer is held by two separate individuals within our Company. It is the intention of our Board of Directors that the position of Chairman of the Board of Directors and Chief Executive Officer will be held by two separate individuals within our Company. The Company does not have a lead independent director. Our Board of Directors believes the Company’s leadership structure is appropriate, as having the position of Chairman and Chief Executive Officer held by two separate individuals within our Company is indicative of stronger governance and reinforces the Company’s sound framework of internal control. The Board regularly deliberates and discusses its appropriate leadership structure and the role and responsibilities of the Chairman of the Board and the Chief Executive Officer, based upon the needs of the Company from time to time to provide effective oversight of management.

### ***Risk Management***

#### ***Oversight of the Risk Management System***

The Board oversees the establishment, implementation and annual review of the Company’s risk management. The Chief Executive Officer and the Chief Financial Officer have declared in writing to the Audit and Compliance Committee that the controls and procedures have been assessed and found to be operating effectively. The operational and other compliance risk management processes have also been assessed and found to be operating effectively.

Whilst management provides reports to the Board on the status of the risk management system, which is aimed at ensuring risks are identified, assessed and appropriately managed, in some instances the Audit and Compliance Committee also reports to the Board on this matter.

#### ***Risk Management Compliance and Control***

The Board is responsible for the overall internal control framework, but recognizes that no cost-effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has developed an internal control framework as summarized below:

(a) Internal audits — the Company’s internal auditor reports to the Audit and Compliance Committee at least once per quarter on internal controls over financial reporting matters. On an annual basis, the Company gets audited on its Quality Management System, ISO 13485:2003, an international standard covering the global medical device sector. This certification covers the “design and development, production and distribution of blood glucose measuring systems and other in vitro diagnostic devices”.



(b) Financial reporting — there is a comprehensive budgeting system with an annual budget approved by the Board. Monthly actual results are reported against budget and major variances, if any, must be explained.

(c) Continuous disclosure — the Company has policies in place to ensure the Company complies with the continuous disclosure and other applicable requirements of the ASX Listing Rules, the US Securities Exchange Act of 1934 and other applicable securities laws.

The Chief Executive Officer and the Chief Financial Officer have stated in writing to the Audit and Compliance Committee that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

#### *Assessment of Effectiveness of Risk Management*

The internal auditor assists the Board in ensuring compliance with the internal controls and risk management program over financial reporting by regularly reviewing the effectiveness of the compliance and control systems. The Audit and Compliance Committee is responsible for approving the scope of work to be performed on a regular basis.

#### *Internal Control and Sarbanes Oxley*

Pursuant to section 404 of the Sarbanes-Oxley Act of 2002, we are required to evaluate the effectiveness of internal controls over financial reporting as of the end of each fiscal year. As part of our compliance efforts relative to section 404, we have fully implemented the controls over financial reporting. We have adopted the internal control framework set forth by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in completing the assessment. The Audit and Compliance Committee has monitored, and will continue to monitor, the Company's response to rules pursuant to section 404 of the Sarbanes-Oxley Act.

#### **Board Committees**

Our Board of Directors met on eleven occasions during the year ended December 31, 2014 and acted by written consent on three occasions. Each director attended at least 75% of the aggregate of (i) the total number of meetings of the Board; and (ii) the total number of meetings held by all committees of the Board on which he or she served. There are two committees of the Board: the Audit and Compliance Committee and the Remuneration and Nomination Committee.

Members of our Board of Directors are encouraged to attend the Meeting of Stockholders if they are available. All the current members of our Board of Directors attended the meeting of Stockholders held in 2014, with Messrs. Heinberg and Smith attending by phone.

#### *Audit and Compliance Committee*

The Company has a separately designated standing Audit and Compliance Committee in accordance with Section 3(a)(58)(A) of the Securities Exchange Act. The current members of the Audit and Compliance Committee are Mr. Denis Hanley (chairman), Mr. Andrew Denver and Ms. Judith Smith. Mr. Jane ceased to be a member of the Audit and Compliance Committee when he ceased to be a director of the Company in March 2015. The Audit and Compliance Committee is governed by a formal charter, a copy of which is available on our website at [www.universalbiosensors.com](http://www.universalbiosensors.com). The Board has determined that Messrs. Hanley and Denver and Ms. Smith meet the criteria for being independent directors under the Marketplace Rules of the Nasdaq Stock Market. However, Messrs. Hanley and Denver are directors of trustee companies which until recently held a substantial interest in the Company's securities and therefore may not be considered independent for the purposes of the ASX Guidelines. During the year ended December 31, 2014, the Committee met on six occasions. For more information in relation to the determination of which of our directors are considered independent under the Marketplace Rules of the Nasdaq Stock Market, refer to the section above titled "Corporate Governance".

The Board has determined that Mr. Denis Hanley qualifies as an "audit committee financial expert", as defined under the rules and regulations of the Securities and Exchange Commission.



### ***Report of the Audit and Compliance Committee***

The Audit and Compliance Committee's primary role is to assist the Board of Directors in fulfilling its responsibility for oversight of the Company's financial and accounting operations.

In discharging its responsibility for oversight of the audit process, the Committee obtained from the independent auditor, PricewaterhouseCoopers, the written disclosure and the letter required by applicable requirements of the Public Company Accounting Oversight Board. Such disclosure describes any relationships between the auditor and the Company that might bear on the auditor's independence consistent with the Independent Standards Board Rule 3526, "Communication with Audit Committees Concerning Independence, of the Public Company Accounting Oversight Board" ("PCAOB"). The Company has discussed with the auditor any relationships that might impact the auditor's objectivity and independence and satisfied itself as to the auditor's independence.

The Committee discussed and reviewed with the independent auditor the communications required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61, "Communication with Audit and Compliance Committees", as amended, and discussed and reviewed the results of the independent auditor's examination of the financial statements for the fiscal year ended December 31, 2014.

The Committee reviewed and discussed the audited financial statements of the Company as of and for the fiscal year ended December 31, 2014, with management and the independent auditor. Management has the responsibility for preparation of the Company's financial statements and the independent auditor has the responsibility for examination of those statements. Based upon the above-mentioned review and discussions with management and the independent auditor, the Committee recommended to the Board that the Company's audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for filing with the SEC.

By the Audit and Compliance Committee:

Denis Hanley (chairman)  
Andrew Denver  
Andrew Jane

### ***Remuneration and Nomination Committee***

The current members of the Remuneration and Nomination Committee are Mr. Andrew Denver, Mr. Chris Smith and Mr. Marshall Heinberg (chairman). Mr. Andrew Jane ceased to be a member of the Remuneration and Nomination Committee when he ceased to be a director of the Company in March 2015. The Remuneration and Nomination Committee is governed by a formal charter, a copy of which is available on our website at [www.universalbiosensors.com](http://www.universalbiosensors.com). The Board has determined that Mr. Denver, Mr. Smith and Mr. Heinberg meet the criteria for being independent under the Marketplace Rules of the Nasdaq Stock Market. Mr. Denver is a director of a trustee company which until recently held a substantial interest in the Company's securities and therefore may not be considered independent for the purposes of the ASX Guidelines. The primary functions of the Remuneration and Nomination Committee are to develop and facilitate a process for Board and Director evaluation, assess the availability of Board candidates, make specific recommendations to the Board on remuneration and incentive plans for Directors and senior management, advise the Board on the recruitment, retention and termination policies for senior management and undertake a review of the Chief Executive Officer's performance, at least annually, including recommending to the Board the Chief Executive Officer's goals for the coming year and reviewing progress in achieving those goals. The Committee does not have any express right to delegate its authority but may do so on special authority from the Board. The Remuneration and Nomination Committee met on three occasions during the year ended December 31, 2014.

If necessary, the Remuneration and Nomination Committee may utilize a variety of methods for identifying and evaluating potential nominees to the Board of Directors. Consideration is given to professional and technical experience of potential nominees including industry and market knowledge, education and skills. Recommendations may come from current Board members, professional search firms, members of management, stockholders or other persons. The Remuneration and Nomination Committee will consider recommendations



from any reasonable source, including director nominees recommended by stockholders. Stockholders wishing to suggest potential nominees can do so by contacting the Company Secretary. In assessing the qualifications of potential nominees, the Remuneration and Nomination Committee may rely on personal interviews or discussions with the candidate and others familiar with the candidate's professional background, on third party reference checks and on such other diligence information as is reasonably available.

Nominations of persons for election to our Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors in accordance with the requirements of our amended and restated certificate of incorporation and amended and restated by-laws. Stockholders wishing to appoint a director must give timely notice thereof in proper written form. To be timely, a stockholder's notice in the form required by our amended and restated certificate of incorporation and by-laws must be delivered to or mailed and received at our principal executive offices: (a) in the case of an annual meeting, not less than 90 days and not more than 120 days prior to the anniversary date of the immediately preceding annual meeting, provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting is given; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the special meeting is given.

"See also "Other Matters — 2016 Stockholder Proposals"

#### ***Director Selection Process***

As discussed above, we maintain a standing Remuneration and Nomination Committee that is responsible for assembling a group of nominees that, taken together, have the background, experience, qualifications, attributes and skills appropriate for functioning as a board. The Remuneration and Nomination Committee periodically reviews the size and composition of the Board and determines whether to add or replace directors. The Remuneration and Nomination Committee looks for certain characteristics common to all Board members, including strong professional reputation, integrity, record of achievement and the ability and commitment to devote sufficient time and energy to the Board. The Remuneration and Nomination Committee seeks to nominate candidates who bring diverse backgrounds, skills, experience and perspectives to the Board. Diversity relating to background, skill, experience and perspective is one factor considered in the nomination process, and the Company is in the process of developing a formal policy relating to diversity. Additionally, the Remuneration and Nomination Committee seeks to include at least one member who qualifies as an "audit committee financial expert."

During the year ended December 31, 2014, the Company engaged an executive search consulting firm to identify potential nominees for the Board. The Company has paid a fee to such consulting firm, including on the successful appointment of Ms. Judith Smith.

#### ***Compensation Committee Interlocks and Insider Participation***

The current members of the Remuneration and Nomination Committee are Mr. Chris Smith, Mr. Andrew Denver and Mr. Marshall Heinberg (chairman). Prior to the establishment of our Remuneration and Nomination Committee in 2007, our Board of Directors was responsible for determining executive remuneration. None of our executive officers or employees other than the Chief Executive Officer participated in deliberations with respect to executive officer compensation.

None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or compensation committee. Other than acting as directors, none of the members of our compensation committee within the past three years have been an officer or employee of us or one of our subsidiaries.

For more information on the Committee's processes and procedures for the consideration and determination of executive and director compensation, see "Executive Compensation — Compensation Discussion and Analysis" and "Compensation of Directors."



### Compensation of Directors

The following table provides information about the compensation of our non-executive directors for the year ended December 31, 2014.

Name	Fees Earned or Paid in Cash A\$	Aggregate Grant Date Fair Value of Stock Awards A\$	Aggregate Grant Date Fair Value of Option Awards A\$	Non-Equity Incentive Plan Compensation A\$	Change in Pension Value and Non-qualified Deferred Compensation Earnings A\$	All Other Compensation(1) A\$	Total A\$
Andrew Denver . . . . .	159,999	—	—	—	—	15,000	174,999
Andrew Jane(2) . . . . .	65,000	—	—	—	—	—	65,000
Denis Hanley . . . . .	60,000	—	—	—	—	5,625	65,625
Marshall Heinberg . . . . .	55,000	—	—	—	—	435	55,435
Chris Smith . . . . .	50,000	—	—	—	—	—	50,000

- (1) Represents superannuation payment of 9.25% of base pay which was increased to 9.50% from July 1, 2014. Andrew Jane did not receive superannuation as his directors fees were invoiced by and paid to his employer. Marshall Heinberg and Chris Smith are not residents for Australian tax purposes and therefore only receive superannuation when they attend meetings held in Australia.
- (2) Mr. Andrew Jane resigned as a director on March 12, 2015.
- (3) Ms. Judith Smith was appointed by the board as a director on March 12, 2015.

Our Remuneration and Nomination Committee makes recommendations to the Board of Directors with respect to the remuneration and benefits provided to directors and executive officers. The Board of Directors then determines what levels of director remuneration and benefits are appropriate. Pursuant to the ASX Listing Rules, our stockholders have approved an aggregate remuneration pool available to non-executive directors of A\$700,000 per annum. The annual remuneration payable to our non-executive directors is currently comprised of:

- a base fee of A\$150,000 per annum for the chairman and A\$50,000 for other non-executive directors;
- an additional fee for directors serving on sub-committees, currently A\$5,000 per annum and an additional A\$5,000 for each chairman of such sub-committee; and
- statutory superannuation for the independent non-executive directors, which was 9.25% of the base fee and increased to 9.50% from July 1, 2014 (other than Mr. Jane who did not receive superannuation as his directors fees were invoiced by and paid to his employer and Messrs. Heinberg and Smith, who being non-resident for Australian tax purposes, only receive superannuation when they attend meetings held in Australia).

In addition, a director may be paid all traveling and other expenses properly incurred in attending meetings of directors or committees or stockholder meetings or otherwise in connection with the execution of his or her duties.

### Code of Ethics

We have adopted a Code of Ethics for our Chief Executive Officer and Chief Financial Officer. The Code of Ethics is available on our website at [www.universalbiosensors.com](http://www.universalbiosensors.com). We will provide a copy of our Code of Ethics, without charge, upon request to our Company Secretary at the Company's executive offices, 1 Corporate Avenue, Rowville VIC 3178 ([companysecretary@universalbiosensors.com](mailto:companysecretary@universalbiosensors.com)). We intend to satisfy any disclosure requirement under item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Ethics for our Chief Executive Officer and Chief Financial Officer, by posting such information on our website at [www.universalbiosensors.com](http://www.universalbiosensors.com).





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**EXECUTIVE COMPENSATION****Compensation Discussion and Analysis***Principles used to determine the nature and amount of remuneration*

The objective of our executive reward framework is to ensure the reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for stockholders and conforms to market best practice for delivery of reward. Our performance depends upon the quality of our directors and executives. In order to attract, motivate and retain highly skilled directors and executives, we utilize the following principles in our remuneration framework:

- provide competitive remuneration to attract, motivate and retain high caliber directors and executives with appropriate skills and experience;
- remunerate with a mix of short and long term components;
- remunerate executives according to individual performance and pre-determined benchmarks through cash bonuses; and
- link executive remuneration to stockholder value through options.

The Remuneration and Nomination Committee has processes in place to review the performance of the Board of Directors and our senior executives. Our Remuneration and Nomination Committee takes into consideration elements such as the following in setting compensation policies:

- peer group comparisons with our financial performance (peer group comparison refers to comparing the practices of peers, and selecting those we believe are most suitable for the Company. The Company may use data available in the public domain, such as annual reports, for such companies in a similar industry to benchmark our policies);
- regulatory requirements;
- rate of employee turnover;
- content and effectiveness of our employee training;
- results of any employee surveys; and
- ability to retain and attract new employees.

Corporate performance is also taken into account in setting compensation policies and making compensation decisions.

Our executive remuneration comprises of separate and distinct components. The framework provides a mix of fixed pay and a blend of short and long-term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of “at risk” rewards such as bonuses and employee options. The executive remuneration framework currently has four components:

- base pay;
- short-term performance incentives in the form of cash bonuses;
- long-term incentives through participation in our employee stock option plan (“Employee Option Plan”), including through the use of market price employee stock options and zero exercise price stock options (“ZEPOs”) and Employee Share Plan, including through the use of Restricted Shares; and
- superannuation.

The combination of these comprises the executive’s total remuneration.

Base pay and cash bonuses are paid in cash. Options, which constitute the current form of long-term equity incentive, take the form of options granted under the Employee Option Plan. Executive remuneration has provided substantial grants of stock options in order to promote share ownership as a direct means of incentivizing our executive officers and aligning the interests of our executive officers with the interests of our



stockholders. Grants of small numbers of Restricted Shares on a recurring annual basis act as a means of incentivizing our employees generally (including our executive officers) and aligning the interests of our employees with the interests of our stockholders.

### ***Base pay***

Executives are offered a base pay that comprises the fixed component of their remuneration. Base pay is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. Base pay is provided to meet competitive salary norms, with a goal of achieving salary levels competitive with those offered to executives by a comparison group of companies that were selected on the basis that they were ASX-listed and in the medical devices/life sciences sector. A relevant understanding of salary levels for similarly situated executives can be achieved from the public domain including annual reports of comparison ASX-listed companies and publicly available remuneration surveys from recruitment firms or other human resources consultants. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There is no guaranteed base pay increase included in any senior executive's contract. In setting base salaries, consideration is given to salary compensation of executive officers within our industry and the performance of the executive in the previous year. A grading system is used to assess the performance of the executives at year end. The grade is used as a guide to the percentage increase in salaries. The quantum of the percentage increase is set by the Remuneration and Nomination Committee following recommendations from management that take into account factors such as inflation, performance of the Company and industry comparisons (salary compensation of executive officers within our Company is compared to executive compensation within companies in a similar industry). This data is available from the public domain and includes annual reports and remuneration surveys. At this time, the Company does not use professional compensation consultants to review remuneration, although it does gain insight and feedback when it uses professional recruiters to identify candidates for new roles. It is the intention of the Remuneration and Nomination Committee to pay base salaries to our executive officers that are commensurate with their qualifications and demonstrated performance and that bring continuing and increasing value to our stockholders.

### ***Short-term incentives — Cash bonuses***

If an executive achieves pre-determined milestones as set by the Remuneration and Nomination Committee, a cash bonus, up to a maximum amount for each executive as set by the Remuneration and Nomination Committee, may be paid to the relevant executive. The Remuneration and Nomination Committee may also decide to pay discretionary bonuses to executives depending on their performance during the financial year. The cash bonuses are awarded for superior performance against short-term goals. We believe that paying such cash bonuses will:

- promote the growth, profitability and expense control necessary to accomplish corporate strategic long-term plans;
- encourage superior results by providing a meaningful incentive; and
- support teamwork among employees.

If payable, cash bonuses are generally payable in the first quarter of each year. Each executive has a maximum potential cash bonus set by the Remuneration and Nomination Committee and determined depending on the accountabilities of the role and the impact on the organization.

Each year, the Remuneration and Nomination Committee considers the appropriate targets and key performance indicators to link short-term incentives and the level of payout if targets are met. This includes setting any maximum cash bonuses that may be paid to an executive, and minimum levels of performance to trigger payment of short-term incentives. The "targets and performance indicators" and "pre-determined milestones" are collectively referred to as key performance indicators ("KPIs") which are set by the Remuneration and Nomination Committee for the executives each financial year. The KPIs are generally a combination of the following:

- achieving budgets;
- regulatory submissions of our products by a specified date;





- compliance with applicable laws and regulations relating to financial, human resources and quality;
- managing risks;
- reaching a certain stage of our product development by a specified date; and
- achieving other key milestones for our products by a specified date including entering into strategic partnerships for the commercialization of our product and receiving regulatory clearance to sell our product.

The KPIs to be achieved by the executives have not been disclosed. Disclosure of the specific KPIs would require us to disclose market sensitive information, including key dates for our products and the product development stage of our products. Such disclosure would result in competitive harm to our business and that of our business partners.

For the year ended December 31, 2014, the KPIs linked to short-term incentives were based on group, departmental and personal objectives. The KPIs, which are challenging but not unattainable, require performance in achieving specific targets as well as other key, strategic non-financial measures linked to drivers of performance in future reporting periods.

The Remuneration and Nomination Committee is responsible for assessing whether the KPIs are met. To help make this assessment, the Remuneration and Nomination Committee receives detailed reports on performance from management.

The cash bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the Remuneration and Nomination Committee.

#### ***Long-term incentives — Options and Restricted Shares***

Our long term incentives primarily consist of stock option grants under our Employee Option Plan. The Employee Option Plan was adopted in 2004 and approved by our stockholders in October 2006. The Employee Option Plan permits our Board to grant employee stock options to our employees. The total number of options that may be granted under the Employee Option Plan is the maximum amount permitted by law and the ASX Listing Rules and the limits imposed on our authorized capital in our amended and restated certificate of incorporation. The overall objective for the Employee Option Plan is to provide an equitable and competitive means to reward our executive and other officers for their contribution to our long-range success. Our goal is to meet the following objectives:

- link each participant's remuneration to our long-term success through the appreciation of stock price;
- align the interests of our officers with the interests of our stockholders, by linking the long-term value of the compensation to stockholder returns;
- generally provide annual grants of options that are market competitive; and
- improve our ability to attract and retain officers.

Historically, the Company has granted market price Employee Options to all of its employees. In 2009, the Company commenced granting zero priced employee options to its senior executive officers. The value of options granted is determined at the time of Board of Directors approval to grant and there is a direct relationship between the value of a stock option granted and the market price of our common stock. We believe that granting stock options is an effective method of motivating our executive and other officers to manage our business in a manner consistent with the interest of our stockholders. The Company may grant market priced options at the commencement of employment of senior executives to attract suitable candidates. The Company currently intends to grant ZEPOs to senior executive officers on a recurring basis. Because such grants allow for equity participation by senior executives and provide continuing incentives notwithstanding market downturns, the Company considers them to be a valuable tool for senior executive retention.

The grant of stock options to our officers is based primarily on their performance, title and base pay. Options granted since 2010 generally have a seven year term and vest in equal tranches over three years. Options granted prior to 2010 also vested over three years, however, they had a ten-year term. Our policies for allocating



compensation between long-term incentives (primarily through the granting of options and some use of Restricted Shares) and currently paid out compensation (base pay and short-term incentives) is to achieve the goals set above. Currently, the allocation between long-term and short-term incentives is determined by the Remuneration and Nomination Committee having regard to the seniority and experience of the employee.

Stock option awards are generally granted annually to senior executives and officers in conjunction with the review of the performance of our executive and other officers.

Since 2009, we have also issued Restricted Shares to all employees under our Employee Share Plan. Our Employee Share Plan was adopted by the Board of Directors in 2009. The Employee Share Plan permits our Board to grant shares of our common stock to our employees. The number of shares able to be granted is limited to the amount permitted to be granted at law, the ASX Listing Rules and by the limits on our authorized share capital in our amended and restated certificate of incorporation. All our employees are eligible for shares under the Employee Share Plan. The Company currently proposes to issue A\$1,000 worth of Restricted Shares of common stock to each employee of the Company on a recurring basis, but no more frequently than annually. The Restricted Shares have the same terms of issue as our existing shares of common stock but are not able to be traded until the earlier of three years from the date on which the shares are issued or the date the relevant employee ceases to be an employee of the Company or any of its associated group of companies. We believe that the granting of Restricted Shares is an effective method of motivating our employees in a manner consistent with the interest of our stockholders.

#### ***Other remuneration — Superannuation***

As required by Australian law, we contribute to standard defined contribution superannuation funds on behalf of all employees at an amount required by law, currently 9.50% of each such employee's salary. Superannuation is a compulsory savings program whereby employers are required to pay a portion of an employee's remuneration to an approved superannuation fund that the employee is typically not able to access until they are retired. We permit employees to choose an approved and registered superannuation fund into which the contributions are paid.

#### ***Overview of the compensation process***

The composition of compensation for our executive officers includes the following: base pay, cash bonus, stock-based awards and superannuation. The elements of executive compensation are discussed at the meetings of our Remuneration and Nomination Committee. During the end or beginning of each year, the Remuneration and Nomination Committee discusses the base salaries and cash bonus plans for the applicable year for our executive officers, and makes recommendations to the Board of Directors for its approval. The Board of Directors usually approves the base pays, cash bonus plan and any grant of securities recommended by the Remuneration and Nomination Committee; though if it does not, it could ask the Remuneration and Nomination Committee to prepare revised recommendations. At or about the same time, the Remuneration and Nomination Committee, subject to the approval of the Board of Directors, grants stock-based awards to our executive and other officers. Under the Listing Rules of ASX, the grant of options or shares to directors as remuneration (who may or may not be executives) requires stockholder approval.

As part of the Remuneration and Nomination Committee's process, the Chief Executive Officer meets with our Human Resources Manager and executive officers, and reviews the elements of each executive officer's (excluding the Chief Executive Officer's) compensation during the preceding years. The Human Resources Manager and the Chief Executive Officer liaise on compensation recommendations for each of our executive officers (excluding the Chief Executive Officer's compensation). The Chief Executive Officer then presents their recommendations to the Remuneration and Nomination Committee. The Chairman of the Remuneration and Nomination Committee may liaise with the Human Resources Manager whilst reviewing the Chief Executive Officer's compensation. Our executive officers are not present when our Human Resources Manager makes her recommendations or during the Remuneration and Nomination Committee's deliberations on the compensation of our executive officers.

Additionally, we will seek an advisory vote in relation to compensation from stockholders every year, which we believe will be the most effective means for conducting and responding to such an advisory vote. The Board



will consider the outcome of each such stockholders advisory vote. Stockholders approved the resolution relating to the compensation at our general meeting of stockholders in 2014.

### Consideration of Results of Prior Year Stockholder “Say-on-Pay” Vote

At the 2014 general meeting, approximately 77% of our stockholders who cast votes, voted in favor of the compensation paid to our named executive officers for 2013. Accordingly, when developing our executive compensation program for 2014 and 2015, we considered the overall level of support and did not make any material changes to the structure of our compensation program.

### Compensation Committee Report

The Remuneration and Nomination Committee has reviewed and discussed the information described under the caption “Compensation Discussion and Analysis” with members of management. Based on this review and discussion with management, the Remuneration and Nomination Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Members of the Remuneration and Nomination Committee

Mr. Andrew Jane (chairman)  
Mr. Andrew Denver  
Mr. Marshall Heinberg

You should not consider this report to be “soliciting materials” or to be “filed” with the SEC. It also is not subject to the liabilities of section 18 of the Exchange Act. In addition, this report shall not be deemed incorporated by reference into any prior or subsequent filing by us under U.S. federal securities laws, except to the extent that we specifically incorporate it by reference into a document filed by us under U.S. federal securities laws.

### Summary Compensation Table

Our named executives are all employed by our wholly owned subsidiary, Universal Biosensors Pty Ltd.

Name and Principal Position	Year	Salary A\$	Bonus(1) A\$	Aggregate Grant Date Fair Value of Stock Awards(2) A\$	Aggregate Grant Date Fair Value of Option Awards(3) A\$	All Other Compensation(4) A\$	Total A\$
Paul Wright	2014	442,836	35,882	1,000(6)	29,400(6)	44,925	554,043
Managing Director/Chief Executive Officer(5)	2013	427,447	7,672	1,000	40,875	39,715	516,709
	2012	414,997	22,047	—	—	37,350	474,394
Salesh Balak	2014	334,529	33,853	—(7)	—(7)	34,578	402,960
Chief Financial Officer	2013	322,904	17,916	1,000	19,600	31,122	392,542
	2012	313,498	21,945	1,000	27,250	28,215	391,908
Alastair Hodges	2014	348,462	33,181	—(7)	—(7)	35,820	417,463
Chief Scientist	2013	336,352	6,500	1,000	19,600	31,293	394,745
	2012	326,556	26,125	1,000	27,250	29,390	410,321
Garry Chambers	2014	348,462	34,846	—(7)	—(7)	35,978	419,286
Vice President, Operations	2013	336,352	6,500	1,000	19,600	31,293	394,745
	2012	326,556	29,390	1,000	27,250	29,390	413,586
Adrian Oates	2014	338,782	35,572	—(7)	—(7)	35,140	409,494
Vice President, Quality and Regulatory	2013	327,009	6,540	1,000	19,600	30,445	384,594
	2012	317,485	28,574	1,000	27,250	28,574	402,883



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- (1) Amounts reported in this column represent the cash annual incentive award in respect of 2014 for performance under our annual incentive plan, which amounts have been approved by our Board of Directors. The level of bonuses varies from year to year and is dependent on the KPIs achieved by the executives.
- (2) In accordance with ASC 718, the fair value of the stock awards has been calculated as the closing price of the Company's common stock on ASX on the day on which the employee stock awards were granted.
- (3) In accordance with ASC 718, the fair value of the option grants was estimated on the date of each grant using the Trinomial Lattice model.
- (4) Represents superannuation payment and calculated as follows:
  - a. 9.50% of base pay from July 1, 2014
  - b. 9.25% of base pay from July 1, 2013 to June 30, 2014
  - c. 9.00% of base pay prior to June 30, 2013
- (5) No directors' fees are payable to Mr. Wright in addition to his executive remuneration set out above.
- (6) On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 60,000 ZEPOs to Mr. Paul Wright, subject to the receipt of stockholder approval. The fair value of the Restricted Shares and the ZEPOs as at the Board approved grant date are A\$1,000 and A\$13,800, respectively. These amounts have not been included in the table above. On December 12, 2013, our Board approved the grant of 2,040 Restricted Shares and 60,000 ZEPOs to Mr. Paul Wright, which was approved by our stockholders on June 12, 2014. The fair value of the Restricted Shares and the ZEPOs as at the Board approved grant date were A\$1,000 and A\$29,400, respectively. These amounts have been included in the table above.
- (7) On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 40,000 ZEPOs to each of the named executives. The fair value of the Restricted Shares and the ZEPOs as at the Board approved grant date are A\$1,000 and A\$9,200, respectively. These amounts have not been included in the table above.

#### Grants of Plan-Based Awards During 2014

The following table provides information regarding the plan-based awards that we made to the named executive officers during the year ended December 31, 2014.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units(1)	All Other Option Awards: Number of Securities Underlying Options(2)	Exercise or Base Price of Option Awards (A\$/Sh)	Grant Date Fair Value of Stock and Option/ SAR Awards(3)
		Threshold A\$	Target Grant A\$	Maximum A\$	Threshold #	Target #	Maximum #	#	#	#	#
Paul Wright(4) . . . . .	Dec 12, 2013	—	—	—	—	—	—	2,040	60,000	0.49	0.49
Salesh Balak(5) . . . . .	—	—	—	—	—	—	—	—	—	—	—
Alastair Hodges(5) . . . .	—	—	—	—	—	—	—	—	—	—	—
Garry Chambers(5) . . . .	—	—	—	—	—	—	—	—	—	—	—
Adrian Oates(5) . . . . .	—	—	—	—	—	—	—	—	—	—	—

- (1) The restricted fully paid shares of our common stock were awarded to the named executives under the Employee Share Plan. The Restricted Shares are not able to be traded until the earlier of three years from the date on which the Restricted Shares are issued or the date an employee ceases to be an employee of the Company or any of its associated group of companies.
- (2) The stock option awards shown in the table above are stock options that were awarded to the named executive officers as per the grant date indicated. All options granted to employees in 2013 vest in three equal tranches over three years with the first tranche vesting on December 31, 2014, the second tranche vesting on December 31, 2015 and the third tranche vesting on December 31, 2016. In addition, in order for the ZEPOs of our named executive officers to vest, the first of the products being developed with Siemens must obtain CE approval. This milestone was achieved in December 2014.

While an executive is an employee of the Company, shares issued to executives on exercise of their employee options are not able to be traded (in the form of CDIs) for a period up to four years from the grant



date following which time the Board of Directors (or its delegate) must grant approval to trade, which may be granted or withheld at its sole discretion, for the shares to be traded. The shares become immediately tradable if the Company's executive ceases to be an employee of the Company and its associated group of companies.

- (3) The fair value of the option grants were estimated on the date of each grant using the Trinomial Lattice model.
- (4) On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 60,000 ZEPOs to Mr. Paul Wright, subject to the receipt of stockholder approval. The fair value of the Restricted Shares and the ZEPOs as at the Board approved grant date are A\$1,000 and A\$13,800, respectively. These amounts have not been included in the table above. On December 12, 2013, our Board approved the grant of 2,040 Restricted Shares and 60,000 ZEPOs to Mr. Paul Wright, which was approved by our stockholders on June 12, 2014. The fair value of the Restricted Shares and the ZEPOs as at the Board approved grant date were A\$1,000 and A\$29,400, respectively. These amounts have been included in the table above.
- (5) On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 40,000 ZEPOs to each of the named executives. The fair value of the Restricted Shares and the ZEPOs as at the Board approved grant date are A\$1,000 and A\$9,200, respectively. These amounts have not been included in the table above.

## Narrative disclosure to summary compensation table and grants

### *Cash Bonuses*

The Chief Executive Officer is entitled to a maximum cash bonus equivalent to 25% of his base salary. The other executives are entitled to a maximum cash bonus equivalent to 20% of their base salary. The cash bonus component was arrived at after comparing them to peer groups. If a named executive achieves pre-determined milestones set by the Remuneration and Nomination Committee, a cash bonus, up to a maximum amount for each executive as set by the Remuneration and Nomination Committee, may be paid to the relevant executive. In 2014, named executives each generally had up to five KPIs each of which had a percentage indicative weighing against the potential bonus. Specific KPIs for 2014 are not disclosed as they would require us to disclose market sensitive information. For the year ended December 31, 2014, the KPIs linked to short-term incentives were based on group, departmental and personal objectives.

### *Employee Option Plan*

The Employee Option Plan was adopted by the Board of Directors in 2004 and approved by our stockholders in October 2006. The Employee Option Plan permits our Board to grant stock options to our employees. The number of employee options able to be granted is limited to the amount permitted to be granted at law, the ASX Listing Rules and by the limits on our authorized share capital in our amended and restated certificate of incorporation. The ASX Listing Rules generally prohibit companies whose securities are quoted on the ASX from issuing securities exceeding 15% of issued share capital in any 12 month period, without stockholder approval. Broadly speaking, options are issued to staff under two categories – options to new staff and options to existing staff (recurring options). Options to new staff are generally granted within the year they commence employment and are typically market price Employee Options. The number of options to be granted as part of a recurring grant of options is determined within salary bands. Additional options may be granted at other times upon the achievement of predetermined key performance indicators. The Company currently intends to grant ZEPOs to senior executives of the Company on a recurring basis. Other senior employees are expected to be granted market price Employee Options on a recurring basis.

When exercisable, each option is convertible into one share of common stock at an exercise price determined on the date of grant. The exercise price is determined by the Board at the time of approval of grant. The exercise price of all market price options since 2009 has been calculated as the closing price of the Company's common stock on ASX on the day on which the employee options were granted. The exercise price of all market price options up to 2009 have historically been calculated as the average closing price of the Company's common stock on the ASX on the five days on which the Company's common stock has traded prior to the approval of grant. The Company has also granted certain options with a zero exercise price. The contractual life of each option granted is between seven and ten years. No option holder has any right under the





option to participate in any other issues of shares of our common stock or any other entity without first having exercised the options. Any exercise conditions must be satisfied before the options vest and become capable of exercise. All our options have been subject to time based vesting over either three or four years (depending on the year in which they were granted). In addition, the “sign on” options granted to Paul Wright in 2011 and the options granted to senior executives in 2013 and 2014 are also subject to the achievement of specified corporate objectives. Exercise conditions are determined by the Board at the time of grant of the options. This determination would typically follow a recommendation from the Remuneration and Nomination Committee. To date, we have not extended or undertaken any other modifications to outstanding options. In 2007, the exercise price of all employee options on issue at that time were adjusted in accordance with a formula set out in the ASX Listing Rules as a result of a renounceable rights issue capital raising undertaken by the Company. The Company has not otherwise repriced any of its options. The options lapse on such date determined by the Board at the time of grant or earlier in accordance with the Employee Option Plan. Options may be subject to adjustment in the event of a stock split, stock dividend, consolidation or other change in the structure of our capitalization. Options carry no dividend or voting rights. With respect to options granted to named executives after 2009, the shares issued to those executives on exercise of their employee options are not able to be traded for a period up to four years from the grant date following which time the Board of Directors (or its delegate) must grant approval to trade, which may be granted or withheld at its sole discretion, for the shares to be traded. The shares become immediately tradable if the named executive ceases to be an employee of the Company and its associated group of companies.

### ***Employee Share Plan***

Our Employee Share Plan was adopted by the Board of Directors in 2009. The Employee Share Plan permits our Board to grant shares of our common stock to our employees. The number of shares able to be granted is limited to the amount permitted to be granted at law, the ASX Listing Rules and by the limits on our authorized share capital in our amended and restated certificate of incorporation. All our employees are eligible for shares under the Employee Share Plan. The Company currently proposes to issue A\$1,000 worth of Restricted Shares to all eligible employees of the Company on a recurring basis, but no more frequently than annually. The Restricted Shares have the same terms of issue as our existing shares of common stock but are not able to be traded until the earlier of three years from the date on which the Restricted Shares are issued or the date the relevant employee ceases to be an employee of the Company or any of its associated group of companies.

### ***Executive Service Agreements***

Remuneration and other terms of employment for the executive officers are formalized in executive service agreements. The material terms and conditions of each of the employment agreements with our executive officers who continued to serve at December 31, 2014 are substantially similar, a summary of which material terms and conditions is set out below:

- the executive must devote his time and attention exclusively to our business and affairs and the business and affairs of Universal Biosensors Pty Ltd, unless otherwise approved by the Company;
- the executive is bound by customary confidentiality, intellectual property assignment and non-competition clauses;
- the executive’s salary is to be reviewed on an annual basis;
- the executive may be entitled to a discretionary cash bonus or be granted stock options under the Employee Option Plan as recommended by the Remuneration and Nomination Committee and determined by our Board of Directors from time to time;
- each party has the right to terminate the agreement by giving three months’ notice to the other party or, in the case of Mr. Wright’s agreement, with six months’ notice;
- we may also terminate the agreement, at any time with reasonable notice, with immediate effect for cause, for default by the executive in the performance of the executive’s responsibilities or the discharge of the executive’s duties, for fraudulent or dishonest conduct by the executive or intemperate use of alcohol or



drugs by the executive or conviction of the executive for the commission of a felony or willful or intentional injury to our business or affairs; and

- each agreement, with the exception of the agreements with Dr. Oates and Mr. Wright, will terminate automatically on a date specified in the executive employment agreement unless extended by us from time to time. If the parties whose contracts have fixed end dates do not expressly extend the agreement, the executive's employment will automatically extend for a further 12 months on the same terms. Each of Dr. Oates' and Mr. Wright's agreement does not have a specific end date and terminates with notice in accordance with its terms.

Subject to applicable law, other than ongoing salary payments during the notice period and any outstanding annual leave and long service leave entitlements, no additional payments are payable on termination or change of control.





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**Outstanding Equity Awards at Fiscal Year-End**

The following table provides information as of December 31, 2014 regarding equity awards, including unexercised stock options that had not vested, for each of the named executive officers.

Name	Option Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (A\$)	Option Expiration Date
Paul Wright(1) .....	2,300,000	—	—	1.38	February 23, 2018
	25,000	12,500	—	—	November 12, 2019
	20,000	40,000	—	—	December 11, 2020
Salesh Balak(2) .....	208,000	—	—	1.18	March 22, 2017
	100,000	—	—	0.89	March 16, 2018
	73,334	—	—	—	June 28, 2019
	100,000	—	—	1.72	November 9, 2019
	16,667	—	—	—	November 10, 2017
	25,000	—	—	—	November 17, 2018
	16,666	8,334	—	—	November 12, 2019
Alastair Hodges(3) .....	13,333	26,667	—	—	December 11, 2020
	36,248	—	—	0.35	December 31, 2015
	36,000	—	—	1.18	March 22, 2017
	100,000	—	—	0.89	March 16, 2018
	16,667	—	—	—	May 14, 2019
	105,000	—	—	—	June 28, 2019
	100,000	—	—	1.72	November 9, 2019
	25,000	—	—	—	November 10, 2017
	25,000	—	—	—	November 17, 2018
	16,666	8,334	—	—	November 12, 2019
Garry Chambers(4) .....	13,333	26,667	—	—	December 11, 2020
	36,248	—	—	0.35	December 31, 2015
	36,000	—	—	1.18	March 22, 2017
	100,000	—	—	0.89	March 16, 2018
	16,667	—	—	—	May 14, 2019
	105,000	—	—	—	June 28, 2019
	100,000	—	—	1.72	November 9, 2019
	25,000	—	—	—	November 10, 2017
	25,000	—	—	—	November 17, 2018
	16,666	8,334	—	—	November 12, 2019
Adrian Oates(5) .....	13,333	26,667	—	—	December 11, 2020
	400,000	—	—	1.20	September 18, 2017
	16,667	—	—	—	May 14, 2019
	105,000	—	—	—	June 28, 2019
	100,000	—	—	1.72	November 9, 2019
	25,000	—	—	—	November 10, 2017
	25,000	—	—	—	November 17, 2018
	16,666	8,334	—	—	November 12, 2019
	13,333	26,667	—	—	December 11, 2020

- (1) On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 60,000 ZEPOs to Mr. Paul Wright subject to the receipt of stockholder approval, which approval is being sought at the Meeting of stockholders on July 9, 2015. These amounts have not been included in the table above.



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- a. Of the options expiring on February 23, 2018:
    - i. 500,000 options vested on September 9, 2011 when the Company entered into a Collaboration Agreement with Siemens Healthcare Diagnostics, Inc.
    - ii. 1,400,000 of the employee options vested in three equal tranches on December 31, 2011, 2012 and 2013.
    - iii. 400,000 options vested when the Xprecia Stride™ Coagulation Analyzer received CE Mark approval in December 2014.
  - b. Of the options expiring on November 12, 2019, 12,500 of the options vested and became exercisable on December 31, 2013, 12,500 of the options vested and became exercisable on December 31, 2014 and 12,500 of the options vest and become exercisable on December 31, 2015.
  - c. Of the options expiring on December 11, 2020, 20,000 of the options vested and became exercisable on December 31, 2014, 20,000 of the options vest and become exercisable on December 31, 2015 and 20,000 of the options vest and become exercisable on December 31, 2016.
- (2)
- a. Of the options expiring on March 22, 2017, the options vested and became exercisable in three equal tranches on December 31, 2007, 2008 and 2009.
  - b. Of the options expiring on March 16, 2018, the options vested and became exercisable in three equal tranches on December 31, 2008, 2009 and 2010.
  - c. Of the options expiring on June 28, 2019, 35,000 options vested and became exercisable on December 31, 2012, 25,000 options vested and became exercisable on December 31, 2013 and 13,334 options vested and became exercisable on December 31, 2014.
  - d. Of the options expiring on November 9, 2019, the options vested and became exercisable in three equal tranches on December 31, 2010, 2011 and 2012.
  - e. Of the options expiring on November 10, 2017, 8,333 options vested and became exercisable on December 31, 2012 and 8,334 options vested and became exercisable on December 31, 2013.
  - f. Of the options expiring on November 17, 2018, 8,333 options vested and became exercisable on December 31, 2012, and 2013, and 8,334 options vested and became exercisable on December 31, 2014.
  - g. Of the options expiring on November 12, 2019, 8,333 of the options vested and became exercisable on December 31, 2013, 8,333 of the options vested and became exercisable on December 31, 2014 and 8,334 of the options vest and become exercisable on December 31, 2015.
  - h. Of the options expiring on December 11, 2020, 13,333 of the options vested and became exercisable on December 31, 2014, 13,333 of the options vest and become exercisable on December 31, 2015 and 13,334 of the options vest and become exercisable on December 31, 2016.
  - i. On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 40,000 ZEPOs to Mr. Satesh Balak. These amounts have not been included in the table above.
- (3)
- a. Of the options expiring on December 31, 2015, the options vested and became exercisable in three tranches on January 1, 2007, 2008 and 2009.
  - b. Of the options expiring on March 22, 2017, the options vested and became exercisable in three equal tranches on December 31, 2007, 2008 and 2009.
  - c. Of the options expiring on March 16, 2018, the options vested and became exercisable in three equal tranches on December 31, 2008, 2009 and 2010.
  - d. Of the options expiring on May 14, 2019, 8,333 options vested and became exercisable on December 31, 2010 and 8,334 vested and became exercisable on December 31, 2011.
  - e. Of the options expiring on June 28, 2019, 10,000 options vested and became exercisable on December 31, 2010, 21,666 options vested and became exercisable on December 31, 2011, 35,000 options vested and became exercisable on December 31, 2012, 25,000 options vested and became exercisable on December 31, 2013 and 13,334 options vested and became exercisable on December 31, 2014.



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- f. Of the options expiring on November 9, 2019, the options vested and became exercisable in three equal tranches on December 31, 2010, 2011 and 2012.
  - g. Of the options expiring on November 10, 2017, 8,333 options vested and became exercisable on December 31, 2011, and 2012 and 8,334 options vested and became exercisable on December 31, 2013.
  - h. Of the options expiring on November 17, 2018, 8,333 options vested and became exercisable on December 31, 2012 and 2013 and 8,334 options vested and became exercisable on December 31, 2014.
  - i. Of the options expiring on November 12, 2019, 8,333 of the options vested and became exercisable on December 31, 2013, 8,333 of the options vested and became exercisable on December 31, 2014 and 8,334 of the options vest and become exercisable on December 31, 2015.
  - j. Of the options expiring on December 11, 2020, 13,333 of the options vested and became exercisable on December 31, 2014, 13,333 of the options vest and become exercisable on December 31, 2015 and 13,334 of the options vest and become exercisable on December 31, 2016.
  - k. On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 40,000 ZEPOs to Dr. Alastair Hodges. These amounts have not been included in the table above.
- (4)
- a. Of the options expiring on December 31, 2015, the options vested and became exercisable in three equal tranches on January 1, 2007, 2008 and 2009.
  - b. Of the options expiring on March 22, 2017, the options vested and became exercisable in three equal tranches on December 31, 2007, 2008 and 2009.
  - c. Of the options expiring on March 16, 2018, the options vested and became exercisable in three equal tranches on December 31, 2008, 2009 and 2010.
  - d. Of the options expiring on May 14, 2019, 8,333 options vested and became exercisable on December 31, 2010 and 8,334 options vested and became exercisable on December 31, 2011.
  - e. Of the options expiring on June 28, 2019, 10,000 options vested and became exercisable on December 31, 2010, 21,666 options vested and became exercisable on December 31, 2011, 35,000 options vested and became exercisable on December 31, 2012, 25,000 options vested and became exercisable on December 31, 2013 and 13,334 options vested and became exercisable on December 31, 2014.
  - f. Of the options expiring on November 9, 2019, the options vested and became exercisable in three equal tranches on December 31, 2010, 2011 and 2012.
  - g. Of the options expiring on November 10, 2017, 8,333 options vested and became exercisable on December 31, 2011 and 2012 and 8,334 options vested and became exercisable on December 31, 2013.
  - h. Of the options expiring on November 17, 2018, 8,333 options vested and became exercisable on December 31, 2012 and 2013 and 8,334 vested and became exercisable on December 31, 2014.
  - i. Of the options expiring on November 12, 2019, 8,333 of the options vested and became exercisable on December 31, 2013, 8,333 of the options vested and became exercisable on December 31, 2014 and 8,334 of the options vest and become exercisable on December 31, 2015.
  - j. Of the options expiring on December 11, 2020, 13,333 of the options vested and became exercisable on December 31, 2014, 13,333 of the options vest and become exercisable on December 31, 2015 and 13,334 of the options vest and become exercisable on December 31, 2016.
  - k. On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 40,000 ZEPOs to Mr. Garry Chambers. These amounts have not been included in the table above.
- (5)
- a. Of the options expiring on September 18, 2017, the options vested and became exercisable in three equal tranches on June 30, 2008, 2009 and 2010.



- b. Of the options expiring on May 14, 2019, 8,334 options vested and became exercisable on December 31, 2010 and the remaining stock options of 8,333 vested and became exercisable on December 31, 2011.
- c. Of the options expiring on June 28, 2019, 10,000 options vested and became exercisable on December 31, 2010, 21,666 options vested and became exercisable on December 31, 2011, 35,000 options vested and became exercisable on December 31, 2012, 25,000 options vested and became exercisable on December 31, 2013 and 13,334 options vested and became exercisable on December 31, 2014.
- d. Of the options expiring on November 9, 2019, the options vested and became exercisable in three equal tranches on December 31, 2010, 2011 and 2012.
- e. Of the options expiring on November 10, 2017, 8,333 options vested and became exercisable on December 31, 2011 and 2012 and 8,334 options vested and became exercisable on December 31, 2013.
- f. Of the options expiring on November 17, 2018, 8,333 options vested and became exercisable on December 31, 2012 and 2013 and 8,334 options vested and became exercisable on December 31, 2014.
- g. Of the options expiring on November 12, 2019, 8,333 of the options vested and became exercisable on December 31, 2013, 8,333 of the options vested and became exercisable on December 31, 2014 and 8,334 of the options vest and become exercisable on December 31, 2015.
- h. Of the options expiring on December 11, 2020, 13,333 of the options vested and became exercisable on December 31, 2014, 13,333 of the options vest and become exercisable on December 31, 2015 and 13,334 of the options vest and become exercisable on December 31, 2016.
- i. On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares and 40,000 ZEPOs to Dr. Adrian Oates. These amounts have not been included in the table above.

#### Option Exercises and Stock Vested

The following table provides information during fiscal year 2014 regarding exercises of stock options, SARs or similar instruments, or vesting of stock, including restricted stock, restricted stock units or similar instruments, by any named executive officer.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (A\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (A\$)
Paul Wright(1) . . . . .	—	—	2,040	1,000
Salesh Balak(2) . . . . .	—	—	—	—
Alastair Hodges(2) . . . . .	—	—	—	—
Garry Chambers(2) . . . . .	—	—	—	—
Adrian Oates(2) . . . . .	—	—	—	—

- (1) At the general meeting of stockholders on June 12, 2014, the stockholders approved the grant of 2,040 Restricted Shares to Mr. Paul Wright. On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares to Mr. Paul Wright, subject to the receipt of stockholder approval, which approval is being sought at the Meeting of stockholders on July 9, 2015. These amounts have not been included in the table above.
- (2) On January 29, 2015, our Board approved the grant of 4,347 Restricted Shares to the named executives. These amounts have not been included in the table above.

#### Pension benefits

We do not provide pension benefits to our named executives. Instead, as required by Australian law, we contribute to standard defined contribution superannuation funds on behalf of all employees at an amount up to 9.50% of each such employee's salary from July 1, 2014 (9.25% from July 1, 2013 to June 30, 2014 and 9.00% prior to June 30, 2013). Superannuation is a compulsory savings program whereby employers are required to pay



a portion of an employee's remuneration to an approved superannuation fund that the employee is typically not able to access until they are retired. We permit employees to choose an approved and registered superannuation fund into which the contributions are paid.

#### Non-qualified Defined Contribution and Other Non-qualified Deferred Compensation Plans

We do not maintain any non-qualified defined contribution or deferred compensation plans.

#### Potential payments upon Termination or Change-in-control

See "Executive Compensation — Narrative disclosure to summary compensation table and grants — Executive Service Agreements."

#### Equity Compensation Plan Information

Set out below are details of the Employee Option Plan as at December 31, 2014.

Plan Category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights (A\$)	Number of Securities remaining for future issuance
Equity compensation plans approved by security holders			
- Employee options(2.a) . . . .	9,333,436	1.06	(1)
- Warrants(2.b) . . . . .	4,500,000	1.00	(1)
Equity compensation plans not approved by security holders . . . . .	0	0.00	(1)
Total . . . . .	13,833,436	1.04	

- (1) The number of securities able to be granted is limited to the amount permitted to be granted at law, the ASX Listing Rules and by the limits on our authorized share capital in our amended and restated certificate of incorporation. The Listing Rules of ASX generally prohibits companies whose securities are quoted on ASX from issuing securities exceeding 15% of issued share capital in any 12 month period, without stockholder approval.
- (2) The grant of options and the issue of shares to any of our directors require stockholder approval.
  - a. This excludes 60,000 ZEPOs granted to our Executive Director/ Chief Executive Officer, Mr. Paul Wright on January 29, 2015. Stockholder approval for the grant of the ZEPOs to Mr. Paul Wright is being sought at the 2015 Meeting.
  - b. In connection with our US\$25 million loan facility, we issued to the lenders warrants entitling the holder to purchase up to an aggregate total of 4.5 million shares of UBI's common stock in the form of CDIs at a price of A\$1.00 per share, exercisable at any time until December 19, 2020 ("Warrants"). The holder of a Warrant has the option to pay the exercise price in cash or by making a cashless exercise. The number of shares of common stock to be issued on exercise of the Warrants and/ or the exercise price of the Warrants will be adjusted in certain circumstances including bonus issues, pro-rata issues and reorganizations of share capital.

#### INDEPENDENT PUBLIC ACCOUNTANTS

##### Appointment of Independent Registered Public Accounting Firm

Our Audit and Compliance Committee has appointed PricewaterhouseCoopers, Australia as our independent public accountants for the fiscal year ended December 31, 2014. Representatives of PricewaterhouseCoopers, Australia will be present at the Meeting, will have the opportunity to make a statement if such representative desires to do so, and will be available to respond to appropriate questions.



## Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## Audit Fees

PricewaterhouseCoopers, Australia audited our financial statements for the year ended December 31, 2014.

	Year Ended December 31	
	2014 A\$	2013 A\$
<i>(a) Audit Fees</i>		
Annual Financial Statements .....	240,682	332,675
Form 10-Q .....	83,000	119,042
	<u>323,682</u>	<u>451,717</u>
<i>(b) Tax Fees</i>		
Tax Returns .....	35,399	6,342
Other tax Compliance and Advisory Services .....	185,229	33,500
	<u>220,628</u>	<u>39,842</u>
<i>Total</i> .....	<u>544,310</u>	<u>491,559</u>

Tax fees payable to PricewaterhouseCoopers, Australia and United States are in relation to the review and filing of our tax returns. They also include fees for tax advice we may have sought from time to time.

All audit and non-audit services to be performed by the Company's independent accountant must be approved in advance by the Audit and Compliance Committee. For audit services, each year the independent accountant provides the Audit and Compliance Committee with an engagement letter outlining the scope of proposed audit services to be performed during the year and the proposed fees, which must be formally accepted by the Committee before the audit commences. Any additional service proposed to be provided after the annual pre-approval process of audit services requires specific pre-approval by Audit and Compliance Committee. The Committee may delegate either general or specific pre-approval authority to any one of the Committee members or the Chief Financial Officer. The member or Chief Financial Officer to whom such authority is delegated must report any pre-approval decisions to the Committee at its next meeting. Accordingly, the Committee pre-approved all of the fees last year.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents certain information known to us regarding beneficial ownership of our shares of common stock as of March 16, 2015 by the following persons:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- our executive officers;
- our directors; and
- our executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the Securities and Exchange Commission and generally means that a person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security, and includes options and warrants that are exercisable within 60 days. Information with respect to beneficial ownership has been furnished to us by each director and executive officer. Holders of our CDIs have beneficial ownership of an equivalent number of our shares. Unless otherwise indicated, to our knowledge, each holder of our CDIs possesses sole power to direct CDN how to vote and has investment power over the shares listed, except for shares owned jointly with that person's spouse.





The table below lists applicable percentage ownership based on 175,893,533 shares of common stock outstanding as of March 16, 2015 and 8,568,059 options to purchase our shares that are exercisable as of March 16, 2015 and within 60 days of this date. Options to purchase our shares that are exercisable within 60 days of March 16, 2015 are deemed to be beneficially owned by the person holding these options for the purpose of computing percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other holder.

Unless otherwise indicated in the table below, the address for each of the persons listed in the table below is c/o Universal Biosensors, Inc., 1 Corporate Avenue, Rowville, Victoria 3178.

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares(1)</u>	<u>Percentage of Class</u>
Paul Wright .....	3,141,244(2)	1.76%
Salesh Balak .....	629,861(3)	*
Garry Chambers .....	2,818,978(4)	1.60%
Alastair Hodges Ph.D. ....	3,308,751(5)	1.88%
Adrian Oates Ph. D. ....	711,306(6)	*
Andrew Denver .....	8,076,955(7)	4.59%
Denis Hanley .....	7,589,766(8)	4.31%
Marshall Heinberg .....	20,000(9)	*
Chris Smith .....	30,000(10)	*
<b>Total Directors and Executives as a group (9 persons) .....</b>	<b>26,326,860</b>	<b>14.59%</b>
Talu Ventures Pty Ltd(11) .....	17,794,384	10.12%
KFT Investments Pty Ltd(12) .....	10,547,858	6.00%
JP Morgan Nominees Australia Ltd(13) .....	9,587,495	5.45%

\* Represents beneficial ownership of less than one percent of our outstanding ordinary shares.

- (1) Includes shares issuable pursuant to options exercisable as of March 16, 2015 and within 60 days of this date. The figures represent the amounts last notified to us unless otherwise stated. The relevant stockholders may have acquired or disposed of shares since the last notification that are not reflected.
- (2) Includes: (i) 186,771 shares in the form of CDIs held by a super fund on behalf of Mr. Wright; (ii) 2,957 restricted fully paid shares; (iii) 606,516 shares in the form of CDIs held by a trust of which Mr. Wright is a beneficiary; and (iv) 2,397,500 options exercisable as of March 16, 2015 and within 60 days of this date.
- (3) Includes: (i) 69,557 shares in the form of CDIs Mr. Balak holds directly; (ii) 553,000 options exercisable as of March 16, 2015 and within 60 days of this date; and (iii) 7,304 restricted fully paid shares.
- (4) Includes: (i) 2,337,760 shares in the form of CDIs Mr. Chambers holds directly; (ii) 7,304 restricted fully paid shares ; and (iii) 473,914 employee options exercisable as of March 16, 2015 and within 60 days of this date.
- (5) Includes: (i) 2,827,533 shares in the form of CDIs Dr. Hodges holds directly; (ii) 7,304 restricted fully paid shares; and (iii) 473,914 employee options exercisable as of March 16, 2015 and within 60 days of this date.
- (6) Includes: (i) 2,336 shares in the form of CDIs Mr. Oates holds directly; (ii) 701,666 options exercisable as of March 16, 2015 and within 60 days of this date; and (iii) 7,304 restricted fully paid shares.
- (7) Includes: (i) 5,099,818 shares in the form of CDIs Mr. Denver holds directly; (ii) 2,736,340 shares in the form of CDIs held by Andrew Denver & Linda Denver as trustees for the Denver Family Superannuation Fund of which Mr. Denver is a potential beneficiary; (iii) 150,000 shares in the form of CDIs held by a trust of which Mr. Denver is a potential beneficiary; and (iv) 90,797 shares in the form of CDIs held by Mr. Denver's spouse.
- (8) Includes: (i) 6,580,772 shares in the form of CDIs which Mr. Hanley holds directly; (ii) 954,105 shares in the form of CDIs held by a superannuation fund of which Mr. Hanley is a potential beneficiary, and (iii) 54,889 shares in the form of CDIs held by a trust of which Mr. Hanley is a potential beneficiary.





- (9) Shares in the form of CDIs Mr. Heinberg holds directly.
- (10) Shares in the form of CDIs Mr. Smith holds directly.
- (11) The address of Talu Ventures Pty Ltd is Level 8, 379 Queen Street, Brisbane QLD 4000, Australia.
- (12) The address of KFT Investments Pty Ltd is PO Box 506, Lilydale VIC 3140, Australia.
- (13) The address of J P Morgan Nominees Australia Ltd is Locked Bag 20049, Melbourne VIC 3001, Australia.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Transactions with Related Persons

Each of our executive officers is a party to an executive service agreement with us. See “Executive Compensation — Narrative disclosure to summary compensation table and grants — Executive Service Agreements.” In addition, we have entered into indemnification agreements with our directors and certain of our executive officers in addition to the indemnification provided for in our amended and restated certificate of incorporation and our amended and restated by-laws.

In September 2011, we entered into a non-exclusive license agreement with SpeedX Pty Ltd (“SpeedX”) pursuant to which SpeedX granted us a license to use its proprietary MNAzyme technology in the field of molecular diagnostics. Under the agreement we make milestone payments totaling A\$500,000 to SpeedX if certain specified targets are achieved and royalty payments ranging from 5% to 15% of that portion of our sales and licensing revenues arising from SpeedX technology or products incorporating SpeedX technology.

In August 2013, we entered into a consulting agreement with SpeedX pursuant to which we provided certain services relating to the establishment and maintenance of a quality management system at SpeedX. Consulting fees received under this agreement in 2014 were A\$77,758. In addition, a success fee of A\$50,000 was paid by SpeedX in 2014 as the criteria for successful completion of the engagement was met.

Messrs Denver and Jane are directors of the Company and SpeedX. Talu Ventures Pty Ltd, of which Mr. Jane is a director, is a fund manager of a fund which holds approximately 33% of the issued shares in SpeedX. Mr. Jane resigned as a director in March 2015. Until September 27, 2013, PFM Cornerstone Limited held approximately 6% of our shares (this holding has since decreased to approximately 1% of our shares), and PFM Cornerstone Limited also holds approximately 33% of the issued shares in SpeedX. Messrs Denver and Hanley are directors of the Company and PFM Cornerstone Limited.

### Related Party Transaction Policy and Procedure

Pursuant to our Bylaws, a majority of disinterested directors or stockholders will be required to independently consider and approve any material related party transactions involving our executive officers or directors. When considering related party proposals in the past, our Board has formed a sub-committee of disinterested directors to consider each of these proposals on the same basis as if it was an arms-length transaction. Additionally, we will seek approval of stockholders in relation to any material related party transactions as may be required under the Listing Rules of ASX.

### 2016 Stockholder Proposals

Under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, some stockholder proposals may be eligible for inclusion in our 2016 proxy statement. These stockholder proposals must be submitted, along with proof of ownership of our stock in accordance with Rule 14a-8(b)(2), to our corporate headquarters, care of our Company Secretary. We must receive all submissions no later than January 13, 2016. We strongly encourage any stockholder interested in submitting a proposal to contact our Company Secretary in advance of this deadline to discuss the proposal, and stockholders may want to consult knowledgeable counsel with regard to the detailed requirements of applicable securities laws. Submitting a stockholder proposal does not guarantee that we will include it in our proxy statement. The Board reviews all stockholder proposals.



Alternatively, under our Bylaws, if a stockholder does not want to submit a proposal for the 2016 meeting for inclusion in our proxy statement under Rule 14a-8 but wants to bring any other business before a meeting of stockholders, or intends to nominate a person as a candidate for election to the Board directly (rather than through our Remuneration and Nomination Committee), the stockholder may submit the proposal or nomination to our Company Secretary no earlier than March 11, 2016 and no later than April 10, 2016. However, if the date of the 2016 meeting is changed by more than 30 days from the anniversary of the 2015 meeting, our Company Secretary must receive the notice no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

Stockholders who intend to nominate an individual for election to the Board or to bring any other business before a meeting of stockholders must follow the procedures outlined in Sections 4.10 and/or 4.11 of Article IV of our Bylaws. We will not entertain any proposals or nominations at the annual meeting that do not comply with these requirements. If the stockholder does not also comply with the requirements of Rule 14a-4(c)(2) under the Securities Exchange Act of 1934, as amended, we may exercise discretionary voting authority under proxies that we solicit to vote in accordance with our best judgment on any such stockholder proposal or nomination. Our Bylaws are posted on our Web site at [www.universalbiosensors.com](http://www.universalbiosensors.com) in the "Corporate Governance" section under "Investor information." To make a submission or to request a copy of our Bylaws, stockholders should contact our Company Secretary.

#### **Other Business**

Management is not aware of any matters to be presented for action at the Meeting, except matters discussed in the Proxy Statement. If any other matters properly come before the meeting, it is intended that the shares represented by proxies will be voted in accordance with the judgment of the persons voting the proxies.

### **STOCKHOLDER COMMUNICATIONS WITH BOARD OF DIRECTORS**

Any stockholder who wishes to send any communications to the Board or to individual directors should deliver such communications to the Company's executive offices, 1 Corporate Avenue, Rowville VIC 3178, Attention: Company Secretary ([companysecretary@universalbiosensors.com](mailto:companysecretary@universalbiosensors.com)). Any such communication should indicate whether the communication is intended to be directed to the entire Board or to a particular director(s), and must indicate the number of shares of common stock beneficially owned by the stockholder. The Company Secretary will forward appropriate communications to the Board and/or the appropriate director(s). Inappropriate communications include correspondence that does not relate to the business or affairs of the Company or the functioning of the Board or its committees, advertisements or other commercial solicitations or communications, and communications that are frivolous, threatening, illegal or otherwise not appropriate for delivery to directors.

### **AVAILABILITY OF FORM 10-K**

**We are providing without charge to each person solicited by this Proxy Statement a copy of our Annual Report on Form 10-K, including our financial statements but excluding the exhibits to Form 10-K other than Exhibit 13. The Annual Report includes a list of the exhibits that were filed with the Form 10-K, and we will furnish a copy of any such exhibit to any person who requests it upon the payment of our reasonable expenses in providing the requested exhibit.** For further information, please contact our Company Secretary, Cameron Billingsley at +612 8115 9801 or write us at 1 Corporate Avenue, Rowville VIC 3178. You may also send an email to us at [companysecretary@universalbiosensors.com](mailto:companysecretary@universalbiosensors.com). Our Annual Report on Form 10-K and our other filings with the SEC, including the exhibits, are also available for free on the SEC's Internet site (<http://www.sec.gov>).



## WHERE YOU CAN FIND MORE INFORMATION

We file annual and quarterly reports, proxy statements and other information with the SEC. Stockholders may read and copy any reports, statements or other information that we file at the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. Our public filings are also available from commercial document retrieval services and at the Internet Web site maintained by the SEC at <http://www.sec.gov>. The Company's Annual Report on Form 10-K was mailed along with this Proxy Statement.

For directions to the Meeting, please call +61 (2) 8115 9805 or +61 (3) 9213 9000.

STOCKHOLDERS SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT TO VOTE THEIR SHARES AT THE MEETING. NO ONE HAS BEEN AUTHORIZED TO PROVIDE ANY INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROXY STATEMENT. THIS PROXY STATEMENT IS DATED MAY 13, 2015. STOCKHOLDERS SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE.

## HOUSEHOLDING

We have adopted a procedure approved by the Securities and Exchange Commission called "householding." Under this procedure, a householding notice will be sent to stockholders who have the same address and last name and do not participate in electronic delivery of proxy materials, and they will receive only one copy of our Annual Report and Proxy Statement unless one or more of these stockholders notifies us that they wish to continue receiving individual copies. This procedure reduces our printing costs and postage fees. Each stockholder who participates in householding will continue to receive a separate proxy card. If you participate in householding and wish to receive a separate copy of this proxy statement or the 2014 Annual Report, please contact our Company Secretary, Cameron Billingsley, at +612 8115 9801 or write us at 1 Corporate Avenue, Rowville VIC 3178. You may also send an email to us at [companysecretary@universalbiosensors.com](mailto:companysecretary@universalbiosensors.com). A separate copy of this proxy statement and the 2013 Annual Report will be delivered promptly upon request.

If any stockholders in your household wish to begin receiving separate Annual Reports and separate Proxy Statements, they may call our Company Secretary, Cameron Billingsley, at +612 8115 9801 or write us at 1 Corporate Avenue, Rowville VIC 3178. They may also send an email to us at [companysecretary@universalbiosensors.com](mailto:companysecretary@universalbiosensors.com). Other stockholders who have multiple accounts in their names or who share an address with other stockholders can authorize us to discontinue mailings of multiple annual reports and Proxy Statements by calling or writing to the Company Secretary at 1 Corporate Avenue, Rowville VIC 3178 or by email at [companysecretary@universalbiosensors.com](mailto:companysecretary@universalbiosensors.com).

BY ORDER OF THE BOARD OF DIRECTORS

Paul Wright  
Chief Executive Officer  
Universal Biosensors, Inc.



Universal Biosensors, Inc.  
ARBN 121 559 993

### CDI Voting Instruction Form

#### Share Registry:

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
Level 7, 207 Kent Street  
Sydney NSW 2000  
Tel: + 61 2 9290 9600  
Fax: + 61 2 9290 9655

Barcoded CDI holder  
Reference Number

### Annual Meeting – July 9, 2015

Your Voting Instructions are being sought so that CHESS Depository Nominees Pty Ltd (“CDN”) may respond to a proxy solicitation on behalf of the Board of Directors of Universal Biosensors, Inc. (“Company”). The underlying shares represented by these Voting Instructions will be voted as specified by the undersigned. These Voting Instructions revoke any prior Voting Instructions given by the undersigned. Unless authority to vote for one or more of the nominees is specifically withheld, the underlying shares represented by a signed CDI Voting Instruction Form will be voted for the election of the nominated directors, and unless otherwise specified, for proposal 2 and for proposal 3, even if the designated proxy appointed has an interest in the outcome of the resolutions. The underlying shares will be voted in the discretion of the proxies as to any other matter that may come before the Annual Meeting. However, brokers who are members of a U.S. national securities exchange may not vote or submit instructions to the proxy holders or CDN if the beneficial owner of the shares has not given instructions. You can give your voting instructions either online or by completing and returning this form.

 <b>TO VOTE ONLINE</b>	 <b>BY SMARTPHONE</b>
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**STEP 1: VISIT** [www.boardroomlimited.com.au/vote/ubiagm2015](http://www.boardroomlimited.com.au/vote/ubiagm2015)

**STEP 2: Enter your holding/investment type:**

**STEP 3: Enter your Reference Number:**

**STEP 3: Enter your VAC:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential. Scan QR Code using smartphone QR Reader App

### TO VOTE BY COMPLETING CDI Voting Form

I/We being a holder of CHESS Depository Interests (“CDIs”) of the Company hereby instruct:

<input type="checkbox"/> CDN to direct its designated proxy, (mark box with an “X” )	<b>OR</b> the following nominated proxy,	<input type="text"/>
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(Enter the name of the person you wish CDN to appoint: (If no nominated proxy is specified above, CDN will direct its designated proxy),

to vote the shares underlying my/our CDI holding at the annual meeting of the Company to be held at 10:00 am Australian Eastern Standard Time on July 9, 2015 at Level 13, 257 Clarence St, Sydney, NSW 2000, Australia, and at any adjournment of that meeting in respect of the proposals outlined below.

Please mark with an X to indicate your directions.	For	Against	Abstain
<b>Proposal 1(a)</b> Re-election of Mr. Andrew Denver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Proposal 1(b)</b> Re-election of Ms. Judith Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Proposal 2</b> Approval of Named Senior Executive Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Proposal 3**

Approval of Grant of Securities to Mr. Paul Wright



**CDI Holders should be aware that under applicable United States rules, abstaining from the vote with respect to proposal 2 or proposal 3 has the effect of a vote AGAINST such proposal.** By executing this CDI Voting Instruction Form the undersigned hereby authorizes CHESS Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such other business as may properly come before the annual meeting. **The undersigned acknowledges receipt with this CDI Voting Instruction Form of a copy of the Proxy Statement for the Company's 2015 Annual Meeting that more fully describe the proposals set forth herein.**

**PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Individual or Shareholder 1**

**Joint Shareholder 2**

**Date**

**Sole Director/ Company Secretary**

**Director**



**Annual Meeting**  
**CDI Voting Instruction Form**

**Universal Biosensors, Inc.**  
ARBN 121 559 993

**INSTRUCTIONS FOR COMPLETING THIS FORM**

**1. Your vote is important**

Holders of CDIs have the right to attend stockholders' meetings of the Company and to direct CDN, as the holder of record of the underlying shares of common stock represented by their CDIs, how it should vote the underlying shares of common stock represented by their CDIs. If CDN does not receive a direction from a CDI holder as to how to vote the underlying shares represented by those CDIs, those shares will not be voted and will not be considered present at the meeting for quorum purposes.

**2. Instructing CDN to direct your vote**

Holders of CDIs who wish to direct CDN how to vote the underlying shares of common stock represented by their CDIs should: (i) vote online by following the instructions at: [www.boardroomlimited.com.au/vote/ubiagm2015](http://www.boardroomlimited.com.au/vote/ubiagm2015); or (ii) complete and return this CDI Voting Instruction Form to Boardroom Pty Limited or the Company.

**3. Instructing CDN to nominate a proxy**

A holder of CDIs will be entitled to vote at the meeting only if such holder directs CDN to designate such holder as proxy to vote the underlying shares of common stock represented by CDIs held by such holder.

**4. Signing Instructions**

Each CDI holder must sign this form as follows in the spaces provided:

- Individual:** Where the CDIs are held in one name, the registered CDI holder must sign in the signature box.
- Joint Holding:** Where the CDIs are held in joint names, all of the registered CDI holders must sign in the signature boxes.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed CDI Voting Instruction Form.
- Companies:** Only duly authorized officer/s can sign on behalf of a company. Please indicate the office held by signing in the appropriate box or boxes.

**5. Lodgement of an Instruction Form**

Holders of CDIs who are not attending the meeting must give their voting instructions online or return their duly executed Voting Instructions, via this CDI Voting Instruction Form, to Boardroom Pty Limited or the Company no later than 10:00 a.m. Australian Eastern Standard Time on July 9, 2015 in the manner set out below. Alternatively you may deliver your completed CDI Voting Instruction Form to us at the meeting. If you are entitled to provide voting instructions and you have submitted your instructions online or via a CDI Voting Instruction Form, you may revoke your instructions at any time before the meeting by delivering a written revocation to the Secretary of the Company or by delivering a duly executed proxy or CDI Voting Instruction Form bearing a later date.

**Hand deliveries:** Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

**Postal address:** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
  
Universal Biosensors, Inc.  
1 Corporate Avenue  
Rowville VIC 3178

**Fax number:** Boardroom Pty Limited on +61 2 9290 9655  
Universal Biosensors, Inc. on +61 3 9213 9099

**Alternatively, give your voting instruction online at: [www.boardroomlimited.com.au/vote/ubiagm2015](http://www.boardroomlimited.com.au/vote/ubiagm2015)**





Universal Biosensors, Inc.  
ARBN 121 559 993

**Share Registry:**



Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
Level 7, 207 Kent Street  
Sydney NSW 2000  
Tel: + 61 2 9290 9600  
Fax: + 61 2 9290 0655

**Proxy card**

Name &amp; Address

**Appointment of Proxy**

Your proxy is solicited by the Board of Directors of Universal Biosensors, Inc. ("Company"). Your shares will be voted as specified by the undersigned. This proxy revokes any prior proxy given by the undersigned. If no specific instructions are given, your shares will be voted for the election of the nominated directors and, unless otherwise specified, for proposal 2 and for proposal 3, even if the designated proxy appointed has an interest in the outcome of the resolutions. This proxy will be voted in the discretion of the proxies as to any other matter that may come before the Annual Meeting. However, brokers who are members of a U.S. national securities exchange may not vote or submit instructions to the proxy holders if the beneficial owner of the shares has not given instructions.

 **TO VOTE ONLINE**
 **BY SMARTPHONE**

**STEP 1: VISIT** [www.boardroomlimited.com.au/vote/ubiagm2015](http://www.boardroomlimited.com.au/vote/ubiagm2015)

**STEP 2: Enter your holding/investment type:**

**STEP 3: Enter your Reference Number:**

**STEP 3: Enter your VAC:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

Scan QR Code using smartphone  
QR Reader App

**TO VOTE BY COMPLETING THE PROXY FORM**

I/We being a stockholder of Universal Biosensors, Inc. and entitled to attend and vote appoint:

*Write here the name of the person you are appointing as proxy (or failing him or her or if no proxy is specified, the Company Secretary of the Company).*

as my/our proxy to vote for me/us and on my/our behalf in accordance with the following directions at the Annual Meeting to be held at 10:00 am Australian Eastern Standard Time on July 9, 2015 at Level 13, 257 Clarence St, Sydney, NSW 2000, Australia, and at any adjournment of that meeting in respect of the resolutions outlined below.

This proxy card is to be used in respect of (insert number) shares of common stock I/we hold. You may appoint more than one proxy. Please copy this form if you require multiple forms.

**Voting directions to your proxy – please mark ☒ to indicate your directions**

Please mark with an X to indicate your directions.	For	Against	Abstain
<b>Proposal 1(a)</b> Re-election of Mr. Andrew Denver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Proposal 1(b)</b> Re-election of Ms. Judith Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Proposal 2</b> Approval of Named Senior Executive Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Proposal 3</b> Approval of Grant of Securities to Mr. Paul Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Stockholders should be aware that under applicable United States rules, abstaining from the vote with respect to proposal 2 or proposal 3 has the effect of a vote AGAINST the relevant proposal.

The undersigned acknowledges receipt with this Proxy card of a copy of the Notice of Annual Meeting and Proxy Statement for the Company's 2015 Annual Meeting that more fully describe the proposals set forth herein.

**PLEASE SIGN HERE** - This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1	Joint Shareholder 2	Date
<div></div> <div>Sole Director &amp; Sole Company Secretary</div>	<div></div> <div>Director</div>	<div></div>



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**UNIVERSAL BIOSENSORS**  
**SCHEDULE 14A**

RR Donnelley ProFile

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Page 1 of 1

Annual Meeting

Universal Biosensors, Inc.

Proxy card

**INSTRUCTIONS FOR COMPLETING PROXY CARD****SIGNING INSTRUCTIONS**

You must sign this form as follows in the spaces provided:

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

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

**Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy card.

**Companies:** Only duly authorized officer/s can sign on behalf of a company. Please indicate the office held by signing in the appropriate box or boxes.

**DELIVERY ADDRESSES**

Duly executed proxy cards must be returned to Boardroom Pty Limited or the Company no later than 10:00 a.m. Australian Eastern Standard Time on July 9, 2015 in the manner set out below. Alternatively you may deliver your completed proxy card to us at the meeting.

**Hand deliveries:** Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

**Postal address:** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

Universal Biosensors, Inc.  
1 Corporate Avenue  
Rowville VIC 3178

**Fax number:** Boardroom Pty Limited on +61 2 9290 9655  
Universal Biosensors, Inc. on +61 3 9213 9099