

UNIVERSAL BIOSENSORS, INC.

CORPORATE GOVERNANCE STATEMENT

Universal Biosensors, Inc. (**Company**) is a United States domiciled company subject to United States reporting requirements and has adopted appropriate corporate governance policies having regard to applicable United States requirements. Given that the Company's securities are quoted on the Australian Securities Exchange (**ASX**), the Company has also had regard to the third edition of the ASX Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council (**Principles**).

The following statement is given in respect of the reporting period ending December 31, 2015 (**Reporting Period**) and has been made in accordance with the requirements of ASX Listing Rule 4.10.3. It follows applicable primary headings used in the Principles. This statement is current as at May 12, 2016 and has been approved by the Board.

Other than as described below, the Company's governance arrangements have been consistent with the Principles throughout the Reporting Period. Detailed information on the Company's corporate governance practices is also available in its Proxy Statement dated May 12, 2016 and otherwise on the Company's website at <http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx>.

1. Lay solid foundations for management and oversight

Respective roles and responsibilities of Board and management

- 1.1. The Board is responsible for the overall governance of the Company and its wholly owned subsidiary, Universal Biosensors Pty Ltd (collectively referred to as the "Group"). The Board's responsibilities include:
- providing leadership, setting the strategic objectives for the Group, including approving the business plan, annual budget and financial plans, including major capital expenditure initiatives;
 - reviewing and providing input into, and final approval of, management's development and implementation of corporate strategy and performance objectives;
 - reviewing, ratifying and monitoring systems of risk management and internal control, accountability systems, codes of conduct and legal compliance;
 - monitoring the integrity of corporate reporting systems including approval of the annual, half-yearly and quarterly financial reports and liaison with the company's external and internal auditors;
 - considering management recommendations and approving the Group's remuneration framework, including monitoring senior management's performance and implementation of remuneration strategy and plans;
 - appointing, removing and monitoring the performance of the Chairman, Chief Executive Officer, Chief Financial Officer and company secretary and where appropriate, ratifying the appointment and the removal of senior executives;
 - oversight through the Chair of company secretary performance regarding the functioning of the Board;
 - overseeing the Company's processes for making timely and balance disclosures of all material information, in accordance with the ASX Listing Rules;
 - approving and monitoring the effectiveness of the Group's governance practices, including financial and other reporting processes; and

- ensuring the two Board committees are appropriately constituted and performing their functions.
- 1.2. The Chief Executive Officer (currently, the Interim Chief Executive Officer) and senior management responsibilities include:
- developing corporate strategy, performance objectives, business plans and budgets for review and approval by the Board, and thereafter implementing such strategy, plans and objectives;
 - developing and implementing appropriate policies and procedures for the management of the Group;
 - day to day management of the Group's affairs; and
 - providing the Board with accurate, timely and clear information to enable it to perform its responsibilities.
- 1.3. The responsibilities of the Board will vary as the Group develops. The Board will regularly review the respective roles and the allocation of responsibilities between the Board and management, and will update or affirm the allocation of roles and responsibilities described above.

Appointment of new directors

- 1.4. Before appointing a director, the Company undertakes comprehensive reference checks including education, employment, character, criminal history, and bankruptcy. It is also a condition of appointment that any new director is not a disqualified person. New directors and incumbent directors sign a declaration to this effect.
- 1.5. For more information about our 'staggered' Board structure and the classes of directors, please refer to page 3 of our Proxy Statement. Any director who has been appointed during the year must stand for election at the next annual meeting. Since December 31, 2015, Mr. David Hoey has been appointed a non-executive director of the Company. Mr Hoey is seeking re-election at the 2016 annual meeting together with Mr. Marshall Heinberg. Pages 5 to 7 of the Proxy Statement include all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect the relevant directors at our 2016 annual meeting. An election of directors is held each year.
- 1.6. New non-executive directors receive a letter of appointment. The letter of appointment outlines the Company's expectations about a director's participation and compliance with the Group's policies and regulatory requirements. The induction process is coordinated by the company secretary. See page 12 of our Proxy Statement for more information on 'Director Selection Process.'
- 1.7. All directors are encouraged to undertake any personal or professional development as required to fulfil the role as director. The directors also receive regular briefings at Board meetings, and are otherwise encouraged to remain apprised of, relevant market and industry developments relevant to the Group.

Diversity

- 1.8. The Group supports a work environment where employees have equal access to career opportunities, training and benefits. The Group developed and adopted a Workplace Diversity and Inclusion Policy during the Reporting Period, a copy of which is available on the Company's

website. During FY16, the Remuneration and Nomination Committee (or where not constituted, the Board – see section 2.2 of this Corporate Governance Statement) proposes to recommend and establish diversity and inclusion targets and thereafter, monitor progress against the targets on an annual basis.

- 1.9. At the end of the Reporting Period, the respective proportions of men and women in various roles within the Group were as follows:

UBI level	Total Number of Directors / Employees at 31 December 2015	Number of women	Percentage of women
Non-executive directors	4	1	25%
Chief Executive Officer	1	0	0%
Senior Management	6	1	17%
General Management	15	6	40%
Professional/technical	57	27	58%
Administrative	8	6	75%
Entire Group	91	41	45%

- 1.10. The Group's employees are treated with fairness and respect, and are not judged by gender, age, ethnicity, race, cultural background, religion, sexual orientation, disability or caring responsibilities. The Group addresses discrimination and harassment through prevention and regular information and education sessions. On commencement of employment, all Group staff receive training in line with the Diversity Policy. The Company has processes in place to monitor and address discrimination.

Performance evaluation processes

- 1.11. During the financial years ended 31 December 2014 and 2015, the Company's board renewal process resulted in a number of changes in the Board and Committee structure. This process and the changes are described on page 9 and 11 of our Proxy Statement. As a result, the Board did not evaluate the performance of its Board and individual directors. Going forward, the Remuneration & Nomination Committee (or where not constituted, the Board) proposes to conduct performance evaluations of the Board and the directors for FY16. This will be achieved by a number of means including a Board survey, one-on-one discussions and evaluations with the Chairman of the Company. The Board has procedures in place whereby the directors may seek independent professional advice at the Company's expense.
- 1.12. The annual Board performance survey of Directors is used to:
- review the Company's current corporate governance practices and identify any requirements that are required to be changed;
 - review the respective roles of the Board and management;
 - review the mix of experience and skills required by the Board;
 - assess the performance of the Board as a whole over the previous 12 months;
 - assess the effectiveness of Board processes; and
 - examine ways of assisting the Board in performing its duties more effectively and efficiently.
- 1.13. The Board performance surveys are collated by the company secretary and discussed at a subsequent Board meeting where the implementation of recommendations is agreed.

- 1.14. The performance of senior executives is reviewed regularly against specific and measurable qualitative and quantitative performance criteria set by the Remuneration and Nomination Committee or currently, the Board. The Company has undertaken an annual review of senior executive performance in accordance with the Company's review processes. For more detailed information on the senior executive review process, please refer to pages 15 to 28 of our Proxy Statement.

2. Structure the Board to add value

Remuneration and Nomination Committee

- 2.1. The Remuneration and Nomination Committee is governed by a formal charter, a copy of which is available on our website. 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.
- 2.2. The current members of the Remuneration and Nomination Committee are Mr. Marshall Heinberg (chairman) and Mr. Andrew Denver. Following the retirement in 2015 of Mr. Andrew Jane and Mr. Chris Smith as directors and members of the Remuneration and Nomination Committee, and because of the small size of our Board, the Board determined that with only one non-executive director on the Board, the responsibilities of the Committee would be more appropriately dealt with by our Board until such a time as we have increased the number of non-executive directors on our Board such that the Remuneration and Nomination Committee can be populated so as to meet the requirements of its charter.
- 2.3. Prior to the transfer to the Board of the Remuneration and Nomination Committee's functions in August 2015, the Remuneration and Nomination Committee met on two occasions during the Reporting Period. The Board intends to appoint another Board member to the Remuneration and Nomination Committee and have the Committee resume its functions when the Board has enough directors. The search for one or more members to appoint to the Board is ongoing. The responsibilities and functions of the Remuneration and Nomination Committee discussed herein are currently being performed by the Board. Please refer to page 11 of our Proxy Statement for more information.

Board skills matrix

- 2.4. The Board considers that individually and collectively, the directors have an appropriate mix of skills, experience and expertise, however, as part of the Board renewal process it regularly reviews its composition and succession plans. In light of the changes to the Board which took place during the Reporting Period, and the continued Board renewal, the Board is currently developing a skills matrix to guide its assessment of the skills and experience of current directors, and to identify any gaps in the collective skills of the Board.

Director independence

- 2.5. The Company is a United States domiciled company subject to United States reporting requirements. The Company is not listed on a United States exchange and, therefore, is not

subject to the corporate governance requirements of a United States exchange, including those relating to independence of directors. However, for the purpose of determining whether our directors are independent under applicable rules and regulations promulgated by the Securities and Exchange Commission, we have chosen to use the definition of “independence” established by the NASDAQ Stock Market under its Marketplace Rule 4200(a)(15), as permitted by such rules and regulations. The Company has also had regard to the Principles.

- 2.6. The Company has determined that with the exception of Mr. Andrew Denver, all the current directors are independent as defined under the Marketplace Rules of the NASDAQ Stock Market. Mr. Denver, in his capacity as the Interim Chief Executive Officer of the Company is not considered independent by the Company under the Marketplace Rules of the NASDAQ Stock Market.
- 2.7. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The determination of materiality by the Company includes both quantitative and qualitative assessments. In reaching the conclusions set out above, the Company considered all transactions involving the directors with respect to the Company during the Reporting Period and the directors’ interests in the Company’s securities as set out in the Company’s Proxy Statement.
- 2.8. The Principles include 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 securities is stated as a matter which may affect independence. Mr. Jane, who was a director during the Reporting Period, is managing director of Talu Ventures Pty Ltd which held a substantial interest in the Company’s securities on trust for two investment funds. As a result, Mr. Jane may not have been considered independent for the purposes of Principles. Mr. Hanley, Mr. Heinberg and Ms. Smith would be regarded as independent directors for the purposes of the Principles. Mr. Denver is not considered independent for the purposes of the Principles because he is the Interim Chief Executive Officer of the Group.
- 2.9. The structure of the Board complies with the ASX recommendation that there be a majority of independent directors. The Company considers that its Board membership is appropriate given the Company’s current stage of development. The Board considers that its current size and composition is appropriate but will continue to assess the requirements for the Board.
- 2.10. The directors of the Company and their respective roles during the Reporting Period were as follows:

Name	Position	Experience	Tenure
Mr. Paul Wright	Chief Executive Officer and Managing Director	Extensive experience in international management consulting and commercial development with a focus on manufacturing and technology industries	1 March 2011 – 10 March 2016 (now retired)
Mr. Andrew Denver	Chairman	Extensive experience in the commercialisation of technology	3 December 2002 (now Interim CEO)

Mr. Denis Hanley	Non-Executive Director	Extensive experience in building Australian corporations to become successful global entities	14 September 2001
Mr. Marshall Heinberg	Non-Executive Director	Extensive global investment banking and finance experience	11 January 2010
Mr. Andrew Jane	Non-Executive Director	Extensive experience in the technology sector gained through management positions and as a venture capitalist	15 August 2006 – 12 March 2015 (now retired)
Mr Chris Smith	Non-Executive Director	Extensive experience in the commercialization of medical device technologies.	27 August 2013 – 31 August 2015 (now retired)
Ms. Judith Smith	Non-Executive Director	Extensive experience in investment and funds management	12 March 2015

- 2.11. Further details of the skills, experience and expertise held by each director in office at the date of the annual report and details of their terms of appointment are included on the Company's website and at pages 5 to 7 of our Proxy Statement.
- 2.12. The Board regularly reviews and evaluates its succession planning process, which is overseen by the Remuneration and Nomination Committee. The Company's Board renewal process continued during the Reporting Period, which resulted in the appointment of Ms. Judith Smith by the Board in March 2015. Since December 31, 2015, Mr. David Hoey has been appointed a non-executive director of the Company and the Board is continuing this renewal process.
- 2.13. The position of Chairman of the Board and Chief Executive Officer is typically held by two separate officers within our Company. The Board believes that separating the two positions provides stronger governance and reinforces the Company's sound framework of internal control. During the Reporting Period, the role of Non-Executive Chairman was held by Mr. Andrew Denver and the role of Chief Executive Officer was held by Mr. Paul Wright. Following the retirement of Mr. Paul Wright as our Chief Executive Officer in March 2016, our Chairman, Mr. Andrew Denver has served as Interim Chief Executive Officer. Mr. Denver was chosen to serve as both Chairman and Interim Chief Executive Officer because of his experience as an executive officer and his knowledge of the Company. Mr. Denver will continue to act as our Interim Chief Executive Officer until a suitable replacement is found.

3. Act ethically and responsibly

- 3.1. The Company has a Code of Ethics for its senior executive officers responsible for corporate reporting as well as a Code of Conduct applicable to directors, senior managers and other employees. The codes are available on the Company's website. The Company also has a Securities Trading Policy and a Whistleblower Policy which are available on the Company's website.
- 3.2. Employees are required to act with high standards of honesty, integrity, fairness and equity in all aspects of their employment. There are formal escalation and grievance procedures. The Audit and Compliance Committee receives regular reporting on these matters.

4. Safeguard integrity in corporate reporting

- 4.1. The Board has established an Audit and Compliance Committee which is governed by an Audit Committee Charter. A copy of this charter is available on the Company's website. The primary objective of the Audit and Compliance Committee is to assist the Board to fulfil its responsibilities relating to corporate reporting practices of the Company, including, the Company's annual, half-yearly and quarterly financial statements and all other financial information released by the Company.
- 4.2. The members of the Audit and Compliance Committee during the Reporting Period were Mr. Denis Hanley (Chairman), Mr. Andrew Denver, Mr. Andrew Jane and Ms. Judith Smith. Mr. Andrew 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 met on six occasions during the Reporting Period. For details in relation to the composition of the Audit and Compliance Committee and the relevant qualifications and experience of each member, please refer to page 10 or our Proxy Statement. The Board will continuously review its performance, diversity and mix of skills to ensure that they are appropriate to allow the Audit and Compliance Committee to maximise its effectiveness and its contribution to the Company
- 4.3. Under both the Principles and the NASDAQ definition of independence, during the Reporting Period the composition of the Audit and Compliance Committee complied with the requirement that the Audit and Compliance Committee be composed of a majority of independent directors and that it be chaired by an independent director, notwithstanding that Mr. Jane may not be considered independent. The Company considers that its Audit and Compliance Committee membership is appropriate given the Company's current stage of development.
- 4.4. Before it approved the Group's financial statements for the year ended December 31, 2015, the Board received from its Interim Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- 4.5. The Audit and Compliance Committee is responsible for recommending the appointment and reviewing the performance of the external auditors of the Company. Subject to any extensions considered appropriate by the Company and permitted under applicable law, the lead audit partner will be required to rotate off the audit duties for the Company after their involvement for a maximum of five years.
- 4.6. The external auditor was present at the 2015 annual meeting and will be present at the 2016 annual meeting to answer questions relevant to the external audit

5. Make timely and balanced disclosure

- 5.1. The Company has adopted a Continuous Disclosure and Shareholder Communications Policy which describes the processes implemented by the Company to assist the Company in complying with its continuous disclosure obligations, which is available on the Company's website. The Board has established a Disclosure Committee to assist the Company in complying with its disclosure obligations. The Disclosure Committee currently comprises of the Chairman of the

Board (also currently the Interim Chief Executive Officer), the Chief Financial Officer, a non-executive director and the company secretary.

6. Respect the rights of security holders

- 6.1. The Company's Continuous Disclosure and Shareholder Communication Policy is available on the Company's website. The Company utilises its website and regular investor updates to disclose relevant information about the Company. The Company regularly meets with investors upon request and responds to investor enquiries on a timely basis. Notices of meeting are made available in the medium elected by shareholders (including electronically). In addition, all information released to the ASX is also made available on the Company's website. Shareholders are encouraged to attend and ask questions at general meetings of the Company.

7. Recognise and manage risk

- 7.1. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value. Management, through the Chief Executive Officer, is responsible for designing, implementing and reporting on the adequacy of the company's risk management and internal control system.
- 7.2. Senior management have adopted policies and procedures to ensure that the Company's material business risks are identified and that controls are adequate, in place, and functioning effectively. Management reports to the Board and the Audit and Compliance Committee on the Company's key risks and the extent to which it believes these risks are being managed. The Company's risk management matrixes are updated regularly with regular review of the matrix at each Board meeting and comprehensive reviews each time there is a material change to the Company's business. Strategic and operational risks are reviewed at least annually by all operating divisions as part of the Company's annual strategic planning, business planning, forecasting and budgeting process to satisfy itself that its risk management framework continues to be sound. This strategic and operation risk review occurred during the Reporting Period.
- 7.3. The Audit and Compliance Committee is responsible for reviewing the Company's internal controls and management of financial risk. The Audit and Compliance Committee's charter is available on the Company's website.
- 7.4. The Board is responsible for reviewing the Company's risk management framework and reviews the effectiveness of the Company's risk management systems implemented by senior management. To assist the Board monitor the company's risk assessment and mitigation processes, management provides regular reports in respect of operations and the financial position of the Company to the Board. Discussion of risk is a standing agenda item discussed at each recurring Board meeting.
- 7.5. Internal control systems and procedures are reviewed by the internal auditor. The internal auditor reports to the Audit and Compliance Committee, and the CFO for functional audit and administrative purposes. The internal audit function is independent of external audit, and has full and free access to the Audit and Compliance Committee, Group employees and Group records. Furthermore, as part of its duties, internal audit provides assurance to the Board, the Audit and Compliance Committee and to management on the adequacy of the Company's risk framework, and the completeness and accuracy of risk reporting by management.

- 7.6. The Chief Executive Officer and Chief Financial Officer must also provide attestations required under U.S. regulations and a statement to the Board as to the effectiveness of the Company's management of its material business risks and that the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance.
- 7.7. A summary of the potential risk factors affecting an investment in the Company is set out in the Company's Annual Report filed on Form 10-K for the Reporting Period. These risks include product, market, regulatory and economic risks. If any of the events described actually occurs, the Company's business, financial condition and operating results could be harmed.

8. Remunerate fairly and responsibly

- 8.1. The Board has established a Remuneration and Nomination Committee which is governed by the Remuneration and Nomination Committee Charter, which is available on the Company's website. For details of the Company's remuneration philosophy and framework, refer to the Company's Proxy Statement. The structure of non-executive and executive remuneration is separate and distinct. For details in relation to the composition of the Remuneration and Nomination Committee, please refer to the section above entitled "Structure the Board to add value".
- 8.2. The Company's Securities Trading Policy restricts dealing in securities by Group directors and employees. Even if an approved trading window is open, directors, employees and other associated persons are prohibited from short selling, short-term trading or entering into hedging transactions (whether through the use of derivatives or otherwise) which limit the economic risk of holding or trading in UBI securities, unless such arrangements are approved by the company secretary or Chief Financial Officer before they are entered into.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

UNIVERSAL BIOSENSORS, INC.

ABN / ARBN

51 121 559 993

Financial year ended:

31 December 2015

Our corporate governance statement for the above period above can be found at:

☐ These pages of our annual report:

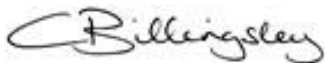
☒ This URL on our website:

<http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx>

The Corporate Governance Statement is accurate and up to date as at 12 May 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 12 May 2016



Cameron Billingsley
Company Secretary

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.universalbiosensors.com/Investor-Centre/Corporate-Governance.aspx</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>