

Universal Biosensors, Inc.  
ABN 51 121 559 993

1 Corporate Avenue  
Rowville Victoria 3178  
Australia

Telephone: +61 3 9213 9000  
Facsimile: +61 3 9213 9099  
Email: info@universalbiosensors.com  
www.universalbiosensors.com



Universal Biosensors

## Continuous Disclosure and Shareholder Communication Policy

### 1. Introduction and Purpose

The shares of Universal Biosensors, Inc. (**Company**) traded in the form of CHESS Depository Interests (**CDIs**) are quoted on the Australian Securities Exchange (**ASX**). The Company must therefore satisfy the disclosure requirements of the Listing Rules of ASX (**ASX Listing Rules**). The Company is also required to satisfy its reporting requirements with the United States Securities Exchange Commission (**SEC**).

The predominate purpose of this policy is to describe the processes implemented by the Company to assist the Company in complying with its disclosure obligations. The policy focuses on the requirements of the ASX Listing Rules on the basis that compliance with those obligations will generally also facilitate compliance with the SEC requirements.

### 2. Continuous Disclosure

ASX Listing Rule 3.1 provides:

*“3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information.”*

The information described in ASX Listing Rule 3.1 is referred to in this policy as “**material sensitive information**”. In assessing whether information is material sensitive information, the information needs to be considered in context, rather than in isolation. Such consideration includes:

- the circumstances affecting the Company and its controlled entities (**Group**) at the time;
- external information publicly available at the time; and
- information that the Company has previously disclosed to the market.

In accordance with the ASX Listing Rule Guidance Note 8: Continuous Disclosure, the Company interprets “immediately” as meaning “promptly and without delay”. Under the ASX Listing Rules, the Company “becomes aware of information” if, and as soon as, an officer of the Company (an officer includes any director, secretary and senior managers) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity. As the Company is deemed to be aware of information if it “ought reasonably have come into possession of” by an officer, it is important that all personnel of the Group bring any information which is potentially material sensitive information promptly to the attention to officers of the Group.

Examples of information that may be material sensitive information requiring disclosure to ASX, include, without limitation:

- a transaction that will lead to a significant change in the nature or scale of the Group's activities;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- the entry into, variation or termination of a material agreement;
- becoming a plaintiff or defendant in a material law suit;
- the fact that the Company's earnings will be materially different from market expectations;
- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- under subscriptions or over subscriptions to an issue of securities;
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to the Company or its securities and any change to such a rating.

### **3. Exceptions**

The continuous disclosure obligation is qualified by an exception in ASX Listing Rule 3.1A which provides:

*"Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed."*

### **4. False Market**

The term "false market" refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. Examples where this may arise, include, where:

- an entity has made a false or misleading announcement;
- there is other false or misleading information, including a false rumour, circulating in the market; or
- a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.

If the ASX considers that there is or is likely to be a false market in the Company's securities, ASX may request that the Company provide it with information to correct or prevent the false market. In accordance with ASX Listing Rule 3.1B, the Company will immediately give the

ASX the information necessary to correct or prevent the false market, or if it is unable to do so, will request a trading halt.

## **5. Disclosure Committee**

The Board has established a disclosure committee to assist the Company in complying with its disclosure obligations (**Disclosure Committee**).

The Disclosure Committee is comprised of the:

- Chairperson of the Board of Directors;
- Chief Executive Officer;
- Chief Financial Officer; and
- Company Secretary.

The Disclosure Committee will assist in:

- periodically reviewing this policy;
- communicating and making this policy available to persons accountable under the policy, and raising awareness of the principles underlying continuous disclosure;
- ensuring that the system for the disclosure of all material sensitive information in a timely fashion is operating;
- reviewing material sensitive information and determining what information must be disclosed by the Company;
- reviewing proposed announcements to be made by the Company to ensure that they are factual, complete, balanced and clearly expressed (provided however that announcements of a more administrative nature, can be reviewed and approved by the Chief Financial Officer without review by the broader Disclosure Committee); and
- overseeing the disclosure of information to ASX and SEC.

Meetings of the Disclosure Committee will be convened from time to time by any member of the Disclosure Committee to consider particular disclosure issues. Any material financial disclosures made by the Company should also be approved by the Chief Financial Officer and Chairperson of the Audit & Compliance Committee. The Board is responsible for approving any announcement to ASX or the SEC that is of such significance that it requires to be approved by the Board before being released.

## **6. Communicating Material Sensitive Information to the Disclosure Committee**

Any Director, Company Secretary or senior manager of any company in the Group, must immediately notify the Chief Executive Officer and/or the Chief Financial Officer (in the first instance) or another member of the Disclosure Committee as soon as they become aware of material sensitive information about their respective areas of responsibility.

Any employee of any company in the Group must immediately notify the senior manager responsible for their business or function as soon as they become aware of potentially material sensitive information about their respective areas of responsibility.

Similarly, if any officer or employee becomes aware of a disclosure of market sensitive information outside of the Group which has not been disclosed to the ASX, he or she must immediately notify the Chief Executive Officer and/or the Chief Financial Officer (in the first instance) or another member of the Disclosure Committee as soon as they become aware of such disclosure.

Disclosure issues will be a standing item at meetings of the Board of Directors of the Company.

## **7. Trading Halts**

In order to facilitate an orderly, fair and informed market and for the Company to remain compliant with its continuous disclosure obligations, it may be necessary to request a trading halt or suspension of the Company's securities on the ASX from time to time. The Disclosure Committee will make all decisions relating to any trading halt or suspension. The ASX under certain circumstances may also independently impose a trading halt or suspension of the Company's securities. By way of example, a trading halt may, be necessary in the following scenarios:

- if there are indications that confidential information may have leaked ahead of the announcement and it is having, or (where the market is not trading) is likely when the market resumes trading to have, a material effect on the market price or traded volumes of the Company's securities;
- the Company has been asked by ASX to provide information to correct or prevent a false market; or
- the information is especially damaging and likely to cause a significant fall in the market price of the Company's securities, and in each such scenario:
  - where the market is trading, the Company is not in a position to give an announcement to ASX straight away; or
  - where the market is not trading, the Company will not be in a position to give an announcement to ASX before trading next resumes.

A trading halt or voluntary suspension will also be necessary if for any reason there is going to be a delay in the release of an announcement under ASX Listing Rule 3.1 and the market is trading during any part of the delay. Examples include:

- where the Company considers the announcement to be so significant that it ought to be approved by its Board before it is released to the market but, due to the unavailability of Directors, the Board meeting is not able to be held promptly and without delay;
- where the situation is uncertain or evolving but is likely to resolve itself within a relatively short period and the Company considers that it would be better for the announcement to be delayed until there is greater certainty or clarity around the outcome; and
- if a market sensitive announcement has to be delayed for any reason and the market will be trading during any part of the delay.

## **8. Communications with the ASX and the SEC**

The Chief Financial Officer and Company Secretary are responsible for communications with the ASX and the SEC. The Company Secretary and/or the Chief Financial Officer will physically make or arrange for the relevant disclosures to be made with ASX and the SEC.

## **9. Market Speculation**

The Company will not generally comment on rumours or market speculation unless required to do so under the ASX Listing Rules.

## **10. Analyst reports**

The Company is not responsible for, and does not endorse, analyst reports that contain commentary on the Company. The Company will not provide non-disclosed market sensitive information in response to such reports but will only correct factual inaccuracies on historical matters. Any correction of factual inaccuracies by the Company does not imply endorsement of the contents of these reports.

## **11. Investor Presentations**

Slideshows of investor presentations which contain new material information will be released to ASX prior to the presentation being given. The authorised Company spokespersons may clarify information that the Company has publicly released, but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

## **12. Authorised Company Spokespersons**

Only the Chairperson of the Board of Directors, Chief Executive Officer, Chief Financial Officer and the Company Secretary are to make any public statement on behalf of, or attributable to, the Company. No other persons are authorised to make any statements to the media or analysts without prior approval of the Chairperson.

## **13. Confidential Information**

All officers and employees of any company in the Group must keep the Group's confidential information secret and confidential and not to disclose it except as permitted by the Company or as required by law. Officers and employees must only use the Group's confidential information for the purposes of their employment. These restrictions are especially relevant where the Company is seeking to rely on an exception to the disclosure requirement, as the information must remain confidential in order to avoid a disclosure obligation arising prematurely.

## **14. Company Website**

The Company's website contains information about the Company including ASX releases, filings with the SEC and other shareholder communications. The Company will place on its website all ASX announcements and relevant news releases, as soon as reasonably practicable after such information is released to the ASX.

## **15. Shareholder Reporting**

The Company is subject to the requirements of the Securities Exchange Act of 1934, as amended (**Exchange Act**) which requires the Company to file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, amendments to any of those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act in addition to other filings and the Company will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act. In addition, the Company is required to make a certain annual, half yearly and quarterly reports to shareholders.

Each of these announcements and reports are available on the Company's website [www.universalbiosensors.com](http://www.universalbiosensors.com). All filings made with the SEC are also available from <http://www.sec.gov/edgar.shtml> and filings made with the ASX are available through [www.asx.com.au](http://www.asx.com.au).

## **16. Annual General Shareholder Meetings**

The annual general meeting and other general meetings of the Company are the primary forum for communication by shareholders with the Company. At the annual general meeting, shareholders will be able to ask questions. Shareholders are encouraged to attend the general meetings. However, if they are unable to attend, they are encouraged to vote by proxy. The external auditor will attend the annual general meeting and will be available to answer questions about the conduct of the audit and the content of the auditor's report.

## **17. Consultants and professional advisers**

Consultants and professional advisers engaged to undertake work on behalf of the Company are required to abide by this policy.

## **18. Breaches**

Failure to comply with this policy may lead to a breach of applicable legislation or with the ASX Listing Rules, or other regulations, particularly in relation to continuous disclosure. This may result in liability for the Company and in turn may lead to personal penalties for Directors and officers. Breaches of this policy may lead to disciplinary action being taken, including termination of employment.

## **19. Additional information**

Any questions arising from this policy may be directed to the Chief Financial Officer or Company Secretary.