

## Board Charter

This Charter sets out the role, responsibilities, structure and processes of the Board of directors of Universal Biosensors, Inc. (**Company**).

### Role and responsibilities of the Board

1. The role of the Board is to approve the purpose, values, and strategic direction of the Universal Biosensors (**Group**), guide and monitor the management of the Group in achieving its strategic plans, review, approve and monitor the Group's risk management systems across its businesses, and to oversee overall good governance practice
2. The Board is accountable to shareholders for the performance of the Group
3. The Board is responsible for:
  - a. defining the Company's purpose and values
  - b. approving corporate strategy, business plans and policies
  - c. monitoring the Group's strategic direction, the achievement of business objectives and the instilling of the Company's values across the organisation by the senior executives
  - d. approving the Company's Statement of Values and Code of Conduct
  - e. appointing the Chairperson
  - f. appointing and when necessary, replacing the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO")
  - g. oversight, through the Chairperson, of Company Secretary performance regarding functioning of the Board including reporting by management to the Board
  - h. ratifying the appointment and removal of senior executives, including the Company Secretary
  - i. approving and monitoring capital management and capital raising initiatives, and acquisitions and divestments
  - j. approving the dividend policy of the Company and authorising payment of dividends
  - k. approving and monitoring operating budgets, financial plans and major capital expenditures
  - l. ensuring the Company has in place an appropriate and effective process for making timely and balanced disclosures
  - m. ensuring the Company has in place an appropriate risk management framework for both financial and non-financial risk
  - n. through its Audit and Compliance Committee:
    - i. overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit
  - o. ensuring the Company has in place appropriate corporate governance policies
  - p. defining and monitoring the respective roles of the Board and senior executives
  - q. through its Remuneration and Nomination Committee:
    - i. satisfying itself that the Company's remuneration policies are aligned with the Group's strategic objectives, risk appetite and values
    - ii. approving the process for annually evaluating the performance of senior executives
  - r. issuing shares, options and performance rights
  - s. monitoring and guiding the culture, reputation and standards of conduct of the Group
  - t. approving the Company's Code of Conduct, Market Disclosure Policy and other Group level policies, monitoring their effectiveness, and addressing any material breaches

- u. reporting to and communicating with shareholders
- v. at least annually updating and/or affirming the allocation of roles and responsibilities described above

### **Board composition and governance**

1. The Group's corporate governance framework requires that a majority of directors must be independent
2. The Board, in consultation with the Remuneration and Nomination Committee, determines the composition of the Board. The Board, together with the Remuneration and Nomination Committee, will review the skills represented by directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy
3. The number of the Directors on the Board shall be determined in accordance with the Constitution
4. The Group's corporate governance framework requires that the Chairperson is an independent non-executive director and cannot be the same person as the CEO
5. In exceptional circumstances, the Chairperson may be required to act as Executive Chairman for a limited period of time. A Chairperson acting as Executive Chairman for a limited period of time is not and is not deemed to be the CEO
6. Board policy is that the CEO may not become Chairperson
7. The Chairperson is responsible for:
  - a. leading the Board in its duties to the Company;
  - b. oversight of the processes and procedures in place to evaluate the performance of the Board, its committees and individual directors; and
  - c. facilitating effective and respectful discussions and director contributions at Board meetings
8. A review of directors' independence is undertaken by an annual formal assessment using defined criteria of independence and materiality consistent with the rules of the Securities and Exchange Commission and the Nasdaq Stock Market rules
9. The Board has not adopted a tenure policy
10. The Board and directors undergo regular performance reviews
11. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board
12. Directors and Board Committees have the right to seek independent professional advice at the Company's expense after prior consultation with the Chairman

### **Committees of the Board**

1. The Board may from time to time establish and delegate any powers to a committee of the Board in accordance with the Constitution
2. The Board has established an Audit and Compliance Committee and a Remuneration and Nomination Committee to assist and advise the Board on specific matters set out in the charters of those committees
3. All non-executive directors shall be entitled to attend meetings of Board committees where there is no conflict of interest

### **Chief Executive Officer (CEO)**

The CEO and other senior executives are responsible for:

1. developing corporate strategy, performance objectives, business plans and budgets for review and approval by the Board
2. developing appropriate policies and procedures for the management and control of the business
3. the implementation of corporate strategy and policy initiatives



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4. providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; and
5. the day to day management of the Company's affairs

### **Ethical Standards and Legal Duties**

1. **Code of Conduct** Each director shall abide by the terms of the Company's Code of Conduct and is expected to uphold the ethical standards and corporate behaviour described in the Code
2. **Duties** The Board will operate in a manner reflecting the values of the Group and in accordance with its agreed corporate governance guidelines, the Constitution, and all other applicable laws and regulations
3. **Conflicts of interest** Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Each director is required:
  - a. to ensure that the Board is notified (whether by formal standing notice or notification to the Company Secretary or Board immediately on becoming aware) of any such conflicts of interest; and
  - b. if any matter is or likely to be brought before the Board which could give rise to such a conflict of interest, then the director:
    - i. shall disclose this to the Board;
    - ii. shall continue to receive Board papers or other information which relates to the matter which is the subject of the conflict of interest, unless the director requests, or the Chairperson determines, that he or she shall not receive any or all of those documents;
    - iii. shall withdraw from any part of a Board or Board Committee meeting for the duration of any discussion; and
    - iv. not vote on the matter,
    - v. unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director
4. **Dealing in shares** Directors must ensure any dealings in shares are in strict compliance with the Company's Securities Trading Policy and otherwise in accordance with the values of honesty and integrity

### **Review**

1. The Board will review this Charter annually to keep it up to date and consistent with the Board's objectives and responsibilities.
2. Amendments to the Charter are to be approved by the Board