

Universal Biosensors, Inc.  
ARBN 121 559 993

103 Ricketts Road  
Mt Waverley Victoria 3149  
Australia

Telephone +61 3 8542 9000  
Facsimile +61 3 9543 6490  
Email [secretary@universalbiosensors.com](mailto:secretary@universalbiosensors.com)  
[www.universalbiosensors.com](http://www.universalbiosensors.com)



**Universal Biosensors**

## **Securities Trading Policy**

### **1. Introduction**

Universal Biosensors, Inc. (**UBI**) is a Delaware incorporated company whose shares of common stock (**Shares**) are quoted on Australian Stock Exchange (**ASX**). As a result of UBI being domiciled in the United States, the ASX's electronic settlement system, CHESS, cannot be used to directly transfer Shares on ASX. Instead, beneficial interest in the Shares is able to be transferred and traded on ASX using an instrument called 'CHESS Depository Interests' (**CDIs**). The main difference between holding CDIs and holding the underlying Shares is that a holder of CDIs has beneficial ownership of the equivalent number of Shares instead of legal title.

Directors, employees of UBI and investors who wish to be able to trade on ASX can do so by requesting that any Shares they hold be converted into CDIs. The underlying Shares will be quoted and traded on ASX and, subject to applicable law, the beneficial interest in the Shares is transferable by the holder of CDIs in CHESS using the CDIs.

Directors, employees of UBI and investors who do not wish to be able to trade on ASX may hold Shares. CDIs are able to be converted to Shares at any time. ASX does not provide any settlement system for Shares which will make it more difficult for shareholders wishing to trade their Shares.

Trading of Shares and CDIs is governed by, amongst other things, the Corporations Act 2001 (**Corporations Act**), the ASX Listing Rules and the US Securities Exchange Act of 1934 (**Exchange Act**). The provisions regulating the trading of securities provide that people in possession of "inside information" must not use the information to trade in the relevant securities or to directly or indirectly communicate that information to others.

It is in the best interests of UBI, its directors and employees to ensure that at all times its directors and employees exercise due care in the timing of any trading in UBI's securities (including both Shares and CDIs) and to ensure that at all times they comply with the law. This policy aims to provide protection and guidance to directors and employees so that they may avoid exposure to insider trading.

### **2. What is "Insider Trading" and "Inside Information"?**

2.1 The Corporations Act contains three distinct, but related, offences of insider trading. The offences prevent a person in possession of "inside information" from the following actions:

- (a) trading in the relevant securities;
- (b) procuring another person to trade in the relevant securities; or
- (c) directly or indirectly communicating the inside information to another person.

## 2.

- 2.2 "Trading" for the purposes of this policy will mean applying for, acquiring or disposing of either Shares or CDIs or entering into an agreement to acquire or dispose of the Shares or CDIs.
- 2.3 "Inside information" is regarded as being information:
- (a) that a person possesses which is not generally available and which the person knows or reasonably ought to know is not generally available; and
  - (b) if generally available, a reasonable person would expect that the information might have the material affect on the price or value of the securities.
- 2.4 Inside information could relate to actions of UBI or external influences.
- (a) Internal matters include:
    - (1) proposed mergers, acquisitions, sales or reconstructions;
    - (2) significant disputes or litigation;
    - (3) liquidity and cash flow information;
    - (4) potential changes in the asset values or valuations;
    - (5) profit and yield forecast;
    - (6) proposed transactions involving UBI's securities (eg buybacks and capital raisings);
    - (7) recruitment or resignation of key personnel;
    - (8) the development of new point-of-care tests;
    - (9) anticipated or actual product development and product validation;
    - (10) registration of UBI's products; and
    - (11) significant agreements with other companies including partnership or supply agreements.
  - (b) External matters include:
    - (1) proposed substantial acquisitions or disposals of the UBI's securities; and
    - (2) changes to the competitive environment in which UBI operates and takeovers.

## 3. Penalties

Criminal penalties for breaches of breach of the prohibitions are severe and include substantial fines or imprisonment for up to five years or ten years for the violation of US laws. Civil liability also attaches to breaches of the relevant provisions.

#### 4. **Designated Persons**

This policy applies to all directors and employees and, as applicable:

- 4.1 their spouse;
- 4.2 immediate family members and others living in the household;
- 4.3 any nominee (including an investment manager managing funds on their behalf);
- 4.4 any trust of which they, any member of their family, or any family controlled company, are the trustee or beneficiary;
- 4.5 any person in partnership with them; and
- 4.6 any company which they or their family control.

For the purpose of this policy, a person referred to in clause 4.1 is a “**Designated Person**”.

#### 5. **General Policy**

- 5.1 Designated Persons and employees must at all times abide by the rules and regulations governing the trading in securities including, without limitation, the Corporations Act, the ASX Listing Rules, the Exchange Act and this policy.
- 5.2 Securities in UBI (including Shares or CDIs) should not be traded by a Designated Person, if they know or become aware of any “inside information”.
- 5.3 Designated Persons with inside information must not at any time procure another person to apply for, acquire, or dispose of, or enter into an agreement to acquire, or dispose of, the securities of UBI.
- 5.4 Designated Persons with inside information, must not at any time, directly or indirectly, communicate any inside information or cause the information to be communicated if the Designated Person knows or ought reasonably to know that the other person would be likely to apply for, acquire or dispose of or enter into an agreement to acquire or dispose of the relevant securities or procure another person to acquire or dispose of the securities.

#### 6. **Trading Embargoes**

- 6.1 Designated Persons may not trade in UBI’s securities during a trading embargo.
- 6.2 Trading embargoes may be imposed by the Company Secretary at any time including when the Company is embarking on a significant transaction or a significant development that has not yet been announced to the market.
- 6.3 Fixed trading embargoes are in place for the following periods each year:
  - (a) from 1 January until 24 hours after release to the market of the full year financial report for the year ended 31 December, or the October to December quarterly report, whichever occurs first;
  - (b) from 1 April until 24 hours after release to the market of the first quarter financial report to 31 March, or the January to March quarterly report, whichever occurs first;

- (c) from 1 July until 24 hours after release to the market of the half year financial report to 30 June, or the April to June quarterly report, whichever occurs first;
- (d) from 1 October until 24 hours after release to the market of the third quarter financial report to 30 September, or the July to September quarterly report, whichever occurs first; and
- (e) other periods as may be designated trading embargoes by the Company Secretary.

## 7. Trading Windows

- 7.1 Designated Persons are permitted to trade in UBI's securities during an approved trading window after first seeking approval from the Company Secretary, provided they are not in possession of inside information.
- 7.2 Approved trading windows commence 24 hours after release to the market of any one of the following announcements:
  - (a) quarterly report to shareholders;
  - (b) annual report;
  - (c) half year financial report; or
  - (d) annual general meeting or investor presentations.
- 7.3 Approved trading windows terminate 21 days after they commence.
- 7.4 The Company Secretary may terminate the trading window at any time by giving notice to employees.

## 8. Approval

- 8.1 All directors and employees of UBI must, before they or any other Designated Person related to them trades in the securities of UBI, carefully consider whether they possess (or are deemed to possess) any inside information.
- 8.2 All directors and employees must, before they or any Designated Person related to them trades in the securities of UBI, seek the approval of the Company Secretary and confirm in writing to the Company Secretary that they are not in possession of inside information. If the Company Secretary wishes to trade, they must seek the approval of the Chairman. If approval is given, the applicable Designated Person may ordinarily trade within five business days from the date of the approval. The applicable Designated Person will be notified if the position changes within those five business days. A further application will need to be made if the Designated Person does not trade in the five business days but they still wish to trade.
- 8.3 Persons who have not been permitted to trade must not disclose that refusal to others.

## 9. Notification

Each director must advise the Company Secretary after they have traded any of UBI's securities to enable the Company to satisfy its obligations under the Listing Rules.

## 10. Exceptions

This general prohibition on trading does not apply in the following circumstances:

- 10.1 dealing in a managed securities portfolio where the Designated Person is not in a position to influence a choice of the portfolio;
- 10.2 dealing under a dividend reinvestment plan where the Designated Person has given a standing instruction to reinvest dividends; or
- 10.3 exercise of options granted under the UBI employee option plan.

**11. Other Companies**

From time to time, directors and employees may gain inside information of the securities of another company because of their involvement with UBI. The inside trading provisions apply equally to that information.

**12. Compliance with Share Trading Policy**

Directors and employees should be aware that they might be charged with criminal offences under the rules and regulations associated with the prevention of insider trading. Accordingly, it is the responsibility of each director and employee to ensure that they abide by the law. Failure to comply with this policy is considered grounds for termination of employment.

Contact details for the Company Secretary, Cameron Billingsley are:

Telephone: (02) 8115 9801

Email: [Cameron@pfmpl.com.au](mailto:Cameron@pfmpl.com.au)