
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 25, 2016

UNILIFE CORPORATION

(Exact name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34540
(Commission
File Number)

27-1049354
(IRS Employer
Identification No.)

250 Cross Farm Lane, York, Pennsylvania
(Address of Principal Executive Offices)

17406
(Zip Code)

Registrant's telephone number, including area code: (717) 384-3400

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

As previously disclosed, on February 22, 2016 (the “Closing Date”), Unilife Corporation (the “Company”), certain subsidiaries of the Company and Amgen Inc. (“Amgen”) entered into a Securities Purchase Agreement (the “SPA”). Pursuant to the SPA, Amgen agreed to purchase from the Company a new series of 6% Senior Secured Convertible Notes Due 2023 in the aggregate original principal amount of up to \$55,000,000 (each a “Note” and collectively the “Notes”). Descriptions of the terms of the SPA and the Notes are set forth in the Company’s Current Report on Form 8-K filed by the Company with the U.S. Securities and Exchange Commission (the “SEC”) on February 22, 2016, which descriptions are incorporated herein by reference.

On July 28, 2016 (the “Effective Date”), the Company and Amgen entered into two letter agreements (the “Letter Agreements”).

Pursuant to the first of the Letter Agreements, Amgen agreed to not convert the Notes into shares of the Company’s common stock, par value \$0.01 per share (“Common Stock”), to the extent that such conversion would cause Amgen to beneficially own 10% or more of the outstanding shares of the Common Stock immediately following such conversion (the “Conversion Limit”). Pursuant to such letter agreement, Amgen has the right to terminate the Conversion Limit at any time with 75 days’ prior written notice to the Company.

Pursuant to the second of the Letter Agreements, Amgen agreed (i) to waive, until 11:59 p.m. New York City time on November 7, 2016, any and all rights whatsoever that Amgen had to declare an “Event of Default” under the currently outstanding Note as a result of the Company’s failure to timely file its Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (the “Form 10-Q”); and (ii) that the Company’s filing of the Form 10-Q with the SEC will cure any breach of Section 6.3(i) of the SPA, as a result of the Company’s failure to timely file the Form 10-Q with the SEC. Section 6.3(i) of the SPA requires the Company to timely file reports with the SEC until the date on which Amgen has sold all of the Conversion Shares (as defined in the SPA) and none of the Notes are outstanding.

Item 1.02. Termination of a Material Definitive Agreement.

On the Effective Date, the Company terminated the Consulting Agreement (the “Consulting Agreement”), dated March 11, 2016, by and between Alan D. Shortall and the Company. Mr. Shortall is the Company’s former Chief Executive Officer and Chairman of the Company’s Board of Directors (the “Board”).

A description of the terms of the Consulting Agreement that are material to the Company is set forth in the Company’s Current Report on Form 8-K (the “Current Report”) filed by the Company with the SEC on March 14, 2016, which description is incorporated herein by reference.

The Consulting Agreement was terminated as a result of Mr. Shortall’s failure to fulfill his duties under the Consulting Agreement pursuant to Paragraph 6 thereof.

The Company is evaluating the claims it may have against Mr. Shortall in connection with Mr. Shortall's breach of, and the Company's termination of, the Consulting Agreement. No early termination penalties were incurred by the Company in connection with the termination of the Consulting Agreement.

Item 2.02. Results of Operations and Financial Condition.

Update on the Company's Cash Position

As of June 30, 2016, the Company's unaudited cash balance was approximately \$21.1 million, including \$2.4 million of restricted cash. Under the Company's debt facilities, the Company is required to have a cash and restricted cash balance of \$5.1 million at September 30, 2016. The Company believes its cash will provide the Company with sufficient liquidity to meet such minimum cash balance requirement and fund the Company's operations through September 30, 2016. We expect the Company's ability to raise capital will be limited and there can be no assurance that financing will be available when needed. The Company will not be able to obtain financing through registered offerings of its securities for the foreseeable future, including under the Controlled Equity Offering Sales Agreement between the Company and Cantor Fitzgerald & Co. or the equity purchase agreement between the Company and Lincoln Park Capital Fund, LLC. If we are unable to obtain additional financing on acceptable terms and when needed, we may default under one or more of our debt obligations. A breach of any of the covenants related to our debt instruments could result in a higher rate of interest to be paid or the lenders could elect to declare all amounts outstanding under the applicable agreements to be immediately due and payable. If the lenders were to make such a demand for repayment, we would be unable to pay the obligations as we do not have existing facilities or sufficient cash on hand to satisfy these obligations. These factors continue to raise substantial doubt about our ability to continue as a going concern.

The Company has been implementing cost reduction measures as it focuses operations on the programs of key strategic customers. As part of these cost reduction measures, the Company's workforce has been reduced to approximately 140 employees as of the date of this report, a reduction of more than 40% since January 2016 and a reduction of approximately 50% since July 1, 2015. While a portion of this reduction is due to the Company's determination not to backfill certain open positions, the Company also recently reduced its headcount by 25 employees during June and July, 2016. The Company expects to record a charge from severance and related costs from this cost reduction initiative of approximately \$284,000 in the aggregate. The Company does not believe that these cost reduction initiatives will negatively impact its ability to serve its customers.

In addition, the Company, on June 20, 2016, also subleased a portion (the "Subleased Portion") of its King of Prussia, Pennsylvania facility (the "Facility"). During the term of the sublease, which will commence on October 1, 2016 and end on March 31, 2019, the Company will receive an aggregate of approximately \$1,307,000 in rent with respect to the Subleased Portion. During the same time period, the Company will be obligated under the Company's lease agreement relating to the Facility to pay an aggregate of approximately \$1,926,000 in rent with respect to the Subleased Portion. Assuming the sublessor exercises its renewal option, the Company will receive approximately an additional \$1,894,000 over the renewal term of April 1, 2019 through

June 30, 2022 and the Company will be obligated under the Company's lease agreement relating to the Facility to pay an aggregate of approximately \$2,490,000 over the same time period. The Company ceased using the Subleased Portion as of July 20, 2016.

The Company will record a non-cash charge, the amount of which the Company has not yet determined as of the date of this Current Report on Form 8-K, which amount will be based on the discounted fair value of the difference between the amounts received from the sublessor and the amounts paid to the landlord.

Lastly, in July 2016, the Company entered into an agreement with an equipment supplier whereby the Company agreed to pay approximately \$163,000 in full satisfaction of amounts owed to the supplier. The Company expects to incur a charge of approximately \$391,000 related to the settlement amount and write down of the equipment.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As of the Effective Date, the Company undertook certain management changes as described below. OrbiMed has informed the Company that OrbiMed is supportive of the Company's new management team and the Company's progress and business strategy.

As of the Effective Date, the Board appointed John Ryan as the Company's President and Chief Executive Officer and also appointed Mr. Ryan to serve as a member of the Board. As previously disclosed, Mr. Ryan, age 46, served as the Company's Interim President and Chief Executive Officer, Senior Vice President, General Counsel and Secretary from March 2016 until the Effective Date, and as the Company's Senior Vice President, General Counsel and Secretary from May 2014 until March 2016.

Mr. Ryan is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K and there are no family relationships between Mr. Ryan and any of the Company's directors or executive officers. The additional biographical and other information concerning Mr. Ryan required by Item 5.02(c) of Form 8-K was previously reported in the Company's Definitive Proxy Statement on Schedule 14A, filed with the SEC on October 2, 2015, which information is incorporated herein by reference.

On the Effective Date, the Company and Mr. Ryan entered into an Employment Agreement (the "Employment Agreement"), pursuant to which Mr. Ryan will serve as the Company's President and Chief Executive Officer. The Employment Agreement restates the Employment Agreement, dated September 15, 2014, by and between the Company and Mr. Ryan, as amended.

The initial term of the Employment Agreement ends on December 31, 2018, however, the term will be renewed automatically for additional one-year periods, unless terminated by the parties in accordance with the terms of the Employment Agreement.

Pursuant to the Employment Agreement, if Mr. Ryan's term as a member of the Board expires while he is serving as the Company's Chief Executive Officer, the Company is required to cause Mr. Ryan to be nominated for re-election to the Board and must recommend such re-election to

the Company's stockholders. The Employment Agreement also provides that, contemporaneous with any cessation of Mr. Ryan's employment with the Company for any reason, unless otherwise requested by the Board, Mr. Ryan will resign from all officer and director positions with the Company and its affiliates.

Pursuant to the Employment Agreement, Mr. Ryan will be paid an annual base salary of \$450,000, which amount may be increased (but not decreased) at the discretion of Compensation Committee of the Board.

The Employment Agreement provides that Mr. Ryan will be paid a transaction and retention bonus in the amount of \$400,000 in recognition of Mr. Ryan's critical role in the Company's exploration of strategic alternatives and entry into the strategic collaboration with Amgen, and his continued leadership following the closing of that transaction. Fifty percent (or \$200,000) of this transaction and retention bonus will be paid upon the execution of the Employment Agreement and fifty percent (or \$200,000) of this transaction and retention bonus will be paid on December 15, 2016, provided that Mr. Ryan has not voluntarily resigned from his position other than for "good reason" (as defined in the Employment Agreement).

The Employment Agreement further provides that, if Mr. Ryan's employment is terminated by the Company without "cause" (as defined in the Employment Agreement), including a termination of employment due to the Company's election not to renew the term of the Employment Agreement, or if Mr. Ryan terminates the Employment Agreement and his employment for "good reason," then Mr. Ryan will be entitled to: (i) the continued payment of his base salary and receipt of group health benefits for a period of 12 months, (ii) a lump sum payment of an amount equal to the greater of (x) the annual incentive bonus earned by Mr. Ryan for the preceding year and (y) 60% of Mr. Ryan's base salary at the time of his termination, and (iii) accelerated vesting of all outstanding time-vested stock options and other time-vested stock-based awards, if not otherwise fully vested. Further, if, within 12 months following a "change in control" (as defined in the Employment Agreement), Mr. Ryan's employment is terminated by the Company without "cause" (including a termination of employment due to the Company's election not to renew the term of the Employment Agreement) or Mr. Ryan terminates the Employment Agreement and his employment for "good reason," then in lieu of the severance benefits described above, Mr. Ryan will be entitled to: (i) the continued payment of his base salary and receipt of group health benefits for a period of 18 months, (ii) a lump sum payment of an amount equal to the greater of (x) the annual incentive bonus earned by Mr. Ryan for the preceding year and (y) 60% of Mr. Ryan's base salary at the time of his termination, and (iii) accelerated vesting of all outstanding time-vested stock options and other time-vested stock-based awards, if not otherwise fully vested.

All severance benefits payable under the Employment Agreement will be conditioned on Mr. Ryan's execution of a release of claims against the Company.

The Employment Agreement contains customary indemnification provisions and restrictive covenants.

The description of the Employment Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.1, which full text is incorporated herein by reference.

As of the Effective Date, the Board appointed Michael E. Kamarck to serve as a member of the Board. There is no arrangement or understanding between Dr. Kamarck and any other persons pursuant to which Dr. Kamarck was selected as a director and Dr. Kamarck is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K.

As of the Effective Date, due to results of the Company's internal investigation which the Company publicly announced in a separate Current Report on Form 8-K filed with the SEC on the date hereof, Dennis P. Pyers was removed from his position as the Company's Senior Vice President, Controller, Treasurer and Chief Accounting Officer and was appointed as the Company's Senior Advisor, Special Projects.

As of the Effective Date, the Board appointed David Hastings, age 55, CPA (non-active license), as the Company's Chief Accounting Officer and Treasurer. Mr. Hastings will continue to serve as the Company's Senior Vice President and Chief Financial Officer. As of the Effective Date, Mr. Hastings was awarded a transaction and retention bonus in the amount of \$300,000 in recognition of his critical role in the Company's exploration of strategic alternatives and entry into the strategic collaboration with Amgen and his continued leadership following the closing of that transaction. Fifty percent (or \$150,000) of this transaction and retention bonus will be paid on the Effective Date and fifty percent (or \$150,000) of this transaction and retention bonus will be paid on December 15, 2016 provided that Mr. Hastings has not voluntarily resigned from his position other than for "good reason" (as defined in his Employment Agreement dated as of January 9, 2015 and filed in the Company's Current Report on Form 8-K filed with the SEC on January 14, 2016).

Other than this transaction and retention bonus, no material plan, contract, or arrangement was entered into or materially amended in connection with Mr. Hastings' appointment as the Company's Chief Accounting Officer and Treasurer, and there was no grant or award to Mr. Hastings or modification thereto under any such plan, contract, or arrangement in connection with such appointment. Mr. Hastings is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K and there are no family relationships between Mr. Hastings and any of the Company's directors or executive officers. The additional biographical and other information concerning Mr. Hastings required by Item 5.02(c) of Form 8-K was previously reported in the Company's Definitive Proxy Statement on Schedule 14A, filed with the SEC on October 2, 2015, which information is incorporated herein by reference.

As of the Effective Date, the Board appointed Ian Hanson, age 42, as the Company's Chief Operating Officer. Mr. Hanson will continue to serve as the Company's Senior Vice President. No material plan, contract, or arrangement was entered into or materially amended in connection with Mr. Hanson's appointment as the Company's Chief Operating Officer, and there was no grant or award to Mr. Hanson or modification thereto under any such plan, contract, or arrangement in connection with such appointment. Mr. Hanson is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K. There are no family relationships between Mr. Hanson and any of the Company's directors or executive officers. The additional biographical and other information concerning Mr. Hanson required by Item 5.02(c) of Form 8-K was previously reported in the Company's Current Report on Form 8-K, filed with the SEC on March 14, 2016, which information is incorporated herein by reference.

On July 25, 2016, the Company's employment of Mark Iampietro as the Company's Vice President of Quality and Regulatory Affairs and Chief Compliance Officer was ended by the Company without cause. Pursuant to the Employment Agreement, dated November 6, 2014, by and between the Company and Mr. Iampietro, provided Mr. Iampietro signs a release, he is entitled to (i) receive \$252,000 over a period of 12 months, which amount represents Mr. Iampietro's base salary as of the Effective Date, (ii) continue to receive group health benefits for a period of 12 months, and (iii) receive \$88,200 over a period of 12 months, which amount represents the amount of the bonus earned by and paid to Mr. Iampietro in 2015 as well as the target bonus for which Mr. Iampietro was eligible to earn in 2016. In addition, all of Mr. Iampietro's outstanding and unvested options and other stock-based awards immediately vested. The Company expects to record a charge of approximately \$348,000 in its first quarter of fiscal year 2017 as a result of Mr. Iampietro's severance and related costs described immediately above.

Item 8.01. Other Events

On the Effective Date, the Company issued a press release announcing, among other things, the information described in this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Employment Agreement, dated July 28, 2016, by and between Unilife Corporation and John C. Ryan.
99.1	Press Release, dated July 28, 2016.

Forward-Looking Statements

This report contains forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K, those described in the "Risk Factors" set forth in our prospectus supplement, dated as of and filed with the U.S. Securities and Exchange Commission on February 22, 2016, those described from time to time in other reports which we file with the SEC, and other risks and uncertainties including, without limitation: the Company's ability to become and remain current on all of its required periodic filings with the SEC in accordance with the Securities Exchange Act of 1934, as amended; the developments disclosed in this report; expenditures that may be incurred by the Company in connection with the reduction in force; the definitive findings of the internal investigation and whether any additional issues are identified; negative reactions from the Company's creditors, stockholders, strategic partners or customers to the findings of the internal investigation; the Company's ability to comply with or obtain waivers under the Company's debt instruments; the potential that the Company will be required to amend its previous public filings with the SEC and/or restate its previously issued financial statements and the impact and result of any such amendments and/or restatements; the existence of material weaknesses in internal controls over financial reporting and the timing and expense of any necessary remediation of control deficiencies; the impact and result of any litigation or regulatory inquiries or investigations related to the findings of the internal investigation; the potential inability of the Company to regain compliance with the Nasdaq listing requirements; and the financial impact to the Company as a result of the foregoing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Unilife Corporation

Date: July 28, 2016

By: /s/ John Ryan

Name: John Ryan

Title: President and Chief Executive Officer

RESTATED EMPLOYMENT AGREEMENT

THIS RESTATED EMPLOYMENT AGREEMENT is made and entered into on this 28th day of July 2016, by and between Unilife Corporation (“Unilife”) and John C. Ryan (“Ryan”). The term “Unilife” shall include its subsidiaries, affiliates, assigns and successors in interest under Sections 7, 8, and 13.

WHEREAS, Ryan and Unilife are parties to an Employment Agreement dated September 15, 2014, as amended by agreements dated January 21, 2015, and October 13, 2015;

WHEREAS, Unilife is engaged in the business of designing, developing, manufacturing and supplying advanced drug delivery systems;

WHEREAS, Unilife has employed Ryan as Senior Vice President, General Counsel and Secretary since May 2014 and as Interim President and Chief Executive Officer since March 2016;

WHEREAS, Unilife wishes to extend the employment of Ryan as President and Chief Executive Officer, and Ryan wishes to extend the term of his employment with Unilife and serve as President and Chief Executive Officer

WHEREAS, contemporaneous with its approval of this agreement, the Board of Directors of Unilife (the “Board”) has appointed Ryan to serve as a member of the Board to fill a pre-existing vacancy and intends for Ryan to continue to serve as a member of the Board for the duration of his service as Unilife’s Chief Executive Officer; and

WHEREAS, Unilife and Ryan wish to enter into this restated employment agreement to set forth the terms of Ryan’s continued employment relationship with Unilife.

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, and intending to be legally bound hereby, the parties restate all prior agreements concerning Ryan’s employment with Unilife, including the Employment Agreement dated September 15, 2014, as amended by agreements dated January 21, 2015, and October 13, 2015, and agree as follows:

1. Term. This agreement shall be effective as of the date of this agreement and shall be for a multi-year term commencing on such effective date and expiring on December 31, 2018. This agreement will automatically renew for one-year periods annually thereafter, unless either party gives the other party thirty (30) days written notice in advance of the relevant expiration date of its intention not to renew the agreement. Upon expiration or earlier termination of this employment relationship, the provisions of this agreement will survive in accordance with their terms or as otherwise necessary to fulfill their intended purposes. For avoidance of doubt, the rights and obligations of Unilife under Section 6 below shall remain in full force and effect until all payments due to him have been made to Ryan and the rights and obligations of Ryan set forth in Sections 7 and 8 below shall remain in full force and effect and shall survive the expiration or termination of this agreement, regardless of the reason(s) for termination.

2. Position and Duties.

(a) Unilife will employ Ryan as President and Chief Executive Officer and Ryan agrees to serve in such capacity for Unilife with responsibility, authority and duties typically held by an employee in such position. Ryan shall report to Unilife’s Board of Directors with respect

to the performance of these duties and shall be a member of Unilife's Executive Leadership Team. In the performance of these duties, Ryan shall devote his knowledge, skill, attention, energies and all of his business time, and shall comply with all of Unilife's policies, rules, and procedures, as they may be adopted or amended from time to time. Ryan shall not engage in any endeavor that would conflict with the rendition of his services to Unilife, either directly or indirectly, without the prior written consent of Unilife's Board Chair; provided, however, Ryan may participate in civic, charitable, educational, industry and professional organizations, to the extent that such participation does not unreasonably interfere with the performance of his duties hereunder; and Ryan may also serve on corporate boards and committees, but only with the prior written consent of Unilife's Board Chair and to the extent permitted under Unilife's Board Charter.

(b) Whenever, during his employment as Chief Executive Officer of Unilife, Ryan's term of service as a member of the Board expires, Unilife shall cause Ryan to be nominated for re-election to the Board and shall recommend such re-election to Unilife's stockholders. Ryan shall not be entitled to any additional compensation for his service as a director.

3. Compensation.

(a) Base Salary. Ryan shall be paid an annual base salary of four hundred fifty thousand Dollars (\$450,000) payable in accordance with Unilife's standard payroll practices. Ryan's base salary will be subject to the customary withholding and employment taxes, as required by law, with respect to compensation paid by an employer to an employee. At the discretion of the Compensation Committee of the Board of Directors of Unilife (the "Compensation Committee"), Ryan shall be eligible for increases in base salary. Further, Unilife will not reduce Ryan's base salary to less than what is agreed to herein.

(b) Bonus. During the term of his employment hereunder, Ryan shall be eligible to earn an annual cash bonus pursuant to Unilife's Incentive Bonus Plan in amounts and percentages as determined by Unilife's Compensation Committee. The target cash bonus opportunity for each year shall be no lower than sixty percent (60%) of base salary, and the maximum cash bonus opportunity for each year shall be no lower than one hundred percent (100%) of base salary. Bonuses are subject to achievement of such goals and objectives as the Compensation Committee determines. Any bonus payable for a fiscal or calendar year shall be paid in a lump-sum payment no later than the date that is two and one-half months after the close of the relevant fiscal or calendar year. Ryan's bonuses will be subject to the customary withholding and employment taxes, as required by law, with respect to compensation paid by an employer to an employee.

C Transaction and Retention Bonus. Ryan shall be paid a transaction and retention bonus in the amount of four hundred thousand Dollars (\$400,000) in recognition of Ryan's critical role in Unilife's exploration of strategic alternatives and entry into the strategic collaboration with Amgen and his continued leadership following the closing of that transaction. Fifty percent (\$200,000) of this transaction and retention bonus shall be paid upon the execution of this agreement and fifty percent (\$200,000) of this transaction and retention bonus shall be paid on December 15, 2016 provided that Ryan has not voluntarily resigned from his position other than for Good Reason.

4. Benefits.

(a) Benefits Generally Available to Unilife Employees. Ryan shall be eligible to participate in Unilife's benefits programs (including any equity incentive plan of Unilife or its affiliates), as they may change from time to time. The benefits provided to Ryan will be the same as the benefits provided to other similarly situated Unilife employees, and may be changed upon expiration or other termination of the current benefits contracts. For further information, Ryan should review any applicable benefit plan documents, which will govern the terms of the benefits.

(b) Vacation. Ryan shall also receive four (4) weeks of paid vacation per calendar year. Any unused vacation days may be carried over or paid in lieu thereof, to the extent allowed by Unilife's policy for similarly situated employees.

(c) Equity Plans. Any stock options and other stock-based awards that Ryan may receive from Unilife shall be governed by the applicable, underlying award agreement and the terms of the 2009 Stock Incentive Plan or any successor plan under which the award is granted.

(d) Expenses. Unilife shall reimburse Ryan for all reasonable and necessary expenses incurred by him in carrying out his duties under this agreement in accordance with Unilife's business expense policies, including without limitation, requirements with respect to reporting, documentation and payment of such expenses. All such expenses shall be paid promptly after submission in accordance with Unilife's policies, but no later than December 31st of the calendar year following the year in which such expenses were incurred.

5. Indemnification. Both during and following his employment, Unilife agrees to provide Ryan with indemnification for acts performed in his capacity as an employee, officer and/or director of Unilife (and to insurance coverage pursuant to Unilife's Directors and Officers insurance policies, as in effect from time to time) equivalent to the indemnification and directors' and officers' insurance coverage applicable to the then current officers and directors of Unilife.

6. Termination and Pay upon Termination.

(a) General Rule. In the event that (1) Unilife terminates this agreement and Ryan's employment without Cause (as defined herein) including employment termination due to Unilife's election not to renew this agreement where Ryan was willing and able to continue performing services under the terms of this agreement, or (2) Ryan terminates this agreement and Ryan's employment for Good Reason (as defined herein), subject to Section 6(c) below, Unilife will pay or provide Ryan the severance benefits provided in subparagraphs (i) through (iv) of this Section 6(a).

(i) his base salary, at the rate in effect immediately before the date that Ryan's employment terminates, for twelve (12) months, in accordance with Unilife's standard payroll practices then in effect, commencing on the fifteenth (15th) day after the date that Ryan's employment terminates and the General Release provided for in Section 9 of this Agreement becomes irrevocable;

(ii) provided that Ryan is eligible for and timely elects to receive COBRA health, vision and dental care continuation coverage, the cost of Ryan's COBRA health, vision and dental care continuation coverage premiums (for himself and his eligible dependents) for twelve (12) months, commencing on the first of the month immediately after the month which includes the date that Ryan's employment terminates and the General Release provided for in Section 9 of this agreement becomes irrevocable;

(iii) a lump sum payment equal to the greater of the amount of the annual incentive bonus, if any, earned by Ryan for the last completed bonus year prior to the year in which his employment terminates or 60% of Ryan's base salary as in effect immediately prior to his termination, which amount will be payable on the fifteenth (15th) day after the date that Ryan's employment terminates and the General Release provided for in Section 9 of this Agreement becomes irrevocable; and

(iv) all of Ryan's outstanding time-vested stock options and other time-vested stock-based awards, if not otherwise fully vested, shall then become fully vested.

(b) Other Terminations. If Ryan's employment ceases for any reason other than as described in Section 6(a), including Ryan's election not to renew the agreement, Ryan shall not receive any compensation or benefits from the time of such cessation, except such compensation as was earned prior to that date, including, but not limited to unused vacation and vested equity grants. In addition, Ryan agrees to provide Unilife with thirty (30) days advance written notice of his intent to terminate his employment, whether during the initial term or any renewal thereof. Upon termination of this agreement, Ryan shall not have any further contact with any customers of Unilife on behalf of a competing entity until the expiration of the conditions of Section 8 of this agreement.

(c) Termination Following a Change in Control. If a cessation of employment described in Section 6(a) occurs during the 12 month period following a Change in Control, then for purposes of that cessation, the references in Sections 6(a)(i) and (ii) to "twelve (12) months" will in each case be replaced with a reference to "eighteen (18) months."

(d) Concurrent Cessation of Board Service and Employment. Contemporaneous with any cessation of Ryan's employment with Unilife for any reason, unless otherwise requested by the Board, Ryan will resign from all officer and director positions with Unilife and its affiliates.

(e) Definitions.

(i) "Cause" will mean any one or more of the following:

(A) material neglect of assigned duties, willful misconduct in connection with the performance of duties, or refusal to perform assigned duties (other than by reason of disability) which continues uncured for thirty (30) days following receipt of written notice of such neglect, misconduct or refusal from the Board, specifying the scope and nature of the deficiency;

(B) engaging in any act of dishonesty, any act of moral turpitude, any illegal conduct or committing a crime that causes material harm to Unilife or its reputation;

(C) being barred from working in a Food and Drug Administration ("FDA") regulated industry by the FDA or otherwise being sanctioned by the FDA or any similar international body;

(D) breaching, in any material respect, the terms of any agreement with Unilife; or

(E) commencement of employment with any other employer while an employee of Unilife without the prior written consent of the Board Chair.

(ii) “Change in Control” means a: (i) Change in Ownership of Unilife Corporation, (ii) Change in Effective Control of Unilife Corporation, or a (iii) Change in the Ownership of Assets of Unilife Corporation, all as described herein and construed in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”).

(A) A Change in Ownership of Unilife Corporation shall occur on the date that any one Person acquires, or Persons Acting as a Group (or Group) acquire, ownership of the capital stock of Unilife Corporation that, together with the stock held by such Person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the capital stock of Unilife Corporation. However, if any one Person is, or Persons Acting as a Group are, considered to own more than fifty percent (50%) of the total fair market value or total voting power of the capital stock of Unilife Corporation, the acquisition of additional stock by the same Person or Persons Acting as a Group is not considered to cause a Change in Ownership of Unilife Corporation or to cause a Change in Effective Control of Unilife Corporation. An increase in the percentage of capital stock owned by any one Person, or Persons Acting as a Group, as a result of a transaction in which Unilife Corporation acquires its stock in exchange for property will be treated as an acquisition of stock.

(B) A Change in Effective Control of Unilife Corporation shall occur on the date a majority of members of the Board of Directors of Unilife Corporation is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors of Unilife Corporation before the date of the appointment or election.

(C) A Change in the Ownership of Assets of Unilife Corporation shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire (or has or have acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such Person or Persons), assets (including tangible/real property and intangible property (such as goodwill)) from Unilife Corporation the total gross fair market value of which is more than fifty percent (50%) of the total gross fair market value of all of the assets of Unilife Corporation immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of Unilife Corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(D) The following rules of construction apply in interpreting the definition of Change in Control:

(I) A Person means any individual, entity or group within the meaning of Section 13(d) (3) or 14(d) (2) of the Securities Exchange Act of 1934, as amended, other than employee benefit plans sponsored or maintained by Unilife Corporation and by entities controlled by Unilife Corporation or an underwriter of the capital stock of Unilife Corporation in a registered public offering.

(II) Persons will be considered to be Persons Acting as a Group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a Person owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a Group with other shareholders only with respect to the ownership in that corporation before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time or purchase or own stock of the same corporation at the same time, or as a result of the same public offering.

(III) For purposes of this Section 6(e), fair market value shall be determined in accordance with Code Section 409A.

(IV) A Change in Control shall not include a transfer to a related person as described in Code Section 409A or a public offering of capital stock of Unilife Corporation.

(E) For purposes of this Section 6(e), Code Section 318(a) applies to determine stock ownership. Stock underlying a vested option is considered owned by the individual who holds the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). For purposes of the preceding sentence, however, if a vested option is exercisable for stock that is not substantially vested (as defined by Treasury Regulation §1.83-3(b) and (j)), the stock underlying the option is not treated as owned by the individual who holds the option.

(iii) “Good Reason” means any one or more of the following:

- (A) a material, adverse change in title, authority or duties (including the assignment of duties materially inconsistent with Ryan’s position as President and Chief Executive Officer, a failure of Unilife’s stockholders to re-elect Ryan to serve as a member of the Board upon expiration his term of service thereon or removal of Ryan from the Board other than for Cause);
- (B) a reduction in Ryan’s base salary or annual bonus opportunity below the levels set forth in Sections 3(a) and 3 (b), respectively;
- (C) a material breach of this agreement by Unilife; or
- (D) the relocation of Ryan’s principal work location to a location more than 50 miles from Philadelphia, Pennsylvania.

However, none of the foregoing events or conditions will constitute Good Reason unless Ryan provides Unilife with written notice of the event or condition constituting Good Reason within 90 days following the occurrence thereof, Unilife does not reverse or otherwise cure the event or condition within 30 days of receiving such notice, and Ryan resigns his employment within 180 days following the expiration of the applicable cure period.

7. Confidential Information.

(a) Ryan acknowledges that Unilife has a valuable property interest in all aspects of its business relationships with its customers, clients, vendors and suppliers. In the course of Ryan's work with Unilife, Ryan will become aware of and familiar with secret and confidential information of Unilife relating to its customers, clients, vendors and suppliers, and its internal business operations. Secret and confidential information includes, but is not limited to, Unilife's business plans, customer lists, customer data, marketing plans, supplier and vendor lists and cost information, software and computer programs, data processing systems and information contained therein, financial statements, financial data, acquisition and divestiture plans, and any other trade secrets or confidential or proprietary information, documents, reports, plans, or data, of or about Unilife that is not already available to the public or was known to Ryan prior to his employment with Unilife.

(b) Ryan agrees that he will not, without the written consent of Unilife, during the term of this agreement or thereafter, disclose or make any use of secret and confidential information, except as may be required in the performance of his duties under Section 2 of this agreement. Ryan agrees that, following the termination of his employment with Unilife for any reason, he will never use secret and confidential information to compete with Unilife in any manner, and he will never disclose any secret and confidential information to any other business or individual, unless such secret or confidential information is: (i) publicly known through no breach of the provisions of this Section 7 by either party, (ii) lawfully disclosed by a third party, or (iii) disclosed pursuant to legal requirement or court order. In no event shall any disclosure made to investment banking firms or private equity firms at the request of Unilife and as part of Ryan's duties ever be considered a violation of this Section 7.

(c) Upon termination of this agreement, Ryan shall surrender to Unilife all records and all paper and/or electronic copies made of those records that pertain to any aspect of the business of Unilife, including all secret and confidential information.

8. Agreement Not To Compete.

(a) In consideration for employment by Unilife and the benefits of this agreement, Ryan agrees to be bound by the covenant not to compete as set forth in Section 8 of this agreement below; provided however, this non-compete covenant will apply during his employment and (i) for a period of two (2) years post-employment, if Ryan resigns his employment with Unilife without Good Reason, if Ryan's employment ceases due to his election not to renew this agreement, or if Unilife terminates Ryan's employment for Cause, or (ii) for a period of one (1) year post-employment if Ryan's employment with Unilife ceases under any other circumstance.

(b) Ryan agrees that during the term of his employment, he will not, directly or indirectly:

(i) render services to, become employed by, be engaged as a consultant by, own, or have a financial or other interest in (either as an individual, partner, joint venture, owner, manager, employee, partner, officer, director, independent contractor, or other similar role) any business that is engaged in any business activity that is in direct competition with the activities of Unilife, as of the date of the termination of this agreement.

(ii) induce, offer, assist, encourage, or suggest that another business or enterprise offer employment to or enter into a consulting arrangement with any individual who is employed by Unilife, or induce, offer, assist, encourage, or suggest that any Unilife employee terminate his or her employment with Unilife, or accept employment with any other business or enterprise.

(c) In the event that Ryan commits any breach of Section 8(b) above, Ryan acknowledges that Unilife would suffer substantial and irreparable harm and damages. Accordingly, Ryan hereby agrees that in such event, Unilife shall be entitled to temporary and/or permanent injunctive relief, without the necessity of proving damage, to enforce the provisions of this Section, all without prejudice to any and all other remedies that Unilife may have at law or in equity and that Unilife may elect or invoke. Ryan agrees that if any of the provisions of this Section are or become unenforceable, the remainder hereof shall nevertheless remain binding upon him to the fullest extent possible, taking into consideration the purposes and spirit of this agreement. Any invalid or unenforceable provision is to be reformed to the maximum time, geographic and/or business limitations permitted by applicable laws, so as to be valid and enforceable.

(d) Ryan expressly acknowledges and agrees that the restrictive covenants set forth in Sections 7 and 8 above are absolutely necessary to protect the legitimate business interests of Unilife, because he is employed in a position of trust and confidence and is provided with extensive access to Unilife's most confidential and proprietary trade secrets, and has significant involvement in important business relationships, which constitute the goodwill of Unilife. Ryan further agrees and acknowledges that these restrictive covenants are reasonable, will not restrict him from earning a livelihood following the termination of employment, and are intended by the parties to be enforceable following termination of employment for any reason.

(e) In the event that Unilife must bring legal action to enforce or seek a remedy for any breach of the provisions of Sections 7 or 8 of this agreement and Ryan is found by a court to have breached any of these provisions, Ryan agrees to reimburse Unilife for any and all expenses, including attorneys' fees and court costs, incurred by it in enforcing the terms of these Sections of the agreement.

9. General Release. As a condition of receiving the severance compensation and benefits described in Section 6(a) or 6(c), Unilife and Ryan will execute a mutual general release of claims (which is in a form acceptable to Unilife); provided that, to the extent that any claim that Unilife may have against Ryan would not be covered under the D&O insurance of Unilife, then Unilife would not release such claim under the mutual release. Such general release would not include rights to previously vested options or claims for any compensation or benefits earned (including, without limitation, unused vacation), or reimbursement of expenses incurred, through the date of termination. Such release must be agreed to, executed and irrevocable no later than 30 days following Ryan's termination date.

10. Dispute Resolution. Any controversy, claim or dispute involving the parties (or their affiliated persons) directly or indirectly concerning this agreement shall be finally settled by binding arbitration held in Montgomery County, Pennsylvania by one arbitrator (who is mutually acceptable to both parties as well as licensed to practice law in the Commonwealth of Pennsylvania) in accordance with the rules of employment arbitration then followed by the American Arbitration Association or any successor to the functions thereof. The arbitrator shall apply Pennsylvania law in the resolution of all controversies, claims and disputes and shall have the right and authority to determine how his or her decision or determination as to each issue or matter in dispute may be implemented or enforced. Any decision or award of the arbitrator shall be final and conclusive for both Ryan and Unilife (and its affiliates), and there shall be no appeal there from other than causes of appeal allowed by the Federal Arbitration Act. Unilife shall bear all costs of the arbitrator in any action brought under this agreement. The arbitrator shall have the power to award attorney's fees and arbitration costs to the prevailing party, if the award of attorney's fees and litigation costs would be permitted by a court. The parties hereto agree that any action to compel arbitration may be brought in the appropriate Pennsylvania state or federal court, and in connection with such action to compel, the laws of the Commonwealth of Pennsylvania and the Federal Arbitration Act shall control. Application may also be made to such court for confirmation of any decision or award of the arbitrator, for an order of the enforcement and for any other remedies, which may be necessary to effectuate such decision or award. The parties hereto hereby consent to the jurisdiction of the arbitrator and of such court and waive any objection to the jurisdiction of such arbitrator and court.

11. Non-waiver. A waiver of any provision of this agreement by either party shall not prevent either party from enforcing that provision or any other provision hereof.

12. Assignment. This agreement is personal and may not be assigned by Ryan. Any assignment of this agreement between Unilife (or its successor) and its affiliates (and their successors) shall not constitute a termination of Ryan's employment hereunder. This agreement (including the Restrictive Covenants set forth in Sections 7 and 8) shall inure to the benefit of and be binding upon any successor to Unilife. The parties specifically understand and agree that the non-compete provisions of Section 8 will inure to the benefit of a successor and that Ryan will remain bound by these provisions in the event of a sale or corporate reorganization of Unilife.

13. Severability. Each provision of this agreement is severable and distinct from, and independent of, every other provision hereof. If one provision hereof is declared void, the remaining provisions shall remain in effect. Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. Entire Agreement. This agreement contains the entire agreement of the parties concerning the employment relationship and supersedes any prior agreements or understandings between the parties concerning the terms and conditions of Ryan's employment, whether oral or written; provided, however, that Ryan's equity grants shall be governed by the equity grant documents; provided further, that any stock options or other stock-based awards provided to Ryan shall be governed by Unilife's stock incentive plans as they are amended from time to time, except as provided herein. The parties acknowledge, in entering into this agreement that they have not relied upon any promise or inducement not specifically set forth herein. Any changes to this agreement must be in writing and signed by both parties.

15. Section 409A.

(a) This agreement is intended to comply with, or otherwise be exempt from, Code Section 409A and any regulations and Treasury guidance promulgated thereunder, and Unilife shall exercise its best efforts to interpret the terms of this agreement in a manner consistent with the requirements of Code Section 409A.

(b) Unilife shall undertake to administer this agreement in a manner that does not result in the imposition on Ryan of any additional tax, penalty, or interest under Code Section 409A.

(c) Unilife and Ryan agree that they will execute any and all amendments to this agreement permitted under applicable law as they mutually agree in good faith may be necessary to ensure compliance with the distribution provisions of Code Section 409A or as otherwise needed to ensure that this agreement complies with that section.

(d) The preceding provisions, however, shall not be construed as a guarantee by Unilife of any particular tax effect to Ryan under this agreement. Unilife shall not be liable to Ryan for any payment made under this agreement that is determined to result in an additional tax, penalty, or interest under Code Section 409A, nor for reporting in good faith any payment made under this agreement as an amount includible in gross income under that section.

(e) For purposes of Code Section 409A, the right to a series of installment payments under this agreement shall be treated as a right to a series of separate payments.

(f) With respect to any reimbursement of future expenses of, or any provision of in-kind benefits to, Ryan, as specified under this agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Code section 105(b); (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(g) "Termination of employment," "resignation," or words of similar import, as used in this agreement means, for purposes of any payments under this agreement that are payments of deferred compensation subject to Code Section 409A, Ryan's "separation from service" as defined in that section.

(h) If a payment obligation under this agreement arises on account of Ryan's separation from service while Ryan is a "specified employee" (as defined under Code Section 409A and determined in good faith by the Unilife), any such payment (i) constitutes "deferred compensation" (as defined under Treasury regulation section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury regulation sections 1.409A-1(b)(3) through (b)(12)), and (ii) is scheduled to be paid within six (6) months after such separation from service, such payment shall accrue without interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of Ryan's estate following his death.

(i) To the extent that under the terms of the agreement the execution of a general release of claims is a condition to Ryan receiving severance or other benefits under the agreement, the Company will provide Ryan with the form of release agreement within seven days after Ryan's separation from service. To be entitled to the severance or other benefits, Ryan must execute and deliver to the Company the release agreement on or before the last day of the minimum required waiver consideration period provided under the Age Discrimination in Employment Act or other applicable law or such other date as may be specified in the release agreement. If Ryan timely delivers an executed release agreement to the Company, and Ryan does not revoke the release agreement during the minimum revocation period required under applicable law, if any, the severance or other benefits shall be paid or commence being paid, as applicable, on or after the date on which the release agreement becomes effective as specified in the agreement. If, however, the period during which Ryan has discretion to execute or revoke the release agreement straddles two calendar years, then notwithstanding any other provision of this agreement, no such payment shall be made or benefit provided earlier than the first day of the second such calendar year, regardless of within which calendar year Ryan actually delivers the executed release agreement to the Company. Consistent with Section 409A, Ryan may not, directly or indirectly, designate the calendar year of payment.

16. Excise Tax on Parachute Payments. Ryan shall bear all expense of, and be solely responsible for, all federal, state, local or foreign taxes due with respect to any payment received hereunder, including, without limitation, any excise tax imposed by Code section 4999. Notwithstanding the foregoing, if any payment or distribution by Unilife to or for the benefit of Ryan, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement or the lapse or termination of any restriction on or the vesting or exercisability of any payment or benefit, would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law (such tax or taxes are hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of such payments and benefits (each such payment or benefit, a "Payment") payable to Ryan shall be reduced to the aggregate amount of Payments that may be made to Ryan without incurring an Excise Tax in accordance with the immediately following sentence; provided that such reduction shall only be imposed if the net after-tax benefit of the Payments retained by Ryan (after giving effect to such reduction) is equal to or greater than the net after-tax benefit (after giving effect to the Excise Tax) of the Payments to Ryan without any such reduction. If the Firm (as defined below) determines that a reduction is required by this Section 16, then such reduction shall be made in the following order: (i) first, any future cash payments (if any) shall be reduced (if necessary, to zero); (ii) second, any current cash payments shall be reduced (if necessary, to zero); (iii) third, all non-cash payments (other than equity or equity derivative related payments) shall be reduced (if necessary, to zero); and (iv) fourth, all equity or equity derivative payments shall be reduced.

For purposes of this Section 16, "net after-tax benefit" shall mean (i) the total of all Payments which Ryan receives or is then entitled to receive from Unilife, less (ii) the amount of all federal, state, local and foreign income taxes payable with respect to such Payment calculated at the maximum marginal income tax rate for each year in which the foregoing shall be paid to Ryan (based on the rate in effect for such year as set forth in the Code or other applicable tax law as in effect at the time of the first payment of the foregoing), less (iii) the amount of the applicable Excise Tax, if any, imposed with respect to the Payment.

The foregoing determination shall be made by a nationally recognized human resources consulting or accounting firm (the "Firm") selected by Unilife and reasonably acceptable to Ryan (which may be, but will not be required to be, Unilife's independent auditors). The Firm shall submit its determination and detailed supporting calculations to both Ryan and Unilife within fifteen (15) days after receipt of a notice from either Unilife or Ryan that Ryan may receive Payments

Ryan and Unilife shall each provide the Firm access to and copies of any books, records, and documents in the possession of Ryan or Unilife, as the case may be, reasonably requested by the Firm, and otherwise cooperate with the Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 16. The fees and expenses of the Firm for its services in connection with the determinations and calculations contemplated by this Section 16 shall be borne by Unilife.

17. Counterparts. This agreement may be executed on separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

18. Interpretation. The captions and headings of this agreement are not part of the provisions hereof and shall have no force or effect.

19. Notices. Any notices, requests, demands and other communications provided for by this agreement shall be sufficient if in writing and if hand delivered, sent by overnight courier, or sent by registered or certified mail to Ryan at the last address he has filed in writing with Unilife or, in the case of Unilife, to Unilife's General Counsel at Unilife's principal executive offices.

20. Governing Law. The terms of this agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to provisions thereof regarding conflict of laws.

21. Defend Trade Secrets Act Compliance. Ryan will not be held criminally or civilly liable under any federal or state trade secret law for his disclosure of a trade secret that is made in confidence to federal, state or local government official or to an attorney, provided that such disclosure is: (a) solely for the purpose of reporting or investigating a suspected violation of law; or (b) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Ryan files a lawsuit for retaliation by Unilife for reporting a suspected violation of law, Ryan may disclose the trade secret to his attorney and use the trade secret information in related court proceedings, provided that Ryan files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order.

22. Representations and Warranties. Ryan represents and warrants to Unilife that he is not bound by any restrictive covenants and has no prior or other obligations or commitments of any kind that would in any way prevent, restrict, hinder or interfere with Ryan's employment or the performance of all duties and services hereunder to the fullest extent of Ryan's ability and knowledge, except for the duty of confidentiality owed to former employers. If Ryan has misrepresented the representation and warranty provided herein, then Ryan would be liable to Unilife for all damages incurred as a consequence thereof, including attorney's fees and costs of court.

[Remainder of the page left blank]

IN WITNESS WHEREOF, and wishing to be legally bound, the parties have executed this agreement on the date first above written.

UNILIFE CORPORATION:

John C. Ryan:

By: /s/ Mary Katherine Wold

/s/ John C. Ryan



**Unilife Announces New Leadership Team
and Targeted Growth Strategy**

*Company Names New CEO and Appoints Pharma Leader to Its Board
Company Focused on Executing Strategic Business Plan
Internal Investigation Substantially Complete*

YORK, PA, July 28, 2016 / PR Newswire/ — Unilife Corporation (“Unilife” or “Company”) (NASDAQ: UNIS; ASX: UNS) today announced new management and Board appointments, a strategic focus on wearable injectors, and an update to its internal investigation.

Executive and Board Appointments

John Ryan, who has served as Interim Chief Executive Officer since March 2016 and Senior Vice President, General Counsel and Secretary since 2014, has been named President and Chief Executive Officer and appointed to the Board of Directors. Michael E. Kamarck, Ph.D., former President of Merck BioVentures, has also joined the Company’s Board of Directors. Ian Hanson, who has served as Senior Vice President and General Manager, has been named Senior Vice President and Chief Operating Officer. In addition, Stephanie Walters, who has served as the Company’s Associate General Counsel since 2014, has been named Senior Vice President, General Counsel and Secretary, and Molly Weaver, Ph.D., who has served as Vice President and General Manager since 2011, has been named Vice President of Quality and Regulatory Affairs and Chief Compliance Officer, replacing Mark Iampietro, who had served in this role since 2008. David Hastings, who has served as Chief Financial Officer since 2015, will also assume the role of Chief Accounting Officer, replacing Dennis Pyers, who will continue as Senior Advisor, Special Projects.

Mary Kate Wold, Unilife’s Board Chair, commented, “Following a thorough search process conducted by Heidrick & Struggles that included both internal and external candidates, I am delighted to announce that the Board has appointed John as President and Chief Executive Officer. In addition to his extensive business and legal experience, John is a strong and effective leader with sound judgment who has a thorough understanding of our business. He was the clear choice among the candidates considered, having effectively led the Company’s transformative transaction with Amgen and the Company’s ongoing execution of its business strategy. His integrity and credibility with our employees, customers, and investors positions Unilife well for future success.”

OrbiMed, one of Unilife’s largest investors, stated, “We are enthusiastic about Unilife’s industry-leading technology and strong customer relationships, and we have confidence in this team to deliver on Unilife’s business strategy.”

Mr. Ryan has an accomplished 20-year career in business and law. He joined Unilife in 2014 as Senior Vice President, General Counsel and Secretary and has served as Interim CEO since March 2016. He previously served as a Partner at the Duane Morris law firm and as Senior Vice President and Deputy General Counsel of Aramark Corporation. He began his career as an Assistant District Attorney at the Manhattan District Attorney's Office. John earned his J.D. from Northwestern University School of Law and his B.A. from New York University.

"We are also pleased to welcome Mike Kamarck to our Board," Ms. Wold added. "Given his extensive managerial and operational experience, as well as his deep expertise in biologics, Mike is an excellent addition to our Board, and we expect he will make a strong contribution as we focus on existing and new customers in the wearable injector space."

From 2009 to 2012, Dr. Kamarck served as President of Merck BioVentures and Senior Vice President of Vaccines and Biologics Manufacturing for Merck. From 2001 to 2009, he held various senior executive positions at Wyeth, including President, Technical Operations and Product Supply and was responsible for global technical operations for all of Wyeth's businesses. Dr. Kamarck also served as a member of the Wyeth Management Committee. Prior to Wyeth, he was employed by Bayer AG for 17 years in a variety of technical and leadership capacities. Dr. Kamarck received his B.A. from Oberlin College and his Ph.D. from the Massachusetts Institute of Technology in Biochemistry, and he was a Leukemia Society Fellow at Yale University.

Mr. Ryan commented, "Unilife is a company with industry-leading technology, a strong customer base, and an extraordinary team of talented engineers. It is a privilege to have the opportunity to lead this Company, and I look forward to working with our Board and our employees to build on our leadership position in the wearable injector space and create value for our shareholders. Additionally, it's my pleasure to welcome Mike to our Board. His vision, counsel and leadership will be invaluable as we continue to build relationships with new and existing pharmaceutical customers, and he will be a valued addition to the Unilife team."

Dr. Kamarck commented, "Unilife has world-class technology, customer relationships, and people, and I am excited to be joining the team at this pivotal moment in the Company's history. I look forward to working with this talented management team and Board to help Unilife deliver for its customers and shareholders."

Mr. Ryan also commented on the appointments of Mr. Hanson, Ms. Walters, and Dr. Weaver, "Ian is a proven and talented leader with a long track record of developing world class drug delivery systems. He has been an instrumental member of our management team since joining Unilife five years ago, and we expect his impact on our customer programs and innovation in the wearable injector space will continue to grow. We are also fortunate to have talented leaders in Stephanie and Molly, who are able to step into these critical legal and quality leadership roles at Unilife. They each bring experience and integrity

to their positions, as well as a deep understanding of Unilife, our customers, and our mission. Stephanie and Molly will each play crucial roles as we execute on our customer contracts and drive value for our shareholders. I also wish to thank Mark for his many years of service to Unilife and wish him well in his future endeavors.”

Update on Business Strategy

Unilife will focus primarily on active and new customer programs in its portfolio of wearable injector systems. This primary focus on wearable injectors is expected to enhance operating efficiencies and better position the Company to take advantage of commercial opportunities within the fast-growing market for wearable injectors, where Unilife has industry leading technology and already has a strong customer base.

In addition to other previously announced wearable injector programs with Sanofi and MedImmune, the global biologics research and development arm of AstraZeneca, Unilife has commenced wearable injector development programs with Amgen under its previously announced strategic collaboration.

Update on Cost Reduction Measures

Unilife continues to implement cost reduction measures as it focuses operations on the programs of key strategic customers. As part of this disciplined approach toward resource allocation and expense management, the Company’s workforce has been reduced to approximately 140 employees, a reduction of more than 40% since January 2016. In addition, the Company has sublet a significant portion of its office space in King of Prussia, PA as part of its cost reduction measures, which are ongoing.

Mr. Ryan commented, “As most recently evidenced by our transformative strategic collaboration with Amgen, we have developed industry leading wearable injector technology and are working diligently to bring these products to market with our customers’ therapies. We continue to be encouraged by the positive support of our customers and industry partners. We believe we have the right pieces in place to deliver for our customers with financial discipline, rigor, and efficiency. We have positioned the Company to significantly reduce our cash burn rate going forward, which we expect will help us enhance shareholder value.”

Update to Internal Investigation

The internal investigation by the Company into violations of company policies and procedures, and possible violations of law and regulation, by the former Chief Executive Officer, Alan Shortall, and the former Chairman of the Board of Directors, Jim Bosnjak, has been substantially completed and has to date identified no material financial loss to the Company. The Company is continuing to evaluate the impact of these matters, including on financial reporting and internal controls over financial reporting, related to previously-issued financial statements, current interim financial information and management’s certifications. The Company expects to amend its fiscal 2015 Form 10-K and Form 10-Q for the first and second quarters of fiscal 2016 to correct the immaterial errors identified as a result of

the investigation as discussed further in a Form 8-K filed by the Company today (“Form 8-K”). Moreover, management has determined that there are material internal control weaknesses, which the Company continues to evaluate, and the Company has commenced a remediation process with the assistance of a third party internal audit provider. The Company has reported these matters to the Securities and Exchange Commission (“SEC”) and NASDAQ and continues to cooperate fully with the SEC with respect to the SEC’s ongoing investigation.

The Company has also terminated its consulting agreement with Mr. Shortall. Additional information regarding the investigation is available in the Form 8-K.

Compliance with NASDAQ Listing Requirements

Unilife submitted a plan to The NASDAQ Stock Market LLC (“NASDAQ”) on July 18, 2016 to regain compliance with NASDAQ’s continued listing requirements. If NASDAQ accepts such plan, NASDAQ may grant the Company up to 180 calendar days for the Company to regain compliance by filing its Form 10-Q for the third fiscal quarter of fiscal year 2016.

About Unilife Corporation

Unilife Corporation (NASDAQ:UNIS / ASX: UNS) is a U.S. based developer and commercial supplier of injectable drug delivery systems. Unilife has a portfolio of innovative, differentiated products with a primary focus on wearable injectors. Products within each platform are customizable to address specific customer, drug and patient requirements. Unilife’s global headquarters and manufacturing facilities are located in York, PA. For more information, visit www.unilife.com.

Forward-Looking Statements

This press release contains forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management’s beliefs and assumptions and on information currently available to our management. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in “Item 1A. Risk Factors” and elsewhere in our Annual Report on Form 10-K, those described in the “Risk Factors” set forth in our prospectus supplement, dated as of and filed with the U.S. Securities and Exchange Commission on February 22, 2016, those described from time to time in other reports which we file with the U.S. Securities and Exchange Commission (the “SEC”), and other

risks and uncertainties including, without limitation: the developments disclosed in this press release; estimates of employee headcount reductions; expenditures that may be incurred by the Company in connection with the reduction in force; the definitive findings of the internal investigation and whether any additional issues are identified; negative reactions from the Company's creditors, stockholders, strategic partners or customers to the findings of the internal investigation; the Company's ability to comply with or obtain waivers under the Company's debt instruments; the potential that the Company will be required to amend its previous public filings with the SEC and/or restate its previously issued financial statements and the impact and result of any such amendments and/or restatements; the existence of material weaknesses in internal controls over financial reporting and the timing and expense of any necessary remediation of control deficiencies; the impact and result of any litigation or regulatory inquiries or investigations related to the findings of the internal investigation; the potential inability of the Company to regain compliance with the Nasdaq listing requirements; and the financial impact to the Company as a result of the foregoing.

General: UNIS-G

Investor Contact (US):

Jeremy Feffer

Unilife Corporation

+1-717-384-3450

investors@unilife.com

Investor Contact (Australia):

Jeff Carter

Unilife Corporation

+61 2 8346 6500