UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT

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

For the quarterly period ended September 30, 2011

Universal Biosensors, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**98-0424072**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
Universal Biosensors, Inc. 1 Corporate Avenue, Rowville, 3178, Victoria Australia	
(Address of principal executive offices)	**Not Applicable** **(Zip Code)**

Telephone: +61 3 9213 9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☒

Non-Accelerated Filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 159,025,161 shares of Common Stock, U.S.$0.0001 par value, outstanding as of November 3, 2011.

UNIVERSAL BIOSENSORS, INC.

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Universal Biosensors, Inc.

Item 1 Financial Statements

Consolidated Condensed Balance Sheets (Unaudited)

	September 30, 2011 A$	December 31, 2010 A$
ASSETS		
Current assets:		
Cash and cash equivalents	18,815,709	23,271,766
Inventories, net	3,074,512	3,191,093
Accounts receivable	1,284,192	3,588,798
Prepayments	293,574	303,181
Other assets	764,009	46,196
Total current assets	24,231,996	30,401,034
Non-current assets:		
Property, plant and equipment	32,929,088	32,713,280
Less accumulated depreciation	(12,111,144)	(9,586,365)
Property, plant and equipment - net	20,817,944	23,126,915
Other assets	310,000	310,000
Total non-current assets	21,127,944	23,436,915
Total assets	45,359,940	53,837,949
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	628,433	1,764,364
Accrued expenses	988,476	2,099,477
Deferred income	1,243,558	—
Employee entitlements provision	846,177	596,294
Total current liabilities	3,706,644	4,460,135
Non-current liabilities:		
Asset retirement obligations	2,124,532	1,998,060
Employee entitlements provision	172,630	160,675
Deferred income	1,658,077	—
Total non-current liabilities	3,955,239	2,158,735
Total liabilities	7,661,883	6,618,870
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, $0.01 par value. Authorized 1,000,000 shares; issued and outstanding nil in 2011 (2010: nil)		
Common stock, $0.0001 par value. Authorized 300,000,000 shares; issued and outstanding 159,025,161 shares in 2011 (2010: 158,871,495)	15,902	15,887
Additional paid-in capital	78,825,740	77,034,717
Accumulated deficit	(29,533,213)	(22,922,688)
Current year loss	(11,312,060)	(6,610,525)
Accumulated other comprehensive income	(298,312)	(298,312)
Total stockholders' equity	37,698,057	47,219,079
Total liabilities and stockholders' equity	45,359,940	53,837,949

See accompanying notes to the financial statements

Universal Biosensors, Inc.

Consolidated Condensed Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
Revenue				
Revenue from products	$ 2,153,518	$ 3,202,873	$ 7,740,685	$ 6,087,270
Revenue from services	318,869	1,785,331	1,040,918	5,082,243
Total revenue	2,472,387	4,988,204	8,781,603	11,169,513
Operating costs & expenses				
Cost of goods sold (1)	2,314,082	3,136,390	8,500,926	6,611,542
Cost of services	61,257	376,398	265,763	869,652
Research and development (2)	2,317,556	1,543,482	7,035,045	4,897,260
General and administrative (3)	2,029,467	1,675,868	5,235,725	4,934,461
Total operating costs & expenses	6,722,362	6,732,138	21,037,459	17,312,915
Loss from operations	(4,249,975)	(1,743,934)	(12,255,856)	(6,143,402)
Other income/(expense)				
Interest income	145,228	289,296	549,547	922,264
Other	749,727	(47,473)	394,249	96,220
Total other income/(expense)	894,955	241,823	943,796	1,018,484
Net loss before tax	(3,355,020)	(1,502,111)	(11,312,060)	(5,124,918)
Income tax benefit/(expense)	—	—	—	—
Net loss	$ (3,355,020)	$ (1,502,111)	$ (11,312,060)	$ (5,124,918)
Basic and diluted net loss per share	$ (0.02)	$ (0.01)	$ (0.07)	$ (0.03)
Average weighted number of shares used as denominator in calculating basic and diluted net loss per share	159,022,118	157,378,290	158,995,955	157,305,384

Notes:

1 Includes non-cash compensation expense (cost of goods sold)	$ 60,731	$ 28,489	$ 152,273	$ 114,228
2 Includes non-cash compensation expense (research and development)	$ 301,842	$ 172,215	$ 746,019	$ 690,526
3 Includes non-cash compensation expense (general and administrative)	$ 327,015	$ 129,969	$ 815,760	$ 521,128

See accompanying notes to the financial statements.

Universal Biosensors, Inc.

Consolidated Condensed Statements of Changes in Stockholders' Equity and Comprehensive Income (Unaudited)

	Ordinary shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss)/Income	Total Stockholders' Equity
	Shares	Amount				
		A$	A$	A$	A$	A$
Balances at January 1, 2010	157,155,933	15,716	74,566,698	(22,922,688)	(345,724)	51,314,002
Comprehensive income						
Loss on derivatives and hedges, net of tax	—	—	—	—	47,412	47,412
Net loss	—	—	—	(5,124,918)	—	(5,124,918)
Total comprehensive income						(5,077,506)
Exercise of stock options issued to employees	291,450	29	181,026	—	—	181,055
Shares issued to employees	581	—	999	—	—	999
Stock option expense	—	—	1,325,882	—	—	1,325,882
Balances at September 30, 2010	157,447,964	15,745	76,074,605	(28,047,606)	(298,312)	47,744,432
Balances at January 1, 2011	158,871,495	15,887	77,034,717	(29,533,213)	(298,312)	47,219,079
Comprehensive income						
Net loss	—	—	—	(11,312,060)	—	(11,312,060)
Total comprehensive loss						(11,312,060)
Exercise of stock options issued to employees	153,666	15	76,971	—	—	76,986
Stock option expense	—	—	1,714,052	—	—	1,714,052
Balances at September 30, 2011	159,025,161	15,902	78,825,740	(40,845,273)	(298,312)	37,698,057

See accompanying notes to the financial statements.

Universal Biosensors, Inc.

Consolidated Condensed Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2011	2010
	A$	A$
Cash flows from operating activities:		
Net loss	(11,312,060)	(5,124,918)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and impairment of plant & equipment	2,553,838	2,213,954
Share based payments expense	1,714,052	1,325,882
Loss on fixed assets disposal	17,715	—
Change in assets and liabilities:		
Inventory	116,581	(1,153,656)
Accounts receivables	2,304,606	(2,464,834)
Prepaid expenses and other current assets	(853,824)	(170,165)
Accrued income	—	118,305
Deferred revenue	3,055,301	—
Employee entitlements	261,838	103,841
Accounts payable and accrued expenses	(1,518,386)	70,954
Net cash used in operating activities	(3,660,339)	(5,080,637)
Cash flows from investing activities:		
Instalment payments to acquire plant and equipment	—	(831,321)
Purchases of property, plant and equipment	(872,704)	(577,240)
Net cash used in investing activities	(872,704)	(1,408,561)
Cash flows from financing activities:		
Proceeds from stock options exercised	76,986	181,055
Net cash provided by financing activities	76,986	181,055
Net decrease in cash and cash equivalents	(4,456,057)	(6,308,143)
Cash and cash equivalent at beginning of period	23,271,766	31,291,011
Cash and cash equivalents at end of period	18,815,709	24,982,868

See accompanying notes to the financial statement

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

Organization of the Company

We are a specialist medical diagnostics company focused on the research, development and manufacture of in vitro diagnostic test devices for consumer and professional point-of-care use.

We were incorporated in the State of Delaware on September 14, 2001 and our shares of common stock in the form of CHESS Depositary Interests ("CDIs") have been quoted on the Australian Securities Exchange ("ASX") since December 13, 2006. Our wholly owned subsidiary and primary operating vehicle, Universal Biosensors Pty Ltd ("UBS") was incorporated as a proprietary limited company in Australia on September 21, 2001. UBS conducts our research, development and manufacturing activities in Melbourne, Australia.

We have rights to an extensive patent portfolio owned by UBS and licensed to UBS under a license agreement between LifeScan and UBS ("License Agreement"). Unless otherwise noted, references to "LifeScan" in this document are references collectively or individually to LifeScan, Inc., and/or LifeScan Europe, a division of Cilag GmbH International, both affiliates of Johnson and Johnson.

Blood glucose - UBS is a party to a Master Services and Supply Agreement with LifeScan which contains the terms pursuant to which UBS provides services and acts as a non-exclusive manufacturer of the blood glucose test strips we developed. The strips are sold by LifeScan as part of the "One Touch Verio®". LifeScan continues its global rollout of the product which is currently available in major European markets and in Australia. We also undertake research and development work for LifeScan pursuant to a development and research agreement ("Development and Research Agreement").

Coagulation testing market – In September 2011, UBS entered into a collaboration agreement with Siemens Healthcare Diagnostics, Inc. ("Siemens") pursuant to which UBS will develop a range of test strip and reader products for the point-of-care coagulation market for Siemens.

Other electrochemical-cell based tests – We use our technology base to develop a range of electrochemical-cell based tests and are currently developing a D-dimer test and other point-of-care tests for the immunoassay and molecular diagnostics markets.

Interim Financial Statements

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. For further information, refer to the financial statements and footnotes thereto as of and for the year ended December 31, 2010, included in the Form 10-K of Universal Biosensors, Inc.

The year-end consolidated condensed balance sheet data as at December 31, 2010 was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. Certain prior year amounts in the consolidated condensed financial statements have been reclassified to conform to the current presentation.

Basis of Presentation

All amounts in the financial statements are expressed in Australian dollars ("AUD" or "A$") unless otherwise stated.

Universal Biosensors, Inc. and its wholly owned subsidiary UBS (collectively referred to as "Universal Biosensors" or "the Group" or "the Company") financial statements have been prepared assuming the Company will continue as a going concern. We rely largely on our existing cash and cash equivalents balance and operating cash flow to provide for the

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

working capital needs of our operations. We believe we have sufficient cash and cash equivalents to fund our operations for at least the next twelve months. However, in the event, our financing needs for the foreseeable future are not able to be met by our existing cash and cash equivalents balance and operating cash flow, we would seek to raise funds through public or private equity offerings, debt financings, and through other means to meet the financing requirements. There is no assurance that funding would be available at acceptable terms, if at all.

During 2010, the Company ceased to be a development stage enterprise as it has established its commercial scale manufacturing and is generating revenue from its manufacturing operations.

Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary UBS. All intercompany balances and transactions have been eliminated on consolidation.

Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of property, plant and equipment, deferred income taxes, asset retirement obligations and obligations related to employee benefits. Actual results could differ from those estimates.

Cash & Cash Equivalents

The Company considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. For cash and cash equivalents, the carrying amount approximates fair value due to the short maturity of those instruments.

Short-Term Investments (Held-to-maturity)

Short-term investments constitute all highly liquid investments with term to maturity from three months to twelve months. The carrying amount of short-term investments is equivalent to its fair value.

Concentration of Credit Risk and Other Risks and Uncertainties

Cash and cash equivalents and accounts receivables consists of financial instruments that potentially subject the Company to concentration of credit risk to the extent of the amount recorded on the balance sheet. The Company's cash and cash equivalents are invested with two of Australia's four largest banks. The Company is exposed to credit risk in the event of default by the banks holding the cash or cash equivalents to the extent of the amount recorded on the balance sheets. The Company has not experienced any losses on its deposits of cash and cash equivalents. The Company has not identified any collectability issues with respect to receivables.

Derivative Instruments and Hedging Activities

Derivative financial instruments

The Company may use derivative financial instruments to hedge its exposure to foreign exchange arising from operating, investing and financing activities. The Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognized immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

Cash flow hedges

Exposure to foreign exchange risks arises in the normal course of the Company's business and it is generally the Company's policy to use forward exchange contracts to hedge anticipated sales and purchases in foreign currencies. The amount of forward cover taken is in accordance with approved policy and internal forecasts.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in equity. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains and losses that were recognized directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement.

For cash flow hedges, other than those covered by the preceding statement, the associated cumulative gain or loss is removed from equity and recognized in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement and on the same line item as that hedged forecast transaction. The ineffective part of any gain or loss is recognized immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Company revokes designation of the hedge relationship but the hedged forecast transaction is still probable to occur, the cumulative gain or loss at that point remains in equity and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealized gain or loss recognized in equity is recognized immediately in the income statement.

Inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Inventories are principally determined under the average cost method which approximates cost. Cost comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost also includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs of purchased inventory are determined after deducting rebates and discounts.

	September 30, 2011 A$	December 31, 2010 A$
Raw materials – at cost	1,906,412	2,798,045
Work in progress – at cost	111,997	188,629
Finished goods – at cost	1,056,103	204,419
	3,074,512	3,191,093

Receivables

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the best estimate of the amount of probable credit losses in the existing accounts receivable. The allowance is determined based on a review of individual accounts for collectibility, generally focusing on those accounts that are past

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

due. The current year expense to adjust the allowance for doubtful accounts, if any, is recorded within general and administrative expenses in the consolidated statements of operations. Account balances are charged against the allowance when it is probable the receivable will not be recovered.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at acquisition cost.

Depreciation on plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful life of machinery and equipment is 3 to 10 years. Leasehold improvements are amortized on the straight-line method over the shorter of the remaining lease term or estimated useful life of the asset. Maintenance and repairs are charged to operations as incurred and include minor corrections and normal services and does not include items of a capital nature.

	September 30, 2011 A$	December 31, 2010 A$
Plant and equipment	18,671,951	15,110,554
Leasehold improvements	8,722,639	8,810,036
Capital work in process	5,534,498	8,792,690
	32,929,088	32,713,280
Accumulated depreciation and amortisation	(12,111,144)	(9,586,365)
Property, plant & equipment, net	20,817,944	23,126,915

Capital work in process relates to assets under construction and comprises primarily of specialized manufacturing equipment. Legal right to the assets under construction rests with the Company. The amounts capitalized for capital work in process represents the percentage of expenditure that has been completed, and once the assets are placed into service the Company begins depreciating the respective assets. The accumulated amortisation of capitalised leasehold improvements for the period from inception to September 30, 2011 and December 31, 2010 was A$5,153,738 and A$4,090,724, respectively.

The Group receives Victorian government grants under certain research agreements to purchase plant and equipment. Plant and equipment is presented net of the government grant of A$680,221 at September 30, 2011 and A$449,875 at December 31, 2010. The grants are recognized against the acquisition costs of the related plant and equipment as and when the related assets are purchased. Grants received in advance of the relevant expenditure are treated as deferred income and included in Current Liabilities on the balance sheet as the Company does not control the monies until the relevant expenditure has been incurred. Grants due to the Company under research agreements are recorded as Currents Assets on the balance sheet.

Depreciation expense was A$859,507 and A$761,290 for the three months ended September 30, 2011 and 2010, respectively and A$2,553,838 and A$2,213,954 for the nine months ended September 30, 2011 and 2010, respectively.

Research and Development

Research and development expenses consist of costs incurred to further the Group's research and development activities and include salaries and related employee benefits, costs associated with clinical trial and preclinical development, regulatory activities, research-related overhead expenses, costs associated with the manufacture of clinical trial material, costs associated with developing a commercial manufacturing process, costs for consultants and related contract research, facility costs and depreciation. Research and development costs are expensed as incurred.

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

Research and development expenses for the three and nine months ended September 30, 2011 and 2010 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
Research and development expenses	2,317,556	1,543,482	7,035,045	4,897,260

Income Taxes The Company applies ASC 740 - Income Taxes which establishes financial accounting and reporting standards for the effects of income taxes that result from a company's activities during the current and preceding years. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Where it is more likely than not that some portion or all of the deferred tax assets will not be realized, the deferred tax assets are reduced by a valuation allowance. The valuation allowance is sufficient to reduce the deferred tax assets to the amount that is more likely than not to be realized. At present there is a full valuation allowance recognized.

We are subject to income taxes in the United States and Australia. U.S. federal income tax returns up to the 2010 financial year have been filed. Internationally, consolidated income tax returns up to the 2010 financial year have been filed.

Asset Retirement Obligations

Asset retirement obligations ("ARO") are legal obligations associated with the retirement and removal of long-lived assets. ASC 410 – Asset Retirement and Environmental Obligations requires entities to record the fair value of a liability for an asset retirement obligation when it is incurred. When the liability is initially recorded, the Company capitalizes the cost by increasing the carrying amounts of the related property, plant and equipment. Over time, the liability increases for the change in its present value, while the capitalized cost depreciates over the useful life of the asset. The Company derecognizes ARO liabilities when the related obligations are settled.

The ARO is in relation to our premises where in accordance with the terms of the lease, the lessee has to restore part of the building upon vacating the premises.

Our overall ARO changed as follows:

	Nine Months Ended September 30, 2011	Year Ended December 31, 2010
	A$	A$
Opening balance	1,998,060	1,842,547
Accretion expense	126,472	155,513
Ending balance	2,124,532	1,998,060

Fair Value of Financial Instruments

The carrying value of all current assets and current liabilities approximates fair value because of their short-term nature. The estimated fair value of all other amounts has been determined, depending on the nature and complexity of the assets or the liability, by using one or all of the following approaches:

- Market approach – based on market prices and other information from market transactions involving identical or comparable assets or liabilities

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

- Cost approach – based on the cost to acquire or construct comparable assets less an allowance for functional and/or economic obsolescence
- Income approach – based on the present value of a future stream of net cash flows

These fair value methodologies depend on the following types of inputs:

- Quoted prices for identical assets or liabilities in active markets (Level 1 inputs)
- Quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active or are directly or indirectly observable (Level 2 inputs)
- Unobservable inputs that reflect estimates and assumptions (Level 3 inputs)

Impairment of Long-Lived Assets

The Company reviews its capital assets, including patents and licenses, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. In performing the review, the Company estimates undiscounted cash flows from products under development that are covered by these patents and licenses. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying amount of the asset. If the evaluation indicates that the carrying value of an asset is not recoverable from its undiscounted cash flows, an impairment loss is measured by comparing the carrying value of the asset to its fair value, based on discounted cash flows.

Australian Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognized as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis.

Revenue Recognition

We recognize revenue from all sources based on the provisions of the U.S. SEC's Staff Accounting Bulletin No. 104 and ASC 605 Revenue Recognition.

The Company's revenue represents revenue from sales of products, provision of services and collaborative research and development agreements.

We recognize revenue from sales of products at the time title of goods passes to the buyer and the buyer assumes the risks and rewards of ownership. Generally, this is at the time products are shipped to the customer.

Revenue from services are recognized when a persuasive evidence of an arrangement exists, services have been rendered, the price is fixed or determinable, and collectability is reasonably assured. Revenue recognition principles are assessed for each new contractual arrangement and the appropriate accounting is determined for each service.

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

Where our agreements contain multiple elements, or deliverables, such as the manufacture and sale of products, provision of services or research and development activities, they are assessed to determine whether separate delivery of the individual elements of such arrangements comprises more than one unit of accounting. Where an arrangement can be divided into separate units of accounting (each unit constituting a separate earnings process), the arrangement consideration is allocated amongst those varying units based on their best estimate of selling price and the applicable revenue recognition criteria applied to the separate units.

Under ASC 605-25, which the Company adopted on January 1, 2009, the delivered item(s) are separate units of accounting, provided (i) the delivered item(s) have value to a customer on a stand-alone basis, and (ii) if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item(s) is considered probable and substantially in our control. Where the arrangement cannot be divided into separate units, the individual deliverables are combined as a single unit of accounting and the total arrangement consideration is recognized across other deliverables in the arrangement or over the estimated collaboration period. Payments under these arrangements typically include one or more of the following: non-refundable, upfront payments; funding of research and/or development efforts; and milestone payments.

We typically generate milestone payments from our customers pursuant to the various agreements we have with them. We record upfront payments and other similar non-refundable payments received under these agreements as deferred revenue and recognize them as revenue either over the estimated performance period stipulated in the agreement or across other deliverables in the arrangement. Non-refundable milestone payments which represent the achievement of a significant technical/regulatory hurdle in the research and development process, pursuant to collaborative agreements, are recognized as revenue upon the achievement of the specified milestone.

Management has concluded that the core operations of the Company are expected to be the research and development activities, commercial manufacture of approved medical or testing devices and the provision of services. The Company's ultimate goal is to utilize the underlying technology and skill base for the development of a marketable product that the Company will manufacture. The Company considers revenue from the sales of products, revenue from services and the income received from milestone payments indicative of its core operating activities or revenue producing goals of the Company, and as such have accounted for this income as "revenues".

Interest income

Interest income is recognized as it accrues, taking into account the effective yield on the cash and cash equivalents.

Foreign Currency

Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and UBS is AUD or A$ for all years presented.

The consolidated financial statements are presented using a reporting currency of Australian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Operations.

The Company has recorded foreign currency transaction (losses)/gains of A$852,183 and (A$382,664) for the three months ended September 30, 2011 and 2010, respectively and A$484,504 and (A$242,634) for the nine months ended September 30, 2011 and 2010, respectively.

Universal Biosensors, Inc.

Notes to Consolidated Condensed Financial Statements (Unaudited)

The results and financial position of all the Group entities that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities for each balance sheet item reported are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to the Accumulated Other Comprehensive Income.

Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. These were nil as at September 30, 2011 and December 31, 2010.

Patent and License Costs

Legal fees incurred for patent application costs have been charged to expense and reported in research and development expense. Legal fees incurred for patents relating to commercialized products are capitalized and amortised over the life of the patents.

Clinical Trial Expenses

Clinical trial costs are a component of research and development expenses. These expenses include fees paid to participating hospitals and other service providers, which conduct certain testing activities on behalf of the Company. Depending on the timing of payments to the service providers and the level of service provided, the Company records prepaid or accrued expenses relating to these costs.

These prepaid or accrued expenses are based on estimates of the work performed under service agreements.

Leased Assets

All of the Company's leases are considered operating leases. The costs of operating leases are charged to the statement of operations on a straight-line basis over the lease term.

Stock-based Compensation

As of January 1, 2006, the Company adopted ASC 718, using the modified prospective method, which requires measurement of compensation expense of all stock-based awards at fair value on the date of grant and amortization of the fair value over the vesting period of the award. The Company has elected to use the straight-line method of amortization. Under the modified prospective method, the provisions of ASC 718 apply to all awards granted or modified after the date of adoption. In addition, the unrecognized expense of awards not yet vested at the date of adoption, determined under the original provisions of ASC 718 shall be recognized in net income in the periods after adoption. The fair value of stock options is determined using the Trinomial Lattice model, which is consistent with valuation techniques previously utilized for options in footnote disclosures required under ASC 718, as amended by ASC 718. Such value is recognized as expense over the service period, net of estimated forfeitures, using the straight-line method under ASC 718. There were no transitional adjustments on adoption of ASC 718.

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Notes to Consolidated Condensed Financial Statements (Unaudited)

In accordance with ASC 718, the fair value of the option grants was estimated on the date of each grant using the Trinomial Lattice model. The assumptions for these option grants issued during the 2010 financial year and for the nine month period ended September 30, 2011 were:

	Grant Date					
	Sep-11	Mar-11	Feb-11	Nov-10	Nov-10	Feb-10
Exercise Price (A$)	1.00	1.37	1.38	Nil	1.58	1.60
Share Price at Grant Date (A$)	1.00	1.37	1.38	1.58	1.58	1.60
Volatility	69%	70%	71%	72%	72%	77%
Expected Life (years)	7	7	7	7	7	7
Risk Free Interest Rate	3.89%	5.36%	5.45%	5.27%	5.27%	5.34%
Fair Value of Option (A$)	0.59	0.83	0.83	1.58	0.96	0.99

Stock option activity during the current period is as follows:

	Number of shares	Weighted average exercise price A$
Balance at December 31, 2010	8,539,704	0.93
Granted	2,753,000	1.37
Exercised	(153,666)	0.52
Lapsed	(196,668)	1.30
Balance at September 30, 2011	10,942,370	1.04

The number of options exercisable as at September 30, 2011 and December 31, 2010 was 5,744,550 and 5,908,214, respectively.

As of September 30, 2011, there was A$1,952,640 of unrecognized compensation expense related to unvested share-based compensation arrangements under the Employee Option Plan. This expense is expected to be recognized as follows:

Fiscal Year	A$
2011 – remaining periods	719,050
2012	947,442
2013	271,790
2014	14,358
	1,952,640

Employee Benefit Costs

The Group contributes to standard defined contribution superannuation funds on behalf of all employees at nine percent of each such employee's salary. Superannuation is a compulsory savings program whereby employers are required to pay a portion of an employee's remuneration to an approved superannuation fund that the employee is typically not able to access until they are retired. The Company permits employees to choose an approved and registered superannuation fund into which the contributions are paid. Contributions are charged to the statement of operations as they become payable.

Net Profit/(Loss) per Share and Anti-dilutive Securities

Basic and diluted net profit/(loss) per share is presented in conformity with ASC 260 – Earnings per Share. Basic and diluted net profit/(loss) per share has been computed using the weighted-average number of common shares outstanding during the period. Other than in a profit making year, the potentially dilutive options issued under the Universal Biosensors Employee Option Plan were not considered in the computation of diluted net profit/(loss) per share because they would be anti-dilutive given the Company's loss making position.

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Notes to Consolidated Condensed Financial Statements (Unaudited)

Total Comprehensive Income

The Company follows ASC 220 – Comprehensive Income. Comprehensive income is defined as the total change in shareholders' equity during the period other than from transactions with shareholders, and for the Company, includes net income and cumulative translation adjustments.

Recent Accounting Pronouncements

In April 2010, the FASB issued ASU 2010-13, "Compensation—Stock Compensation (Topic 718): Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades," or ASU 2010-13. This ASU provides amendments to Topic 718 to clarify that an employee share-based payment award with an exercise price denominated in currency of a market in which a substantial portion of the entity's equity securities trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The adoption of ASU 2010-13 did not have a material impact on the Company's consolidated financial statements.

Related Party Transactions

Details of related party transactions material to the operations of the Group other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business, are set out below:

Based on the latest Amendment to Schedule 13G filed on February 10, 2011, Johnson and Johnson Development Corporation (a venture capital subsidiary of Johnson & Johnson) beneficially held 18,207,030 shares in the Company as at December 31, 2010. The latest available Thomson Renters report, a third party independent analyst, indicates that as of September 15, 2011, Johnson and Johnson Development Corporation has reduced their shareholding to 14,931,659 shares in the Company.

The following transactions occurred with LifeScan, a wholly owned subsidiary of Johnson & Johnson:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
Current Receivables				
Sale of products			1,183,281	2,018,684
Sale of services			96,246	213,784
			1,279,527	2,232,468
Revenue				
Revenue from products	2,153,518	3,202,873	7,740,685	6,087,270
Revenue from services	318,869	1,785,331	1,040,918	5,082,243
	2,472,387	4,988,204	8,781,603	11,169,513

In September 2011, we entered into a license agreement with SpeeDx Pty Ltd ("SpeeDx") pursuant to which SpeeDx granted us a license in the field of molecular diagnostics. Under the agreement we make milestone payments and royalty payments to SpeeDx. Messrs Denver and Jane are directors of the Company and SpeeDx Pty Ltd. Certain of our substantial shareholders also hold substantial shareholdings in SpeeDx. CM Capital Pty Ltd, which holds approximately 11% of our shares and of which Mr Jane is a director, holds approximately 34% of the issued shares in SpeeDx. PFM

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Notes to Consolidated Condensed Financial Statements (Unaudited)

Cornerstone Limited, which holds approximately 8% of our shares and of which Messrs Denver and Hanley and Dr Adam are directors, holds approximately 34% of the issued shares in SpeeDx. Johnson & Johnson Development Corporation has a beneficial interest in approximately 9% of our shares. An affiliate of Johnson & Johnson, Johnson and Johnson Research Pty Ltd owns approximately 13% of issued shares in SpeeDx.

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Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that we believe is relevant to an assessment and understanding of our results of operations and financial condition. You should read this analysis in conjunction with our audited consolidated financial statements and related footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Form 10-K filed with the United States Securities and Exchange Commission ("SEC"). This Form 10-Q contains, including this discussion and analysis, certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by such acts. For this purpose, any statements that are not statements of historical fact may be deemed to be forward looking statements, including statements relating to future events and our future financial performance. Those statements in this Form 10-Q containing the words "believes", "anticipates", "plans", "expects", and similar expressions constitute forward looking statements, although not all forward looking statements contain such identifying words.

The forward looking statements contained in this Form 10-Q are based on our current expectations, assumptions, estimates and projections about the Company and its businesses. All such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those results expressed or implied by these forward-looking statements, including those set forth in this Quarterly Report on Form 10-Q.

Our Business

We are a specialist medical diagnostics company focused on the research, development and manufacture of in vitro diagnostic test devices for consumer and professional point-of-care use.

We were incorporated in the State of Delaware on September 14, 2001 and our shares of common stock in the form of CHESS Depositary Interests ("CDIs") have been quoted on the Australian Securities Exchange ("ASX") since December 13, 2006. Our wholly owned subsidiary and primary operating vehicle, UBS was incorporated as a proprietary limited company in Australia on September 21, 2001. UBS conducts our research, development and manufacturing activities in Melbourne, Australia.

We have rights to an extensive patent portfolio owned by UBS and licensed to UBS under a license agreement between LifeScan and UBS ("License Agreement"). Unless otherwise noted, references to "LifeScan" in this document are references collectively or individually to LifeScan, Inc., and/or LifeScan Europe, a division of Cilag GmbH International, both affiliates of Johnson and Johnson.

Blood glucose – UBS is a party to a Master Services and Supply Agreement with LifeScan which contains the terms pursuant to which UBS provides services and acts as a non-exclusive manufacturer of the blood glucose test strips we developed. The strips are sold by LifeScan as part of the "One Touch Verio®". LifeScan continues its global rollout of the product which is currently available in major European markets and in Australia. We also undertake research and development work for LifeScan pursuant to a development and research agreement ("Development and Research Agreement").

Coagulation testing market – In September 2011, UBS entered into collaboration agreement with Siemens Healthcare Diagnostics, Inc. ("Siemens") pursuant to which UBS will develop a range of test strip and reader products for the point-of-care coagulation market for Siemens.

Other electrochemical-cell based tests – We use our technology base to develop a range of electrochemical-cell based tests and are currently developing a D-dimer test and other point-of-care tests for the immunoassay and molecular diagnostics markets.

We do not currently intend to establish our own sales and marketing force to commercialize any of the non-blood glucose products which we develop. Rather, our strategy is focused on establishing collaborative partnerships for our platform with major multinationals whose ambition is to lead in key clinical and market segments.

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Results of Operations

Revenue from Products

We commenced manufacture of blood glucose test strips for the "One Touch Verio®" product in December 2009. LifeScan is continuing its global launch of the "One Touch Verio®" . The manufacturing results of the blood glucose test strips during the respective periods are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
Revenue from products	2,153,518	3,202,873	7,740,685	6,087,270
Cost of goods sold	(2,314,082)	(3,136,390)	(8,500,926)	(6,611,542)
	(160,564)	66,483	(760,241)	(524,272)

Pursuant to the agreement we have with LifeScan, one of two pricing methodologies will apply depending on whether we are manufacturing above or below a specified quantity of blood glucose tests strips in a quarter. If less than the specified quantity of test strips is produced within a quarter, we are considered to be in the "interim costing period". In the interim costing period, the Company is not expected to generate any profit from the manufacture of test strips, but is expected to recover most of its glucose manufacturing costs. As manufactured volumes increase beyond the specified quantity of blood glucose test strips per quarter, the interim costing period will cease to apply and a different pricing methodology will apply, at which time we expect our blood glucose manufacturing operations to be profitable. We were in the interim costing period during the three and nine months period ended September 30, 2011 and 2010. Revenue from product sales varies every quarter and is dependent upon LifeScan's requirements.

Revenue from Services

We provide various services to LifeScan. The revenue is grouped into the following categories:

- Contract research and development – we undertake contract research and development in the area of diabetes management for LifeScan;
- Product enhancement – a service fee based on the number of strips sold by LifeScan is payable to us as an ongoing reward for our services and efforts to enhance the product;
- Other services – ad-hoc services provided on an agreed basis based on LifeScan's requirements.

There are different arrangements for each service being provided. The net contribution during the respective periods in relation to the provision of services is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
Revenue from services	318,869	1,785,331	1,040,918	5,082,243
Cost of services	(61,257)	(376,398)	(265,763)	(869,652)
	257,612	1,408,933	775,155	4,212,591

The net contribution during the three and nine months ended September 30, 2011 has decreased by 82% and 82% compared to the same period in the previous financial year. The nature and scope of the services is determined by our partner. In October 2011, we commenced a new research and development project for LifeScan to determine the feasibility of an innovative blood glucose product. The feasibility project is expected to take 12 months for which we expect to receive US$4.5 million subject to our achieving certain milestones.

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Milestone Payment

We received a non-refundable payment of US$3 million in September 2011 upon entering into a collaboration agreement with Siemens. This deliverable is not a separate unit of accounting and has been recorded as deferred revenue and will be recognized as revenue across other deliverables in the arrangement with Siemens.

Research and Development Expenses

Research and development expenses are related to developing electrochemical cell platform technologies. Research and development expenses consist of costs associated with research activities, as well as costs associated with our product development efforts, including pilot manufacturing costs. Research and development expenses include:

- consultant and employee related expenses, which include consulting fees, salary and benefits;
- materials and consumables acquired for the research and development activities;
- external research and development expenses incurred under agreements with third party organizations and universities; and
- facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities, depreciation of leasehold improvements and equipment and laboratory and other supplies.

Our principal research and development activities can be described as follows:

(a) Blood coagulation

Since 2005, we have undertaken development work on a prothrombin time test for monitoring the therapeutic range of the anticoagulant, warfarin, based on measuring activity of the enzyme thrombin. In September 2011 we entered into a collaboration agreement with Siemens pursuant to which will develop a range of test strip and reader products for the point-of-care coagulation market. The first test to be developed will be a modified version of a prothrombin time (“PT”)/ International normalized ratio (“INR”) test developed by UBS, followed by other tests in the point-of-care coagulation market.

We expect product validation for this test during 2012.

(b) Immunoassay

We are continuing to develop on our immunoassay platform. We are developing a D-dimer test for the detection and monitoring of several conditions associated with thrombotic disease, particularly deep venous thrombosis (clots in the leg) and pulmonary embolism (clots in the lung). Development work on this project has been undertaken since early 2008.

This test illustrates the ability for the electrochemical cell platform technology to be expanded to a range of immunoassay tests.

(c) DNA/RNA

We have undertaken some early stage feasibility work assessing the possibility of using DNA binding chemistries to build a strip test for DNA, RNA and as a possible alternative method for improving the sensitivity of protein assays. This concept work is at an early stage and may not yield any positive results. We have recently entered into a license to access certain molecular diagnostic technology.

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Research and development expenses for the respective periods are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
Research and development expenses	2,317,556	1,543,482	7,035,045	4,897,260

Research and development expenditure increased by 50% and 44% during the three and nine months ended September 30, 2011 compared to the same period in the previous financial year and reflects the development stage of one of our research and development projects (prothrombin time test) being undertaken this financial year. Research and development costs generally increase during the final stages of any research and development activity.

While it is entirely within our control as to how much we spend on research and development activities in the future, we cannot predict what it will cost to complete our individual research and development programs successfully or when or if they will be commercialized. The timing and cost of any program is dependent upon achieving technical objectives, which are inherently uncertain.

In addition, our business strategy is to enter into collaborative arrangements with third parties. These third parties will have an important role in directing and potentially funding the research and development activities.

General and Administrative Expenses

General and administrative expenses currently consist principally of salaries and related costs, including stock option expense, for personnel in executive, finance, quality and regulatory, accounting, information technology and human resources functions. Other general and administrative expenses include depreciation, repairs and maintenance, insurance, facility costs not otherwise included in research and development expenses, consultancy fees and professional fees for legal, audit and accounting services.

General and administrative expenses for the respective periods are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	A$	A$	A$	A$
General and administrative expenses	2,029,467	1,675,868	5,235,725	4,934,461

General and administrative expenditure increased by 21% and 6% during the three and nine months ended September 30, 2011 compared to the same period previous financial year. This increase in expenses mainly reflects efforts put into business development to establish partnerships in the field outside the area of glucose and diabetes.

Interest Income

Interest income decreased by 50% and 40% during the three and nine months ended September 30, 2011 compared to the same period in the previous financial year. The decrease in interest income is attributable to the lower amount of funds available for investment.

Critical Accounting Estimates and Judgments

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, costs and expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates.

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We believe that of our significant accounting policies, which are described in the notes to our consolidated financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, we believe that the following accounting policies are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

(a) Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is probable. Product is considered delivered to the customer once it has been shipped and title and risk of loss have been transferred.

In addition, the Company enters into arrangements which contain multiple revenue generating activities. The revenue for these arrangements is recognized as each activity is performed or delivered, based on the relative fair value and the allocation of revenue to all deliverables based on their relative selling price. In such circumstances, the Company uses a hierarchy to determine the selling price to be used for allocation of revenue to deliverables, vendor-specific objective evidence, third-party evidence of selling price and best estimate of selling price. The Company's process for determining its best estimate of selling price for deliverables without vendor-specific objective evidence or third-party evidence of selling price involves management's judgment. The Company's process considers multiple factors that may vary depending upon the unique facts and circumstances related to each deliverable.

(b) Stock-Based Compensation

We account for stock-based employee compensation arrangements using the modified prospective method as prescribed in accordance with the provisions of ASC 718 – Compensation – Stock Compensation.

Each of the inputs to the Trinomial Lattice model is discussed below.

Share Price at Valuation Date

The value of the options granted in 2008 and 2009 have been determined using the average closing price of the Company's common stock on the ASX on the five days on which the Company's common stock has traded prior to the approval of grant. The value of the options granted since 2010 has been determined using the closing price of our common stock trading in the form of CDIs on ASX at the time of grant of the options. The ASX is the only exchange upon which our securities are quoted.

Volatility

We applied an annual volatility determined partially by reference to the annual volatilities of a number of ASX listed companies of a similar size and with similar operations but also having regard to the volatility on the trading data of our shares in the form of CDIs available from the ASX.

Time to Expiry

All options granted under our share option plan have a maximum 10 year term and are non-transferable.

Risk Free Rate

The risk free rate which we applied is equivalent to the yield on an Australian government bond with a time to expiry approximately equal to the expected time to expiry on the options being valued.

(c) Research and Development Expenditure

We receive grant funding under state and government research grant agreements to undertake work on the applicable grant programs. In order to receive the grant funding, our existing grant agreements require us to incur specified eligible expenditure in the conduct of the applicable grant program. There are circumstances where grant funding may not be

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payable and there are certain limited circumstances, such as when we fail to use our best endeavors to commercialize the program within a reasonable time of completion of the program or upon termination of a grant due to our breach of the agreement or our insolvency, where we may be required to repay some or all of the research grants. To date we have not been requested to repay any of our grant monies. The grants are recognized against the related research and development expenses as and when the relevant research expenditure is incurred.

(d) Income Taxes

We apply ASC 740 – Income Taxes which establishes financial accounting and reporting standards for the effects of income taxes that result from a company's activities during the current and preceding years. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Where it is more likely than not that some portion or all of the deferred tax assets will not be realized the deferred tax assets are reduced by a valuation allowance. The valuation allowance is sufficient to reduce the deferred tax assets to the amount that is more likely than not to be realized.

(e) Impairment of Long-Lived Assets

We review our capital assets, including patents and licenses, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. In performing the review, we estimate undiscounted cash flows from products under development that are covered by these patents and licenses. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying amount of the asset. If the evaluation indicates that the carrying value of an asset is not recoverable from its undiscounted cash flows, an impairment loss is measured by comparing the carrying value of the asset to its fair value, based on discounted cash flows.

Financial Condition, Liquidity and Capital Resources

Net Financial Assets/(Liabilities)

Our net financial assets/(liabilities) position is shown below:

	Nine Months Ended September 30, 2011 A$	Year Ended December 31, 2010 A$
Financial assets:		
Cash and cash equivalents	18,815,709	23,271,766
Accounts receivables	1,284,192	3,588,798
Total financial assets	20,099,901	26,860,564
Debt:		
Short and long term debt/borrowings	—	—
Total debt	—	—
Net financial assets	20,099,901	26,860,564

We rely largely on our existing cash and cash equivalents and operating cash flow to provide for the working capital needs of our operations. We believe we have sufficient cash and cash equivalents to fund our operations for at least the next twelve months. However, in the event, our financing needs for the foreseeable future are not able to be met by our existing cash and cash equivalents and operating cash flow, we would seek to raise funds through public or private equity offerings, debt financings, and through other means to meet the financing requirements. There is no assurance that funding would be available at acceptable terms, if at all.

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Measures of Liquidity and Capital Resources

The following table provides certain relevant measures of liquidity and capital resources:

	Nine Months Ended September 30, 2011	Year Ended December 31, 2010
	A$	A$
Cash and cash equivalents	18,815,709	23,271,766
Working capital	20,525,352	25,940,899
Ratio of current assets to current liabilities	6.54 : 1	6.82 : 1
Shareholders' equity per common share	0.24	0.30

The changes in cash and cash equivalents and working capital from December 31, 2010 to September 30, 2011 was primarily due to the timing of cash receipts, payments, sales and accruals in the ordinary course of business. We have not identified any collectability issues with respect to receivables.

Summary of Cash Flows

	Nine Months Ended September 30,	
	2011	2010
	A$	A$
Cash provided by/(used in):		
Operating activities	(3,660,339)	(5,080,637)
Investing activities	(872,704)	(1,408,561)
Financing activities	76,986	181,055
Net decrease in cash and cash equivalents	(4,456,057)	(6,308,143)

Our net cash used in operating activities during the nine months ended September 30, 2011 and 2010 was primarily for our research and development projects and the support and infrastructure required to assist in carrying out these research and development activities.

Our net cash used in investing activities for all years is primarily for the purchase of various plant and equipment and fit out of our facilities.

Our net cash provided by financing activities is primarily proceeds received from employees exercising their options.

Off-Balance Sheet Arrangement

The future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of September 30, 2011 are:

	A$
Less than 1 year	551,382
1 – 3 years	855,057
3 – 5 years	—
More than 5 years	—
Total minimum lease payments	1,406,439

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The above relates to our operating lease obligations in relation to the lease of our premises and certain office equipment.

Contractual Obligations

Our future contractual obligations at September 30, 2011 were as follows:

	Payments Due By Period				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
	A$	A$	A$	A$	A$
Long-Term Debt Obligations	—	—	—	—	—
Asset Retirement Obligations (1)	2,124,532	—	2,124,532	—	—
Operating Lease Obligations (2)	1,406,439	551,382	855,057	—	—
Purchase Obligations (3)	4,008,351	2,008,351	2,000,000	—	—
Other Long-Term Liabilities on Balance Sheet under GAAP (4)	172,630	—	114,323	53,230	5,077
Total	7,711,952	2,559,733	5,093,912	53,230	5,077

(1) Represents legal obligations associated with the retirement and removal of long-lived assets.
(2) Our operating lease obligations relate primarily to the lease of our premises.
(3) Represents outstanding purchase orders and contractual obligations that are payable on the achievement of certain milestones
(4) Represents long service leave owing to the employees.

Segments

We operate in one segment. Our principal activities are research and development, commercial manufacture of approved medical or testing devices and the provision of services including contract research work. We operate predominantly in one geographical area - Australia.

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Item 3 Quantitative and Qualitative Disclosures About Market Risk

Financial Risk Management

The overall objective of our financial risk management program is to seek to minimize the impact of foreign exchange rate movements and interest rate movements on our earnings. We manage these financial exposures through operational means and by using financial instruments. These practices may change as economic conditions change.

Foreign Currency Market Risk

We transact business in various foreign currencies, including U.S. dollars and Euros. We have established a foreign currency hedging program using forward contracts to hedge the net projected exposure for each currency and the anticipated sales and purchases in U.S. dollars and Euros. The goal of this hedging program is to economically guarantee or lock-in the exchange rates on our foreign exchange exposures. The Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

During the three month period ended September 30, 2011, the Company did not hedge its exposure to foreign exchange. As at balance sheet date, there were no open derivatives.

Interest Rate Risk

Since the majority of our cash and cash equivalents investments are in AUD, our exposure to interest income is affected by changes in the general level of Australian interest rates. The primary objective of our investment activities is to preserve principal while at the same time maximizing the income we receive without significantly increasing risk. Our investment portfolio is subject to interest rate risk but due to the short duration of our investment portfolio, we believe an immediate 10% change in interest rates would not be material to our financial condition or results of operations.

Universal Biosensors, Inc.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. At the end of the period covered by this report, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Paul Wright, Chief Executive Officer, and Salesh Balak, Chief Financial Officer, reviewed and participated in this evaluation. Based on this evaluation, Messrs. Wright and Balak concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting. During the fiscal quarter ended September 30 , 2011, there were no changes in the Company's internal control over financial reporting identified in connection with the evaluation of such that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Universal Biosensors, Inc.

PART II

Item 1 Legal Proceedings

None.

Item 1A Risk Factors

None.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

With the exception of the issuance of shares of Common Stock upon the exercise of stock options issued to employees, there has been no sale of new equity securities by the Company since December 31, 2010. The table below sets forth the number of employee stock options exercised and the number of shares issued in the nine month period ended September 30, 2011. The Company issued these shares in reliance upon exemptions from registration under Regulation S under the Securities Act of 1933, as amended.

Exercise Date	Number of Options Exercised and Corresponding Number of Shares Issued	Option Exercise Price	Proceeds Received (A$)
January	50,000	A$0.89	44,500
January	26,667	Nil	—
January	13,333	A$0.50	6,667
January	6,666	A$0.94	6,266
March	40,000	US$0.22	8,693
May	6,667	A$0.70	4,667
May	2,333	A$0.94	2,193
August	8,000	A$0.50	4,000
	153,666		76,986

The funds raised will be used for working capital requirements including the continued development of our existing pipeline and point-of-care tests and to identify and develop additional tests.

Item 3 Defaults Upon Senior Securities

None.

Item 4 [Removed and Reserved]

Item 5 Other Information

None.

Item 6 Exhibits

Universal Biosensors, Inc.

Exhibit No	Description	Location
10.20	Collaboration Agreement between Siemens Healthcare Diagnostics, Inc. and Universal Biosensors Pty Ltd	Filed herewith – confidential treatment requested
10.21	Statement of Work for MAP Feasibility Project	Filed herewith - confidential treatment requested
10.22	Novation Agreement and First Amendment to the Amended and Restated Master Services and Supply Agreement between LifeScan, Inc, Cilag GmbH International, Universal Biosensors Pty Ltd and Universal Biosensors, Inc.	Filed herewith
10.23	Second Amendment to the Amended and Restated Master Services and Supply Agreement between Cilag GmbH International, Universal Biosensors Pty Ltd and Universal Biosensors, Inc.	Filed herewith - confidential treatment requested
31.1	Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification (Principal Financial Officer)	Filed herewith
32	Section 1350 Certificate	Furnished herewith
101	The following materials from the Universal Biosensors, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Condensed Balance Sheets, (ii) the Consolidated Condensed Statements of Operations, (iii) the Consolidated Condensed Statements of Changes in Stockholder's Equity and Comprehensive Income, (iv) the Consolidated Condensed Statements of Cash Flows and (v) the Notes to Consolidated Condensed Financial Statements tagged as blocks of text	As provided in Rule 406T of Regulation S-T, this information is furnished herewith and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934

Universal Biosensors, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIVERSAL BIOSENSORS, INC.
(Registrant)

By: /s/ Paul Wright
Paul Wright
Principal Executive Officer

Date: November 3, 2011

By: /s/ Salesh Balak
Salesh Balak
Principal Financial Officer

Date: November 3, 2011

INDEX TO EXHIBITS
Quarterly Report on Form 10-Q
Dated November 3**, 2011**

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Exhibit 10.20

Collaboration Agreement
- hereinafter referred to as "Agreement" -

by and between

Universal Biosensors Pty Ltd.
with a place of business of 1 Corporate Avenue, Rowville, Victoria 3178, Australia

- hereinafter referred to as ***"UBI"*** -

and

Siemens Healthcare Diagnostics Inc.
with a place of business at 511 Benedict Avenue, Tarrytown, NY, United States

- hereinafter referred to as ***"Siemens"*** -

- UBI and Siemens hereinafter referred to individually
as ***"Party"*** or collectively as ***"Parties"*** -

Table of Contents

PREAMBLE

WHEREAS, UBI is developing a PT/INR test strip and associated reader and would agree to modify the test strip and develop certain additional coagulation-related test strips and a second reader for Siemens;

WHEREAS, Siemens is interested in entering the hospital point-of-care coagulation market by distributing highly competitive products, including a modified version of UBI's PT/INR strip and reader and specified additional test strips and a new reader which UBI would develop;

WHEREAS, the Parties desire to collaborate in the development of these products;

WHEREAS, Siemens wishes to obtain, and UBI is willing to grant to Siemens, a license under certain intellectual property rights of UBI for the purpose of development, manufacture and commercialization of these products, on the terms and subject to the conditions set forth herein; and

WHEREAS, by entering into this Agreement, UBI and Siemens will commit to entering into one or more separate supply agreements pursuant to which UBI would manufacture and supply to Siemens, and Siemens would purchase, test strips, on the terms and subject to the conditions set forth herein.

NOW THEREFORE, the Parties hereby agree as follows:

Article 1 - Definitions

1.1 "Acceptance Test" shall have the meaning ascribed to such term in Section 5.1.

1.2 "Affiliate" shall mean any corporation or other business entity controlled by, controlling, or under common control with the affected party, wherein control means direct or indirect ownership of at least fifty-percent (50%) of the voting stock, or at least fifty-percent (50%) interest in the income, of such corporation or other business entity, or in either case the maximum amount allowed by local law.

1.3 "Collaboration Invention" shall mean any invention or discovery, whether or not patentable, made in the course and as a result of the conduct of the Development Work pursuant to this Agreement, either solely by one or more employees or contractors of a Party or jointly by one or more employees or contractors of UBI and one or more employees or contractors of Siemens.

1.4 "Confidential Information" shall mean any information and data, including, but not limited to, any kind of business, commercial or technical information and data disclosed by one Party to the other Party in connection with this Agreement, irrespective of the medium in which such information or data is embedded, which is - when disclosed in tangible form - marked "Confidential" by the disclosing Party or which is - when disclosed orally or visually - identified as such prior to disclosure and summarized in writing by the disclosing Party and said summary is given to the receiving Party within 30 days after such disclosure marked "Confidential".

1.5 "Control" shall mean, with respect to any Know-How or Proprietary Rights, possession by a Party of the right, power and authority (whether by ownership, license or otherwise) to grant access to, to grant use of, or to grant a license or a sublicense to such

Know-How or Proprietary Rights without violating the terms of any agreement or other arrangement with any Third Party or incurring payment obligations to any Third Party under the terms of any agreement or other arrangement with any Third Party.

1.6 "Development Plan" shall mean a written plan detailing the specific Product development, verification, validation and testing activities to be conducted pursuant to this Agreement, the initial form of which has been mutually agreed to by the Parties as of the Effective Date.

1.7 "Development Results" shall mean any and all results, data, Know-How and Collaboration Inventions, whether or not protected, patentable and/or copyrightable or capable of being protected in any other way, in any form, that, in each case, are generated or developed by or on behalf of UBI or Siemens, or jointly by or on behalf of UBI and Siemens, in the course and as a result of the conduct of the Development Work pursuant to this Agreement.

1.8 "Development Term" shall mean the period commencing on the Effective Date and, unless this Agreement is earlier terminated in accordance with Article 11 or any other specific termination right provided for herein, shall expire upon completion of all Development Work in accordance with Articles 3, 4 and 5, including execution of a Supply Agreement for each Strip Product in accordance with Section 3.10.

1.9 "Development Work" shall mean the Product development work to be undertaken by Parties as set forth in Articles 3, 4 and 5 and the Development Plan.

1.10 "Effective Date" shall mean September 9, 2011.

1.11 "Field" shall mean Field 1 and Field 2, each as defined below:

1.11.1 "Field 1" shall mean *in vitro* testing or monitoring of Prothrombin Time and International Normalized Ratio (PT/INR), ***[REDACTED]**, and/or ***[REDACTED]**,, in each case, solely in the hospital point-of-care market segment and other entities that purchase test strips for PT/INR, ***[REDACTED]**, through a hospital purchasing system; and

1.11.2 "Field 2" shall mean *in vitro* testing or monitoring of PT/INR, ***[REDACTED]**, in each case, solely in the ambulatory care market segment, which includes, without limitation, out-patient clinics, rural clinics, pharmacy clinics, company-sponsored clinics, doctor's offices, group practices, nursing homes, senior facilities, board-and-care facilities, and other entities that purchase test strips for PT/INR, ***[REDACTED]**, independently of a hospital purchasing system.

For the avoidance of doubt, the Field excludes *in vitro* testing or monitoring of PT/INR, ***[REDACTED]**, (a) in the at-home testing or patient self-testing market segments, or (b) in any Independent Diagnostic Testing Facility as defined by the U.S. Code of Federal Regulations 42 CFR 410.33(a)(1).

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* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

1.12 "Final Prototypes" shall mean the Prototypes which UBI will make available to Siemens for the execution of an Acceptance Test as further detailed in Article 5.

1.13 "In-Licensed UBI Background Patents" shall mean the patents and patent applications identified as such in **Annex 1.40**, including any and all associated Patents, which are licensed to UBI pursuant to the LifeScan Agreements.

1.14 "Joint Collaboration Invention" shall mean any Collaboration Invention made jointly by one or more employees or contractors of UBI and one or more employees or contractors of Siemens.

1.15 "Joint Collaboration IP" shall mean Joint Collaboration Inventions, Joint Collaboration Patents and any and all other Proprietary Rights in Joint Collaboration Inventions.

1.16 "Joint Collaboration Patents" shall mean all Patents that claim a Joint Collaboration Invention.

1.17 "Know-How" shall mean any information of a technical, manufacturing or other nature that is not generally available to the trade, and shall include, without limitation, copyrightable material, trade secrets, techniques, algorithms, software, source code, designs, drawings, blueprints, materials, parts lists, specifications, test data, charts and graphs, manufacturing procedures, operation sheets, bills of material, and vendor lists.

1.18 "LifeScan" shall mean LifeScan, Inc., a California corporation, and/or its affiliate Cilag GmbH, a company organized under the laws of Switzerland.

1.19 "LifeScan Agreements" shall mean the Amended and Restated Development and Research Agreement between LifeScan and UBI, and the Amended and Restated License Agreement between LifeScan and UBI, each dated August 19, 2011.

1.20 "Listed Test" shall mean any of the hemostasis- or coagulation-related tests listed in **Annex 1.20** hereto.

1.21 "Naked License" shall mean a license or sublicense (as applicable) not granted in conjunction with the grant of a license or other rights with respect to Products, Siemens Proprietary Products or UBI Proprietary Products.

1.22 "Patents" shall mean patents and patent applications, including provisional applications, continuations, continuations-in-part, continued prosecution applications, divisions, substitutions, reissues, additions, renewals, reexaminations, extensions, term restorations, confirmations, registrations, revalidations, revisions, priority rights, requests for continued examination and supplementary protection certificates granted in relation thereto, as well as utility models, innovation patents, petty patents, patents of addition, inventor's certificates, and equivalents in any country or jurisdiction.

1.23 "Products" shall mean products defined in the subsections of this Section 1.23 below, individually and collectively, as defined in more detail in the Requirements, as the same may be amended from time to time in accordance with this Agreement.

1.23.1 "PT/INR Product" shall mean a test strip for measuring Prothrombin Time and International Normalized Ratio (PT/INR) ***[REDACTED]**.

1.23.2 "Professional Reader" shall mean the handheld analyzer currently being developed by UBI, with minor reconfigurations as required to read and report results for the PT/INR Product.

1.23.3 *[REDACTED].

1.23.4 *[REDACTED].

1.23.5 *[REDACTED].

1.24 "Proprietary Rights" shall mean legally-recognized and prosecutable intellectual property rights, including, without limitation, Patents, copyrights, trademarks and trade secrets.

1.25 "Prototypes" shall mean prototypes, samples and other intermediate stages of the Products, including the Final Prototypes, and the related documentation, which are defined in more detail in the Requirements.

1.26 "Reader Product" shall mean a Professional Reader or ***[REDACTED],** as applicable.

1.27 "Requirements" shall mean, with respect to a particular Product, the technical features to be incorporated in such Product. The initial Requirements for each Product as of the Effective Date has been mutually agreed to by the Parties as of the Effective Date. The Requirements may be amended from time to time as mutually agreed in writing by the Parties.

1.28 "Siemens Background IP" shall mean Know-How and Proprietary Rights that: (a) either (i) are Controlled by Siemens as of the Effective Date, or (ii) are developed or acquired, and are Controlled, by Siemens during the Development Term but independent of any Development Work activities; and (b) are necessary or useful for the conduct of the Development Work and/or the manufacture and supply of Products.

1.29 "Siemens Collaboration Invention" shall mean any Collaboration Invention made solely by one or more employees or contractors of Siemens.

1.30 "Siemens Collaboration IP" shall mean Siemens Collaboration Inventions and other Development Results made solely by one or more employees or contractors of Siemens (excluding UBI), including any and all Proprietary Rights therein.

1.31 "Siemens Proprietary Product" shall mean a product that is developed by or on behalf of Siemens, either alone or in collaboration with a Third Party, independent of the Development Work, and that uses or incorporates Siemens Background IP and/or other Proprietary Rights owned or Controlled by Siemens (other than as a result of the licenses granted by UBI hereunder) but does not use or incorporate UBI Background IP.

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1.32 "Siemens Reader" shall mean a proprietary analyzer developed by or for Siemens (other than as a result of the licenses granted by UBI hereunder); which analyzer is capable of reading and reporting results (a) for one or more Strip Products solely for use in the Field; and (b) optionally, for other *in vitro* diagnostic tests that do not use or incorporate any UBI Background IP.

1.33 "Strip Product" shall mean a PT/INR Product, an ***[REDACTED]**, as applicable.

1.34 "Supply Agreements" shall have the meaning provided in Section 3.10.2.

1.35 "Target Timeline" shall mean the targeted timeline for completion of Development Work and for the registration and launch of the Products, as mutually agreed to by the Parties as of the Effective Date.

1.36 "Term" shall have the meaning provided in Section 11.1.

1.37 "Third Party" shall mean any entity other than UBI or Siemens or an Affiliate of UBI or Siemens.

1.38 "UBI Background IP" shall mean the UBI Background Know-How and UBI Background Patents.

1.39 "UBI Background Know-How" shall mean Know-How that: (a) either (i) is Controlled by UBI as of the Effective Date, or (ii) is developed or acquired, and is Controlled, by UBI during the Development Term but independent of any Development Work activities; and (b) is necessary or useful for the development, manufacture or commercialization of Products in the Field.

1.40 "UBI Background Patents" shall mean the patents and patent applications listed in **Annex 1.40**, including any and all associated Patents, including, without limitation, In-Licensed UBI Background Patents.

1.41 "UBI Collaboration Invention" shall mean any Collaboration Invention made solely by one or more employees or contractors of UBI.

1.42 "UBI Collaboration IP" shall mean UBI Collaboration Know-How and UBI Collaboration Patents (and any other Proprietary Rights in UBI Collaboration Know-How).

1.43 "UBI Collaboration Know-How" shall mean: (a) UBI Collaboration Inventions; and (b) other Development Results made solely by one or more employees or contractors of UBI; in each case, excluding Patents claiming any of the foregoing.

1.44 "UBI Collaboration Patents" shall mean Patents claiming (a) any UBI Collaboration Invention; or (b) any other Development Results made solely by one or more employees or contractors of UBI.

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1.45 "UBI Proprietary Product" shall mean a product that is developed by or on behalf of UBI, either alone or in collaboration with a Third Party, independent of the Development Work, and that uses or incorporates UBI Background IP but does not use or incorporate Siemens Background IP.

1.46 "Valid Claim" shall mean a claim contained in an issued and unexpired patent, which claim has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and has not been admitted to be invalid or unenforceable through abandonment, reissue, disclaimer or otherwise.

Article 2 - Scope of this Agreement

This Agreement sets forth the terms and conditions under which the Parties will collaborate in the development and commercialization of Products, with UBI and Siemens having the following overall responsibilities, as more fully described in Articles 3 through 5 of this Agreement:

(a) in the case of UBI, carrying out the Product development activities specified in the Development Plan, with the collaborative input and assistance of Siemens and with the objective of developing Products in Field that meet the applicable Requirements, and providing support and training to Siemens in its regulatory and commercialization efforts; and

(b) in the case of Siemens, managing and overseeing the Product development activities carried out by UBI, obtaining regulatory approval for, and commercializing, Products resulting from the Development Work in the Field.

Article 3 - Development Work

3.1 Core Team. Siemens will form a core team according to the Siemens Product Development Process, and will appoint a core team leader. The core team will contain representatives from UBI and from all relevant Siemens' departments and functions. The core team shall oversee the design, development, testing, regulatory submissions, and commercialization of each of the Products. Siemens' core team leader and other representatives shall give good faith consideration to UBI's suggestions and input. For the avoidance of doubt, none of Siemens, the core team, and the core team leader shall have any power: (a) to modify or amend the terms and conditions of this Agreement, including any Annex hereto; (b) to require UBI to perform tasks inconsistent with the initial Development Plan, or, if applicable, the version of the Development Plan that has most recently been approved by both Parties in writing; or (c) to determine any issue in a manner that would conflict with the express terms and conditions of this Agreement.

3.2 Development Plan. UBI shall be solely responsible for carrying out the Product development, verification and validation activities and internal trials and clinical trials specified in the Development Plan, with the oversight, input, collaboration and assistance of Siemens via the core team; *provided, however,* that UBI's responsibilities hereunder shall not include the conduct of any clinical trial of a Product that is solely required to obtain a CLIA certificate of waiver. UBI shall use commercially reasonable efforts to develop each Product according to the Requirements and substantially in accordance with the Target Timeline for the Development Work, and to generate the data and results necessary for registration of each Product as determined by the core team. UBI will employ a design process compliant with U.S. Quality System Regulations 21 C.F.R. 820 and International Standards Organization (ISO) 13485 and 14971.

3.3 Performance Standards. UBI shall apply and assign all reasonably necessary personnel, equipment and supplies to the performance of the Development Plan. UBI shall keep Siemens regularly and periodically informed of the progress of the Development Work, as particularly provided for hereunder. Siemens shall provide guidance, consultation and cooperation to UBI in its performance of the Development Work, respond promptly to UBI's reasonable requests for information, and provide necessary materials ***[REDACTED],** to UBI in a timely manner. In addition, UBI and Siemens, through their respective representatives, shall hold meetings as required to coordinate all of the activities for which UBI and Siemens are responsible under this Agreement and to evaluate and monitor their respective progress on those activities. UBI will permit a reasonable number of Siemens representative access, during normal business hours, to the UBI facilities where Development Work is performed, at Siemens' expense, for purposes of participation in and monitoring of the Development Work, subject to the approval of UBI, not to be unreasonably withheld; *provided, however,* that UBI shall not be obligated to provide the Siemens representative with access to information not directly related to the Development Work, and UBI may require that Siemens' representative first execute a non-disclosure agreement in reasonable and customary form. The use of Third Party sub-contractors for major components of Development Work is permitted only with prior written approval by Siemens which shall not be unreasonably withheld.

3.4 Reporting. During the Development Work, UBI and Siemens shall review the status of the Development Work in weekly telephone conferences or as otherwise established by the core team. On a monthly basis, UBI shall provide Siemens with written reports as to the progress and status of the Development Work. Specifically, and without limitation, UBI shall disclose to Siemens in writing all Development Results generated by UBI.

3.5 Software. Siemens acknowledges that the UBI Background IP includes proprietary software for the Professional Reader as it exists on the Effective Date (collectively, ***"UBI Background Software"***). As part of the Development Work, UBI will undertake to create one or more modified versions of the UBI Background Software that will be incorporated into the Reader Products (such modified versions, ***"UBI Collaboration Software"***). UBI shall promptly provide Siemens with a copy of source code for all UBI Collaboration Software and for any revisions (including bug fixes) to UBI Collaboration Software, together with the associated documentation for UBI Collaboration Software and revisions to such documentation.

3.6 Delays; Technical Infeasibility. If UBI determines that there is a reasonable likelihood that UBI will not be able to achieve any development milestone set forth in the Development Plan (either substantially on the Target Timeline, or at all), or that achievement of any Requirement for a Product is not technically feasible, UBI's technical liaison (per Section 3.9) shall promptly inform Siemens' technical liaison thereof, and such technical liaisons shall promptly convene a core team meeting to discuss potential measures to address the

* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

situation, which may, but need not, include modification of the Development Plan (including the Target Timeline) and/or amendment of the Requirements; *provided,* however, that the requirements may be amended only in accordance with Section 18.4. UBI shall bear the burden of reasonably demonstrating that the Requirement for a Product is not technically feasible. The Parties acknowledge that any modification to the Development Plan or amendment of the Requirements may necessitate a change in the Target Timeline. In the event that UBI reasonably demonstrates that achievement of a development milestone or Requirement for a Product is not technically feasible, the Parties shall confer in good faith regarding the matter and attempt to reach mutual agreement on how to proceed. The Parties acknowledge and agree that the technical infeasibility of a development milestone or Requirement for a Product shall not be considered a breach of this Agreement by either Party. For clarification, if the Parties agree to cease development of a Product due to technical infeasibility, then re-initiation of the development of such Product pursuant to this Agreement would require the mutual written agreement of the Parties.

3.7 Technical Assistance. UBI shall provide Siemens with reasonable support in (1) training for use of Products; (2) testing the Prototypes; (3) regulatory submissions for Products; (4) preparing marketing and labeling materials; (5) transferring such Know-How within the UBI Background IP and UBI Collaboration IP to Siemens as is reasonably necessary to obtain regulatory approval for, or to market, Products (excluding manufacturing technology transfer, which shall be handled pursuant to a Supply Agreement, which shall be governed by the terms of such Supply Agreement and Section 7.2 hereof); and (6) technical Product support and training for Siemens technical support, during the Development Term. To the extent such support is provided on-site at UBI's facilities, such support will be provided at no charge to Siemens (beyond the payments expressly set forth in this Agreement and the Supply Agreements). In case Siemens needs on-site support at Siemens' facilities, UBI shall send – upon Siemens' reasonable request – a qualified person to Siemens' facilities, at reasonable times and for a reasonable duration, in order to assist with the foregoing activities. It is intended that the Reader Products developed by UBI, and represented by the drawings, prints, specifications, and prototypes delivered to Siemens, be reproducible by Siemens or by a Third Party selected by Siemens. It is further intended that, subject to Section 7.2, the Strip Products developed by UBI, and represented by the drawings, prints, specifications, and prototypes delivered to Siemens, be reproducible by Siemens or by a Third Party selected by Siemens at a future date in accordance with the Supply Terms mutually agreed to by the Parties as of the Effective Date.

3.8 Reimbursement of Expenses.

3.8.1 Siemens shall reimburse UBI for all costs resulting from additions to the Requirements made after the Effective Date (except as expressly set forth in Section 9.6). As promptly as practicable after Siemens notifies UBI of a proposed addition to the Requirements, UBI shall provide Siemens with UBI's good faith estimate of the internal and Third Party costs of performing the work necessary to achieve such Requirement, and if Siemens wishes to proceed with such addition to the Requirements, the Parties shall mutually agree upon such addition in writing, provided that Siemens shall have the right to require that UBI sub-contract such work to a reputable and qualified Third Party selected by Siemens or to perform such work itself (with Siemens reimbursing UBI's internal costs of managing such Third Party's work or interfacing with Siemens regarding such work, as applicable, at reasonable rates to be mutually agreed by the Parties).

3.8.2 Siemens shall reimburse UBI for ***[REDACTED]**% of the Third Party costs incurred by UBI in conducting the clinical trials of the Products contemplated by the Development Plan (which, for the avoidance of doubt, excludes clinical trials solely necessary to obtain CLIA certificates of waiver, the costs of which shall be borne solely by Siemens), and the Parties shall select a mutually-acceptable Third Party contractor. For clarification, such reimbursement is in addition to the milestone payment obligations set forth in Section 0 and **Annex 0**.

3.8.3 To the extent that Siemens requests that UBI personnel perform UBI's obligations under this Article 3 anywhere other than UBI's facilities, Siemens shall reimburse UBI in accordance with the Siemens Travel Policy for all preapproved in writing by Siemens, necessary and reasonable travel and living expenses of UBI personnel incurred in connection therewith.

3.9 Technical Liaisons. Each Party shall appoint one of its employees as a technical liaison who will act as a point of contact during the Development Work. Each Party shall designate its initial technical liaison by written notice to the other Party within 10 days after the Effective Date. Each Party may replace its technical liaison upon written notice to the other Party.

3.10 Supply Agreements.

3.10.1 Within 90 days after the Effective Date, the Parties shall negotiate in good faith and enter into a supply agreement for the PT/INR Product, including an associated quality agreement (collectively, the ***"PT/INR Supply Agreement"***), which shall incorporate the terms mutually agreed to by the Parties as of the Effective Date and contain such other commercially reasonable and customary terms and conditions as the Parties may negotiate in good faith. Each Party shall involve an appropriate senior representative in such negotiations as necessary and appropriate to conclude the PT/INR Supply Agreement within such 90-day period. Should the Parties fail to enter into the PT/INR Supply Agreement within such 90-day period (subject to extension by mutual agreement of the Parties), either Party may request, by written notice to the other Party, that an executive (CEO or CFO) from each Party negotiate directly with each other within 10 days of said notice.

3.10.2 Within 90 days after achieving the feasibility milestone in **Annex 0** for each of the other Strip Products, the Parties shall negotiate in good faith and enter into a supply agreement for such Strip Product (each such supply agreement, including the associated quality agreement, and the PT/INR Supply Agreement being herein collectively referred to as the ***"Supply Agreements"***). The Supply Agreement for each other Strip Product shall be substantially the same in form and substance as the PT/INR Supply Agreement, subject to such Product-specific variations as are reasonably necessary and appropriate (*e.g.*, specifications, pricing). Each Party shall involve an appropriate senior representative in such negotiations as necessary and appropriate to conclude such Supply Agreement within such 90-day period. Should the Parties fail to enter into such Supply Agreement within such 90-day period (subject to extension by mutual agreement of the Parties), either Party may request, by written notice to the other Party, that an executive (CEO or CFO) from each Party negotiate directly with each other within 10 days of said notice.

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3.10.3 UBI will introduce Siemens to UBI's Third Party manufacturer for the Professional Reader and cooperate with Siemens' efforts to establish a supply arrangement with such Third Party manufacturer for Reader Products, without further consideration (beyond the payments expressly set forth in this Agreement and the Supply Agreements).

Article 4 - Delivery of Prototypes

4.1 Purchase Order. Siemens will place a purchase order for the number of Prototypes defined in the Development Plan or otherwise requested by Siemens. The prices for Prototypes shall be the cost to UBI of providing said Prototypes. All invoices regarding Prototypes delivered under this Agreement are due and payable within 60 days after the delivery of the Prototypes ordered and after receipt of a correct invoice from UBI. Payment shall not constitute acceptance of the Prototypes by Siemens.

4.2 Delivery. UBI shall use commercially reasonable efforts to deliver all Prototypes under this Agreement substantially in accordance with the Target Timeline.

4.3 Shipping. The Prototypes shall be properly packed, marked and shipped by UBI in a manner that is reasonably expected to permit the securing of good quality transportation and the safe arrival of the Prototypes at their destination. A packing list shall accompany each shipping package unit. Each packing list, bill of lading or equivalent, and invoice shall bear the applicable Siemens' purchase order number(s), deliverable-identification, respective quantities, and the location to which the Prototypes are shipped. Each shipping package unit shall be properly marked with the applicable Siemens' purchase order number(s). All shipments shall be effected FCA UBI's shipping point, in accordance with INCOTERMS 2000, unless otherwise agreed between the Parties in writing.

Article 5 - Acceptance

5.1 Acceptance Testing. Within a mutually agreed upon number of days after receipt of any Prototype for a Product, Siemens shall test such Prototype, in accordance with protocols communicated in advance to UBI, solely for compliance with the applicable Requirements in effect at such time (***"Acceptance Test"***) and provide UBI with the written results of such Acceptance Test as available at Siemens. If UBI in good faith disputes a determination by Siemens that a Prototype did not pass the Acceptance Test, UBI shall so notify Siemens and the Parties shall promptly confer and attempt to resolve such dispute. If the Parties are unable to resolve any such dispute within 30 days after UBI first notifies Siemens thereof, then the Prototype at issue shall be submitted to a mutually agreed-upon independent test services provider to determine, by re-performance of the Acceptance Test, whether or not the Prototype meets with Requirements. The independent test services provider shall have demonstrated technical expertise in the testing of products similar in nature to the Prototype. The independent service provider's determination of whether or not the Prototype meets the Requirements shall be final and binding on the Parties. The Parties will initially share the costs of the independent laboratory's analysis on an equal basis in accordance with a pre-agreed budget and maximum cost for such activities, but the Party in whose favor the independent laboratory rules shall be entitled to have its share of such costs reimbursed by the other Party promptly following such determination. Upon the determination by Siemens, or the independent test services provider (as applicable), that a Prototype for a Product has passed the Acceptance Test, such Prototype shall be considered the ***"Final Prototype"*** of such Product.

5.2 Failure to Meet Requirements. If the initial Prototype for a Product does not pass the Acceptance Test, UBI shall, with the aid of the results of such Acceptance Test, and subject to Section 3.6 hereof, use commercially reasonable efforts to develop a Prototype that complies with the applicable Requirements, free of additional charge, and deliver the same to Siemens for the conduct of an Acceptance Test in accordance with Section 5.1.

Article 6 - Registration and Commercialization

6.1 Registration. Siemens shall be responsible for the preparation and filing of registration submissions and other regulatory filings with respect to Products that meet the Requirements, and UBI shall provide reasonable assistance to Siemens in connection therewith. In addition, Siemens shall be responsible for conducting, at Siemens' expense and as appropriate, such clinical trials of the Products as Siemens determines are required to obtain CLIA certificates of waiver, and shall use commercially reasonable efforts to obtain such CLIA certificates of waiver. Siemens shall give the same or similar priority to the preparation and filing of registration submissions and other regulatory filings with respect to the Products as Siemens gives to its other products in the hospital point-of-care and ambulatory care markets.

6.2 Commercialization. Siemens shall use commercially reasonable efforts to register, market, promote and sell Products with the same or similar diligence that Siemens applies to the marketing, promotion and sale of its other products in the hospital point-of-care and ambulatory care markets. Without limiting the generality of the foregoing, Siemens shall use commercially reasonable efforts (a) to prepare and file regulatory submissions and other filings to obtain ***[REDACTED]** regulatory approval with respect to each Product as promptly as practicable after UBI delivers to Siemens all applicable deliverables for such Product in accordance with Articles 3, 4 and 5 and with any internally-developed launch and marketing plans, and (b) to launch each Product promptly after receipt of marketing approval and in accordance with any internally-developed launch and marketing plans.

6.3 Performance Standards; Reporting. Siemens shall apply and assign all reasonably necessary resources to the registration and commercialization of Products in accordance with this Article 6. Siemens shall provide UBI with copies of all of Siemens' internally-developed launch and marketing plans for the Products promptly following the internal availability of such plans within Siemens. Siemens and UBI, via their core team representatives, shall review the progress and status of Siemens' planning and preparation for registration, launch and marketing of Products on at least a quarterly basis in telephone conferences. In addition, Siemens shall notify UBI in writing of the occurrence of each of the following events within five (5) business days after the core team is notified of the occurrence thereof: (a) receipt of regulatory approval or marketing clearance (as applicable) for each Product system in each country; (b) launch of each Product system in each country; and (c) first commercial sale of each Product system in each country.

Article 7 - Payment Terms

7.1 Milestone Payments. As of the Effective Date, a technology access fee is payable to UBI by Siemens as set forth in **Annex 0**. In addition to such fee, Siemens shall pay UBI the respective amounts set forth in **Annex 0** upon achievement of the corresponding milestones. With respect to each milestone other than those achieved by UBI, Siemens shall notify UBI in writing of such achievement within 10 business days after such achievement. UBI will invoice Siemens for each milestone payment that becomes due hereunder, and Siemens shall pay each such invoice within 30 days of receipt.

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* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

7.2 Per-Strip Fees. With respect to each Strip Product manufactured by or on behalf of Siemens, its Affiliates or Third Party licensees (other than by UBI), Siemens shall pay to UBI a fee for each Strip Product sold (the ***"Per-Strip Fee"***) equal to: (x) UBI's transfer price for such Strip Product in effect under the applicable Supply Agreement at the time Siemens assumes responsibility for manufacturing, or having manufactured, such Strip Product in accordance with such Supply Agreement, minus (y) UBI's direct cost (*i.e.*, cost of labor and materials) of manufacturing such Strip Product at such time, minus (z) reduction of UBI's overhead (i.e., overhead not incurred) as a result of the discontinuation of manufacture of said Strip Product, applied on a per-strip basis. For avoidance of doubt, Siemens acknowledges that there may potentially be some ongoing overhead costs incurred by UBI even after the discontinuation of manufacture which will not be part of the reduction of UBI's overhead. These may include the likes of depreciation (unless the assets have been fully depreciated, written-off or disposed) and rental (unless the portion of the space previously allocated to the manufacture of the products is allocated to a product not covered under this agreement). For clarification, the Per-Strip Fees are in addition to the reimbursement by Siemens of UBI's reasonable costs in connection with the assumption by Siemens of responsibility for manufacturing a Strip Product, including, as applicable, costs associated with the manufacturing shutdown at UBI (in an amount to be negotiated and set forth in a separate transition agreement, as more fully described in the supply terms mutually agreed to by the Parties as of the Effective Date). Per-Strip Fees shall be payable on a Strip Product-by-Strip Product basis until 10 years from the first commercial sale of such Strip Product manufactured by or on behalf of Siemens, its Affiliates or Third Party licensees (other than by UBI).

7.3 Profit-Sharing. Annex 7.3 hereto sets forth Siemens' annual forecasts (expressed in Euro) for gross revenues from sales of each Strip Product for calendar years 2013 through 2024 (in each case, an ***"Annual Forecast"***). On a Strip Product-by-Strip Product basis, if, in any year, gross sales of a Strip Product exceed ***[REDACTED]**% of the Annual Forecast for such Strip Product for such year (the ***"Bonus Threshold"***), then, within 60 days after the end of such year, Siemens shall pay to UBI a bonus equal to ***[REDACTED]**% of the Deemed Profit (defined below) from the Incremental Revenues (defined below). For purposes of this Section 7.3:

7.3.1 ***"Deemed Profit"*** shall mean Incremental Revenues, less (i) deemed SG&A expenses equal to ***[REDACTED]**% of Incremental Revenues, and (ii) the cost of goods sold of the Incremental Number of Strips (expressed in Euro), wherein said cost of goods sold shall (A) in the case of Strip Products supplied by UBI, be equal to the applicable price per Strip Product under the Supply Agreement, and (B) in the case of Strip Products not supplied by UBI, be calculated in a manner consistent with Siemens standard accounting practices; and, in each case, the applicable cost of goods sold shall be for the portion of the year following the achievement of the Bonus Threshold;

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7.3.2 ***"Incremental Number of Strips"*** for a given year shall mean the number of Strip Products represented by the Incremental Revenues; and

7.3.3 ***"Incremental Revenues"*** for a given year shall mean the excess, if any, of the (i) actual gross revenues from sales of such Strip Product in such year (expressed in Euro) over (ii) the Bonus Threshold for such year.

All calculations under this Section 7.3 will be made using, and all defined and undefined terms used herein will be construed in accordance with Siemens' reporting guidelines and such external accounting standards (*e.g.*, U.S. Generally Accepted Accounting Principles or International Financial Reporting Standards) as Siemens uses throughout its accounting system, consistently applied. When conversion of amounts not received or calculated in Euro is required, such conversion shall be made at the exchange rate used by Siemens throughout its accounting system for conversion of such currency into Euro during the applicable accounting period.

7.4 Payment; Reports. Per-Strip Fees under Section 7.2 and the number and type of sold Strip Products manufactured by or on behalf of Siemens, its Affiliates and licensees (other than by UBI) shall be calculated and reported for each calendar quarter within 60 days of the end of such quarter, and Siemens shall pay such amount at the time it submits its report. Within 60 days after the end of each calendar year, Siemens shall report to UBI (i) total gross revenues from sales of such Strip Product in such year, (ii) the total number of Strip Products sold in such year, (iii) Siemens' weighted-average (by volume) cost of goods sold per Strip Product in such year, and (iv) if total gross revenues from sales of such Strip Product in such year exceeded the Bonus Threshold, the calculation of Deemed Profits in such year. Siemens shall pay UBI for its ***[REDACTED]**% share of such Deemed Profits at the time it submits its report. Siemens shall keep, and shall cause its Affiliates and licensees to keep, complete and accurate records pertaining to the manufacture and sale of Strip Products in sufficient detail to permit UBI to confirm the accuracy of the payments due under Sections 7.2 and 7.3.

7.5 Manner and Place of Payment. All payments hereunder shall be payable in U.S. dollars. When conversion of payments from one currency into another currency is required, such conversion shall be made at the exchange rate used by Siemens throughout its accounting system for such conversion during the applicable accounting period, in accordance with Siemens' accounting and reporting guidelines, consistently applied. All payments owed under this Agreement shall be made by electronic funds transfer in immediately available funds to a bank and account designated in writing by UBI, unless otherwise specified in writing by UBI.

7.6 Tax Withholding. UBI shall pay any and all taxes levied on account of any payments made to it under this Agreement. If Siemens is legally required to withhold any taxes from payments due hereunder, Siemens shall (a) deduct such taxes from the payment made to UBI, (b) timely pay the taxes to the proper taxing authority, and (c) send proof of payment to UBI and certify its receipt by the taxing authority within 30 days following such payment. Siemens shall provide reasonable cooperation and assistance to UBI in its efforts to avail itself of legal exemptions from withholding and/or to obtain refunds of taxes withheld.

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7.7 Audit. UBI shall have the right to cause an independent, certified public accountant reasonably acceptable to Siemens to audit the records required to be maintained under Section 7.4 to confirm the accuracy of the payments made pursuant to such Sections 7.2 and 7.3 and Siemens' reports pursuant to Section 7.4 for a period covering not more than the preceding three years. Such audits may be exercised no more than once per year during normal business hours upon reasonable prior written notice to Siemens. Such records for a given year shall be subject to audit hereunder only one time. Prompt adjustments shall be made by the Parties to reflect the results of such audit. UBI shall bear the full cost of such audit unless such audit discloses an underpayment by Siemens of more than 5% of the amount of payments due under this Agreement, in which case, Siemens shall bear the full cost of such audit and shall promptly remit to UBI the amount of any underpayment. In the event an overpayment is discovered, the overpayment shall be credited to future amounts due or refunded to Siemens if no further payments by Siemens are due.

7.8 Late Payments. In the event that any payment due under this Agreement is not made when due, the payment shall accrue interest from the date due at the rate of the one-month LIBOR plus 500 basis points; *provided, however,* that in no event shall such rate exceed the maximum legal annual interest rate. The payment of such interest shall not limit UBI from exercising any other rights it may have as a consequence of the lateness of any payment.

Article 8 - Licenses and Rights of Negotiation

8.1 License Grants.

8.1.1 By UBI.

(a) Reader Products and Siemens Readers. Subject to the terms and conditions of this Agreement, UBI hereby grants to Siemens:

(i) an exclusive, worldwide, royalty-free license, including the right to sublicense to the extent expressly permitted by Section 8.2, under UBI Background IP, UBI Collaboration IP and UBI's interest in Joint Collaboration IP, solely to make, have made, use, sell, have sold, offer for sale and import Reader Products and Siemens Readers in Field 1; and

(ii) a non-exclusive, worldwide, royalty-free license, including the right to sublicense to the extent expressly permitted by Section 8.2, under UBI Background IP, UBI Collaboration IP and UBI's interest in Joint Collaboration IP, solely to make, have made, use, sell, have sold, offer for sale and import Reader Products and Siemens Readers in Field 2.

(b) UBI Collaboration Software. Subject to the terms and conditions of this Agreement, UBI hereby grants to Siemens:

(i) an exclusive, worldwide, royalty-free license, including the right to sublicense to the extent expressly permitted by Section 8.2, to use, modify, copy, distribute, and create derivative works of UBI Collaboration Software to develop, commercialize, and support Reader Products and Siemens Readers in Field 1; and

(ii) a non-exclusive, worldwide, royalty-free license, including the right to sublicense to the extent expressly permitted by Section 8.2, to use, modify, copy, distribute, and create derivative works of UBI Collaboration Software to develop, commercialize, and support Reader Products and Siemens Readers in Field 2.

(c) Strip Products. Subject to the terms and conditions of this Agreement and the Supply Agreements, UBI hereby grants to Siemens:

(i) an exclusive, worldwide, royalty-free, fee-bearing (to the limited extent set forth below) license, including the right to sublicense to the extent expressly permitted by Section 8.2, under UBI Background IP, UBI Collaboration IP and UBI's interest in Joint Collaboration IP, solely to make, have made, use, sell, have sold, offer for sale and import Strip Products in Field 1; and

(ii) a non-exclusive, worldwide, royalty-free, fee-bearing (to the limited extent set forth below) license, including the right to sublicense to the extent expressly permitted by Section 8.2, under UBI Background IP, UBI Collaboration IP and UBI's interest in Joint Collaboration IP, solely to make, have made, use, sell, have sold, offer for sale and import Strip Products in Field 2.

The licenses granted pursuant to this Section 8.1.1(c) under UBI Collaboration IP and UBI's interest in Joint Collaboration IP shall be fee-free. The licenses granted pursuant to this Section 8.1.1(c) under UBI Background IP shall be fee-free with respect to Strip Products manufactured by UBI and fee-bearing with respect to Strip Products manufactured by Siemens (or its Affiliate or sublicensee), or by any Third Party selected by Siemens.

(d) Siemens Proprietary Products Outside the Field. Subject to the terms and conditions of this Agreement, UBI hereby grants to Siemens a non-exclusive, worldwide, royalty-free, perpetual license, including the right to sublicense to the extent expressly permitted by Section 8.2, under the UBI Collaboration IP and UBI's interest in Joint Collaboration IP, solely to make, have made, use, sell, have sold, offer for sale and import Siemens Proprietary Products outside the Field.

8.1.2 By Siemens.

(a) Development and Manufacture. Subject to the terms and conditions of this Agreement, Siemens hereby grants to UBI a non-exclusive, worldwide, royalty-free license, without the right to sublicense, under the Siemens Background IP and the Siemens Collaboration IP, solely (i) to perform the Development Work, and (ii) to make and have made Strip Products on Siemens' behalf pursuant to the Supply Agreements.

(b) Strip Products and UBI Proprietary Products Outside the Field. Subject to the terms and conditions of this Agreement, Siemens hereby grants to UBI a non-exclusive, worldwide, royalty-free, perpetual license, including the right to sublicense to the extent expressly permitted by Section 8.2, under the Siemens Collaboration IP and Siemens' interest in Joint Collaboration IP, solely to make, have made, use, sell, have sold, offer for sale and import Strip Products and UBI Proprietary Products, in each case, solely outside Field 1. For the avoidance of doubt, no right or license is granted hereunder to Siemens Background IP.

8.2 Sublicensing; Naked Licenses.

8.2.1 The license granted under each of Sections 8.1.1(a), 8.1.1(c), 8.1.1(d) and 8.1.2(b) includes the right to grant sublicenses solely in conjunction with the grant by the licensed Party of a license to make, have made, use, sell, have sold, offer for sale and import the product that is the subject of such license – *i.e.*, Reader Products, Siemens Readers, Strip Products and Siemens Proprietary Products in the case of Sections 8.1.1(a), 8.1.1(c) and 8.1.1(d), respectively, and Strip Products and UBI Proprietary Products in the case of Section 8.1.2(b). The license granted under Section 8.1.1(b) includes the right to grant sublicenses solely in conjunction with the grant by Siemens of a permitted sublicense under Section 8.1.1(a).

8.2.2 Siemens shall have the right to grant Naked Licenses under Siemens Collaboration IP for all uses, and UBI shall have the right to grant Naked Licenses under UBI Collaboration IP solely for uses outside of Field 1. Neither Party shall have the right to grant Naked Licenses under Collaboration Inventions or Proprietary Rights owned solely by the other Party that are licensed to such Party pursuant to Section 8.1. In addition, the grant by either Party of Naked Licenses under Joint Collaboration IP will require the mutual written agreement of the Parties.

8.3 Negative Covenants.

8.3.1 By Siemens. Siemens hereby covenants not to practice, and not to permit or cause any Affiliate, licensee, sublicensee or other Third Party to practice, any UBI Background IP or UBI Collaboration IP for any purpose other than as expressly authorized in this Agreement. Without limiting the generality of the foregoing, Siemens hereby covenants: (a) not to develop, make, have made, use, sell, have sold, offer for sale or import any Product outside of the Field; (b) notwithstanding the license granted pursuant to Section 8.1.1(c), not to make or have made any Strip Product, except as permitted under the applicable Supply Agreement; (c) not to use or practice UBI Background IP for the purpose of the development, manufacture, registration or commercialization of any test strip other than the Strip Products; (d) not to modify, make derivative works of, or reverse engineer any Strip Product, except as mutually agreed by the Parties in writing; and (e) not to grant, or purport to grant, to any Affiliate of Siemens or to any Third Party any license or other right to do any of the foregoing.

8.3.2 By UBI. UBI hereby covenants not to practice, and not to permit or cause any Affiliate, licensee, sublicensee or other Third Party to practice, any Siemens Background IP or Siemens Collaboration IP for any purpose other than as expressly authorized in this Agreement. Without limiting the generality of the foregoing, UBI hereby covenants: (a) not to develop, make, have made, use, sell, have sold, offer for sale or import any Listed Test in the hospital point-of-care market described in Section 1.11.1 and the ambulatory care market described in Section 1.11.2; and (b) not to grant, or purport to grant, to any Affiliate of UBI or to any Third Party any license or other right to do any of the foregoing; except, in each case, as expressly authorized in this Agreement.

8.3.3 Mutual. Each Party covenants not to grant any Naked License under Collaboration Inventions or Proprietary Rights owned solely by the other Party that are licensed to such Party pursuant to Section 8.1. Each Party further covenants not to grant any Naked License under Joint Collaboration IP, except as mutually agreed by the Parties in writing.

8.4 Reservation of Rights. UBI hereby expressly reserves: (a) the exclusive right to practice, and to grant licenses under, the UBI Background IP for any and all purposes other than the manufacture, use, sale, offer for sale and import of Products in the Field and of Listed Tests in the hospital point-of-care market described in Section 1.11.1 and the ambulatory care market described in Section 1.11.2; and (b) the non-exclusive right to practice, and to grant licenses under, the UBI Collaboration IP and, subject to the provisions of Section 8.2.2, UBI's interest in Joint Collaboration IP for any and all purposes other than the manufacture, use, sale, offer for sale and import of Products in Field 1 and Listed Tests in the hospital point-of-care market described in Section 1.11.1. In addition, UBI shall at all times have the non-exclusive right to make, have made, use, sell, have sold, offer for sale and import Strip Products in Field 2 and the exclusive right to make, have made, use, sell, have sold, offer for sale and import Strip Products outside the Field and Listed Tests outside the hospital point-of-care market described

in Section 1.11.1 and the ambulatory care market described in Section 1.11.2. In addition, UBI shall retain such non-exclusive rights under the UBI Background IP, UBI Collaboration IP and Joint Collaboration IP in Field 1 as are necessary (i) to perform the Development Work, and (ii) to make and have made Strip Products on Siemens' behalf pursuant to the Supply Agreements.

8.5 Right of First Refusal for D-dimer. In the event that, during the four-year period beginning on the Effective Date, UBI completes feasibility and initiates development of an *in vitro* diagnostic test strip for D-dimer, then, upon the written request of Siemens, the Parties shall engage in good faith discussions and negotiations for up to three months in an attempt to enter into a legally binding agreement on commercially reasonable terms and conditions for the development, manufacture, marketing, distribution, licensing and/or other arrangement pertaining to commercialization of the D-dimer test in the Field (a ***"D-dimer Agreement"***). In the event that the Parties are unsuccessful in entering into a D-dimer Agreement by the end of such three-month period, UBI may thereafter pursue discussions and negotiations with Third Parties regarding, and enter into, a D-dimer Agreement; *provided, however,* that if, during the six-month period beginning on expiration of the three-month negotiation period described above, UBI proposes to enter into any D-dimer Agreement with a Third Party on terms and conditions less favorable to UBI than the terms and conditions last rejected by Siemens, then UBI shall so notify Siemens thereof in writing, and Siemens shall have 30 days from receipt of such written notice to initiate an additional three-month negotiation period with UBI for a D-dimer Agreement. In the event that the Parties are unsuccessful in entering into a D-dimer Agreement by the end of such additional three-month period, then UBI shall have no further obligation to Siemens under this Section 8.5.

8.6 Exclusive Relationship. UBI agrees that, during the Term, it will not, directly or indirectly through any Affiliate or Third Party, design, develop, manufacture, produce, market, offer for sale, sell, or distribute a test to measure PT/INR, ***[REDACTED]** in Field 1, except pursuant to this Agreement. UBI further agrees that, during the Term, it will not, directly or indirectly through any Affiliate or Third Party, design, develop, manufacture, produce, market, offer for sale, sell, or distribute any Listed Test in the hospital point-of-care market described in Section 1.11.1. For the avoidance of doubt, the Development Work does not contemplate the development of, and the licenses granted to Siemens hereunder do not include any right or license with respect to, any Listed Test other than the Strip Products. Should Siemens wish to have UBI develop any such Listed Test, and to obtain any license under any related Know-How, Patents or other Proprietary Rights Controlled by UBI to make, have made, use, sell, have sold, offer for sale or import such Listed Test in the hospital point-of-care market described in Section 1.11.1 and/or the ambulatory care market described in Section 1.11.2, a separate written agreement between the Parties containing mutually-acceptable terms would be required.

8.7 No Implied Licenses. No right or license under any Know-How, Patents or other Proprietary Rights of either Party is granted or shall be granted by implication. All such rights or licenses are or shall be granted only as expressly provided in this Agreement.

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* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Article 9 - Intellectual Property Rights

9.1 Ownership. As between the Parties, UBI shall at all times be and remain the sole owner of all UBI Background IP (including, without limitation, UBI Background Software), UBI Collaboration IP, and UBI Collaboration Software, and Siemens shall at all times be and remain the sole owner of all Siemens Background IP and Siemens Collaboration IP. The Parties shall jointly own all Joint Collaboration IP. UBI and Siemens intend and agree that any and all UBI Collaboration Software provided to Siemens hereunder (whether as incorporated in Reader Products or as source code) is being licensed and not sold, and that the words "purchase," "sell," or similar or derivative words, when used in relation to UBI Collaboration Software or Product Readers incorporating UBI Collaboration Software (including Siemens' modifications thereto), are understood and agreed to mean "license" or "sublicense," as applicable. Siemens shall at all times be and remain the sole owner of any trademarks, trade dress, or any other branding used by Siemens to sell or market Products (but, for purposes of clarification, excluding UBI's corporate trademarks, trade dress or other branding, and any trademarks, trade dress, or any other branding used by UBI to sell or market Strip Products in Field 2 or outside the Field), and no license is granted herein.

9.2 Collaboration Invention Disclosure. Each Party agrees to promptly disclose to the other Party in writing each Collaboration Invention made in whole or in part by such Party's personnel.

9.3 Patent Prosecution and Maintenance.

9.3.1 UBI Background Patents. UBI shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain UBI Background Patents, at UBI's sole expense and using counsel of UBI's choice.

9.3.2 UBI Collaboration Patents. UBI shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain UBI Collaboration Patents, at UBI's sole expense and using counsel of UBI's choice. UBI shall keep Siemens reasonably informed of progress with regard to the preparation, filing, prosecution and maintenance of UBI Collaboration Patents, and shall consult with, and consider in good faith the requests and suggestions of, Siemens with respect to strategies for filing and prosecuting such UBI Collaboration Patents. If UBI desires to abandon or cease prosecution or maintenance of any UBI Collaboration Patent, then UBI shall provide reasonable prior written notice to Siemens of such intention to abandon (which notice shall, to the extent possible, be given no later than 30 days prior to the next deadline for any action that must be taken with respect to any such UBI Collaboration Patent in the relevant patent office). In such case, if such UBI Collaboration Patent covers the manufacture, use, sale, offer for sale, or import of a Reader Product that is being developed or commercialized by or on behalf of Siemens, then upon written notice to UBI from Siemens, Siemens may elect to continue prosecution and/or maintenance of any such UBI Collaboration Patent, at its sole cost and expense and by counsel of its own choice.

9.3.3 Siemens Background Patents and Siemens Collaboration Patents. Siemens shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain Siemens Background Patents, and Patents within the Siemens Collaboration IP, in each case, at Siemens's sole expense and using counsel of Siemens's choice.

9.3.4 Joint Collaboration Patents. Siemens shall have the first right, but not the obligation, to control and manage the preparation, filing, prosecution (including any

interferences, reissue proceedings and reexaminations) and maintenance of all Joint Collaboration Patents, at its sole cost and expense and by counsel of its own choice. Siemens shall keep UBI reasonably informed of progress with regard to the preparation, filing, prosecution and maintenance of Joint Collaboration Patents, and shall consult with, and consider in good faith the requests and suggestions of, UBI with respect to strategies for filing and prosecuting Joint Collaboration Patents. In the event that Siemens desires to abandon or cease prosecution or maintenance of any Joint Collaboration Patent in any country, Siemens shall provide reasonable prior written notice to UBI of such intention to abandon (which notice shall, to the extent possible, be given no later than 30 days prior to the next deadline for any action that must be taken with respect to any such Joint Collaboration Patent in the relevant patent office). In such case, at UBI's sole discretion, upon written notice to Siemens from UBI, UBI may elect to continue prosecution and/or maintenance of any such Joint Collaboration Patent, at its sole cost and expense and by counsel of its own choice.

9.4 Cooperation of the Parties. Each Party agrees to cooperate fully in the preparation, filing, prosecution and maintenance of Patents under Section 9.3. Such cooperation includes, but is not limited to: (a) executing all papers and instruments, or requiring its employees or contractors, to execute such papers and instruments, so as to effectuate the ownership of Collaboration Inventions set forth in Section 9.1, and Patents claiming or disclosing such Collaboration Inventions, and to enable the other Party to apply for and to prosecute patent applications in any country as permitted by Section 9.3; and (b) promptly informing the other Party of any matters coming to such Party's attention that may affect the preparation, filing, prosecution or maintenance of any such patent applications. Each Party shall promptly bring to the attention of the other Party any Third Party patent of which such Party becomes aware that may be relevant to the manufacture, use, sale, offer for sale or import of Products in the Field.

9.5 Patent Enforcement.

9.5.1 UBI Background Patents. As between the Parties, UBI shall have the sole right, but not the obligation, to bring and control any action or proceeding with respect to infringement of any UBI Background Patent (including, without limitation, any In-Licensed UBI Background Patent).

9.5.2 UBI Collaboration Patents.

(a) In Field 1. Siemens shall have the first right, but not the obligation, to bring and control any action or proceeding against a Third Party with respect to infringement of any UBI Collaboration Patent in Field 1, at its own expense and by counsel of its own choice, and UBI shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. If Siemens fails to bring any such action or proceeding within (A) 120 days following the notice of alleged infringement, or (B) 30 days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, then UBI shall have the right to bring and control any such action, at its own expense and by counsel of its own choice, and Siemens shall have the right, at its own expense, to be represented in any such action by counsel of its own choice.

(b) In Field 2 and Outside of the Field. UBI shall have the sole right, but not the obligation, to bring and control any action or proceeding against a Third Party with respect to infringement of any UBI Collaboration Patent in Field 2 or outside the Field, at its own expense and by counsel of its own choice.

9.5.3 Siemens Background Patents and Siemens Collaboration Patents. Siemens shall have the sole right, but not the obligation, to bring and control any action or proceeding with respect to infringement of any Siemens Background Patent or any Patent within the Siemens Collaboration IP.

9.5.4 Joint Collaboration Patents.

(a) In Field 1. Siemens shall have the first right, but not the obligation, to bring and control any action or proceeding against a Third Party with respect to infringement of any Joint Collaboration Patent in Field 1, at its own expense and by counsel of its own choice, and UBI shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. If Siemens fails to bring any such action or proceeding within (A) 120 days following the notice of alleged infringement, or (B) 30 days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, then UBI shall have the right to bring and control any such action, at its own expense and by counsel of its own choice, and Siemens shall have the right, at its own expense, to be represented in any such action by counsel of its own choice.

(b) In Field 2 or Outside of the Field. UBI shall have the first right, but not the obligation, to bring and control any action or proceeding against a Third Party with respect to infringement of any Joint Collaboration Patent in Field 2 or outside of the Field, at its own expense and by counsel of its own choice, and Siemens shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. If UBI fails to bring any such action or proceeding within (A) 120 days following the notice of alleged infringement, or (B) 30 days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, then Siemens shall have the right to bring and control any such action, at its own expense and by counsel of its own choice, and UBI shall have the right, at its own expense, to be represented in any such action by counsel of its own choice.

9.5.5 Cooperation; Award. In the event a Party brings an infringement action in accordance with this Section 9.5, the other Party shall cooperate fully, including, if required to bring such action, the furnishing of a power of attorney or being named as a party. Neither Party shall enter into any settlement or compromise of any action under this Section 9.5 which would in any manner alter, diminish, or be in derogation of the other Party's rights under this Agreement without the prior written consent of such other Party. Except as otherwise agreed by the Parties in connection with a cost-sharing arrangement, any recovery realized by a Party as a result of any action or proceeding pursuant to this Section 9.5, whether by way of settlement or otherwise, after reimbursement of any litigation expenses of the Parties, shall be retained by the Party that brought and controlled such action for purposes of this Agreement; *provided, however,* that the portion of any recovery realized by Siemens as a result of any action pursuant to this Section 9.5 (after reimbursement of the Parties' litigation expenses) that is attributable to lost profits or a reasonable royalty with respect to any Strip Product shall be divided evenly over the number of years of infringement ("yearly recovery") and, to the extent that the actual gross sales of such Strip Product in a year of infringement plus the yearly recovery exceeds the Bonus Threshold for such infringement year, such excess shall be treated as Deemed Profits for purposes of Section 7.3.

9.6 Infringement of Third Party Patents. In the event that a Party identifies any issued Patent held by a Third Party that such Party in good faith believes is, or may be, infringed by the practice of the inventions claimed by the UBI Background Patents in the manufacture, use, sale, offer for sale or import of any Strip Product, the Parties shall orally confer with each other in good faith, consult with their respective patent counsel regarding the matter, and attempt to reach mutual agreement as to how to proceed. If the Parties agree (such

agreement not to be unreasonably withheld) that the actual or potential infringement can be avoided by making a modification to such Strip Product or the manufacturing process therefor, UBI shall use commercially reasonable efforts to make such modification. In the event that the actual or potential infringement sought to be avoided by such modification:

(a) is caused specifically by the practice of the inventions claimed by the UBI Background Patents in the manufacture, use, sale, offer for sale or import of such Strip Product; and

(b) does not result from any of the following: (i) any unauthorized use or distribution of such Strip Product; (ii) the manufacture of such Strip Product by Siemens or by a Third Party on Siemens' behalf, using a manufacturing process that differs from the manufacturing process for such Strip Product used by UBI prior to Siemens' assumption of responsibility for manufacturing or having manufactured such Strip Product; or (iii) the use, sale, offer for sale or import of such Strip Product in combination with other products or technology not provided or licensed by UBI; wherein, but for any of the activities described in the preceding clauses (i), (ii) and (iii) of this Section 9.6(b), the practice of the inventions claimed by the UBI Background Patents in the manufacture, use, sale, offer for sale or import of such Strip Product would not infringe the applicable Third Party patent;

then UBI shall be solely responsible for the costs it incurs in making, or attempting to make, such modification. In all other cases, Siemens shall reimburse UBI for the costs it incurs in making, or attempting to make, such modification.

If, after consultation with each other and their respective patent counsel as contemplated by the first paragraph of this Section 9.6, the Parties cannot agree upon a modification to such Strip Product or the manufacturing process therefor that would avoid such actual or potential infringement, or if Siemens is not able to secure a commercially reasonable license to the applicable issued Patent, or if the modification required to avoid such actual or potential infringement or the terms of a license to such issued Patent would make the applicable Strip Product commercially non-viable, then Siemens may terminate this Agreement, without obligation to pay any Termination Fee, upon 30 days' written notice to UBI.

9.7 Patent Marking. Siemens shall place in a conspicuous location on Products sold to Third Parties a patent notice, in accordance with 35 U.S.C. §287, and any corresponding provision of the laws of a jurisdiction other than the United States in which a Product is being sold, identifying the relevant UBI Background Patents covering such Product, if any. UBI shall, on at least an annual basis, provide Siemens with a list of the applicable UBI Background Patents and the Product(s) that are covered by the claims of such UBI Background Patents.

Article 10 - Confidentiality

10.1 Non-Disclosure and Non-Use Obligations. All Confidential Information disclosed by one Party (the ***"Disclosing Party"***) to the other Party (the ***"Receiving Party"***):

10.1.1 shall be used by the Receiving Party exclusively for the performance of the obligations or purposes set forth in this Agreement, unless otherwise expressly agreed to in writing by the Disclosing Party;

10.1.2 shall not be distributed or disclosed in any way or form by the Receiving Party to anyone except its own, its Affiliates' or its consulting firms' employees, who reasonably need to know such Confidential Information for the performance of the obligations or purposes set forth in this Agreement and who are bound to confidentiality either by their employment

agreement or otherwise to an extent not less stringent than the obligations under this Agreement. Prior to any disclosure to its consulting firms, the Receiving Party must have an appropriate agreement with any such consulting firm sufficient to require the consulting firm to treat Confidential Information in accordance with this Agreement. Any unauthorized disclosure of Confidential Information by Affiliates or by the Affiliates' employees or by any Party's consultants shall constitute a breach of this Agreement by such Party;

10.1.3 shall be treated by the Receiving Party with the same degree of care as is used with respect to the Receiving Party's own equally important confidential information to avoid disclosure to any Third Party, but at least with reasonable care; and

10.1.4 shall remain the property of the Disclosing Party.

10.2 Exceptions. The obligations under Section 10.1 shall not apply, however, to any information that the Receiving Party can demonstrate by competent evidence:

10.2.1 was in the Receiving Party's possession without confidentiality obligation prior to receipt from the Disclosing Party;

10.2.2 is at the time of disclosure already in the public domain or subsequently becomes available to the public through no breach by the Receiving Party of this Agreement;

10.2.3 is lawfully obtained by the Receiving Party from a Third Party without an obligation of confidentiality, provided such Third Party is not, to the Receiving Party's knowledge, in breach of any confidentiality obligation relating to such information;

10.2.4 is independently discovered or developed by the Receiving Party, without the use of any information provided by the Disclosing Party, as evidenced by the Receiving Party's written records maintained in the ordinary course of business; or

10.2.5 is approved for release by written agreement of the Disclosing Party.

The Party seeking the benefit of such exception shall bear the burden of proving its existence.

10.3 Authorized Disclosure. Notwithstanding the provisions of Section 10.1, the Receiving Party may disclose Confidential Information, without violating its obligations under this Agreement, to the extent such disclosure is required by a valid order of a court or other governmental body of competent jurisdiction or is otherwise required by law or regulation, *provided* that the Receiving Party shall give reasonable prior written notice to the Disclosing Party of such required disclosure and, at the Disclosing Party's request and expense, shall cooperate with the Disclosing Party's efforts to contest such requirement, to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued or the law or regulation required, and/or to obtain other confidential treatment of such Confidential Information.

10.4 Return of Confidential Information. Upon termination or expiration of this Agreement and the written request of the Disclosing Party, the Receiving Party shall, at the Receiving Party's discretion, either return all Confidential Information (including Confidential Information exchanged electronically and/or on record-bearing media, as well as any copies thereof) to the Disclosing Party or destroy the same; *provided, however,* that the Receiving Party shall not be obligated to return or destroy that portion of any Confidential Information that is licensed to the Receiving Party under any license grant that is expressly stated to survive

termination or expiration of this Agreement; and *provided, further,* that the Receiving Party shall not be required to delete or destroy any computer files created during automatic system back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information, so long as such electronic files are maintained only on centralized storage servers (and not on personal computers or devices) and are not accessible by any of its personnel (other than its information technology specialists). In case of a destruction, the Receiving Party shall confirm in writing such destruction to the Disclosing Party within 14 days after receipt of the respective request.

This Section 10.4 shall not apply to Confidential Information (including copies thereof) that (i) are licensed to the Receiving Party under any license grant that is expressly stated to survive termination or expiration of this Agreement, or (ii) must be stored by the Receiving Party or its consulting firm according to mandatory law, provided that such Confidential Information or copies thereof shall be subject to an indefinite confidentiality obligation according to the terms and conditions set out herein.

10.5 Public Announcements.

10.5.1 No later than the business day immediately following the Effective Date, the Parties shall issue a joint press release announcing the execution of this Agreement substantially in the form attached hereto as **Annex 10.5.1**. It is further acknowledged that each Party may desire or be required to issue subsequent press releases relating to this Agreement or activities hereunder. The Parties agree to consult with each other reasonably and in good faith with respect to the text and timing of subsequent press releases prior to the issuance thereof, provided that a Party may not unreasonably withhold consent to such releases, and that either Party may issue such press releases as it determines, based on advice of counsel, are reasonably necessary to comply with applicable law (including disclosure requirements of the U.S. Securities and Exchange Commission ("***SEC***")) or with the requirements of any stock exchange on which securities issued by a Party or its Affiliates are traded. In the event of a required public announcement, to the extent practicable under the circumstances, the Party making such announcement shall use commercially reasonable efforts to provide the other Party with a copy of the proposed text of such announcement sufficiently in advance of the scheduled release to afford such other Party a reasonable opportunity to review and comment upon the proposed text. Each Party may make public statements regarding this Agreement in response to questions by the press, analysts, investors or those attending industry conferences or financial analyst calls, or issue press releases, so long as any such public statement or press release is not inconsistent with prior public disclosures or public statements approved by the other Party pursuant to this Section 10.5 or permitted by Section 10.3 and does not reveal non-public information about the other Party.

10.5.2 The Parties shall coordinate in advance with each other in connection with the filing of this Agreement (including redaction of certain provisions of this Agreement) with the SEC or other governmental agency or any stock exchange on which securities issued by a Party or its Affiliate are traded, and each Party shall use reasonable efforts to seek confidential treatment for the terms proposed to be redacted; *provided, however,* that each Party shall ultimately retain control over what information to disclose to the SEC or any stock exchange or other governmental agency, as the case may be, and provided further that the Parties shall use their reasonable efforts to file redacted versions with any governmental agencies which are consistent with redacted versions previously filed with any other governmental agencies. Other than such obligation, neither Party (or its Affiliates) shall be obligated to consult with or obtain approval from the other Party with respect to any filings with the SEC or any stock exchange or other governmental agency.

10.6 Survival. The obligations of this Article 10 shall survive five (5) years after termination or expiration of this Agreement.

Article 11 - Term and Termination

11.1 Term. The term of this Agreement (the ***"Term"***) shall commence on the Effective Date and, unless earlier terminated in accordance with this Article 11 or by exercise of any other specific termination right expressly granted herein, shall expire upon expiration of all payment obligations of Siemens hereunder and under the Supply Agreements.

11.2 Termination of Agreement. This Agreement may be prematurely terminated in its entirety prior to its expiration upon the occurrence of one or more of the events stated below:

11.2.1 by either Party upon written notice to the other Party with immediate effect in the event that the other Party voluntarily files a petition in bankruptcy or has such a petition involuntarily filed against it or is placed in an insolvency proceeding, or if an order is entered appointing a receiver or trustee or if a levy or attachment is made against a substantial portion of its assets and any such event is not dismissed within 30 days from the date of entry, or if any assignment for the benefit of its creditors is made. The aggrieved Party shall, without delay, inform the other Party in writing of the occurrence of any one of the events mentioned above;

11.2.2 by either Party upon written notice to the other Party if the other Party is in material breach of this Agreement and has not cured such breach within 60 days (or 30 days with respect to any payment breach) after notice from the terminating Party specifying the nature of such breach and requiring remedy of the same. Any such termination shall become effective at the end of such 60-day (or 30-day with respect to any payment breach) period, unless the breaching Party has cured such breach prior to the end of such period. Any right to terminate under this Section 11.2.2 shall be stayed and the cure period tolled in the event that, during any cure period, the Party alleged to have been in material breach shall have initiated dispute resolution in accordance with Article 14 with respect to the alleged breach, which stay and tolling shall continue until such dispute has been resolved in accordance with Article 14;

11.2.3 by UBI, immediately upon written notice to Siemens if Siemens or any of its Affiliates, directly or indirectly through any Third Party, commences any interference or opposition proceeding with respect to, challenges the validity or enforceability of, or opposes any extension of or the grant of a supplementary protection certificate with respect to, any UBI Background Patent;

11.2.4 by Siemens upon 30 days' written notice to UBI for any reason; or

11.2.5 by Siemens pursuant to Section 9.6.

11.3 Effect of Expiration or Termination of Agreement. In the event of expiration or termination of this Agreement, the licenses granted pursuant to Section 8.1 shall survive such expiration or termination in accordance with their respective terms and conditions, including, without limitation, Article 7 hereof; *provided, however,* that:

11.3.1 upon termination of this Agreement by UBI pursuant to Section 11.2.2 or Section 11.2.3, or termination of this Agreement by Siemens pursuant to Section 11.2.4 or Section 11.2.5:

(a) Siemens' licenses under Section 8.1.1(a), Section 8.1.1(b) and Section 8.1.1(c) shall (i) with respect to UBI Background IP, automatically terminate and revert to UBI, and (ii) with respect to UBI Collaboration IP and Joint Collaboration IP, automatically become non-exclusive;

(b) UBI's licenses under Section 8.1.2(a) shall (i) with respect to the Development Work, automatically terminate and revert to Siemens, and (ii) with respect to the manufacture of Strip Products, survive only to the extent necessary for UBI to perform its obligations under any Supply Agreement in effect at the time of such termination for so long as such Supply Agreement remains in effect; and

(c) Siemens shall, within 30 days after termination of this Agreement pursuant to Section 11.2.4, pay to UBI the applicable Agreement Termination Fee (if any) calculated in accordance with Section 11.4; and

11.3.2 upon termination of this Agreement by Siemens pursuant to Section 11.2.2:

(a) Siemens' licenses under Section 8.1.1(a), Section 8.1.1(b) and Section 8.1.1(c) shall (i) with respect to UBI Background IP, automatically terminate and revert to UBI, and (ii) with respect to UBI Collaboration IP and Joint Collaboration IP, automatically become non-exclusive; and

(b) UBI's licenses under Section 8.1.2(a) shall (i) with respect to the Development Work, automatically terminate and revert to Siemens, and (ii) with respect to the manufacture of Strip Products, survive only to the extent necessary for UBI to perform its obligations under any Supply Agreement in effect at the time of such termination for so long as such Supply Agreement remains in effect.

11.4 Termination Fee. If, prior to completion of the Development Work and payment of all amounts due under Section 7.1, Siemens terminates this Agreement pursuant to Section 11.2.4, Siemens shall pay to UBI a termination fee in an amount determined by multiplying $***[REDACTED]** by the number of months elapsed from the Effective Date to the date of such termination, rounded up to the nearest whole number of months, not to exceed a total of $***[REDACTED]** (the ***"Termination Fee"***).

11.5 Accrued Obligations; Survival. Neither expiration nor termination of this Agreement shall relieve either Party of any obligation or liability accruing prior to such expiration or termination, nor shall expiration or any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement. In addition, the Parties' rights and obligations under Sections 8.2, 8.3.1, 8.3.2 (first sentence only), 8.3.3, 8.4, 8.7, 9.1, 9.3.2, 9.3.4, 9.5.4, 9.5.5 (provided that the first sentence thereof shall apply only to actions brought pursuant to Section 9.5.4), 9.7, 10.1, 10.2, 10.3, 10.4, 10.6, 11.3, 11.4, 11.5, 11.6, 16.3 and 16.4, and Articles 7, 13, 14, 17 and 18 of this Agreement shall survive expiration or termination of this Agreement:

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* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

11.6 Rights Upon Bankruptcy. All rights and licenses granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11 of the United States Code and other similar laws in any jurisdiction outside the U.S., including Australia (collectively, ***"Bankruptcy Laws"***), licenses of rights to "intellectual property" as defined under the Bankruptcy Laws. If a case is commenced during the Term by or against a Party under Bankruptcy Laws then, unless and until this Agreement is rejected as provided in such Bankruptcy Laws, such Party (in any capacity, including debtor-in-possession) and its successors and assigns (including a trustee) shall perform all of the obligations provided in this Agreement to be performed by such Party. If a case is commenced during the Term by or against a Party under the Bankruptcy Laws, this Agreement is rejected as provided in the Bankruptcy Laws and the other Party elects to retain its rights hereunder as provided in the Bankruptcy Laws, then the Party subject to such case under the Bankruptcy Laws (in any capacity, including debtor-in-possession) and its successors and assigns (including a Title 11 trustee), shall provide to the other Party copies of all Information necessary for such other Party to prosecute, maintain and enjoy its rights under the terms of this Agreement promptly upon such other Party's written request therefor. All rights, powers and remedies of the non bankrupt Party as provided herein are in addition to and not in substitution for any and all other rights, powers and remedies now or hereafter existing at law or in equity (including, without limitation, the Bankruptcy Laws) in the event of the commencement of a case by or against a Party under the Bankruptcy Laws.

Article 12 - Export Control and Foreign Trade Data Regulations

12.1 Each Party shall comply with all applicable export control, customs and foreign trade regulations (***"Foreign Trade Regulations"***). Each Party shall, upon the other Party's request, promptly provide to the other Party such available information and data as is required by the other Party to comply with all Foreign Trade Regulations in case of export and import as well as re-export.

Article 13 - Governing Law

The validity, interpretation and performance of this Agreement shall be controlled by and construed in accordance with the substantive law of the State of New York, USA, without reference to the substantive law of any other country. The Parties specifically disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980.

Article 14 - Arbitration

14.1 Alternative Dispute Resolution. The Parties hereby agree that they will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement promptly by negotiations. If a controversy or claim should arise hereunder, the matter shall be referred to an individual designated by the Chief Executive Officer (or the equivalent position) of UBI and an individual designated by the Chief Executive Officer (or the equivalent position) of Siemens (the ***"Party Representatives"***). If the matter has not been resolved within 45 days after the first meeting of the Party Representatives (which period may be extended by mutual agreement) concerning such matter, then the Parties shall endeavor to resolve any dispute by mediation under the CPR Mediation Procedure currently in effect. Unless the Parties agree otherwise, the mediator will be selected from the CPR Panels of Distinguished Neutrals. Subject to Section 14.3 below, any controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity of this Agreement

14.2 (***"Dispute"***), which remains unresolved 45 days after initiation of the mediation procedure or 30 days after the appointment of a mediator, whichever is later, shall be finally resolved by binding arbitration in accordance with the International Institute for Conflict Prevention & Resolution (***"CPR"***) Rules for Non-Administered Arbitration currently in effect. Either Party may give written notice to the other Party for resolution of the Dispute by binding arbitration in the manner described in **Annex 14.1** (***"ADR Request"***).

14.3 Court Actions. Nothing contained in this Agreement (including, without limitation, Section 14.1 and **Annex 14.1** hereto) shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a *bona fide* emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding any ongoing discussions between the Parties or any ongoing mediation or arbitration proceeding. In addition, either Party may bring an action in any court of competent jurisdiction to resolve any dispute concerning the validity, construction or effect of any Patent licensed hereunder, and no such claim shall be subject to mediation or arbitration pursuant to Section 14.1 or **Annex 14.1** hereto.

Article 15 - Code of Conduct

15.1 Compliance. UBI shall comply with the principles and requirements of the "Code of Conduct for Siemens Suppliers" attached hereto as **Annex 15.1** (hereinafter referred to as the ***"Code of Conduct"***).

15.2 Reporting. If requested by Siemens, UBI shall not more than once a year either, at UBI's option, provide Siemens with (i) a written self-assessment in the form provided by Siemens, or (ii) a written report approved by Siemens describing the actions taken or to be taken by UBI to assure compliance with the Code of Conduct.

15.3 Inspection. Siemens and its authorized agents and representatives and/or a Third Party appointed by Siemens and reasonably acceptable to UBI, shall be entitled (but not obliged) to conduct – also at UBI's premises – inspections in order to verify suppliers' compliance with the Code of Conduct. Any inspection may only be conducted upon prior written notice of Siemens, during regular business hours, in accordance with the applicable data protection law and shall neither unreasonably interfere with UBI's business activities nor violate any of UBI's confidentiality agreements with Third Parties. UBI shall reasonably cooperate in any inspections conducted. Each Party shall bear its expenses in connection with such inspection.

15.4 Non-Compliance. In addition to any other rights and remedies Siemens may have, in the event of (i) UBI's material or repeated failure to comply with the Code of Conduct or (ii) UBI's denial of Siemens' right of inspection as provided for in the third paragraph of this article, after providing UBI reasonable notice and a reasonable opportunity to remedy, Siemens may terminate this agreement and/or any purchase order issued hereunder without any liability whatsoever. Material failures include, but are not limited to, incidents of child labor, corruption and bribery, and failure to comply with the Code of Conduct's environmental protection requirements. The notice and opportunity to remedy provision shall not apply to violations of requirements and principles regarding of the child labor as set out in the Code of Conduct or willful failures to comply with the Code of Conduct's environmental protection requirements.

Article 16 - Representations and Warranties

16.1 Mutual Representations and Warranties. Each Party represents and warrants to the other that: (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation; (b) it has full corporate or other power and authority to enter into this Agreement, and is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder; and (c) this Agreement is legally binding upon it, enforceable in accordance with its terms, and does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

16.2 UBI Representations and Warranties. UBI represents and warrants to Siemens that, as of the Effective Date:

16.2.1 Annex 1.40 discloses all Patents claiming or covering the manufacture, use, sale, offer for sale or import of Products in the Field that are owned or otherwise Controlled by UBI. UBI is the sole owner of all such Patents listed in **Annex 1.40** other than the In-Licensed UBI Background Patents. UBI has the right to grant Siemens a sublicense in the Field under UBI's licenses to the In-Licensed UBI Background Patents. Either (a) UBI's license rights under In-Licensed UBI Background Patents are perpetual; or (b) in the event of termination of the LifeScan Agreements, any sublicense granted to Siemens under In-Licensed UBI Background Patents in the Field that is in effect immediately prior to such termination shall survive such termination as a direct license from LifeScan to Siemens in accordance with the terms and conditions of the LifeScan Agreements;

16.2.2 With respect to each UBI Background Patent that is owned by UBI, UBI has obtained all assignment documents from its employees, consultants, agents and contractors involved in the creation of the subject matter of such UBI Background Patents as necessary to effect and evidence UBI's sole ownership of all right, title and interest in and to such UBI Background Patents;

16.2.3 The UBI Background Patents owned by UBI, and, to UBI's knowledge, the In-Licensed UBI Background Patents, have been maintained in compliance with all applicable patent laws and regulations (including laws requiring filings or payments of fees);

16.2.4 To UBI's knowledge, no circumstance exists that would give any Third Party a reasonable legal basis to challenge the validity of any issued patent within the UBI Background Patents and none of the UBI Background Patents are the subject of any interference, opposition, reexamination, cancellation or similar claim or proceeding;

16.2.5 To UBI's knowledge, no Third Party is infringing any UBI Background Patents in the Field;

16.2.6 UBI is not required to make payments to any Third Party with respect to its ownership or use of UBI Background Patents (other than payment or reimbursement of patent costs);

16.2.7 UBI has not, as of the Effective Date, granted any Affiliate of UBI or any Third Party any license under UBI Background Patents in the Field;

16.2.8 UBI has not received written notice from any Third Party claiming that the manufacture, use, sale, offer for sale or import of any Product in the Field infringes or would infringe the patent or other intellectual property rights of any Third Party;

16.2.9 UBI has provided to Siemens as of the Effective Date a list of all software products and systems used by, developed or licensed by UBI (other than commercial off-the-shelf software products licensed by it that have not been modified or altered) and incorporated into or used with the UBI Background Software (the ***"Software"***). Except as identified in such list, UBI Background Software does not incorporate any so-called "open source" software that requires UBI to grant license rights in the UBI Background Software or UBI Collaboration Software to any Third Party.

16.3 Disclaimer. Except as expressly set forth herein, THE TECHNOLOGY AND INTELLECTUAL PROPERTY RIGHTS PROVIDED BY EACH PARTY HEREUNDER ARE PROVIDED "AS IS," AND EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES, AND WITHOUT ANY WARRANTY THAT SUCH TECHNOLOGY AND INTELLECTUAL PROPERTY RIGHTS WILL NOT INFRINGE THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES OR THAT SOFTWARE PROVIDED HEREUNDER WILL BE ERROR-FREE OR THAT USE OF SUCH SOFTWARE WILL BE UNINTERRUPTED. Without limiting the generality of the foregoing, the Parties acknowledge that the development of medical products such as the Products is inherently uncertain, and accordingly, UBI does not represent or warrant that the Development Results will be acceptable to any regulatory authority to which they are presented nor that the Development Results will enable Siemens to commercialize the Products.

16.4 Limitation of Liability. Except in the case of breach of Article 10, NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT OR ANY LICENSE GRANTED HEREUNDER; *provided, however,* that this Section 16.4 shall not be construed to limit either Party's indemnification obligations under Article 17.

Article 17 - Indemnification

17.1 Indemnification by Siemens. Siemens hereby agrees to save, defend, indemnify and hold harmless UBI, its Affiliates and their respective officers, directors, employees, consultants and agents (the ***"UBI Indemnitees"***), from and against any and all losses, damages, liabilities, expenses and costs, including reasonable legal expense and attorneys' fees (***"Losses"***), to which any UBI Indemnitee may become subject as a result of any claim, demand, action or other proceeding by any Third Party to the extent such Losses arise directly or indirectly out of: (a) the development, manufacture, use, handling, storage, sale or other disposition of Products by or on behalf of Siemens or any of its Affiliates or Third Party licensees; (b) the gross negligence or willful misconduct of any Siemens Indemnitee (defined below); or (c) the breach by Siemens of any warranty, representation, covenant or agreement made by it in this Agreement; except, in each case, to the extent such Losses result from the gross negligence or willful misconduct of any UBI Indemnitee or the breach by UBI of any warranty, representation, covenant or agreement made by it in this Agreement.

17.2 Indemnification by UBI. UBI hereby agrees to save, defend, indemnify and hold harmless Siemens, its Affiliates and their respective officers, directors, employees, which

consultants and agents (the ***"Siemens Indemnitees"***), from and against any and all Losses to any Siemens Indemnitee may become subject as a result of any claim, demand, action or other proceeding by any Third Party to the extent such Losses arise directly or indirectly out of: (a) the development, manufacture, use, handling, storage, sale or other disposition of Products by or on behalf of UBI or any of its Affiliates or Third Party licensees; (b) the gross negligence or willful misconduct of any UBI Indemnitee; or (c) the breach by UBI of any warranty, representation, covenant or agreement made by it in this Agreement; except, in each case, to the extent such Losses result from the gross negligence or willful misconduct of any Siemens Indemnitee or the breach by Siemens of any warranty, representation, covenant or agreement made by it in this Agreement.

17.3 Procedure. In the event a Party seeks indemnification under Section 17.1 or 17.2, it shall inform the other Party (the ***"Indemnifying Party"***) of a claim as soon as reasonably practicable after such Party (the ***"Indemnified Party"***) receives notice of the claim (it being understood and agreed, however, that the failure by an Indemnified Party to give notice of a claim as provided in this Section 17.3 shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except and only to the extent that such Indemnifying Party is actually damaged as a result of such failure to give notice), shall permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as requested (at the expense of the Indemnifying Party) in the defense of the claim. The Indemnified Party shall not agree to any settlement of such action, suit, proceeding or claim without the prior written consent of the Indemnifying Party. The Indemnifying Party shall not agree to any settlement of such action, suit, proceeding or claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Indemnified Party from all liability with respect thereto, that imposes any liability or obligation on the Indemnified Party or that acknowledges fault by the Indemnified Party; in each case, without the prior written consent of the Indemnified Party.

Article 18 - Miscellaneous

18.1 Relationship Between the Parties. Nothing contained in this Agreement shall be construed as creating a joint venture, partnership or employment relationship. Except as specified herein, neither Party shall have the right, power or implied authority to create any obligation or duty, express or implied, on behalf of the other Party hereto.

18.2 Assignment. Except as expressly provided hereunder, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either Party without the prior written consent of the other Party (which consent shall not be unreasonably withheld); *provided, however*, that either Party may assign this Agreement and its rights and obligations hereunder without the other Party's consent: (a) in connection with the transfer or sale of all or substantially all of the business of such Party to which this Agreement relates to a Third Party, whether by merger, sale of stock, sale of assets or otherwise, provided that in the event of a transaction (whether this Agreement is actually assigned or is assumed by the acquiring Party by operation of law (*e.g.*, in the context of a reverse triangular merger)), intellectual property rights of the acquiring Party to such transaction (if other than one of the Parties to this Agreement) shall not be included in the technology licensed hereunder or otherwise subject to this Agreement; or (b) to an Affiliate, provided that the assigning Party shall remain liable and responsible to the non-assigning Party hereto for the performance and observance of all such duties and obligations by such Affiliate; and, in each case, the assigning Party shall provide prompt notice to the other Party of any such assignment. The rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of

the successors and permitted assigns of the Parties, and the name of a Party appearing herein shall be deemed to include the name of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this section. Any assignment not in accordance with this Agreement shall be void.

18.3 Severability. If any portion of this Agreement is determined to be or becomes unenforceable or illegal, such portion shall be deemed eliminated and the remainder of this Agreement shall remain in effect in accordance with its terms as modified by such deletion. The Parties shall replace the voided provisions with provisions in which the content is closest, allowable by the law, to the original.

18.4 Entire Agreement; Amendment. This Agreement, including the Annexes hereto, together with that certain letter agreement between the Parties dated as of the Effective Date, is both a final expression of the Parties' agreement and a complete and exclusive statement with respect to all of its terms. In the event of any conflict between the provisions of this Agreement and any Annex hereto, the provisions of this Agreement shall control. This Agreement supersedes all prior and contemporaneous agreements and communications, whether oral, written or otherwise, concerning any and all matters contained herein. This Agreement may only be amended, modified or supplemented in a writing expressly stated for such purpose and signed by the Parties to this Agreement.

18.5 Non-Waiver. The failure or delay by a Party in enforcing any provision of, or exercising any right or remedy under, this Agreement shall not constitute a waiver of that provision, right or remedy, in whole or in part, in that instance or in any other instance. Any waiver by a Party of a particular provision, right or remedy shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such Party.

18.6 Notices. Any notice to be given under this Agreement must be in writing and delivered either in person, by any method of mail (postage prepaid) requiring return receipt, or by overnight courier or facsimile confirmed thereafter by any of the foregoing, to the Party to be notified at its address(es) given below, or at any address such Party has previously designated by prior written notice to the other. Notice shall be deemed sufficiently given for all purposes upon the earliest of: (a) the date of actual receipt; (b) if mailed, five days after the date of postmark; or (c) if delivered by express courier, the next business day the courier regularly makes deliveries in the country of the recipient. For the avoidance of doubt, notice may not be given by electronic communication.

If to UBI:

Universal Biosensors Pty Ltd
1 Corporate Avenue
Rowville, Victoria 3178
Australia
Attention: Chief Executive Officer
Fax: +613 9213 9099

With a copy to:

Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121
USA
Attention: Jane K. Adams
Fax: +1 (858) 550-6420

If to Siemens:

Siemens Healthcare Diagnostics Inc.
511 Benedict Avenue
Tarrytown, NY 10591
USA
Attention: CEO, POC Business Unit
Fax: +1 (914) 524-3693

With a copy to:

Siemens Healthcare Diagnostics Inc.
511 Benedict Avenue
Tarrytown, NY 10591
USA
Attention: IP Counsel
Fax: +1 (914) 524-3594

18.7 Force Majeure. Each Party shall be excused from liability for the failure or delay in performance of any obligation under this Agreement by reason of any event beyond such Party's reasonable control including but not limited to Acts of God, fire, flood, explosion, earthquake, or other natural forces, war, civil unrest, acts of terrorism, accident, destruction or other casualty, any lack or failure of transportation facilities, any lack or failure of supply of raw materials, any strike or labor disturbance, or any other event similar to those enumerated above. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and provided that the Party has not caused such event(s) to occur. All delivery dates under this Agreement that have been affected by force majeure shall be tolled for the duration of such force majeure. In no event shall any Party be required to prevent or settle any labor disturbance or dispute.

18.8 Interpretation. The headings of clauses contained in this Agreement preceding the text of the sections, subsections and paragraphs hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement, or have any effect on its interpretation or construction. All references in this Agreement to the singular shall include the plural where applicable. Unless otherwise specified, references in this Agreement to any Article shall include all Sections, subsections and paragraphs in such Article, references to any Section shall include all subsections and paragraphs in such Section, and references in this Agreement to any subsection shall include all paragraphs in such subsection. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against either Party, irrespective of which Party may be deemed to have caused the ambiguity or uncertainty to exist. This Agreement has been prepared in the English language and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral or other communications between the Parties regarding this Agreement shall be in the English language.

18.9 Counterparts. This Agreement may be executed in counterparts, including by transmission of facsimile or PDF copies of signature pages to the Parties, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the Effective Date.

UNIVERSAL BIOSENSORS PTY LTD

By: _____

Name: _____

Title: _____

SIEMENS HEALTHCARE DIAGNOSTICS INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Annex 1.20

Listed Tests

***[REDACTED]**

* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Annex 1.40

UBI Background Patents

IN-LICENSED UBI BACKGROUND PATENTS

"LifeScan Acquired Patents" (as defined in LifeScan Agreements)

Patent/Application No.	Title
US 5,863,400	Electrochemical Cells
US 6,284,125	Electrochemical Cells
US 7,608,175	Electrochemical Cells
US 7,604,722	Electrochemical Cells
USSN 12/560,773	Electrochemical Cells
USSN 12/560,780	Electrochemical Cells
USSN 12/567,433	Electrochemical Cells
US 6,179,979	Electrochemical Cells
US 7,431,814	Electrochemical Cells
USSN 11/487,728	Electrochemical Cells
USSN 12/899,342	Electrochemical Cells
US 5,942,102	Electrochemical Method
US 6,379,513	Sensor Connector Means
USSN 11/434,442	Sensor Connector Means
US 6,174,420	Electrochemical Cell
US 6,444,115	Electrochemical Method for Measuring Chemical Reaction Rates
US 6,413,410	Electrochemical Cell
US 6,521,110	Electrochemical Cell
US 6,863,801	Electrochemical Cell
US 7,431,820	Electrochemical Cell
USSN 12/196,704	Electrochemical Cell
US 7,846,312	Electrochemical Cell Connector
US 6,946,067	Method of Forming an Electrical Connection Between an Electrochemical Cell and Meter
US 6,960,289	Electrochemical Cell
USSN 11/434,442	Sensor Connector Means
US 7,045,046	Sensor Connector Means
US 7,022,217	Electrochemical Method for Measuring

Other Patents Licensed to UBI under LifeScan Agreements

Patent/Application No.	Title
US 6,872,298	Determination of Sample Volume Adequacy in Biosensor Devices
US 6,797,150	Determination of Sample Volume Adequacy in Biosensor Devices
US 7,195,704	Determination of Sample Volume Adequacy in Biosensor Devices
US 6,193,873	Sample Detection to Initiate Timing of an Electrochemical Assay
US 6,676,995	Solution Striping System
US 6,689,411	Solution Striping System

OTHER UBI BACKGROUND PATENTS

Filing No.	Application No.	Title
PCT/IB2007/001990	WO/2008/010058	Electrochemical Detection of Magnetic Particle Mobility
PCT/IB2008/002849	WO/2009/053834	Apparatus and Method for Electrochemical Detection
PCT/IB2009/006634	WO/2010/007532	Automatic Information Transfer by Color Encoded Fields
PCT/IB2010/000972	WO/2010/119341	On-Board Control Detection
US 11/138,080	US 2006/0266644	Method and Apparatus for Electrochemical Analysis
US 11/284,136	US 2007/0205103	Method and Apparatus for Electrochemical Analysis

Annex 0

Milestone Payments

Siemens will pay to UBI a total of US$***[REDACTED]** million as follows:

MILESTONE	MILESTONE PAYMENT
Technology access fee payable on Effective Date	$ ***[REDACTED]**
***[REDACTED]**	$ ***[REDACTED]**
***[REDACTED]**	$ ***[REDACTED]**
***[REDACTED]**	$ ***[REDACTED]**
***[REDACTED]**	$ ***[REDACTED]**
***[REDACTED]**	$ ***[REDACTED]**
***[REDACTED]**	$ ***[REDACTED]**
TOTAL	$ ***[REDACTED]**

***[REDACTED]**

* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Annex 7.3

Annual Forecasts of Strip Product Sales
(in thousands of Euro)

	2013	2014	2015	2016	2017	2018
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]

	2019	2020	2021	2022	2023	2024
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]

* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Annex 10.5.1

Form of Press Release

Universal Biosensors

Universal Biosensors and Siemens Sign New Strategic Partnership to Launch Advanced Point-of-Care Coagulation Platform

Agreement will deliver novel handheld analyzers for the point-of-care hemostasis testing market

Melbourne, Australia and Tarrytown, New York, September XXX, 2011 – Universal Biosensors and Siemens Healthcare Diagnostics have signed a strategic partnership to launch a new point-of-care (POC) coagulation testing platform for the global hemostasis market. This agreement harnesses Universal Biosensors' opposing electrode technology as well as Siemens' strong market positions in both the central laboratory and POC settings, along with its innovative know-how in creating advanced hemostasis testing solutions. Together, the companies will develop, manufacture and distribute a series of novel handheld POC coagulation testing systems providing unique value and quality to healthcare professionals.

Leveraging a growing demand for near-patient testing solutions, including those that deliver time-critical coagulation data, Universal Biosensors and Siemens will focus on offering new technologies that deliver laboratory-quality results at the point of care. The first solution scheduled for release is a prothrombin time (PT) test. Additional products with enhanced menus and extended capabilities are anticipated over time.

"Siemens recognizes the growth in demand for laboratory-quality tests that can be conducted near patients to produce reliable, immediate results," said David Stein, Ph.D., CEO, Point of Care Business Unit at Siemens Healthcare Diagnostics. "As a hemostasis market leader, we're excited about our new partnership with Universal Biosensors to help further extend our broad POC testing position and to ensure the delivery of innovative new solutions that enable physicians to make faster, more informed decisions for improved patient care."

"We are delighted to establish this relationship with Siemens Healthcare Diagnostics," said Paul Wright, CEO of Universal Biosensors. "In partnership, we are well placed to provide highly accurate, cost-effective solutions for the POC market, and we look forward to a long-term collaborative relationship with Siemens."

Universal Biosensors is a specialist medical diagnostics company that is focused on the development, manufacture and commercialisation of a range of in vitro diagnostic tests for point-of-care use. These tests capitalise on a technology platform which uses a novel electrochemical cell that can be adapted for multiple analytes and provide for enhanced measurements in whole blood. Universal Biosensors is currently developing other point-of-care blood tests from its technology platform, for which it continues to seek strategic partners. For further information please visit www.universalbiosensors.com.

The **Siemens Healthcare Sector** is one of the world's largest suppliers to the healthcare industry and a trendsetter in medical imaging, laboratory diagnostics, medical information technology and hearing aids. Siemens offers its customers products and solutions for the entire range of patient care from a single source – from prevention and early detection to diagnosis, and on to treatment and aftercare. By optimizing clinical workflows for the most common diseases, Siemens also makes healthcare faster, better and more cost-effective. Siemens Healthcare employs some 48,000 employees worldwide and operates around the world. In fiscal year 2010 (to September 30), the Sector posted revenue of 12.4 billion euros and profit of around 750 million euros. For further information please visit: www.siemens.com/healthcare.

Contact:

For Universal Biosensors:

For Siemens Healthcare Diagnostics:
Gian Sachdev
610-448-3024
gian.sachdev@siemens.com

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Annex 14.1

Arbitration

Any Dispute not timely resolved in accordance with Section 14.1 of the Agreement (except as set forth in Section 14.3 of this Agreement) shall be finally and exclusively resolved in accordance with the procedures set forth herein. The Parties shall have the right to be represented by counsel in such a proceeding.

1. The arbitration shall be conducted in accordance with the CPR Rules for Non- Administered Arbitration, then in effect (the "Rules"), except as modified herein. There shall be 3 neutral and impartial arbitrators, one appointed by each of the Parties within 14 days of receipt by a Party of notice of arbitration in accordance with the Rules. On the request of any Party, any arbitrator not timely appointed shall be appointed by the CPR within 10 days of receipt of a request. The third arbitrator, who shall serve as chair of the arbitral tribunal, shall be selected by the 2 Party-appointed arbitrators within 14 days of the appointment of the second arbitrator.

2. If the 2 Party-appointed arbitrators are unable to timely agree on a third arbitrator, on the request of any Party such arbitrator shall be appointed in accordance with the following procedure:

(a) The CPR shall submit to the Parties a list of not less than 5 candidates within 14 days after receipt of the request, along with a Curriculum Vitae for each candidate. No candidate shall be an employee, director, or shareholder of either Party or any of their subsidiaries or affiliates.

(b) Such list shall include a statement of disclosure by each candidate of any circumstances likely to affect his or her impartiality.

(c) Each Party shall number the candidates in order of preference (with number 1 signifying the greatest preference) and shall deliver the list to the CPR within 7 days following receipt of the list of candidates. If a Party believes a conflict of interest exists regarding any of the candidates, that Party shall provide a written explanation of the conflict to the CPR along with its list showing its order of preference for the candidates. Any Party failing to return a list of preferences on time shall be deemed to have no order of preference.

(d) If the Parties collectively have identified fewer than 3 candidates deemed to have conflicts, the CPR immediately shall designate as the neutral the candidate for whom the Parties collectively have indicated the greatest preference. If the Parties collectively have identified 3 or more candidates deemed to have conflicts, then the CPR shall review the explanations regarding conflicts and, in its sole discretion, may either (i) immediately designate as the neutral the candidate for whom the Parties collectively have indicated the greatest preference, or (ii) issue a new list of not less than 5 candidates, in which case the procedures set forth in subparts 2(a) - 2(d) shall be repeated.

3. Within 30 days after the selection of the third arbitrator, the Parties and the arbitral tribunal shall hold a preliminary conference to discuss the scope of discovery to be permitted, during which the arbitral tribunal shall set reasonable parameters for discovery (including document requests and depositions of percipient witnesses). In setting such parameters, the

arbitral tribunal shall take into account both the needs of the Parties for an understanding of any legitimate issue raised in the arbitration and the desirability of making discovery efficient and cost-effective.

4. Unless such time period is extended by agreement of the Parties or by the arbitral tribunal for good cause shown, no later than 90 days after the preliminary conference, the arbitral tribunal shall hold a hearing to resolve each of the issues identified by the Parties. The hearing shall take place in New York, New York, or at another location agreed upon by the Parties.

5. At least 7 days prior to the hearing, each Party shall submit the following to the other Party and the arbitral tribunal:

(a) a copy of all exhibits on which such Party intends to rely in any oral or written presentation to the neutral;

(b) a list of any witnesses such Party intends to call at the hearing, and a short summary of the anticipated testimony of each witness;

(c) a proposed ruling on each issue to be resolved, together with a request for a specific damage award or other remedy for each issue. The proposed rulings and remedies shall not contain any recitation of the facts or any legal arguments and shall not exceed 1 page per issue; and

(d) a brief in support of such Party's proposed rulings and remedies, provided that the brief shall not exceed 20 pages. This page limitation shall apply regardless of the number of issues raised in the arbitration proceeding.

6. The hearing shall be conducted if possible on no more than 3 consecutive days and shall be governed by the following rules:

(a) Each Party shall be entitled, but not required, to make an opening statement, to present regular and rebuttal testimony, documents or other evidence, to cross-examine witnesses, and to make a closing argument. Cross-examination of witnesses shall occur immediately after their direct testimony.

(b) The Party initiating the arbitration shall begin the hearing and, if it chooses to make an opening statement, shall address not only the issues it raised but also any issues raised by the responding Party. The responding Party, if it chooses to make an opening statement, also shall address all issues raised in the arbitration. Thereafter, the presentation of regular and rebuttal testimony and documents, other evidence, and closing arguments shall proceed in the same sequence.

(c) Except when testifying, witnesses shall be excluded from the hearing until closing arguments.

(d) Settlement negotiations, including any statements made therein, shall not be admissible under any circumstances. The arbitral tribunal shall have sole discretion regarding the admissibility of any evidence.

7. Within 7 days following completion of the hearing, each Party may submit to the other Party and the neutral a post-hearing brief in support of its proposed rulings and remedies, provided that such brief shall not contain or discuss any new evidence and shall not exceed 15 pages. This page limitation shall apply regardless of the number of issues raised in the arbitration proceeding.

8. The arbitral tribunal shall rule on each disputed issue within 21 days following submission of post-hearing briefs. The award shall be in writing and shall state the findings of fact and conclusions of law on which it is based. The fees and expenses of the arbitrators shall be split evenly between the Parties, and each Party shall bear its own legal fees and expenses; *provided, however*, that the arbitral tribunal may, in its discretion, award to the prevailing Party reimbursement for its reasonable fees and expenses (or some portion thereof).

9. The ruling of the arbitral tribunal and the allocation of fees and expenses (if any) shall be binding, non-reviewable and non-appealable, and may be entered as a final judgment in any court having jurisdiction.

10. Except as provided in Section 9 of this Annex, the arbitration conducted pursuant hereto shall be confidential. Neither Party shall disclose or permit the disclosure of any information about the evidence adduced or the documents produced by the other Party in the arbitration proceedings or about the existence, contents or results of the proceeding except as may be required by a governmental authority or as required in an action in aid of arbitration or for enforcement of an arbitral award. Before making any disclosure permitted by the preceding sentence, the Party intending to make such disclosure shall give the other Party reasonable written notice of the intended disclosure and afford the other Party a reasonable opportunity to protect its interests.

11. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies.

12. Numerary Arbitration Principle – Unless otherwise expressly set forth herein or as otherwise agreed in writing by the Parties, any Dispute or portion of a Dispute under arbitration involving a number or figure, including a dollar amount, percentage, allocation, or ratio (***"Numerary Value"***), each Party shall submit its proposed Numerary Value to the arbitral tribunal, and the arbitral tribunal shall be obligated to choose one of the proposed Numerary Values or the other, and shall not be permitted or empowered to order any other Numerary Value, whether falling within or outside of the range between the respective Numerary Values proposed by the Parties.

Annex 15.1

Code of Conduct for Siemens Suppliers

This Code of Conduct defines the basic requirements placed on Siemens' suppliers of goods and services concerning their responsibilities towards their stakeholders and the environment. Siemens reserves the right to reasonably change the requirements of this Code of Conduct due to changes of the Siemens Compliance Program. In such event Siemens expects the Vendor to accept those reasonable changes.

The Vendor declares herewith:

§ **Legal compliance**

- to comply with the laws of the applicable legal system(s).

§ **Prohibition of corruption and bribery**

- to tolerate no form of and not to engage in any form of corruption or bribery, including any payment or other form of benefit conferred on any government official for the purpose of influencing decision making in violation of law.

§ **Respect for the basic human rights of employees**

- to promote equal opportunities for and treatment of its employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
- to respect the personal dignity, privacy and rights of each individual;
- to refuse to employ or make anyone work against his will;
- to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- to prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- to provide fair remuneration and to guarantee the applicable national statutory minimum wage;
- to comply with the maximum number of working hours laid down in the applicable laws;
- to recognize, as far as legally possible, the right of free association of employees and to neither favor nor discriminate against members of employee organizations or trade unions.

§ **Prohibition of child labor**

- to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.

§ **Health and Safety of employees**

- to take responsibility for the health and safety of its employees;
- to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases;
- to provide training and ensure that employees are educated in health and safety issues;
- to set up or use an occupational health & safety management system according to OHSAS 18001 or equivalent.

§ **Environmental protection**

- to act in accordance with the applicable statutory and international standards regarding environmental protection;
- to minimize environmental pollution and make continuous improvements in environmental protection;
- to set up or use an environmental management system according to ISO 14001 or equivalent.

§ **Supply Chain**

- to use best efforts to promote among its suppliers compliance with this Code of Conduct;
- to comply with the principles of non discrimination with regard to supplier selection and treatment.

Exhibit 10.21

Statement of Work for MAP Feasibility Project

PARTIES: Universal Biosensors Pty Ltd ("UBS") and Cilag GmbH International ("Cilag")

REFERENCE: The parties shall perform the following Project under the terms and conditions of the **Amended and Restated Development & Research Agreement** between Cilag and UBS dated August 19, 2011 as follows.

PROJECT TITLE: MAP Feasibility Project ("Project")

OBJECTIVE: Demonstration of the technical feasibility of developing a MAP strip based on Gemini technology.

TERM OF WORK: Twelve (12) consecutive months beginning as of the date this SOW is executed by all of the parties, or as terminated earlier or extended as set forth herein.

SCOPE OF WORK AND DELIVERABLES: See Attachment A attached hereto and made a part hereof.

TEAM MEMBERS: The core team members from Cilag will be ***[REDACTED]** and ***[REDACTED]** and from UBS will be ***[REDACTED]** and ***[REDACTED]**.

TIMELINE, COSTS AND PAYMENT:

FEES: The fees payable by Cilag to UBS for the Project will be US$4.5 million, subject to increase in accordance with the terms of this SOW. UBS acknowledges that Cilag has paid US $250,000 of the US$4.5 million prior to execution of this SOW for work begun prior to such execution. The payments corresponding to the milestone set out in the table below shall be made within 45 days of completion of the relevant milestone.

In the event that UBS and Cilag, at any time, mutually agree that feasibility will not be achieved based on the stated milestones in the table below and the milestone metrics set forth on Attachment A, the Project will be terminated and no payments will be due from Cilag for milestones not achieved prior to the termination date.

CAPITAL EXPENDITURES: UBS capital expenditures for the Project shall not exceed US$1.2 million without approval by Cilag. UBS will recover its capital expenditure costs from Cilag against supplier invoices incurred by UBS. Payment must be made by Cilag to UBS in accordance with the supplier's terms so that UBS can pay the supplier invoices when due.

All capital equipment purchased by UBS and paid for by Cilag shall be the sole property of Cilag and shall be:

a.) subject to removal at any time upon Cilag's demand provided that such removal does not prevent UBS from fulfilling its obligations under this SOW if this SOW is still in force between the parties after the removal;

b.) used only for the purposes of the Project and as otherwise directed by Cilag;

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* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

c.) maintained in good condition (protection, calibration, maintenance and care, other than normal wear and tear) and secured against loss and damage in the same manner as UBS secures its own equipment;

d.) identified clearly as the sole property of Cilag by indicating on them as belonging to "Cilag GmbH International." in a way as to put creditors or others on notice that Cilag retains title thereto.

At the conclusion of the Project and for a period of 45 days thereafter, Cilag may at its sole discretion and expense, determine that the equipment must be returned to Cilag. If Cilag does not request the return of the equipment within the 45 day period, then UBS may, at Cilag's cost, return the equipment to Cilag, dispose of the equipment, or negotiate reasonable terms with Cilag for retaining the equipment.

SCHEDULE: At the completion of each milestone of the schedule set forth below, a revised completion date for the Project will be provided to Cilag by UBS. In the event that the Project is not completed on or before the end of the twelve month period of the Project term the term shall be extended from month-to-month and the additional fees for each additional month will be as follows:

- At the end of each thirty (30) day extension period of the Project term, UBS will invoice Cilag for ***[REDACTED]** percent (***[REDACTED]**%) of the pro-rata monthly cost of the initial 12 month Project term (***[REDACTED]**). For the avoidance of doubt, milestone fees will also be payable with respect to any milestones achieved during this extension period of the Project term.
- If feasibility has not been achieved by the end of the Project term, either party may terminate the Project and this SOW at anytime with 1 month's prior, written notice to the other party. The obligation for Cilag to pay UBS for any milestones completed prior to termination survives the termination or expiration of this SOW.

Milestone/Activity	Indicative Start Date*	Indicative Finish Date*	Payment (US$'000)
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
TOTAL PROJECT			**4,25**

* All Project dates in this SOW are for planning purposes only and are subject to change. A milestone does not need to be achieved within the indicative timeframes in order for milestone payment obligations to arise.

** Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ACCEPTANCE OF STATEMENT OF WORK DESCRIPTION AND TERMS:

UNIVERSAL BIOSENSORS PTY LTD

By: /s/ Salesh Balak

Name: Salesh Balak

Title: Director

Date: October 11, 2011

CILAG GMBH INTERNATIONAL

By: /s/ Heinz Schmid

Name: Heinz Schmid

Title: General Manager

Date: September 19, 2011

By: /s/ Christian Cuzick

Name: /s/ Christian Cuzick

Title: Finance Director

Date: September 27, 2011

Milestone definition

***[REDACTED]**
***[REDACTED]**
***[REDACTED]**
***[REDACTED]**
***[REDACTED]**
***[REDACTED]**
***[REDACTED]**

***[REDACTED]**

*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]
*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]	*[REDACTED]

* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 10.22

Novation Agreement and First Amendment to
Amended and Restated Master Services and Supply Agreement

This Agreement is a novation of, and amendment to, the Master Services and Supply Agreement among LifeScan, Inc. (**LifeScan US**), Universal Biosensors Pty Ltd (**UBS**) and Universal Biosensors, Inc. (**UBI**), dated 29 October 2007 (as subsequently amended and restated, the **MSSA**) and the associated agreements and addenda listed in clause 7 (**Associated Agreements**). By novation, LifeScan Europe, a division of Cilag GmbH International (**LIFESCAN Europe**) will replace **LIFESCAN US** as a party to the MSSA and the Associated Agreements. By amendment, the parties agree to certain terms necessary to give effect to their intention that the MSSA and the Associated Agreements be novated.

Background:

WHEREAS, **LIFESCAN US**, **UBS** and **UBI** entered into the MSSA dated 29 October 2007, which was amended by a First Amendment effective 11 December 2008, and was later amended and restated effective 14 May 2009, and **LIFESCAN US**, **UBS** and **UBI** also entered the Associated Agreements; and

WHEREAS, **LIFESCAN US** assigned and transferred full title and interest in the MSSA, and certain of the Associated Agreements to **LIFESCAN Europe** by virtue of an Assignment Agreement effective 1 January 2008 (the **Assignment**); and

WHEREAS, by virtue of the Assignment, **LIFESCAN Europe** agreed to assume **LIFESCAN US's** rights and obligations under the MSSA and those of the Associated Agreements that had been entered into at the date of the Assignment; and

WHEREAS, since 1 January 2008, **LIFESCAN US** represents that pursuant to the terms of the Assignment **LIFESCAN Europe** has reimbursed **LIFESCAN US** for all costs paid to **UBI** and **UBS** by **LIFESCAN US** under the MSSA and relevant Associated Agreements; and

WHEREAS, **UBS** and **UBI** were not given notice of the Assignment and therefore performed their rights, duties and obligations under the MSSA and Associated Agreements as though title and interest in those agreements had not been assigned from **LIFESCAN US** to **LIFESCAN Europe**;

WHEREAS, **LIFESCAN US** and **LIFESCAN Europe** intended that **LIFESCAN US**' title and interest to the MSSA and Associated Agreements (as existing at the date of the Assignment) be assigned to **LIFESCAN EUROPE** on 1 January 2008 and that the First Amendment to the MSSA effective 11 December 2008 and the Amended and Restated MSSA effective 14 May 2009 and the Associated Agreements dated 14 May 2009 would be executed by **LIFESCAN Europe,** but were in fact executed by **LIFESCAN US** in error. The Parties agree that a Novation shall be implemented to give effect to the original intent; and

WHEREAS, **LIFESCAN Europe**, **LIFESCAN US**, **UBI** and **UBS** have agreed that, effective 1 January 2008 all rights in the MSSA and Associated Agreements inuring to the benefit of **LIFESCAN US**, have inured and shall in the future inure to the benefit of **LIFESCAN Europe**, and all duties and obligations of **LIFESCAN US** under the MSSA and Associated Agreements have been and shall be owed to **UBI** and or **UBS**, as the case may be, by **LIFESCAN Europe**; and

WHEREAS, **LIFESCAN US**, **LIFESCAN Europe**, **UBI**, and **UBS** have agreed that effective 1 January 2008, **LIFESCAN US** is and shall be released and discharged from all its rights and obligations under the MSSA and Associated Agreements and all such rights and obligations are assumed by **LIFESCAN Europe**; and

WHEREAS, given **UBI** and **UBS** were not on notice of LIFESCAN US' and LIFESCAN Europe's intent, **UBI** and **UBS** shall have no liability for performing their rights, duties and obligations under the MSSA and Associated Agreements in the period from 1 January 2008 until the date of this Agreement as though title and interest in the MSSA and Associated Agreements had not been assigned;

WHEREAS, to give effect to the parties' intentions, certain amendments to the MSSA are required, as set forth herein;

NOW THERFORE in consideration of the mutual covenants herein contained, the parties for themselves, their successors and assigns do agree as follows:

1. The effective date of this Agreement is 1 January 2008 (the **Effective Date**).

2. **LIFESCAN US, LIFESCAN Europe, UBI** and **UBS** agree that this Agreement shall constitute a novation of the obligations of **LIFESCAN US** under the MSSA and the Associated Agreements. Accordingly, as of the Effective Date, all of the rights, duties and obligations of **LIFESCAN US** under the MSSA and Associated Agreements are as of the Effective Date assigned to and assumed by **LIFESCAN Europe**. **UBI** and **UBS** recognize **LIFESCAN Europe** as **LIFESCAN US's** successor in interest in and to all of **LIFESCAN US's** rights, duties and obligations in, to and under the MSSA as of the Effective Date. **UBI** and **UBS** were not on notice of the Assignment and therefore each of **LIFESCAN US** and **LIFESCAN Europe** indemnifies and releases **UBI** and **UBS** against any claim arising from or in connection with: (i) **UBI** and **UBS** performing their rights, duties and obligations from the Effective Date until the date of this Agreement as though title and interest in the MSSA and the Associated Agreements had not been assigned and novated from **LIFESCAN US** to **LIFESCAN Europe**; and (ii) **UBI** or **UBS** following any notices, directions or instructions given by **LIFESCAN US** prior to the date of this Agreement. **LIFESCAN Europe** hereby ratifies confirms and agrees to all notices, directions and instructions given by **LIFESCAN US** to **UBI** or **UBS** in connection with the MSSA or the Quality Agreement up to the date of this Agreement.

3. **LIFESCAN Europe** undertakes to assume and perform the obligations of **LIFESCAN US** under the MSSA and to be bound by and comply with its terms in every way as if **LIFESCAN Europe** were, and had been from inception, a party to the MSSA in lieu of **LIFESCAN US**.

4. Whenever the term "LifeScan" is used in the MSSA it shall mean and refer to **LIFESCAN Europe**, unless otherwise specifically provided for otherwise.

5. Any dispute related to this Agreement shall be governed by the provisions of Clause 20 of the MSSA, and the law to be applied in the event of such a dispute shall be as provided by Clause 26.7 of the MSSA.

6. The parties agree to the following amendments to the MSSA.

a) The text of **Clause 1.1(iii) Bankruptcy** is amended by deleting the reference to "U.S. law" and replacing it with "any applicable law".

b) The text of **Clause 4.2 Composition** is deleted in its entirety and replaced with the following:

"The Joint Steering Committee shall consist of members (**Joint Steering Committee Members**) from each of UBS and LifeScan. The Joint Steering Committee Members shall be comprised of senior management from each party (and the initial Joint Steering Committee members are set out in **Appendix C**); provided however, that LifeScan's Joint Steering Committee Members can be comprised of senior management from any of its Affiliates. Each party may change their nominated Joint Steering Committee Member by written notice to the other party. Unless otherwise agreed, the Joint Steering Committee will meet at least monthly, until the first regulatory filing for the Initial Product is made. Additionally, the Joint Steering Committee shall convene on a quarterly basis, to review and approve work plans and progress under this Agreement and the Development Agreement. Additionally, the Joint Steering Committee shall be available on a more frequent basis to address key issues that may arise. All meetings of the joint Steering Committee may be by teleconference, videoconference or any other means of communication agreed to by the parties.

c) The first sentence of Clause 11.3(a) is amended by including "and its Affiliates" after the reference to LifeScan in the first line.

7. Without prejudice to the provisions of this Agreement and for the sake of clarity, the parties agree that, in addition to the MSSA itself, the following addenda and related agreements are also novated as provided herein, with **LIFESCAN Europe** assuming all of the rights, responsibilities and obligations of **LIFESCAN US** under these addenda and agreements with effect from the Effective Date:

    a) Quality Agreement

    b) First Product Addendum

    c) First Services Addendum

    d) Second Services Addendum

    e) Third Services Addendum

    f) Fourth Services Addendum

    g) Manufacturing Initiation Payment Addendum

    (individually an **Associated Agreement** and collectively the **Associated Agreements**)

8. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

9. The parties hereto agree that they will take those actions reasonably necessary to carry out the matters contemplated by this Agreement or any of its provisions.

10. LIFESCAN US, LIFESCAN Europe, UBI and UBS consent to all of the provisions of this Agreement.

This Novation Agreement and Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile copies of this Novation Agreement and Amendment shall be enforceable as originals.

The parties agree that all other provisions of the MSSA remain unchanged and effective.

IN WITNESS WHEREOF, the parties have caused this Novation Agreement and First Amendment to the Amended and Restated Master Services and Supply Agreement to be executed by their duly authorized representatives.

LifeScan Europe division of Cilag GmbH International

By: /s/ Heinz Schmid
Name: Heinz Schmid
Title: General Manager
Date: September 19, 2011

By: /s/ Christian Cuzick
Name: Christian Cuzick
Title: Finance Director
Date: September 27, 2011

Universal Biosensors, Inc.

By: /s/ Paul Wright
Name: Paul Wright
Title: CEO
Date: October 11, 2011

LifeScan, Inc.

By: /s/ Eduardo A. Baéz
Name: Eduardo A. Baéz
Title: VP Franchise Operations Development
Date: October 6, 2011

Universal Biosensors Pty Ltd

By: /s/ Salesh Balak
Name: Salesh Balak
Title: Director
Date: October 11, 2011

Exhibit 10.23

SECOND AMENDMENT TO AMENDED AND RESTATED MASTER SERVICES AND SUPPLY AGREEMENT

This agreement is effective as of the date it is executed by all parties and amends the Amended and Restated Master Services and Supply Agreement (the "Agreement") between Universal Biosensors Pty. Ltd. and Universal Biosensors, Inc. on the one hand and Cilag GmbH International on the other as follows.

1. Clause 11.1(b)(ii) is hereby amended to delete the period at the end thereof and substitute therefor "; plus".
2. Clause 11.1(b) is amended to add the following:

"(iii)(A) for any Covered Products that result or arise from the development of a ***[REDACTED]** test strip carried out by UBS from Cilag including under the Development Agreement as amended and restated effective August 19, 2011or from the work carried out by UBS under LifeScan, Inc. purchase orders numbers 285219 0L and 288443 0L (the "MAP Project"), $***[REDACTED]** per such Covered Product (the "MAP Strips").

For example, if Cilag has sold ***[REDACTED]** million Covered Products in a Financial Year and then Covered Products Sold begin to include Map Strip, then subject to Clause 11.1(b)(iii)B, Cilag will pay $***[REDACTED]** on each such MAP Strip until the total of all Covered Products Sold, including the MAP Strips, sold by Cilag is ***[REDACTED]** million during such Financial Year; and thereafter, during such Financial Year Cilag will pay $***[REDACTED]** on each such MAP Strip.

(iii)(B) Cilag will pay the $***[REDACTED]** on each MAP Strip only until a cumulative total of all MAP Strips Sold reaches ***[REDACTED]** after which the additional $***[REDACTED]** shall no longer accrue.

(iii)(C) The $***[REDACTED]** due under (iii)(A) shall not be included in calculation of the Quarterly Service Fee for purposes of calculating the Lump Sum Service Fee in clause Section 11.3 nor shall it be included in calculation of Quarterly Service Fee for the definition of Fee Conversion Reference Date and such $***[REDACTED]** shall be payable by Cilag regardless of whether Cilag converts the Quarterly Service Fee in accordance with clause 11.3."

The parties agree that, except for the amendments set forth herein, all other provisions of the Agreement shall remain in force as set forth in the Agreement.

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* Confidential portion has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Amended and Restated Master Services and Supply Agreement to be executed by their duly authorized representatives.

CILAG GMBH INTERNATIONAL

By: /s/ Heinz Schmid

Name: Heinz Schmid

Title: General Manager

Date: September 19, 2011

By: /s/ Christian Cuzick

Name: /s/ Christian Cuzick

Title: General Manager

Date: September 27, 2011

UNIVERSAL BIOSENSORS PTY LTD

By: /s/ Salesh Balak

Name: Salesh Balak

Title: Director

Date: October 11, 2011

UNIVERSAL BIOSENSORS, INC.

By: /s/ Paul Wright

Name: Paul Wright

Title: CEO

Date: October 11, 2011

Exhibit 31.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Wright, certify that:

1. I have reviewed this report on Form 10-Q of Universal Biosensors, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2011

/s/ Paul Wright
Paul Wright
Principal Executive Officer
Universal Biosensors, Inc.

Exhibit 31.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Salesh Balak, certify that:

1. I have reviewed this report on Form 10-Q of Universal Biosensors, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2011

/s/ Salesh Balak
Salesh Balak
Principal Financial Officer
Universal Biosensors, Inc.

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 *

In connection with the quarterly report of Universal Biosensors, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. The undersigned have executed this Certificate as of the 3rd day of November 2011.

/s/ Paul Wright
Paul Wright
Principal Executive Officer

/s/ Salesh Balak
Salesh Balak
Principal Financial Officer

* This certification is being furnished as required by Rule 13a-14(b) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent such certification is explicitly incorporated by reference in such filing.