

MINUTES
of the
Extraordinary General Meeting
of
CYTOS BIOTECHNOLOGY LTD

held on Thursday, January 6, 2016, starting at 10:30 AM at
Cytos Biotechnology Ltd, Wagistrasse 25, 8952 Schlieren / Switzerland

Welcome

Dr. Christian Itin, Chairman of the Board of Directors, opens the meeting, wishes everybody a happy new year and assumes the chair. On behalf of the Board of Directors and the Executive Committee he welcomes the shareholders in attendance to the extraordinary General Meeting of Cytos Biotechnology Ltd (hereinafter referred to as "**Cytos Biotechnology Ltd**" or "**Cytos**" or the "**Company**").

Organisation of the Meeting

The Chairman makes the following determinations:

- The invitation to the Extraordinary General Meeting specified the agenda items and proposals and was made in due time via publication of the invitation in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) on December 16, 2015. The shareholders listed in the share register were also invited with a letter dated December 15, 2015. The invitation was therefore made on time and in proper form.
- An English summary of the proposals of the Board of Directors prior to each vote was not requested.
- The documents listed in the invitation were made available at the registered office of the Company during the period of time provided by law and the Articles of Association could be ordered by the shareholders.
- Dr. Matthias Staehelin of VISCHER Ltd is appointed as secretary and vote counter for this extraordinary meeting.
- PricewaterhouseCoopers AG, Basel, the auditor for the Company's financial statements (Revisionsstelle) and the group's consolidated financial statements (Konzernprüferin) is represented by Mr Thomas Brüderlin and Mr Reto Gall.
- Mr Andreas G. Keller, Attorney-at-Law, Gehrenholzpark 2g, 8055 Zurich, serves as the Independent Proxy (unabhängiger Stimmrechtsvertreter) within the meaning of Art. 689c Swiss Code of Obligations.
- Mr Beat Saner from the notary office of the City of Schlieren serves as the notary.
- A qualified majority of 2/3 of the voting shares cast is required for the agenda items 1, 2b, 2c and 3. For all other agenda items, simple majority of the voting shares cast is required.
- In order to expedite the voting process, the Chairman proposes that the votes and elections take place by a show of hands, and that the show of hands need not be counted if the result is obvious. The no votes and abstentions need only be tallied if the results are unclear or close.
- The Chairman notes that shareholders who vote no may request that their names be included in the minutes. They should report to the vote counter.

- The Chairman explains that the General Meeting may resolve to vote by ballot. The Chairman also is entitled to order voting by ballot, or to order that a vote or an election be repeated by ballot.

After no objections were made, the Chairman determines that the General Meeting has been properly organized and has a quorum.

Merger with Kuros

Harry Welten reports about the restructuring of the Company made in three steps. The last step is rejuvenating the assets basis. In order to achieve this, the Board proposes a combination with Kuros.

Didier Cowling presents Kuros and its main projects. Kuros is a leading biosciences company in the field of tissue repair and regeneration. The combination has attractive prospects based on a late stage pipeline of products that are targeting a number of key market opportunities, such as sealants and orthobiologics (bone healing). Kuros' late-stage pipeline has already generated encouraging data in multiple clinical studies: Kuros' most advanced product candidate is KUR-023, a novel biomaterial designed to seal the dura (membrane covering the brain and spinal cord) after brain and spinal surgery that has successfully completed a European clinical study and is being prepared to be CE Marked in preparation for commercial launch. KUR-111 and KUR-113, Kuros' most advanced orthobiologic products, have most recently been successfully tested in large, controlled Phase 2b clinical trials and are now progressing towards Phase 3 clinical development.

One shareholder requests to know what made the proposed merger attractive to Kuros. Harry Welten answers that the merger offers immediate access to the capital market for Kuros, without the level of costs and risks associated with an IPO. One shareholder asks whether Kuros will take over Cytos products. Christian Itin answers that the main product CYT003 and the underlying technology will be continued within two collaborations will therefore remain an asset to the combined company.

Attendance

Dr. Matthias Staehelin reports attendance as follows:

Of the Company's complete share capital of CHF 3'240'458.28, split in 108'015'276 registered shares at CHF 0.03, today attending are:

- 10'923'269 (ten million nine hundred twenty three thousand two hundred sixty nine) registered shares at CHF 0.03 represented by 92 shareholders or agents; and
- 12'632'228 (twelve million six hundred thirty two thousand two hundred twenty eight) registered shares at CHF 0.03 represented by the Independent Proxy, Mr Andreas G. Keller, Attorney-at Law, Gehrenholzpark 2g, 8055 Zurich.

In total, 23'555'497 (twenty three million five hundred fifty five thousand four hundred ninety seven) registered shares are attending.

Dr. Matthias Staehelin states that the simple majority of the votes cast is met when more yes than no votes are counted. When all shareholders vote with yes or no, the qualified majority is met with 15'703'665 votes and the simple majority with 11'77'749 votes.

The Chairman then proceeds with the agenda items.

Agenda Item 1:

Ordinary Capital Increase for the Merger with Kuros Biosurgery Holding Ltd ("Kuros")

The Board of Directors proposes an ordinary capital increase for the present Cytos shareholders in combination with a reduction of the shares' nominal value to support the Merger with Kuros. The actual proposal is attached to the invitation as well as projected on the screen in front.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on agenda item 1 had been passed by a large majority exceeding the required 2/3 of the represented votes.

Agenda Item 2:

Amendments to Authorized and Conditional Capital

Agenda Item 2a: Reduction of Nominal Value of Conditional Capital

Due to the fact that certain options no longer exist since the transactions performed in 2012 and a reduction in the nominal value has taken place, the Board of Directors proposes an adjustment of the conditional share capital in Art. 3b para. 1 of the Articles of Association as attached to the invitation and projected on the screen. The proposed item shall only become effective in the case of a merger with Kuros.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 2a had been passed by a majority.

Agenda Item 2b: Reduction of Nominal Value and Increase of Authorized Capital

The Board of Directors proposes to adjust the authorized share capital in Art. 3d para. 1 of the Articles of Association as attached to the invitation and projected on the screen. The proposed item shall only become effective in the case of a merger with Kuros.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on agenda item 2b had been passed by a large majority exceeding the required 2/3 of the represented votes.

Agenda Item 2c: Conditional Share Capital for Employee Benefit Plans

As part of the proposed combination with Kuros, Cytos must assume the existing employee options issued by Kuros. In order to fulfil this undertaking and create a reserve for additional hires, the Board of Directors proposes to increase the conditional share capital in Art. 3c para. 1 of the Articles of Association as attached to the invitation and projected on the screen. The proposed item shall only become effective in case of a merger with Kuros.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on agenda item 2c had been passed by a large majority exceeding the required 2/3 of the represented votes.

Agenda Item 3:

Compensation of Losses with Capital Contribution Reserve

The Board of Directors proposes to off-set CHF 204'921'098.84 of losses with an equal amount of capital contribution reserve (Kapitaleinlagereserve), thus reducing the amount of capital contribution reserve from CHF 213'763'480.50 to CHF 8'842'381.66. The proposed item shall only become effective in case of a merger with Kuros.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on agenda item 2c had been passed by a large majority exceeding the required 2/3 of the represented votes.

Agenda Item 4:

Name Change

With effect on the date of registration in the register of commerce of the capital increase foreseen in agenda item 1 abovementioned, the Board of Directors proposes to change the Company's name to "Kuros Biosciences AG (Kuros Biosciences SA) (Kuros Biosciences Ltd)" and to amend Ingress and Art. 1 of the Articles of Association as attached to the invitation and projected on the screen.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item.

One shareholder inquires why no combined name had been proposed and at what point in time the exchange of shares will be performed. Christian Itin answers that no exchange of shares will be performed. The share will continue to exist. However the new name shall mark a new beginning. One shareholder inquires whether the ISIN number remains the same and whether the ticker symbol will be changed. Harry Welten affirms both. One shareholder asks about the milestones in prospect. Christian Itin answers that the product candidate for wound sealing is being prepared for submission with the European regulatory body, EMA.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 4 had been passed by a majority.

Agenda Item 5:

Election of new Members of the Board of Directors

The Board of Directors informs that John Berriman (Vice-Chairman), Joseph Anderson and Kurt Konrad Hans von Emster III resign as members of the Board of Directors with effect on the date of Merger with Kuros.

The Board of Directors proposes the election of the following:

Didier Cowling, British citizen, in Thalwil
Dominik Ellenrieder, of Basel, in Saint-Sulpice VD
Arnd Kaltofen-Ehmann, of Bischofszell TG, in Baar
Jörg Neermann, German citizen, in Munich (G)
Vincent Ossipow, of Bottens, in Commugny
Gerhard Ries, of and in Nenzlingen
Harry Welten, of Saanen, in Zofingen

The newly proposed Board Members are all present today.

All elections shall only become effective on the date of the Merger with Kuros.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

One shareholder notes that seven new Board members are too many for a Company in the ballpark of Cytos. Christian Itin refers to the high legal obligations that Board members have to meet. Matthias Staehelin further mentions that the election of Board members proposed by Kuros has been promised to Kuros. Not electing those candidates may jeopardize the merger with Kuros. Furthermore the General Meeting is qualified to either re-elect or not the Board members at the next ordinary General Meeting, thus annually determining the number of Board members. After the discussion the shareholder informs to not formulate a formal proposal on the reduction of the Board of Directors for this Extraordinary General Meeting.

The vote counter holds separate elections for each of the proposed persons.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the General Meeting has elected all proposed persons by a large majority as members of the Board for the term of a year.

Agenda Item 6:

Election of the Members of the Compensation Committee

The Board of Directors proposes the election of:

Dominik Ellenrieder
Arnd Kaltofen-Ehmann

as members of the Compensation Committee, for the period until the next ordinary General Meeting.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

The Chairman holds separate elections for each of the proposed persons.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the General Meeting has elected both proposed persons by a large majority as members of the Compensation Committee, for the period until the next ordinary General Meeting.

Agenda Item 7:

Compensation for the Members of the Board of Directors and the Executive Committee

In **agenda item 7.a** the Board of Directors proposes that the shareholders approve the total maximum amount of CHF 87'000 for a non-performance-related compensation for the members of the Board of Directors for the period until the next ordinary general meeting.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 7.a had been passed by a majority.

In **agenda item 7.b** the Board of Directors proposes that shareholders approve the grant of a maximum number of 1'380'000 options for the members of the Board of Directors for the period up to the next ordinary general meeting with a duration of five years, a regular vest-

ing of eighteen months, a full vesting upon change of control and a strike of CHF 0.42 with a maximum value of CHF 310'000.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 7.b had been passed by a majority.

In **agenda item 7.c** the Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related cash compensation for the new members of the Executive Committee (four positions) for the period until June 30, 2016 of CHF 670'000 (cash base compensation plus social security costs).

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 7.c had been passed by a majority.

In **agenda item 7.d** the Board of Directors proposes that shareholders approve the total maximum amount of variable compensation of CHF 535'000 (cash base compensation plus social security costs) for the new members of the Executive Committee (four positions) for the calendar year 2016.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 7.d had been passed by a majority.

In **agenda item 7.e** the Board of Directors proposes that shareholders approve the grant of a maximum number of 4'000'000 options for the new members of the Executive Committee for the calendar year 2016 with a duration of five years, a regular vesting of four years, a full vesting upon change of control and a strike of at least CHF 0.42 with a maximum value of CHF 785'000.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 7.e had been passed by a majority.

Agenda Item 8:***Loans and Credits to Members of the Board of Directors and the Executive Committee***

With effect on the date of registration in the register of commerce of the capital increase foreseen in agenda item 1 abovementioned, the Board of Directors proposes to change the provision in the Company's Articles of Association on loans, credits or securities to members of the Board of Directors and the Executive Committee to enable the Company to extend advances to members of the Board of Directors and the Executive Committee in the maximum amount of CHF 1'800'000 in the aggregate to cover tax liabilities in connection with the increase in capital contribution reserves or nominal value as a result of the proposed transaction between the Company and Kuros. Thus, the Board of Directors proposes to amend Art. 39 of the Articles of Association on the date of the Merger with Kuros such as it was enclosed to the invitation and projected on the screen.

The Chairman asks whether anyone has questions or if anyone would like to speak to this agenda item. After no one requests to speak, a vote is taken.

After a vote by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors on the agenda item 8 had been passed by a majority.

Closing Remarks, Questions

The Chairman states that all agenda items had been addressed, thanks the shareholders for the trust placed in Cytos and asks whether anyone would like to have the floor.

One shareholder hopes that the merger with Kuros will bring the whole business to a satisfactory conclusion. One shareholder notes that the merger already brought a first price drop. A third shareholder notes that Kuros may also mean "cure". Another shareholder asks at what point in time trading will be resumed. Harry Welten informs that trading had been suspended by the stock exchange itself and not by the Company. Trading will resume after the press release with the results of this General Meeting has been published. Christian Itin answers to a respective question that the implementation of the merger is planned for the upcoming weeks. Another shareholder asks when the exchange of shares will be performed. Harry Welten answers that no exchange will be performed: all share titles will remain the same. Only the name on the shares will be changed. One shareholder wonders why no women had been elected to the Board of Directors.

After no one further requests to have the floor, the Chairman declares the general meeting closed at 11:45 AM and invites the attendees to have refreshments in the adjoining room.

Schlieren, January 6, 2016

The Chairman:

The Secretary:

Dr. Christian Itin

Dr. Matthias Staehelin