

MINUTES
of the
17th Ordinary General Meeting
of
CYTOS BIOTECHNOLOGY LTD

held on Thursday, June 29, 2015, starting at 10 AM at
Cytos Biotechnology Ltd, Wagistrasse 25, 8952 Schlieren / Switzerland

Welcome

Dr. Christian Itin, Chairman of the Board of Directors, opens the meeting and assumes the chair. On behalf of the Board of Directors and the Executive Committee he welcomes the shareholders in attendance to 17th Ordinary General Meeting of Cytos Biotechnology Ltd (hereinafter referred to as "**Cytos Biotechnology Ltd**" or "**Cytos**" or the "**Company**").

Organization of the Meeting

The Chairman makes the following determinations:

- The invitation to the Ordinary 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 June 8, 2015. The shareholders listed in the share register were also invited with a letter dated June 5, 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 for by law and the Articles of Association and could be ordered by shareholders.
- Dr. Matthias Staehelin of VISCHER Ltd is appointed as secretary and vote counter for this general meeting.
- PricewaterhouseCoopers AG, Basel, the auditor for the Company's financial statements (Revisionsstelle) and the group's consolidated financial statements (Konzernprüferin) (hereinafter referred to as the "Auditor") is represented by Mr Thomas Brüderlin and Mr. Reto Gall.
- Mr. Andreas G. Keller, Attorney-at-Law, Gehrenholzpark 2g, 8021 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.
- As simple majority of the voting shares cast is required for all agenda items.
- 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.

The 2014 Fiscal Year in Retrospect

Christian Itin reports on the highlights of the year 2014, in particular on the termination of the ongoing clinical trial with CYT003 in April 2014, on the substantial concession of large creditors, on the reduction of personnel from 36 to 4 employees (as of the end of June 2015), on the elimination of all debts, on the grant of a license to OnCore and on the search for a reverse merger target or for new programs.

Christian Itin reports the following on the grant of a license to OnCore: Oncore Biopharma is a US company specialized in the development of therapeutics for the treatment of diseases caused by the hepatitis B virus. On January 5, 2015 Cytos announced the grant of an exclusive license for the use of its technologies in the field of hepatitis B to Oncore. The grant of the license will only be binding if Cytos has successfully restructured its debt and the continuation of the company is secured. Potential payments under the terms of the license will only start with the beginning of a first clinical trial and will depend on the development of the program. On January 11, 2015 the merger of Oncore and Tekmira (Nasdaq: TKMR) was announced. The merged entity aims to be the leading company for development of therapeutics for the treatment of diseases caused by the hepatitis B virus.

Christian Itin further reports that the immense debt burden of the company has been successfully eliminated. This was achieved by the conversion of the convertible bonds into shares and a partial waiver of the convertible loan combined with a repayment of the remaining part.

The subordinated convertible bond was eliminated by conversion of every outstanding bond with a value of CHF 2,500.00 into 10,000 Cytos shares. A performance bonus of CHF 25.00 was for each bond and as a consequence, to the existing 30.5 million shares, 77.5 million additional shares were issued and listed on the stock exchange (108 million shares are outstanding as of today).

The claims of the convertible loan creditors have been eliminated as follows: CHF 2 million have been reduced by the exchange of convertible bonds; the not subordinated part of CHF 14.2 million was repaid on February 10, 2015 (i.e. on

schedule at due date) and regarding the remaining claims, the creditors waived their claims in return for the assignment of CHF 4.4 million account receivables (primarily CHF 4 million from Novartis). Thus, the loan creditors waived 8% of the total claim. Due to these measures the company became debt-free as of May 11, 2015.

Mr. Welten, CFO of the Company, comments on the key performance indicators from the balance sheet and the income statement.

A shareholder inquires how much profit was made from the granting of licenses. Christian Itin answers that this information is not available to the public, but it is in the typical range for the industry. Another shareholder asks whether Cytos currently still does research. Christian Itin points out that the research program was already cut in 2011. A shareholder inquires whether Novartis would be interested in the company or in individual projects. Christian Itin replies that Novartis has recently decided to buy out the license agreement for the vaccine CAD106 for the treatment of the Alzheimer's disease.

The complete presentation of the Chairman and the CFO can be reviewed at the registered address of the Company.

Attendance

The Chairman announces attendance as follows:

According to the attendance list:

- 71 Shareholders are in attendance,
- 22,475,425 registered shares at CHF 0.03 are represented and thereof
- 12'132'078 registered shares at CHF 0.03 are represented by the Independent Proxy.

The Chairman states that the simple majority of the votes cast is met when more yes than no votes are counted, which means that, when all shareholders vote with yes or no, the simple majority is 11,237,713 votes.

In addition, he states that for agenda item 4 ("Discharge of the Members of the Board of Directors and the Executive Committee"), the corporate bodies of the Company are not entitled to vote, and accordingly, the simple majority is also 11,237,713 votes.

After announcing attendance, the Chairman proceeds to address the agenda items.

**Agenda Item 1:
Compensation of Legal Reserves (Capital Contribution Reserves)
with loss**

The Board of Directors proposes to approve and ratify to offset CHF 10 Mio. of capital contribution reserves with the loss brought forward as of December 31, 2014. This enables the company to save the amount of CHF 100'000 on stamp duty.

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 on the resolution 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.

**Agenda Item 2:
Approval of the Annual Report, Annual Financial Statements, and
Consolidated Financial Statements of Cytos Biotechnology Ltd for the year
2014.**

The Board of Directors proposes to approve of the Annual Report, the Annual Financial Statements, and the Consolidated Financial Statements of Cytos Biotechnology Ltd for the year 2014, and to take note of the reports of the Auditors.

The Chairman asks whether anyone has questions for the Auditor or if anyone would like to speak to this agenda item. A shareholder wishes clarification whether the exercise price of the options will be changed retrospectively. Christian Itin announces that this is not the case. Several shareholders further criticize that the annual report is no longer available in German and suggest that at least one German summary should be available. Christian Itin and Harry Welten ensure to evaluate this issue.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the year 2014, with the Auditor's reports considered, had been passed by a large majority.

**Agenda Item 3:
Appropriation of Loss**

The Chairman moves on behalf of the Board of Directors that the General Meeting approve to carry forward the net loss of the year 2014 in the amount of

CHF 24'079'812.41. In view of Mr. Welten's earlier remarks, he does not comment any further on this agenda item.

The Chairman asks whether anyone has any 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 on the resolution 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 3 had been passed by a large majority.

Agenda Item 4:

Discharge of the Members of the Board of Directors and the Executive Committee

The Chairman moves on behalf of the Board of Directors that the General Meeting grant discharge from liability for actions taken in 2014 to the members of the Board of Directors and the Executive Committee. The discharge would also apply to the former members of the Board of Directors and the Executive Committee who left these bodies during the course of 2014.

The Chairman asks whether anyone has any questions or if anyone would like to speak to this agenda item. A shareholder inquires for whom the discharge is valid. Another shareholder asks why the discharge of the Executive Committee is not included in the Articles of Association. After no one requests to speak, a collective vote is taken

The Chairman asks the members of the Board of Directors and the Executive Committee to abstain from voting on this agenda item.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that discharge of the members of the Board of Directors and the Executive Committee was granted by a large majority.

Agenda Item 5:

Total Revision of the Articles of Association

The Board of Directors proposes to adapt a total revision of the Articles of Association in order to fulfill the requirements of the Swiss Federal Ordinance Against Excessive Compensation in Public Corporations (OAEC). The text of the proposed revised Articles of Association has been sent to the shareholders and is available today. The Articles of Association have to be revised due to the legal requirements which entered into force on 1 January 2014.

The Chairman asks whether anyone has any questions or if anyone would like to speak to this agenda item. A shareholder proposes that article 8d) also list the discharge of the members of the Executive Committee as a task of the General Meeting; this proposal is integrated into the proposal of the Board of Directors to the General Meeting. A shareholder suggested that the General Meeting should also have a non-binding vote on the compensation report. Christian Itin points out that with the binding approval of the total remuneration the General Meeting has sufficient instruments. A shareholder asks how the possible advance of CHF 200,000 for legal measures should be understood. Another shareholder wishes an explanation of the options in Art. 41 f). After no one requests to speak, a vote is taken.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors to agenda item 5 (modified by the amendment of Art. 8d) has been approved by a large majority.

Agenda Item 6:

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

The Board of Directors proposes to hold separate votes on the non-performance-related and the variable compensation of the Board of Directors and the Executive Committee at the 2015 Annual General Meeting.

In **agenda item 6.1** the Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related compensation for the members of the Board of Directors covering the period from the 2015 Annual General Meeting to the 2016 Annual General Meeting, i.e. CHF 100,000.

The Chairman asks whether anyone has any questions or if anyone would like to speak. A shareholder inquires for how many persons this compensation is. Christian Itin states that 3 members of the board shall receive this compensation. After no one requests to speak, a vote is taken.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors to agenda item 6.1 has been approved by a large majority.

In **agenda item 6.2** the Board of Directors proposes that shareholders approve the grant of a maximum number of 450,000 options from the 2015 Annual General Meeting to the 2016 Annual General Meeting with a duration of five years, a regular vesting of four years, a fully vesting upon change of control and a strike of CHF 0.60 with a maximum value of CHF 117,450. Christian Itin explains that vesting of four

years implies that a receiver can only exercise all options if he stays with the company for four years.

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

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors to agenda item 6.2 has been approved by a large majority.

In **agenda item 6.3** the Board of Directors proposes that shareholders approve the total maximum amount of fixed remuneration payable in cash for the members of the Executive Committee for the 12-month period starting on July 1, 2015, i.e. CHF 1.5 Mio. (cash base compensation including compulsory social security contributions as required by law of the employer).

The chairman asked whether anyone has any questions or if anyone would like to speak to this agenda item. A shareholder inquires how many members the Executive Committee consists of. Christian Itin replies that it currently comprises of three persons. A shareholder asks whether Cytos provides for payments due to non-competition clauses; this is denied by Christian Itin. In the discussion individual shareholders criticize the proposal as too high and not sufficiently linked to performance. After no further requests to speak have been made, a vote is taken.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors to agenda item 6.3 has been approved by a large majority.

In **agenda item 6.4** the Board of Directors proposes that shareholders approve the total maximum amount of performance-related remuneration payable in cash (variable) for the members of the Executive Committee for the current year 2015, i.e. CHF 0.6 Mio. (performance-related cash compensation including compulsory social security contributions as required by law of the employer).

The Chairman asks whether anyone has any 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 on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors to agenda item 6.4 has been approved by a large majority.

In **agenda item 6.5** the Board of Directors proposes that shareholders approve the grant of a maximum number of 3,650,000 options for the members of the Executive Committee in 2015 with a duration of five years, a regular vesting of four years, a

fully vesting upon change of control and a strike of CHF 0.60 with a maximum value of CHF 952,650.

The Chairman asks whether anyone has any 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 on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the proposal of the Board of Directors to agenda item 6.5 has been approved by a large majority.

Agenda Item 7:

Re-election to the Board of Directors, of the Chairman of the Board of Directors and of the members of the Compensation Committee

The Board of Directors proposes the following Board members for re-election to the Board of Directors for a one-year term of office (the nominations will be voted on separately):

- Christian Itin, Swiss citizen, resident of Feldafing (Germany), as the Chairman of the Board of Directors;
- Joseph Anderson, a citizen of the United Kingdom, resident of Oxted (U.K.), as a member of the Board of Directors;
- John Edward Berriman, a citizen of the United Kingdom, resident of Reading (U.K.), as a member of the Board of Directors;
- Kurt von Emster, a citizen of the U.S.A., resident of Belmont, CA (U.S.A.), as a member of the Board of Directors.

The Chairman asks whether anyone has any questions or if anyone would like to speak to this agenda item. A shareholder asks if all the proposed members of the Board of Directors are present. Christian Itin states that this is true for him but not for the other members of the Board. As the others do not know any German their participation in German negotiations would only be possible with additional efforts. After no one else requests to speak, a vote is taken.

The Chairman conducts the election separately for every person proposed.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the General Meeting has elected all persons proposed for a term of office of one year in the function they were proposed for by a large majority.

Agenda Item 8:

Election to the Compensation Committee

The Board of Directors proposes the election of John Edward Berriman, Joseph Anderson and Kurt von Emster as members of the Compensation Committee, each for a term until the end of the next Annual General Meeting.

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

The Chairman conducts the election separately for every person proposed.

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

Agenda Item 9:***Election of the independent proxy***

The Board of Directors proposes for election as independent proxy for a one-year term of office:

- Andreas G. Keller, attorney-at-law, Gehrenholzpark 2g, CH-8055 Zurich.

The Chairman asks whether anyone has any questions or if anyone would like to speak to this agenda item. A shareholder inquires whether the independent proxy has previously asked the Board of Directors about the state of the votes. Andreas G. Keller replies that he gave a report on the trend to the CFO some days before the meeting, which in his view is clearly legally permissible. Another shareholder asks about the instructions and the weighting of the votes, on which Andreas G. Keller provides information. After no one else requests to speak to this agenda item, a vote is taken.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the General Meeting has elected Andreas G. Keller as the independent proxy for a term of office of one year by a large majority.

Agenda Item 10:***Re-election of the Auditors***

The Chairman moves on behalf of the Board of Directors that the General Meeting reelect PricewaterhouseCoopers AG, Basel, as the auditor for a one year term of office.

The Chairman asks whether anyone has any questions or if anyone would like to speak to this agenda item. A shareholder inquires why the seat of the Auditor is in Basel and not in Zürich. Another shareholder requests information on the salary of the Auditor.

After no one else requests to speak to this agenda item, a vote is taken.

After a vote on the resolution by a show of hands (without tallying the show of hands), the vote counter announces that the General Meeting has elected PricewaterhouseCoopers AG, Basel, as the auditor for another one year term of office by a large 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.

A shareholder inquires if the company will take legal measures with regard to the mistake made by SIS/SIX Swiss Exchange in the issuance of the titles based on the conversion of convertible bonds. Christian Itin points out that the company did not suffer any pecuniary damage and therefore the company will not take any legal measures. A shareholder asks about the further perspectives. Christian Itin replies that after the conclusion of the restructuring the search for a reverse merger target or a new program has begun; a report on a transaction can only be given after its conclusion is final. After no one requests to have the floor, the Chairman declares the general meeting closed at 12.30 PM and invites the attendees to have refreshments in the adjoining room.

Schlieren, June 29, 2015

The Chairman:

The Secretary:

Dr. Christian Itin

Dr. Matthias Staehelin