

**MINUTES**  
**of the**  
**15th Ordinary General Meeting**  
**of**  
**CYTOS BIOTECHNOLOGY LTD**

held on Friday, 28 June 2013, starting at 10 AM at  
Cytos Biotechnology AG, Wagistrasse 25, 8952 Schlieren/ Switzerland

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## **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 Board, he welcomes the shareholders in attendance to the 15th 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 6 June 2013. The shareholders listed in the share register were also invited with a letter dated 6 June 2013. 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.
- Mr. Matthias Alder, Executive Vice President Corporate Development and Legal Affairs of Cytos Biotechnology Ltd is appointed as the Secretary for this general meeting.
- Dr. Matthias Staehelin from VISCHER AG serves as vote counter.
- 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. Stefan Räbsamen.
- Mr. Harry Welten, Executive Vice President and Chief Financial Officer of Cytos Biotechnology Ltd serves as the Company Proxy (Organvertreter) within the meaning of Art. 689c Swiss Code of Obligations.
- Andreas G. Keller, Attorney-at-Law, Gehrenholz 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.

- A simple majority of the voting shares cast is required for Agenda Items 1, 2, 3, 4 and 6. Agenda Item 5 requires a qualified majority of at least two thirds of the voting rights represented and the absolute majority of the nominal value of shares represented.
- 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 2012 Fiscal Year in Retrospect**

The Chairman reports the following key events for 2012: A successful restructuring of the convertible bonds, reputable investors invested fresh monies which are being used to advance the clinical development of CYT003 in allergic asthma, new members joined the Board of Directors and a new CEO has taken office. Further, a global Phase 2b clinical study with CYT003 in allergic asthma has been started. The Chairman further explains that the collaborations with Novartis, Pfizer and the Government of Singapore continue.

The Chairman then elaborates on the potential of CYT003, Cytos' lead product, for which no collaboration has been entered into yet. The Chairman describes the extent of the worldwide prevalence of asthma and the cost of medical care to treat asthma. Further, he points out that the standard of care only addresses the symptoms rather than the underlying disease. He elaborates on the treatment steps and the symptoms of asthma and explains how CYT003 is different from standard medication. The Chairman further highlights the results of studies conducted to date and explains what further steps are planned in the years to come.

Following his presentation, questions were answered regarding competitors, price positioning of a potential product, the risk of a focused strategy, the term of patent protection, the collaboration with Novartis, the point in time of a potential launch of the product, the product approval, the number of employees and the financing strategy.

Next, Mr. Welten, CFO of the Company, comments on the key performance indicators from the balance sheet and the income statement and answers a question regarding remuneration.

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

### **Attendance**

Next, the Chairman announces attendance as follows:

According to the attendance list,

- 38 Shareholders are in attendance
- 12,584,907 registered shares at CHF 0.10 are represented
- The Company Proxy represents 568,786 registered shares at CHF 0.10
- The Independent Proxy represents 11,956,378 registered shares at CHF 0.10
- There is no proxy for deposited shares (Depotvertreter) within the meaning of Art. 689d Swiss Code of Obligations in attendance.

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 6,292,454 votes.

The Chairman further states that for agenda item 5, the required qualified majority of at least two thirds of the voting rights represented is 8,389,938 votes. In addition, the absolute majority of the nominal value of shares represented is needed.

In addition, he states that for agenda item 3 ("Discharge of the Members of the Board of Directors and the Executive Board"), the corporate bodies of the Company represented by the company proxy are not entitled to vote, and accordingly, the simple majority is 6,290,121 votes.

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

**Agenda Item 1:**

**Approval of the Annual Report, Annual Financial Statements, and Consolidated Financial Statements of Cytos Biotechnology Ltd for the year 2012.**

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 2012, 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. 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 Annual Report, the Annual Financial Statements and the Consolidated Financial Statements of Cytos Biotechnology Ltd for the year 2012, with the auditor's reports considered, had been passed by a large majority.

**Agenda Item 2:**

**Offsetting 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 2012 in the amount of CHF 15'652'593.58 and to transfer CHF 25'825'638.69 of paid-in capital (surplus funds) to the free reserves. As a result, there remains a balance of free reserves in the amount of CHF 13'740'302.09. 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 about agenda item 2. 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 on agenda item 2 had been passed by a large majority.

**Agenda Item 3:**

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

The Chairman moves on behalf of the Board of Directors that the General Meeting grant discharge from liability for actions taken in 2012 to the members of the Board of Directors and the Executive Board. The discharge would also apply to former members of the Board of Directors and the Executive Board who left these bodies during the course of 2012.

The Chairman asks whether anyone has any questions about agenda item 3. After no one requests to speak, a collective vote is taken.

The Chairman asks the members of the Board of Directors and the Executive Board 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 Board was granted by a large majority.

**Agenda Item 4:  
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 about agenda item 4. After no one 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.

**Agenda Item 5:  
Extension of Authorized Share Capital**

The Chairman moves on behalf of the Board of Directors that the General Meeting approve the extension of the authorized share capital from 19 April 2014 to 27 June 2015 and the amendment of Article 4c of the Articles of Association.

The Chairman explains that the extension is necessary to fulfill Cytos' contractual obligations under the investment agreements which were entered into with investors in 2012.

The Chairman asks whether anyone has any questions about agenda item 5. 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 has been approved by a large majority significantly exceeding the required qualified majority of two-thirds of the voting rights represented and the absolute majority of the nominal share values represented.

**Agenda Item 6:  
Re-election to the Board of Directors**

The Chairman moves that the General Meeting re-elect Kurt von Emster and himself to the Board of Directors for a three-year term of office.

The Chairman asks whether anyone has any questions about agenda item 6. After no one requests to speak, a vote is taken.

The Chairman conducts the election of Kurt von Emster first, followed by the election of himself.

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 Dr. Christian Itin and Kurt von Emster for another three year term of office by a large majority.

The Chairman congratulates Kurt von Emster on being elected and confirms that both accept their election.

### **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 inquires about the participation of members of the Board of Directors in Executive Board sessions, in response to which the Chairman briefly explains the working relationship between the Board of Directors and the Executive Board.

After no one else requests to have the floor, the Chairman declares the general meeting closed at 11.05 AM and invites the attendees to have refreshments in the adjoining room.

Schlieren, 28 June 2013

The Chairman:



Dr. Christian Itin

The Secretary:



Matthias Alder