

**MINUTES**  
**of the**  
**18th Ordinary General Meeting**  
**of**  
**KUROS BIOSCIENCE LTD**

held on Thursday, 16 June 2016, starting at 1 PM at  
Kuros Biosciences 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 Board he welcomes the shareholders in attendance to the 18<sup>th</sup> Ordinary General Meeting of Kuros Biosciences Ltd (hereinafter referred to as "**Kuros Biosciences Ltd**" or "**Kuros**" 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 26 May 2016. The shareholders listed in the share register were also invited with a letter dated 23 May 2016. 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 auditors 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, 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.
- For agenda items 10 and 11 a qualified majority of two thirds of the voting shares cast is required. A simple majority of the voting shares cast is required for the remaining Agenda Items 1 to 9.
- 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 dissenting votes and the 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.

### **Introduction of Harry Welten and Didier Cowling**

The Chairman introduces Mr. Didier Cowling and Mr. Harry Welten as current members of the Board of Directors and members of the Executive Board to the attendees. In addition to their posts as Members of the Board of Directors, Didier Cowling takes on the role of CEO whilst Harry Welten is the CFO of Kuros.

### **Attendance**

Next, the Chairman announces attendance as follows:

According to the attendance list:

- 77 shareholders are in attendance,
- 237'200'269 registered shares at CHF 0.01 are represented and
- 151'628'103 registered shares at CHF 0.01 are represented by the Independent Proxy.

The Chairman states that the simple majority of the votes cast is met when more consenting than dissenting votes are counted, which means that, when all shareholders vote with yes or no, the simple majority is 118'600'135 votes.

The Chairman points out that a qualified majority of two thirds of the votes cast is required for agenda items 10 and 11, which means that, when all shareholders vote with yes or no, the qualified majority is 158'133'513 votes. For agenda items 1 to 9 the simple majority is sufficient.

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 are not entitled to vote, and accordingly, the simple majority is 118'600'135.

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 for the year 2015***

The Board of Directors proposes to approve the Annual Report, the Annual Financial Statements, and the Consolidated Financial Statements of Kuros Biosciences Ltd (formerly Cytos Biotechnology Ltd) for the year 2015, and to take note of the reports of the Auditors.

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 agenda item 1 has been passed by a large majority.

***Agenda Item 2:***

***Appropriation of Net Profit***

The Board of Directors proposes to the General Meeting that the net profit of the year 2015 of CHF 9'257'120.39 is offset with the accumulated net loss of CHF 275'902'216.24, resulting in a reduced net loss of CHF 266'645'095.85 to be carried forward to the new accounts.

A shareholder inquires how the Company is dealing with the large loss. Harry Welten replies that the loss has already occurred and thus won't ~~cause~~have any further ~~damage~~impact. After there are no further 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 has been passed by a large majority.

**Agenda Item 3:*****Discharge of the Members of the Board of Directors and the Executive Board***

The Board of Directors proposes that the General Meeting grant discharge from liability for actions taken in 2015 to the members of the Board of Directors and the Executive Board.

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 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:*****Remuneration of the Members of the Board of Directors and the Executive Board***

The Board of Directors proposes to vote separately on the non-performance-related and the variable remuneration elements of the members of the Board of Directors and the Executive Board at the Ordinary General Meeting 2016.

Under **Agenda Item 4.a** a vote is taken on the non-performance-related total remuneration of the members of the Board of Directors for the period until the next Ordinary General Meeting. The Board of Directors proposes that the shareholders grant the maximum non-performance-related remuneration of the members of the Board of Directors for the period until the next Ordinary General Meeting, i.e. CHF 357'000.

The Chairman asks whether anyone has questions or if anyone wishes to discuss on this agenda item. A shareholder would like to know what the remuneration consists of. The Chairman explains that the remuneration is a cash remuneration. After there are no further 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 4.a had been passed by a large majority.

Under **Agenda Item 4.b** a vote is taken on the options of the members of the Board of Directors for the period until the next Ordinary General Meeting. The Board

of Directors proposes that the shareholders grant a maximum of 1'300'000 options with a term of five years, a regular blocking period of 18 months, a full right of exercise in the case of a change of control and an exercise price of CHF 0.24 with a current maximum value of all options of CHF 174'200.00.

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 on agenda item 4.b had been passed by a large majority.

Under **Agenda Item 4.c** a vote is taken on the non-performance-related total remuneration of the members of the Executive Board for the period until 30 June 2017. The Board of Directors proposes that the shareholders grant a maximum of CHF 1'850'000.00 (cash remuneration plus social security benefits) for the total non-performance-related cash remuneration of the members of the Board of Directors for the period until 30 June 2017.

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 on agenda item 4.c had been passed by a large majority.

Under **Agenda Item 4.d** a vote is taken on the maximum of variable compensation (five positions) of the members of the Executive Board for the 2016 calendar year. The Board of Directors proposes that the shareholders grant, in addition to the CHF 535'000.00 (cash remuneration plus social security benefits), which have been granted at the General Meeting on 6 January 2016, another CHF 230'000.00 and thus a total amount of CHF 765'000.00 as variable compensation for the 2016 calendar year.

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 on agenda item 4.d had been passed by a large majority.

Under **Agenda Item 4.e** a vote is taken on the options of the members of the Executive Board for the 2016 calendar year. The Board of Directors proposes that the shareholders grant a maximum of 10'820'000 options with a term of five years,

a regular blocking period of four years, a full right of exercise in the case of a change of control and an exercise price of CHF 0.24 with a current maximum value of all options of CHF 1'500'000.00.

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 on agenda item 4.e had been passed by a large majority.

***Agenda Item 5:  
Election of the Board of Directors***

The Board of Directors proposes the re-election of Christian Itin as member and chairman of the Board of Directors, Didier Cowling, Arnd Kaltofen-Ehmann, Jörg Neermann, Gerhard Ries and Harry Welten as members of the Board of Directors and the election of Leanna Caron as a new member of the Board of Directors, each for a one-year term of office until the end of the next Ordinary General Meeting.

The Chairman notes that the term of office of the current members of the Board of Directors Dominik Ellenrieder and Vincent Ossipow has expired and the both of them are not available for re-election. The Board of Directors expresses its gratitude for the services provided by Mr. Ellenrieder and Mr. Ossipow.

The Chairman introduces the newly proposed Leanna Caron and explains that as her main job, she works as Chief Commercial Officer at AgNovos Healthcare. She is a Canadian citizen and is able to bring broad industry and market experience in the Board of Directors. The Board of Directors is pleased to propose Leanna Caron for election.

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.

Thereupon the Board of Directors proposes the following Board members for re-election or 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;
- Didier Cowling, a citizen of the United Kingdom, resident of Thalwil, as a member of the Board of Directors;

- Arnd Kaltofen-Ehmann, Swiss citizen, resident of Baar as a member of the Board of Directors;
- Jörg Neermann, German citizen, resident of Munich (Germany), as a member of the Board of Directors;
- Gerhard Ries, Swiss citizen, resident of Nenzlingen, as a member of the Board of Directors;
- Harry Welten, Swiss citizen, resident of Zofingen, as a member of the Board of Directors;
- Leanna Caron, Canadian citizen, resident of Wollerau, as a member of the Board of Directors.

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 6:***

***Election of the Board of the Compensation Committee***

The Board of Directors proposes Arnd Kaltofen-Ehmann for re-election and Gerhard Ries for election to the Compensation Committee for a one-year term of office until the end of 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 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 one-year term of office until the end of the next Ordinary General Meeting in the function they were proposed for by a large majority.

***Agenda Item 7:***

***Election of the Independent Proxy***

The Board of Directors proposes for election as independent proxy for a one-year term of office until the end of the next Ordinary General Meeting:



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

The Chairman asks whether anyone has any questions about agenda item 7. 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 General Meeting has elected Andreas G. Keller as the independent proxy for a one-year term of office until the end of the next Ordinary General Meeting by a large majority.

***Agenda Item 8:  
Election of the Auditors***

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

The Chairman asks whether anyone has any questions about 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 General Meeting has elected PricewaterhouseCoopers AG, Basel, as the auditors for another one year term of office by a large majority.

***Agenda Item 9:  
Reverse Share Split***

The Board of Directors proposes a reverse share split at a ratio of 100 to 1, whereupon 100 existing shares are merged into one new share with any fraction rounded up to the nearest integer. The Chairman points out that the exact wording can be found in the invitation and will be projected onto the screen. The text of the new provision of the Articles of Association is projected onto the screen.

Matthias Staehelin points out that the existing shareholders and founders, Dr. Jeffrey Hubbell and Didier Cowling, have undertaken without any consideration to hand over the amount of shares that are necessary for the allocation of an integral number of shares in connection with the reverse share split to the rest of the shareholders. Accordingly, for every 100 registered shares at CHF 0.01 a new (merged) registered share at CHF1.— will be allocated. For any further participation of less than 100 registered shares, a new (merged) registered share will be allocated. For example, if a shareholder holds 740 registered shares, a total of 8 new (merged) registered shares will be allocated. With rounding of the existing participation to the nearest whole 100 shares, financed by the above mentioned

existing shareholders, the individual shareholder will not suffer any disadvantage in connection with the reverse share split. 21 June 2016 is expected as the effective date for respective participation.

Matthias Staehelin then further explains that the reverse share split will allow the orderly pricing of the shares at the stock exchange, which is in the shareholders' interest as well as in the Company's interest. Because of the provision of shares by the above mentioned shareholders, it is guaranteed, that no shareholder will have to suffer a disadvantage through the reverse share split, which is why the individual consent of every shareholder is not needed.

Art. 3a para 1 of the Articles of Association shall accordingly be amended as follows:

**Art. 3a      *Share Capital and Shares***

*The Share Capital of the Company is CHF 5'084'323.00 and fully paid-in. It is divided into 5'084'323 registered shares with a nominal value of CHF 1.00 each.*

The Chairman points out that the proposed decisions by the Board of Directors under this agenda item are conditional on the adoption of the agenda items 10 and 11.

The Chairman asks whether anyone has any questions about this agenda item. A shareholder asks which bank will be responsible for the realisation of the reverse stock split. The Chairman responds that this hasn't been made public yet. After there are no further 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 9 had been passed by a large majority.

***Agenda Item 10:***

***Increase and Adaption of the Conditional Share Capital for Employee Participation***

The Board of Directors proposes the increase of the conditional share capital for employees, persons in equivalent positions and members of the Board of Directors from currently 61'745'317 registered shares at CHF 0.01 (before the reverse share split) to 800'000 registered shares at CHF 1.00 (after the reverse share split). The Chairman points out that the exact wording can be found in the invitation and will be projected onto the screen. Upon respective inquiry, none of the attendees requests for the proposition to be read out. The text of the new provision of the Articles of Association is projected onto the screen.

The Chairman points out that the proposed decisions by the Board of Directors under this agenda item are conditional on the adaption of all share numbers.

The Chairman asks whether anyone has any questions about 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 on agenda item 10 had been passed by a large majority and with the necessary qualified majority of two thirds of the voting shares cast.

***Agenda Item 11:***

***Increase and Adaption of the Authorized Share Capital***

The Board of Directors proposes to increase the authorized share capital to 2'542'141 registered shares at CHF 1.00 (after the reverse share split). This enables the Board of Directors to strengthen the capital base of the Company in a flexible way if necessary. The Chairman points out that the exact wording can be found in the invitation and will be projected onto the screen. Upon respective inquiry, none of the attendees requests for the proposition to be read out. The text of the new provision of the Articles of Association is projected onto the screen.

The Chairman points out that the proposed decisions by the Board of Directors under this agenda item are conditional on the adaption of all share numbers.

The Chairman asks whether anyone has any questions about 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 on agenda item 11 had been passed by a large majority and with the necessary qualified majority of two thirds of the voting shares cast.

**Closing Remarks, Questions**

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

After no one requests to have the floor, the Chairman declares the general meeting closed at 1.55 PM and invites the attendees to have refreshments in the adjoining room.

Schlieren, 16 June 2016

The Chairman:

The Secretary:

Dr. Christian Itin

Dr. Matthias Staehelin