

English Translation of the Original Articles of Association.

Please note that the German version prevails,  
and that the English translation is not legally binding.

**ARTICLES OF ASSOCIATION**

**OF**

**CYTOS BIOTECHNOLOGY LTD**

(April 22, 2010)

**Articles of Association of  
Cytos Biotechnology Ltd**  
(The "Articles")

**Chapter 1:  
Company name, Domicile, Purpose and Duration  
of the Company**

Article 1

Company name,  
Domicile

Under the Company name

Cytos Biotechnology AG  
Cytos Biotechnology SA  
Cytos Biotechnology Ltd

a company limited by shares exists with its domicile in Schlieren.

Article 2

Purpose

- 1 Purpose of the Company is research, development, production and sale of biotechnological products. The Company may also buy, sell and commercialise patents and licences in biotechnolgy.
- 2 The Company may conduct any business which is directly or indirectly linked with the above purpose of the Company. The Company may also acquire or sell real estate.
- 3 The Company is empowered to establish domestic and foreign branch offices, and to hold interests in other enterprises.
- 4 The Company may enter into promise agreements and provide guarantees in favor of subsidiaries.

Article 3

Duration

The duration of the Company is unlimited.

**Chapter 2:**  
**Share capital**

Article 4

- Share capital
- 1 The Company's share capital is CHF 527,005.60 It is divided into 5,270,056 registered shares with a nominal value of CHF 0.10 each. All shares are fully paid up.
  - 2 Upon resolution of the Shareholders' Meeting registered shares may be converted into bearer shares, and bearer shares into registered shares.

Article 4a

Conditional share capital *(abrogated)*

Article 4b

- Conditional share capital
- 1 The share capital may be increased by the maximum amount of CHF 27,327.30 by issuing up to 273,273 fully paid up registered shares with a nominal value of CHF 0.10 each. These registered shares shall be issued upon the exercise of option rights granted to employees of the Company and its subsidiaries as well as to members of the Board of Directors or the Scientific Advisory Board.
  - 2 The issue price as well as the conditions for the allocation and exercise of the employee options is to be specified by the Board of Directors in separate Rules. The shares are subject to the transfer restrictions of article 5 of the Articles. The Company's shareholders are not entitled to subscribe such employee options, unless they fulfill the conditions of the Rules in their function as employees, members of the Board of Directors or the Scientific Advisory Board.

Article 4c

- Authorised share capital
- 1 The Board of Directors is authorized to increase the share capital by no later than 21 April 2012 by an amount not exceeding

CHF 150,000.- by issuing up to 1,500,000 fully paid in registered shares with a nominal value of CHF 0.10 each. Increases by way of a firm underwriting as well as partial increases are permitted as well as, subject to an exclusion of the pre-emptive rights according to para 2, subsequent offer to the shareholders and increases in partial amounts are allowed. In each case, the issue price, the date for entitlement to dividends and the type of contribution shall be determined by the Board of Directors. The newly issued registered shares shall be subject to the transfer limitations foreseen in article 5 of the Articles.

- 2 The Board of Directors is authorized to issue shares according to this article 4c as base values of convertible bonds (including mandatory convertible bonds), bonds with option rights, convertible loans or similar financing instruments (subsequently called "EQUITY RELATED FINANCING INSTRUMENTS"), whereby the Board of Directors determines the issue conditions of the EQUITY RELATED FINANCING INSTRUMENTS (incl. exercise and conversion period respectively and exercise and conversion price respectively). The pre-emptive rights of the shareholders concerning the shares, which are issued in conjunction with the EQUITY RELATED FINANCING INSTRUMENTS, are excluded and the shareholders get instead pre-emptive subscription rights. Should the Board of directors exclude these pre-emptive subscription rights, (i) the EQUITY RELATED FINANCING INSTRUMENTS have to be issued at market conditions, (ii) the conversion rights may be exercisable during a maximum of seven years and option rights during a maximum of five years from the time of the respective issue of the EQUITY RELATED FINANCING INSTRUMENTS only and (iii) the exercise price for the new shares (including possible premiums on options and benefits) has to be in accordance with market conditions at the time of the EQUITY RELATED FINANCING INSTRUMENTS.
- 3 The Board of Directors is authorized to exclude the pre-emptive rights or pre-emptive subscription rights of the shareholders according to paragraph 2 entirely or partially and to convey to third

parties, if the new shares are to be used (1) for the takeover of enterprises through the exchange of shares or (2) for financing or re-financing the acquisition of enterprises or divisions thereof, or of participations or of newly-planned investments of the Company (3) for the participation of strategic partners of the Company, (4) for raising capital (including by means of a private placing) in a fast and flexible manner, which would hardly be achieved without the exclusion of the statutory pre-emptive rights of the existing shareholders, (5) for the refinancing of the existing convertible bonds or (6) for granting an over-allotment option (Greenshoe) of up to 20 percent to the lead managers in connection with the placement of shares at market price.

- 4 The Board of Directors is authorized to either forfeit pre-emptive rights or pre-emptive subscription rights which are not exercised or to place those or the shares respectively for which the pre-emptive rights were allocated but not exercised, at market conditions or use them otherwise in the interest of the company.

#### Article 4d

Authorized share  
capital

- 1 The Board of Directors is authorized to increase the share capital, at any time until April 22, 2011, by a maximum amount of CHF 100,000 by issuing a maximum of 1,000,000 fully paid up registered shares with a nominal value of CHF 0.10 each. The Board is entitled to issue these shares by means of a firm underwriting or in partial amounts. The Board of Directors determines the issue price, the date from which they carry the right to dividends and the manner in which the new shares have to be paid up. The new registered shares shall be subject to the transfer restrictions of Article 5 of the Articles.
- 2 The Board of Directors is authorized to exclude the subscription rights of the shareholders and to transfer them to third parties provided that the new shares are to be used (1) for the takeover of enterprises through the exchange of shares or (2) for financing the acquisition of enterprises or divisions thereof, or of participations,

or of new investment plans of the Company, or (3) for granting an over-allotment option (Greenshoe) of up to 20 percent to the lead managers in connection with a placement of shares at market price, or (4) for raising capital in a fast and flexible manner, which would hardly be achieved without the exclusion of the statutory pre-emptive rights of the existing shareholders.

- 3 Shares that are subject to statutory pre-emptive rights are to be sold at market conditions if such rights are not exercised.

#### Article 4e

Conditional share  
capital

- 1 The share capital may be increased by the maximum amount of CHF 60,000 by issuing up to 600,000 fully paid up registered shares with a nominal value of CHF 0.10 each. These registered shares shall be issued upon the exercise of option rights granted to employees, members of the Board of Directors and consultants to the Company and its subsidiaries.
- 2 The issue price as well as the conditions for the allocation and exercise of the employee options are to be specified by the Board of Directors in separate Rules. The shares are subject to the transfer restrictions of article 5 of the Articles. The Company's shareholders are not entitled to subscribe such employee options, unless they fulfill the conditions of the Rules in their function as employees, members of the Board of Directors or consultants to the Company.

#### Article 4f

Conditional share  
capital

- 1 The share capital may be increased by the maximum amount of CHF 140,000.- by issuing up to 1,400,000 fully paid up registered shares with a nominal value of CHF 0.10 each through the exercise of (i) conversion and/or option rights, which are granted in connection with new or existing convertible bonds (including mandatory convertible bonds), convertible loans and/or bonds with option rights or other equity related financing instruments and/or (ii) option rights (subsequently called "EQUITY RELATED FINANCING INSTRUMENTS"), which are granted to

the shareholders of the Company by the Company or one of the Company's subsidiaries in one or several tranches. Entitled to the new shares are the holders of conversion and option rights.

- 2 The Board of Directors determines the issue conditions of the EQUITY RELATED FINANCING INSTRUMENTS (incl. exercise and conversion period respectively and exercise and conversion price respectively). The statutory pre-emptive rights of the existing shareholders are excluded in connection with the issuance of the EQUITY RELATED FINANCING INSTRUMENTS.
- 3 In connection with the issuance of EQUITY RELATED FINANCING INSTRUMENTS by the Company or its subsidiaries, the Board of Directors is authorized to restrict or to exclude the pre-emptive subscription rights of the existing shareholders for important reasons and to allocate them to third parties. Important reasons are (1) the financing or refinancing of the acquisition of enterprises or divisions thereof, or of participations, or of newly-planned investments of the Company, or (2) the issuance of EQUITY RELATED FINANCING INSTRUMENTS on the national or international capital market (including private placements), (3) the refinancing of existing convertible bonds or other EQUITY RELATED FINANCING INSTRUMENTS, and (4) the securing of optimal conditions at the issuance of EQUITY RELATED FINANCING INSTRUMENTS.
- 4 To the extent the pre-emptive subscription rights are excluded (i) the EQUITY RELATED FINANCING INSTRUMENTS have to be offered at market conditions, (ii) the conversion rights may be exercisable during a maximum of seven years and option rights during a maximum of five years from the time of the respective issue of the EQUITY RELATED FINANCING INSTRUMENTS, and (iii) the exercise price for the new shares (including possible premiums on options and benefits) has to be in accordance with market conditions at the time of issuance of the EQUITY RELATED FINANCING INSTRUMENTS.

- 5 The acquisition of registered shares through the exercise of conversion and/or option rights as well as further transfer of the shares shall be subject to the transfer restrictions of Article 5 of the Articles

#### Article 5

Share register, Entry  
of Nominees and  
effects of entry

- 1 The Company keeps a share register in which the name, first name, domicile, address and nationality (in the case of legal entities the registered office) of the holders or the usufructuaries of registered shares are entered. Natural and legal entities as well as legal usufructuaries, legal representatives of dependants etc., who are not shareholders but are entitled by law to exercise the voting right, are being made note of in the share register upon request.
- 2 If buyers of registered shares explicitly declare in the request for registration that they have bought the registered shares in their own name and for their own account, they shall be registered in the share register as shareholders with voting rights.
- 3 The Board of Directors may enter Nominees in the share register with voting right. Such entry is permitted provided that 3% of the registered share capital, as it is registered in the commercial register, is not exceeded. Nominees are persons who do not explicitly declare in their request for registration to hold the registered shares for their own account. The Board of Directors may register Nominees holding shares that exceed 3% of the registered share capital, providing that the respective Nominee discloses the names, addresses and the number of registered shares of those persons for whose accounts it holds 0.5% or more of the registered share capital, as it is registered in the commercial register. The Board of Directors enters into agreements with such Nominees in order to, inter alia, arrange the representation of the shareholders and the voting rights.
- 4 After hearing the registered shareholder or nominee, the Board of Directors may cancel, with retroactive effect as of the date of registration, the entry of shareholders if the registration came into ef-

fect based on false information. The shareholder or nominee concerned shall be informed immediately of the cancellation of the registration.

#### Article 6

Printing of shares,  
share certificates

- 1 Subject to paragraph 2, the Company's registered shares are book-entry securities (Wertrechte, within the meaning of the Code of Obligations) and intermediary-held securities (Bucheffecten, within the meaning of the Intermediary-Held Securities Act).
- 2 Shareholders are not entitled to request delivery of shares or share certificates. Any shareholder may request the Company anytime to issue a confirmation regarding its shareholdings. Such confirmation is not a negotiable instrument.
- 3 In contrast, the Company may print and deliver certificates for registered shares (whether for single or for multiple shares, or global certificates) at any time. It may withdraw registered shares that constitute intermediary-held securities from the respective custody system. With the consent of the shareholder, the company may cancel issued certificates that are delivered to it, without replacement.

#### Article 7

Excercise of share-  
holder rights

- 1 Shares are not divisible. The Company accepts only one representative per share.
- 2 The voting right and other rights associated with a registered share may only be exercised by a shareholder, usufructuary or nominee who is entered in the share register, or by persons who are entitled by law to the voting right of a share, subject to Article 14, which regulates the representation of the shareholders.

**Chapter 3:  
Corporate Bodies**

**A. General Meeting of Shareholders**

Article 8

Competence	The General Meeting of shareholders is the supreme body of the Company.
------------	---

Article 9

Ordinary general meeting	1 The Ordinary General Meeting of shareholders is to be held yearly within six months following the close of the business year.
	2 At the latest twenty days before the meeting the annual report including the report of the auditors shall be made available for inspection by the shareholders at the domicile of the Company.

Article 10

Extraordinary general meeting	1 Extraordinary General Meetings of shareholders shall take place upon request of the Board of Directors or the Auditors.
	2 Furthermore, Extraordinary General Meetings of shareholders shall be convened upon resolution of a General Meeting of shareholders, or if it is required by one or more shareholder(s) who are representing in the aggregate not less than one tenth of the share capital. The notice of an extraordinary meeting shall be in writing specifying the items for the agenda and the proposals.

Article 11

Convening of the shareholders' meeting	1 General Meetings of shareholders shall be convened by the Board of Directors at the latest twenty days before the date of the meeting. Notice of a shareholders' meeting is given by means of written information to the shareholders according to Article 31 para. 2, and by a single publication in the official publication organ of
--	---

the Company.

- 2 The notice of a general meeting shall state the items on the agenda and the proposals of the Board of Directors, and, if applicable, the shareholders who demanded that a General Meeting of shareholders be convened and, in case of elections, the names of the nominated candidates.

#### Article 12

- |        |   |
|--------|---|
| Agenda | <ol style="list-style-type: none"><li>1 Shareholders whose combined shareholdings represent an aggregate nominal value of 10% of the registered share capital may demand that an item be included in the agenda of a general meeting. Such a demand must be made in writing at the latest forty-five days before the meeting and shall specify the items and the proposals of such a shareholder.</li><li>2 No resolution shall be passed at a General Meeting on matters for which no proper notice was given. This provision shall not apply to proposals to convene an Extraordinary General Meeting, or to initiate a special audit according to Art. 697a Code of Obligations.</li></ol> |
|--------|---|

#### Article 13

- |                                |   |
|--------------------------------|---|
| Location, chair and scrutineer | <ol style="list-style-type: none"><li>1 Shareholders' meetings are held at the domicile of the Company unless the Board of Directors decides otherwise. Shareholders' meetings are presided over by the Chairman of the Board or, in his absence, a Vice-Chairman or any other Member of the Board designated by the Board shall take the chair. The chairman appoints a secretary and the necessary scrutineers neither of whom need to be shareholders.</li></ol> |
| Minutes                        | <ol style="list-style-type: none"><li>2 Minutes are taken about the meeting, and the minutes are to be signed by the chairman and the secretary.</li></ol>  |

Article 14

- Proxies
- 1 The Board of Directors lays down the rules regarding the participation and the representation at the General Meeting.
  - 2 A shareholder can be represented by another person who does not have to be a shareholder.
  - 3 The Chairman of the Board or, in his absence, the person chairing the general meeting decides whether the proxy is valid or not.

Article 15

Voting rights

In a shareholders' meeting each share registered in the share register with a voting right entitles its owner to one vote.

Article 16

- Resolutions and elections
- 1 Unless it is required by law, the shareholders meeting passes resolutions and elections with the absolute majority of the votes represented.
  - 2 Resolutions and elections shall be taken on a show of hands unless the shareholders meeting requests or the presiding officer orders a resolution or a voting taken with a secret ballot or in electronic manner.
  - 3 The chairman may at any time order to repeat an election or resolution taken on a show of hands with a secret ballot, if the results of the vote cast doubts. In this case, the preceding election or resolution taken on a show of hands is deemed not having taken place.

Article 17

Powers of the shareholders meeting

The following powers shall be vested exclusively in the General Meeting:

- a) to adopt and amend the Articles of the Association;
- b) to elect the members of the Board of Directors, the auditors and the Group auditors;
- c) to approve the annual report and the consolidated financial statements;
- d) to approve the annual financial statements and to determine on the allocation of profits as shown on the balance sheet, in particular with regard to dividend payments;
- e) to discharge the members of the Board of Directors;
- f) to pass resolutions concerning all matters which by law or the Articles of the Association are reserved to the authority of the General Meeting or are proposed to the General Meeting by the Board of Directors.

#### Article 18

##### Special quorum

The approval of at least two-thirds of the votes and the absolute majority of the represented nominal share capital is required for resolutions of the General Meeting of shareholders on:

- a) the alteration of the purpose of the Company;
- b) the creation of shares with increased voting powers;
- c) the implementation of restrictions on the transfer of registered shares and the removal of such restrictions;
- d) the increase of the authorized or conditional share capital;
- e) the increase of the share capital increase out of equity, by contribution in kind for the purpose of an acquisition of property and the grant of special rights;

- f) the restriction or suspension of the pre-emptive right;
- g) the change of domicile of the Company;
- h) the dissolution of the Company.



define the organization of the Board of Directors (including procedure of meetings, quorum and the passing of a resolution).

- 3 The resolutions of the Board of Directors have to be recorded. The minutes have to be approved by the Board of Directors at the next ordinary meeting.

#### Article 23

Competences of the  
Board of Directors

- 1 The Board of Directors has in particular the following non-assignable and non-withdrawable duties:
  - a) the ultimate management of the Company and the issuance of the necessary directives;
  - b) the establishment of the organization of the Company;
  - c) the structuring of the accounting system and of the financial controls, and if necessary, of the financial planning;
  - d) the appointment and removal of the persons entrusted with the management and the representation of the Company;
  - e) the ultimate supervision of the persons entrusted with the management of the Company, particularly in view of compliance with the law, the Articles of Association, regulations and directives;
  - f) the preparation of the Annual Report as well as the General Meeting and the implementation of its resolutions;
  - g) the notification of the court in the event of overindebtedness according to Art. 725 para. 2 CO;
  - h) the adoption of resolutions concerning the increase of the share capital to the extent that such power is vested in the Board of Directors, as well as resolutions concerning the confirmation of capital increases and respective amendments to

the Articles of Association;

- i) the examination of the professional qualifications of special auditors.
- 2 In addition, the Board of Directors may pass resolutions with respect to all matters which are not reserved to the authority of the General Meeting of shareholders by law or by these Articles of Association.

#### Article 24

Delegation of powers / Internal regulations

- 1 The Board of Directors may, subject to Article 23 paragraph 1 hereof and in accordance with the Internal Regulations of the Company, delegate the management of the Company in whole or in part to one or more of its members (delegates), to committees or other third parties, who need not be shareholders.
- 2 The Board of Directors issues Internal Regulations defining authorities, competences and responsibilities of the management.

#### Article 25

Signature power

The Board of Directors determines those of its members as well as those third persons who shall have signatory power for the Company. It further determines the manner in which such persons may sign on behalf of the Company.

### **C. Auditors**

#### Article 26

Term, power and duties      1      The Auditors shall be appointed by the Annual Shareholders' Meeting each year for the term of one year. The Auditors shall have the powers and duties vested in them by law.

Special auditor      2      The Annual Shareholders' Meeting may appoint a special auditor for a term of maximum three years who has to release the confirmations of verifications which are required in case of an increase in capital.

### **Chapter 4**

#### **Financial Year, Annual Report, Annual Financial Statements, Consolidated Financial Statement and Allocation of Profit**

#### Article 27

Financial Year      The Board of Directors determines the beginning and the end of a business year.

#### Article 28

Accounting standards      (repealed)

#### Article 29

Annual report      The Board of Directors prepares for each financial year a annual report consisting of the annual financial statements (including profit and loss statements, balance sheet and notes to the financial statements), the business report and the consolidated financial statements.

### Article 30

- Allocation of profit shown on the balance sheet, reserves
- 1 Subject to the legal provisions, the shareholders' meeting decides upon the allocation of the profit shown on the balance sheet. The Board of Directors submits a proposal to the shareholders meeting to that end.
  - 2 In addition to statutory reserves additional reserves may be accrued.
  - 3 Dividends which have not been claimed within five years after they have been due date, fall back to the Company and shall be allocated to the general reserves.

### Chapter 5

#### Publications and Place of Jurisdiction

### Article 31

- Notices
- 1 Notifications of the Company are published in the Swiss Official Journal of Commerce (*'Schweizerisches Handelsamtsblatt'*), the designated publishing organ of the Company.
  - 2 Notices to the registered shareholders are made in writing and mailed to the addresses listed in the share register, and by publication in the Swiss Official Journal of Commerce (*'Schweizerisches Handelsamtsblatt'*).

### Article 32

The place of jurisdiction for any disputes arising from or in connection with the shareholdership in the Company shall be at the registered office of the Company.

### Article 33

Contributions in kind

In accordance with the merger agreement dated September 23, 2002, the amendment to the merger agreement dated October 21,

2002 and the merger balance sheet dated June 30, 2002, the Company took over at the capital increase on October 21/22, 2002 by means of universal succession all assets in the amount of CHF 68,083,393 and liabilities in the amount of CHF 41,660,879 of the Askli Holding AG, Belp. The net book value amounted to CHF 26,422,514. In turn, the shareholders of Askli Holding AG received 151,200 fully paid up registered shares with a nominal value of CHF 0.10 each in exchange of their 151,200 registered shares with a nominal value of CHF 20 each. The difference between the net assets in the amount of CHF 26,422,514 and the capital increase in the amount of CHF 75,600 is recorded as capital surplus at the Company.

Schlieren, April 22, 2010