

U. S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 10-Q**

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended September 30, 2017.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

Commission File Number 0-8092

**GT BIOPHARMA, INC.**  
(Exact name of small business issuer as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**94-1620407**  
(I.R.S. employer  
identification number)

**1825 K Street, Suite 510**  
**Washington, D.C. 20006**  
(Address of principal executive offices and zip code)

**100 South Ashley Drive, Suite 600**  
**Tampa, FL 33602**  
(Former address of principal executive offices and zip code)

**(800) 304-9888**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At November 14, 2017, the issuer had outstanding the indicated number of shares of common stock: 49,767,978.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**FORM 10-Q**  
**For the Nine Months Ended September 30, 2017**  
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**GT Biopharma, Inc. and Subsidiaries**  
**as of September 30, 2017 and December 31, 2016**  
**Consolidated Balance Sheets**

	September 30, 2017	December 31, 2016
<b>ASSETS</b>		
(unaudited)		
Current Assets:		
Cash and cash equivalents	\$ 2,732,000	\$ 19,000
Prepaid expenses	-	2,000
Total Current Assets	<u>2,732,000</u>	<u>21,000</u>
Goodwill	253,777,000	-
Deposits	9,000	-
Fixed assets, net	2,000	4,000
Total Other Assets	<u>253,788,000</u>	<u>4,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$256,520,000</u></b>	<b><u>\$ 25,000</u></b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities:		
Accounts payable	\$ 2,714,000	\$ 2,100,000
Accrued interest	-	3,800,000
Accrued expenses	57,000	219,000
Line of credit	31,000	31,000
Warrant liability	-	417,000
Settlement note payable	-	691,000
Demand notes payable	-	452,000
Convertible debentures, net of discount of \$-0- and \$764,000, current portion	-	10,350,000
Convertible debentures	-	889,000
Total Current Liabilities	<u>2,802,000</u>	<u>18,949,000</u>
Total liabilities	<u>2,802,000</u>	<u>18,949,000</u>
Stockholders' Equity (Deficit):		
Convertible preferred stock - \$0.001 par value; 15,000,000 shares authorized:		
Series C - 96,230 and 96,230 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	1,000	1,000
Series H - -0- and 25,000 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	-	-
Series I - -0- shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	-	2,000
Series J - 1,513,548 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	1,000	-
Common stock - \$0.001 par value; 750,000,000 shares authorized; and 49,767,978 and 104,218 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	50,000	-
Additional paid-in capital	515,706,000	105,891,000
Accumulated deficit	(261,870,000)	(124,649,000)
Noncontrolling interest	(169,000)	(169,000)
Total Stockholders' Equity (Deficit)	<u>253,718,000</u>	<u>(18,924,000)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b><u>\$256,520,000</u></b>	<b><u>\$ 25,000</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**  
**For the Six Months Ended September 30, 2017 and 2016 (unaudited)**

	Three Months Ended September		Nine Months Ended September	
	30, 2017	2016	30, 2017	2016
Product revenues	\$ -	\$ -	\$ -	\$ -
License revenue	-	-	-	-
Total revenue	-	-	-	-
Cost of product revenue	-	-	-	-
Gross profit	-	-	-	-
Operating expenses				
Research and development	526,000	250,000	911,000	725,000
Selling, general and administrative expenses	126,330,000	2,280,000	128,768,000	7,827,000
Total operating expenses	126,856,000	2,530,000	129,679,000	8,552,000
Loss from operations	(126,856,000)	(2,530,000)	(129,679,000)	(8,552,000)
Other income (expense)				
Change in value of warrant and derivative liabilities	(1,451,000)	436,000	925,000	37,195,000
Interest expense	(3,769,000)	(1,536,000)	(8,467,000)	(4,781,000)
Total other income (expense)	(5,220,000)	(1,100,000)	(7,542,000)	32,414,000
Income (loss) before minority interest and provision for income taxes	(132,076,000)	(3,630,000)	(137,221,000)	23,862,000
Plus: net (income) loss attributable to the noncontrolling interest	-	-	-	-
Income (loss) before provision for income taxes	(132,076,000)	(3,630,000)	(137,221,000)	23,862,000
Provision for income tax	-	-	-	-
Net income (loss)	(132,076,000)	(3,630,000)	(137,221,000)	23,862,000
Weighted average common shares outstanding – basis and diluted				
Basic	16,027,687	91,540	5,628,529	75,522
Diluted	16,027,687	91,540	5,628,529	75,522
Net income (loss) per share				
Basic	\$ (8.24)	\$ (39.65)	\$ (24.38)	\$ 315.96
Diluted	\$ (8.24)	\$ (39.65)	\$ (24.38)	\$ 315.96

The accompanying condensed notes are an integral part of these consolidated financial statements.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (loss)/income	\$(137,221,000)	\$ 23,862,000
Adjustments to reconcile net (loss)/income to net cash used in operating activities:		
Depreciation	2,000	1,000
Stock compensation expense for options and warrants issued to employees and non-employees	125,905,000	5,812,000
Amortization of debt discounts	4,791,000	1,625,000
Note allonge	100,000	-
Non-cash interest expense	2,197,000	1,697,000
Change in value of warrant and derivative liabilities	(925,000)	(37,195,000)
Changes in operating assets and liabilities:		
Other assets	(7,000)	0
Accounts payable and accrued liabilities	1,880,000	2,403,000
Net cash used in operating activities	<u>(3,278,000)</u>	<u>(1,795,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable	5,991,000	1,902,000
Repayment of note payable	-	-
Net cash provided by financing activities	<u>5,991,000</u>	<u>1,902,000</u>
Minority interest	-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>2,713,000</u>	<u>107,000</u>
	<u>19,000</u>	<u>47,000</u>
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<u>19,000</u>	<u>47,000</u>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<u>\$ 2,732,000</u>	<u>\$ 154,000</u>
<b>Supplemental disclosures:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
<b>Supplemental disclosures:</b>		
Issuance of common stock upon conversion of convertible notes	\$ -	\$ 1,794,000
Issuance of common stock upon conversion of accrued interest	\$ -	\$ 346,000
Acquisition of intangibles through issuance of common stock	\$253,777,000	\$ -

The accompanying condensed notes are an integral part of these consolidated financial statements.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

**1. The Company and Summary of Significant Accounting Policies**

In 1965, the corporate predecessor of GT Biopharma, Diagnostic Data, Inc. was incorporated in the State of California. Diagnostic Data changed its incorporation to the State of Delaware in 1972; and changed its name to DDI Pharmaceuticals, Inc. in 1985. In 1994, DDI Pharmaceuticals merged with International BioClinical, Inc. and Bioxytech S.A. and changed its name to OXIS International, Inc. In July 2017, the Company changed its name to GT Biopharma, Inc.

*Going Concern*

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of \$261,870,000 through September 30, 2017. On a consolidated basis, the Company had cash and cash equivalents of \$2,732,000 at September 30, 2017. The Company's plan is to raise additional capital until such time that the Company generates sufficient revenues to cover its cash flow needs and/or it achieves profitability. However, the Company cannot assure that it will accomplish this task and there are many factors that may prevent the Company from reaching its goal of profitability.

The current rate of cash usage raises substantial doubt about the Company's ability to continue as a going concern, absent any sources of significant cash flows. In an effort to mitigate this near-term concern the Company intends to seek additional equity or debt financing to obtain sufficient funds to sustain operations. However, the Company cannot provide assurance that it will successfully obtain equity or debt or other financing, if any, sufficient to finance its goals or that the Company will generate future product related revenues. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue in existence.

*Use of Estimates*

The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities revenues and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

*Basis of Consolidation and Comprehensive Income*

The accompanying consolidated financial statements include the accounts of GT Biopharma, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated. The Company's financial statements are prepared using the accrual method of accounting.

*Basis of Presentation*

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and disclosures required by U.S. GAAP for complete consolidated financial statements have been condensed or omitted herein. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2016. The unaudited interim condensed consolidated financial information presented herein reflects all normal adjustments that are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented. The Company is responsible for the unaudited interim consolidated financial statements included in this report. The results of operations of any interim period are not necessarily indicative of the results for the full year.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

*Cash and Cash Equivalents*

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

*Concentrations of Credit Risk*

The Company's cash and cash equivalents, marketable securities and accounts receivable are monitored for exposure to concentrations of credit risk. The Company maintains substantially all of its cash balances in a limited number of financial institutions. The balances are each insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company has balances in excess of this limit totaling 2,480,141 at September 30, 2017.

*Fair Value of Financial Instruments*

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The fair value of debt is based upon current interest rates for debt instruments with comparable maturities and characteristics and approximates the carrying amount.

*Stock Based Compensation to Employees*

The Company accounts for its stock-based compensation for employees in accordance with Accounting Standards Codification ("ASC") 718. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees over the related vesting period.

The Company granted no stock options during the nine months ended September 30, 2017 and 2016, respectively

*Recent Accounting Pronouncement*

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. Lessees are required to be classified as either operating or finance on the income statements based on criteria that are largely similar to those applied in current lease accounting. The guidance becomes effective on January 1, 2019 and early adoption is permitted. The Company is currently evaluating the impact that the adoption of this update will have on its condensed consolidated financial statements.

In July 2017, The Financial Accounting Standards Board issued Accounting Standards Update 2017-11 "Earnings per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815)" ("ASU 2017-11") to address narrow issues identified as a result of the complexity associated with applying generally accepted accounting principles (GAAP) for certain financial instruments with characteristics of liabilities and equity. Part I of the amendment change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. The amendments also clarify existing disclosure requirements for equity-classified instruments. Part II of the update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception. Those amendments do not have an accounting effect. Part I of ASU 2017-11 is effective for public business entities for fiscal years, and interim period within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company had a number of equity linked financial instruments with down round provisions which were converted to common stock during the quarter ended September 30, 2017.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

*Impairment of Long Lived Assets*

The Company's long-lived assets currently consist of capitalized patents. The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any of the Company's long-lived assets are considered to be impaired, the amount of impairment to be recognized is equal to the excess of the carrying amount of the assets over the fair value of the assets.

*Income Taxes*

The Company accounts for income taxes using the asset and liability approach, whereby deferred income tax assets and liabilities are recognized for the estimated future tax effects, based on current enacted tax laws, of temporary differences between financial and tax reporting for current and prior periods. Deferred tax assets are reduced, if necessary, by a valuation allowance if the corresponding future tax benefits may not be realized.

*Net Income (Loss) per Share*

Basic net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period, plus the potential dilutive effect of common shares issuable upon exercise or conversion of outstanding stock options and warrants during the period. The weighted average number of potentially dilutive common shares excluded from the calculation of net income (loss) per share totaled in 1,514,905 and 128,034 as of September 30, 2017 and 2016, respectively.

*Goodwill and Other Intangible Assets*

Certain intangible assets were acquired as part of a business combination, and have been capitalized at their acquisition date fair value. Acquired definite life intangible assets are amortized using the straight-line method over their respective estimated useful lives. The Company evaluates the potential impairment of intangible assets if events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Goodwill is not amortized but is evaluated for impairment within the Company's single reporting unit on an annual basis, during the fourth quarter, or more frequently if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of the Company's reporting unit below its carrying amount.

*Patents*

Acquired patents are capitalized at their acquisition cost or fair value. The legal costs, patent registration fees and models and drawings required for filing patent applications are capitalized if they relate to commercially viable technologies. Commercially viable technologies are those technologies that are projected to generate future positive cash flows in the near term. Legal costs associated with patent applications that are not determined to be commercially viable are expensed as incurred. All research and development costs incurred in developing the patentable idea are expensed as incurred. Legal fees from the costs incurred in successful defense to the extent of an evident increase in the value of the patents are capitalized.

Capitalized cost for pending patents are amortized on a straight-line basis over the remaining twenty year legal life of each patent after the costs have been incurred. Once each patent is issued, capitalized costs are amortized on a straight-line basis over the shorter of the patent's remaining statutory life, estimated economic life or ten years.



**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

*Fixed Assets*

Fixed assets are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which are 3 to 10 years for machinery and equipment and the shorter of the lease term or estimated economic life for leasehold improvements.

*Fair Value*

The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company's Level 1 assets include cash equivalents, primarily institutional money market funds, whose carrying value represents fair value because of their short-term maturities of the investments held by these funds.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

*Research and Development*

Research and development costs are expensed as incurred and reported as research and development expense. Research and development costs totaling \$911,000 and \$725,000 for the nine months ended September 30, 2017 and 2016, respectively.

*Revenue Recognition*

License Revenue

License arrangements may consist of non-refundable upfront license fees, exclusive licensed rights to patented or patent pending technology, and various performance or sales milestones and future product royalty payments. Some of these arrangements are multiple element arrangements.

Non-refundable, up-front fees that are not contingent on any future performance by us, and require no consequential continuing involvement on our part, are recognized as revenue when the license term commences and the licensed data, technology and/or compound is delivered. We defer recognition of non-refundable upfront fees if we have continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of our performance under the other elements of the arrangement. In addition, if we have continuing involvement through research and development services that are required because our know-how and expertise related to the technology is proprietary to us, or can only be performed by us, then such up-front fees are deferred and recognized over the period of continuing involvement.

Payments related to substantive, performance-based milestones in a research and development arrangement are recognized as revenue upon the achievement of the milestones as specified in the underlying agreements when they represent the culmination of the earnings process.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

**2. Debt**

**Senior secured convertible debentures**

On October 25, 2006, the Company entered into a securities purchase agreement (“2006 Purchase Agreement”) with four accredited investors (the “2006 Purchasers”). In conjunction with the signing of the 2006 Purchase Agreement, the Company issued secured convertible debentures (“2006 Debentures”) and Series A, B, C, D, and E common stock warrants (“2006 Warrants”) to the 2006 Purchasers, and the parties also entered into a security agreement (the “2006 Security Agreement”) pursuant to which the Company agreed to grant the 2006 Purchasers, *pari passu*, a security interest in substantially all of the Company’s assets.

Pursuant to the terms of the 2006 Purchase Agreement, the Company issued the 2006 Debentures in an aggregate principal amount of \$1,694,250 to the 2006 Purchasers. The 2006 Debentures are subject to an original issue discount of 20.318% resulting in proceeds to the Company of \$1,350,000 from the transaction. The 2006 Debentures were due on October 25, 2008. The 2006 Debentures are convertible, at the option of the 2006 Purchasers, at any time prior to payment in full, into shares of common stock of the Company. As a result of the full ratchet anti-dilution provision the current conversion price is the lesser of \$120.00 or 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion (the “2006 Conversion Price”). Beginning on the first of the month beginning February 1, 2007, the Company was required to amortize the 2006 Debentures in equal installments on a monthly basis resulting in a complete repayment by the maturity date (the “Monthly Redemption Amounts”). The Monthly Redemption Amounts could have been paid in cash or in shares, subject to certain restrictions. If the Company chose to make any Monthly Redemption Amount payment in shares of common stock, the price per share would have been the lesser of the Conversion Price then in effect and 85% of the weighted average price for the 10-trading days prior to the due date of the Monthly Redemption Amount. The Company did not make any of the required monthly redemption payments.

Pursuant to the provisions of the 2006 Debentures, such non-payment was an event of default and penalty interest has accrued on the unpaid redemption balance at an interest rate equal to the lower of 18% per annum and the maximum rate permitted by applicable law. In addition, each of the 2006 Purchasers has the right to accelerate the cash repayment of at least 130% of the outstanding principal amount of the 2006 Debenture (plus accrued but unpaid liquidated damages and interest) and to sell substantially all of the Company’s assets pursuant to the provisions of the 2006 Security Agreement to satisfy any such unpaid balance.

The Company and Bristol entered into a Forbearance Agreement on December 3, 2015, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect the 2006 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of \$350,000 increasing the principal amount of the 2006 Debentures.

During the nine months ended September 30, 2017 the Company converted the remaining balance of \$889,000 of the 2006 Debentures into common stock of the Company.

**Convertible debentures**

From October 2009 to August 2017, the Company has entered into multiple convertible debenture arrangements with several accredited investors (“Convertible Debentures”). Interest on the Convertible Debentures ranges for 0% to 18% with a default rate of 18%. The Convertible Debentures are either two year or six month notes.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(UNAUDITED)

The conversion price of the Convertible Debentures is subject to full ratchet anti-dilution adjustment in the event that the Company thereafter issues common stock or common stock equivalents at a price per share less than the conversion price or the exercise price, respectively, and to other normal and customary anti-dilution adjustment upon certain other events. As a result of the full ratchet anti-dilution provision, the current conversion price is the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company and the default conversion price is 65% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion.

The holders of the Convertible Debentures have contractually agreed to restrict their ability to convert their Convertible Debentures and receive shares of our common stock such that the number of shares of the Company common stock held by holders and its affiliates after such conversion or exercise does not exceed 4.9% or 9.9% of the Company's then issued and outstanding shares of common stock. On August 31, 2017, the Company converted all Convertible Debentures into common and Series J preferred stock of the Company.

Note Agreement	Balance at September 30, 2017	Balance at December 31, 2016
2009 Debentures	\$ -	\$ 305,000
June 2011 Debentures	-	64,000
November 2011 Debentures	-	125,000
March 2012 Debentures	-	140,000
May 2012 Debentures	-	225,000
December 2012 Debentures	-	425,000
November 2013 Debentures	-	172,000
July 2014 Debentures	-	3,140,000
October 2014 Debentures	-	1,250,000
March 2015 Debentures	-	2,175,000
July 2015 Debentures	-	500,000
October 2015 Debentures	-	330,000
November 2015 Debentures	-	190,000
December 2015 Debentures	-	200,000
January 2016 Debentures	-	150,000
May 2016 Debentures	-	1,503,000
September 2016 Debentures	-	250,000
January 2017 Debentures	-	-
March 2017 Debentures	-	-
April 2017 Debentures	-	-
July 2017 Debentures	-	-
August 2017 Debentures	-	-
Total convertible debentures	\$ -	\$ 11,144,000
Less: discount	-	(794,000)
Total convertible debentures, net of discount	<u>\$ -</u>	<u>\$ 10,350,000</u>
Total short term convertible debentures, net of discount	<u>\$ -</u>	<u>\$ 10,350,000</u>

**Settlement Note Payable**

On August 8, 2012, a Settlement Agreement and Mutual General Release ("Agreement") was made by and between GT Biopharma and Bristol Investment Fund, Ltd., in order to settle certain claims regarding certain convertible debentures held by Bristol.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

Pursuant to the Agreement, GT Biopharma shall pay Bristol (half of which payment would redound to Theorem Capital LLC (“Theorem”)) a total of \$1,119,778 as payment in full for the losses suffered and all costs incurred by Bristol in connection with the Transaction. Payment of such \$1,119,778 shall be made as follows: GT Biopharma shall issue restricted common stock to each of Bristol and Theorem, in an amount such that each Bristol and Theorem shall hold no more than 9.99% of the outstanding shares of GT Biopharma (including any shares that each may hold as of the date of issuance). The shares so issued represent \$417,475.65 of the \$1,119,778 payment (371 shares at \$1,125.00 per share, of which 122 will be retained by Bristol and 249 will be issued to Theorem). The remaining balance of the payment shall be made in the form of two convertible promissory notes in the respective amounts of \$422,357.75 for Bristol and \$279,944.60 for Theorem (collectively, the “Notes”) with a maturity of December 1, 2017 having an 8% annual interest rate, with interest only accruing until January 1, 2013, and then level payments of \$3,750 each beginning January 1, 2013 until paid in full on December 1, 2017. In the event a default in the monthly payments on the Notes has occurred and is continuing each holder of the Notes shall be permitted to convert the unpaid principal and interest of the Notes into shares of GT Biopharma at \$120.00 cents per share. In the absence of such continuing default no conversion of the Notes will be permitted. GT Biopharma will have the right to repay the Notes in full at any time without penalty. On August 31, 2017 the Company converted the remaining balance of \$691,000 of the Settlement Note Payable into common stock of the Company.

**Demand Notes**

On February 7, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of \$31,375 of convertible demand promissory notes for an aggregate purchase price of \$25,000 (the “February 2011 Bristol Note”). The February 2011 Bristol Note is convertible into shares of common stock of the Company at a price equal to the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company. During the quarter ended March 31, 2017 the Company converted the entire balance of \$31,375 into common stock of the Company.

On March 4, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of \$31,375 of convertible demand promissory notes for an aggregate purchase price of \$25,000 (the “March 2011 Bristol Note”). The March 2011 Bristol Note is convertible at the option of the holder at any time into shares of common stock, at a price equal to the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company. During the quarter ended March 31, 2017 the Company converted the entire balance of \$31,375 into common stock of the Company.

On October 26, 2011 the Company entered into a convertible demand promissory note with Theorem pursuant to which Theorem purchased an aggregate principal amount of \$200,000 of convertible demand promissory notes for an aggregate purchase price of \$157,217 (the “October 2011 Theorem Note”). The October 2011 Theorem Note is convertible into shares of common stock of the Company, at a price equal to the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company. During the quarter ended March 31, 2017 the Company converted the entire balance of \$200,000 into common stock of the Company.

In December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of \$189,662 convertible at a price equal to the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company. On August 31, 2017, the Company converted the remaining balance of \$189,662 of this Demand Note Payable into common stock of the Company.

**Financing Agreement**

On November 8, 2010, the Company entered into a financing arrangement with Gemini Pharmaceuticals, Inc., a product development and manufacturing partner of the Company, pursuant to which Gemini Pharmaceuticals made a \$250,000 strategic equity investment in the Company and agreed to make a \$750,000 purchase order line of credit facility available to the Company. The outstanding principal of all Advances under the Line of Credit will bear interest at the rate of interest of prime plus 2 percent per annum. There is \$31,000 due on this credit line at September 30, 2017.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

**3. Stockholders' Equity**

*Stock Split*

In July 2017, the Company approved a one for three hundred reverse stock split. The Company has reported the effect of the split retroactively for all periods presented.

*Common Shares*

In July 2017, the Company amended its articles of incorporation to change the number of authorized common shares to 750,000,000 shares of \$.001 par value stock.

*Common Stock*

On September 1, 2017, the Company entered into an Agreement and Plan of Merger whereby it acquired 100% of the issued and outstanding capital stock of Georgetown Translational Pharmaceuticals, Inc. (GTP). GTP is a biotechnology company focused on acquiring or discovering and patenting late-stage, de-risked, and close-to-market improved treatments for CNS disease (Neurology and Pain) and shepherding the products through the FDA approval process to the NDA. In exchange for the ownership of GTP, the Company issued a total of 16,927,878 shares of its common stock to the three prior owners of GTP which represents 33% of the issued and outstanding capital stock of the Company.

During the nine months ended September 30, 2017, the Company has issued a total of 17,706,073 shares of common stock in exchange for the cancellation of debt in the total amount of \$18,320,000 and interest in the total amount of \$5,186,000.

During the nine months ended September 30, 2017, the Company issued 496,855 shares of common stock upon the exercise of warrants on a cashless basis.

During the nine months ended September 30, 2017, the Company converted 25,000 Series H and 1,666,667 Series I shares of preferred stock into 5,327,734 shares of common stock.

*Preferred Stock*

On September 1, 2017, the Company authorized 2,000,000 shares of Series J Preferred Stock. Shares of Series J Preferred Stock will have the same voting rights as shares of common stock with each share of Series J Preferred Stock entitled to one vote at a meeting of the shareholders of the Corporation. Shares of Series J Preferred Stock will not be entitled to receive any dividends, unless and until specifically declared by our board of directors. The holders of the Series J Preferred Stock will participate, on an as-if-converted-to-common stock basis, in any dividends to the holders of common stock. Each share of the Series J Preferred Stock is convertible into one share of our common stock at any time at the option of the holder.

On September 1, 2017 the Company issued a total of 700,278 shares of Series J Preferred Stock in exchange for the cancellation of debt in the total amount of \$840,000.

On September 1, 2017 the Company issued 5,046 shares of Series J Preferred Stock upon the exercise of warrants on a cashless basis.

On September 1, 2017 the Company also issued 600,000 shares of Series J Preferred Stock to one entity as payment for \$720,000 of consulting services provided to the Company.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(UNAUDITED)

**4. Stock Options and Warrants**

*Stock Options*

Following is a summary of the stock option activity:

	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price</b>
Outstanding as of December 31, 2016	1,246	\$ 1,428.12
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding as of September 30, 2017	<u>1,246</u>	<u>\$ 1,428.12</u>

*Warrants*

Following is a summary of the warrant activity:

	<b>Warrants Outstanding</b>	<b>Weighted Average Exercise Price</b>
Outstanding as of December 31, 2016	15,550	\$ 15.00
Granted	486,351	15.00
Forfeited	-	-
Exercised	(501,901)	15.00
Outstanding as of September 30, 2017	<u>-</u>	<u>\$ -</u>

**6. Commitments and Contingencies**

*Leases*

On September 1, 2017, the Company has entered into a three-year lease agreement for its office in Washington, D.C. In addition to minimum rent, certain leases require payment of real estate taxes, insurance, common area maintenance charges and other executory costs. These executory costs are not included in the table below. The Company recognizes rent expense under such arrangements on a straight-line basis over the effective term of each lease.

The following table summarizes the Company's future minimum lease commitments as of September 30, 2017 (in thousands):

<b>Year ending December 31:</b>	
2017	\$ 27,000
2018	108,000
2019	108,000
2020	81,000
Total minimum lease payments	<u>\$ 324,000</u>

Rent expense for the nine months ended September 30, 2017 and 2016 was \$9,000 and \$-0-, respectively.

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(UNAUDITED)**

**Employment Agreements**

We entered into employment contracts with our executive officers on September 1, 2017, with Mr. Cataldo as executive chairman, Dr. Clarence-Smith as chief executive officer, Dr. Urbanski as chief medical officer and Mr. Weldon as chief financial officer.

Mr. Cataldo's contract is for three years. Under the terms of his contract, he received an up-front restricted stock award of 5,129,600 common shares and will be paid an annual salary of \$500,000. Dr. Clarence-Smith's contract is for three years. Under the terms of her contract, she will receive an annual salary of \$500,000 and an up-front restricted stock award in an amount to be determined by our board. Dr. Urbanski's contract is for three years. Under the terms of his contract, he received a restricted stock award of 1,528,898 common shares that vest over two years and will be paid an annual salary of \$400,000. All three executives are entitled to participate in any of our performance business plan. Mr. Weldon's contract is for three years pursuant to which he received an up-front restricted stock award of 2,564,830 common shares and will be paid an annual salary of \$400,000. All three executives are entitled to participate in any performance business plan established by us.

If any of our executive officers' employment with us is terminated involuntarily, or any executive resigns with good reason as a result of a change in control, the executive will receive (i) all compensation and benefits earned through the date of termination of employment; (ii) a lump-sum payment equal to the greater of (a) the bonus paid or payable to the executive for the year immediately prior to the year in which the change in control occurred and (b) the target bonus under the performance bonus plan in effect immediately prior to the year in which the change in control occurs; (iii) a lump-sum payment equivalent to the remaining base salary (as it was in effect immediately prior to the change in control) due to the executive from the date of involuntary termination to the end of the term of the employment agreement or one half of the executive's base salary then in effect, whichever is the greater; and (iv) reimbursement for the cost of medical, life, disability insurance coverage at a level equivalent to that provided by us for a period expiring upon the earlier of (a) one year or (b) the time the executive begins alternative employment where said insurance coverage is available and offered to the executive.

**7. Subsequent Events**

The Company evaluated subsequent events from September 30, 2017 through the date of this filing and concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

### **CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements in the Form 10-Q are forward-looking statements about what may happen in the future. Forward-looking statements include statements regarding our current beliefs, goals, and expectations about matters such as our expected financial position and operating results, our business strategy, and our financing plans. The forward-looking statements in the Form 10-Q are not based on historical facts, but rather reflect the current expectations of our management concerning future results and events. The forward-looking statements generally can be identified by the use of terms such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “likely” or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements. We cannot guarantee that our forward-looking statements will turn out to be correct or that our beliefs and goals will not change. Our actual results could be very different from and worse than our expectations for various reasons. You should review carefully all information, including the discussion of risk factors under “Item 1A: Risk Factors” and “Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the Form 10-K for the year ended December 31, 2016. Any forward-looking statements in the Form 10-Q are made only as of the date hereof and, except as may be required by law, we do not have any obligation to publicly update any forward-looking statements contained in this Form 10-Q to reflect subsequent events or circumstances.

Throughout this Quarterly Report on Form 10-Q, the terms “GT Biopharma,” “we,” “us,” “our,” “the company” and “our company” refer to GT Biopharma, Inc., a Delaware corporation formerly known as DDI Pharmaceuticals, Inc., Diagnostic Data, Inc and Oxis International, Inc, together with our subsidiaries.

### **Overview**

We are an immuno-oncology company with a close-to-market central nervous system, or CNS, portfolio of products. Our immuno-oncology portfolio is based off a robust technology platform consisting of single-chain bi-, tri- and tetra-specific scFv’s, combined with proprietary antibody-drug linkers and drug payloads. Constructs include bispecific and trispecific scFv constructs, , proprietary drug payloads, bispecific targeted antibody-drug conjugates, or ADCs, as well as tri- and tetra-specific antibody-directed cellular cytotoxicity, or ADCC. Our proprietary tri- and tetra-specific ADCC platform engages natural killer cells, or NK cells. NK cells are cytotoxic lymphocytes of the innate immune system capable of immune surveillance. NK cells mediate ADCC through the highly potent CD16 activating receptor. Upon activation, NK cells deliver a store of membrane penetrating apoptosis-inducing molecules. Unlike T cells, NK cells do not require antigen priming.

Our CNS portfolio consists of innovative reformulations and/or repurposing of existing therapies. These new therapeutic agents address numerous unmet medical needs that can lead to improved efficacy while addressing tolerability and safety issues that tended to limit the usefulness of the original approved drug. These CNS drug candidates address disease states such as chronic neuropathic pain, myasthenia gravis and vestibular disorders.

### **OXS-1550**

OXS-1550 is a bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. CD19 is a membrane glycoprotein present on the surface of all stages of B-lymphocyte development, and is also expressed on most B-cell mature lymphoma cells and leukemia cells. CD22 is a glycoprotein expressed on B-lineage lymphoid precursors, including precursor acute lymphoblastic leukemia, and often is co-expressed with CD19 on mature B-cell malignancies such as lymphoma.

OXS-1550 targets cancer cells expressing the CD19 receptor or CD22 receptor or both receptors. When OXS-1550 binds to cancer cells, the cancer cells internalize OXS-1550, and are killed due to the action of drug’s cytotoxic diphtheria toxin payload. OXS-1550 has demonstrated encouraging results in a Phase 1 human clinical trial in patients with relapsed/refractory B-cell lymphoma or leukemia.



The initial phase 1 study enrolled 25 patients with mature or precursor B-cell lymphoid malignancies expressing CD19 and/or CD22. All 25 patients received at least a single course of therapy. The treatment at the higher doses produced objective tumor responses with one patient in continuous partial remission and the second in complete remission. A Phase 1/Phase 2 trial of OXS-1550 is underway. FDA-allowed clinical trial is being conducted at the University of Minnesota's Masonic Cancer Center. There are currently 18 patients enrolled in this clinical trial. Patients in this trial are given an approved increased dosage and schedule of OXS-1550.

Oxis began enrolling patients in Phase 2 trial of OXS-1550 during the first quarter of 2017 at the University of Minnesota's Masonic Cancer Center. The first patient began dosing in April 2017.

### **OXS-3550**

OXS-3550 is a single-chain, trispecific scFv recombinant fusion protein conjugate composed of the variable regions of the heavy and light chains of anti-CD16 and anti-CD33 antibodies and a modified form of IL-15. When the NK stimulating cytokine human IL-15 is used as a crosslinker between the two scFvs, it provides a self-sustaining signal that activates NK cells and enhances their ability to kill. We intend to study this anti-CD16-IL-15-anti-CD33 tri-specific killer engager, or TriKE, in CD33 positive leukemias, a marker expressed on tumor cells in acute myelogenous leukemia, or AML, myelodysplastic syndrome, or MDS, and other hematopoietic malignancies. CD33 is primarily a myeloid differentiation antigen with endocytic properties broadly expressed on AML blasts and, possibly, some leukemic stem cells. CD33 or Siglec-3 (sialic acid binding Ig-like lectin 3, SIGLEC3, SIGLEC3, gp67, p67) is a transmembrane receptor expressed on cells of myeloid lineage. It is usually considered myeloid-specific, but it can also be found on some lymphoid cells. The anti-CD33 antibody fragment that will be used for these studies was derived from the M195 humanized anti-CD33 scFV and has been used in multiple human clinical studies. It has been exploited as target for therapeutic antibodies for many years. Improved survival seen in many patients when the antibody-drug conjugate gemtuzumab was added to conventional chemotherapy validates this approach.

The TriKE IND (OXS 3550) will focus on AML, the most common form of adult leukemia with 21,000 new cases expected in 2017 alone (American Cancer Society). These patients will require frontline therapy, usually chemotherapy including cytarabine and an anthracycline, a therapy that has not changed in over 40 years. Also, about half will have relapses and require alternative therapies. In addition, about 13,000 new cases of myelodysplastic syndrome (MDS) are diagnosed each year and there are minimal treatment options (Siegel et al, 2014). At a minimum, OXS-3550 can be expected to serve as a relatively safe, inexpensive, and easy to use therapy for resistant/relapsing AML. From a biologic standpoint, it could also be combined with chemotherapy as frontline therapy.

The IND was filed in in the third quarter of 2017, FDA requested that additional preclinical toxicology be conducted prior to initiating clinical trials. The FDA also requested clarifications on the manufacturing. The requested additional toxicology studies and clarifications will be incorporated by GT Biopharma in the IND that was recently transferred to the Company.

### **OXS-4235, p62/SQSTM1 (Sequestosome-1) Inhibitor Drug Development Program**

In humans, the p62/SQSTM1 protein is encoded by the SQSTM1 gene. The p62/SQSTM1 protein is a multifunctional protein involved in autophagy, cell signaling and tumorigenesis, and plays an important role at the crossroad between autophagy and cancer. Cell-cell interactions between multiple myeloma cells and bone marrow stromal cells activate signaling pathways that result in enhanced multiple myeloma cell growth, osteoclast formation, and inhibition of osteoblast differentiation.

Multiple myeloma remains an incurable malignancy with systematic morbidity and a median survival of 3-5 years. Multiple myeloma is characterized by aberrant proliferation of terminally differentiated plasma cells and impairment in apoptosis capacity. Due to the interactions between myeloma cells and cells of the bone marrow microenvironment, the osteolytic bone disease associated with myeloma is inextricably linked with tumor progression. High incidence of bone metastasis in multiple myeloma patients is frequently associated with severe bone pain and pathological bone fracture. Activated osteoclast levels and suppressed osteoblast levels are thought to play a role in multiple myeloma associated osteolytic bone disease.

While a diverse spectrum of novel agents has shown therapeutic potential for the treatment of multiple myeloma including bortezomib, lenalidomide and arsenic trioxide, high relapse rates and drug resistance continue to plague these therapies. Thus, novel targets and new therapeutics for the treatment of multiple myeloma are of critical importance for improved patient outcomes.

It has been demonstrated that the ZZ domain of the p62/SQSTM1 protein is responsible for increased multiple myeloma cell growth and associated osteoclast mediated bone disease. Dr. Xiang-Qun Xie and colleagues at ID4 Pharma LLC, or ID4, have developed novel chemical compounds (e.g., OXS-4235) that inhibit osteoclastic bone destruction in multiple myeloma. Oxis Biotech has exclusively licensed rights to OXS-4235 and other compounds for the treatment of multiple myeloma and associated osteolytic bone disease.

The U.S. Patent and Trademark Office, or U.S. PTO, approved and issued Patent No. 9,580,382 for drug candidate OXIS-4235 for the treatment of myeloma in July 2017.

#### **OXS-2175, Triple-Negative Breast Cancer Drug Development Program**

OXS-2175 is a small molecule therapeutic candidate which has shown promise in early-stage preclinical *in vitro* and *in vivo* models of triple-negative breast cancer. GTBP is investigating OXS-2175 formulated as an ADC therapy for the treatment of triple-negative breast cancer.

#### **PainBrake**

PainBrake is a new patented formulation of carbamazepine (Tegretol<sup>®</sup>) that enables accurate dose fractionation for the treatment of neuropathic pain, a condition that results from a dysfunction of nerves involved in the perception of pain and that is typically chronic and particularly prevalent in elderly patients. An NIH-supported study published in 2009 estimated that almost 16 million Americans suffer from chronic neuropathic pain (Yawn et al., 2009) and this number is expected to increase due to the aging population. Current drugs provide a useful degree of pain relief in only about half the patients, very few patients achieve complete relief of pain (Nightingale, 2012). Peak dose-limiting side effects, mainly sedation, somnolence, dizziness and balance problems which are poorly tolerated by the elderly (Oomens et al., 2015) cause patients to be under-dosed, thereby contributing to inadequate pain relief. This is particularly true for carbamazepine, a drug that is considered to be the first line therapy for the treatment of certain forms of neuropathic pain (Zakrzewska, 2015).

To overcome dose-limiting side effects, PainBrake tablets employ an innovative bilayered, deeply scored design patented by AccuBreak. The top layer contains carbamazepine and is pre-divided by deep scoring during the manufacturing process to provide exact doses enabling easy tablet splitting into exact doses. The bottom layer provides mechanical stability and serves as the break region when splitting the tablet. We have in-licensed against milestones and royalties the worldwide rights to the use of the AccuBreak technology for the delivery of drugs that like carbamazepine are voltage-gated sodium channel blockers. The core patent for the AccuBreak technology expires in 2025.

#### **GTP-004**

GTP-004 is a fixed-dose combination tablet for the treatment of the muscle weakness associated with myasthenia gravis. GTP-004 combines pyridostigmine (Mestinon<sup>®</sup>) with an antagonist of the gastrointestinal, or GI, side effects of pyridostigmine.

Myasthenia gravis is a chronic autoimmune disease of the neuromuscular junction characterized by muscle weakness. The disease occurs in all ethnic groups and both genders. The prevalence of the disease in the United States is estimated at 14 to 20 per 100,000 population, approximately 36,000 to 60,000 cases in the U.S. (Howard, 2015). Myasthenia gravis most commonly affects adult women (under 40) and older men (over 60), but it can occur at any age (Myasthenia Gravis Fact Sheet; National Institute of Neurological Disorders and Stroke, 2016).

Cholinesterase inhibitors, or ChEIs, that do not get into the brain (do not cross the blood-brain barrier), such as Mestinon<sup>®</sup> (pyridostigmine) or Prostigmine<sup>®</sup> (neostigmine) are used to treat the muscular weakness associated with myasthenia gravis. However, AChEIs also act at cholinergic synapses in the gut to cause GI side effects such as diarrhea, nausea and vomiting, which are dose-limiting. The GI side effects associated with Mestinon<sup>®</sup> are an important source of discomfort for the patient, may be the source of non-compliance, or may result in the need to decrease the dose of Mestinon<sup>®</sup> to mitigate these side effects when these become dose-limiting. As a consequence, efficacy may be reduced. Mitigating the GI side effects of Mestinon<sup>®</sup> with a drug that prevents diarrhea, nausea and vomiting should lead to greater patient comfort, safety, and compliance as well as to improved efficacy.

Since GTP-004 is a combination tablet of two approved drugs, we anticipate that the new drug application, or NDA, will be a 505(B)2 NDA. This is an abbreviated and more streamlined form of NDA than a full application, which would generally require information about the safety and effectiveness of the drug to come from studies conducted by or for the applicant. This can result in a faster and less costly approval process.

Provisional patent applications protecting the combination of Mestinon<sup>®</sup> or Prostigmine<sup>®</sup> with a number of antiemetic drugs were filed by GTP in early 2017.

### **GTP-011**

GTP-011 is a 72-hour patch patented by GTP for the prevention of motion sickness, a well-known syndrome that typically involves nausea and vomiting in otherwise healthy people and that occurs upon exposure to certain types of motion.

Currently, the scopolamine patch (Transderm Scop<sup>®</sup> from Novartis) is viewed as a first-line medication for prevention of motion sickness (Gil et al., 2012; Brainard and Gresham, 2014). However, side effects can be of particular concern and include sedation (Spinks et al., 2004), reduced memory for new information, impaired attention, and lowered feelings of alertness (Parrott, 1989). Mental confusion or delirium can occur after application of scopolamine patch (Seo et al., 2009). Elderly people as well as people with undetected incipient dementia or mild cognitive impairment, or MCI, may be particularly prone to develop mental confusion after applying the scopolamine patch (Seo et al., 2009).

GTP-011 like scopolamine, is a patch that contains a muscarinic receptor antagonist. Unlike scopolamine, however, it has been reported not to affect memory and cognition and has a low incidence of sedation (Kay et al., 2012). GTP-011 may thus be a safer alternative to the scopolamine patch for the treatment of motion sickness.

Since GTP-011 is a new patch of an approved drug, we anticipate that the NDA will be a 505(b)2 NDA.

### **Recent Developments**

#### *Agreement and Plan of Merger*

On September 1, 2017, the Registrant, GT Biopharma, Inc. (hereinafter the “Company”) entered into an Agreement and Plan of Merger whereby it acquired 100% of the issued and outstanding capital stock of Georgetown Translational Pharmaceuticals, Inc. (GTP). GTP is a biotechnology company focused on acquiring or discovering and patenting late-stage, de-risked, and close-to-market improved treatments for CNS disease (Neurology and Pain) and shepherding the products through the FDA approval process to the NDA. GTP products currently include treatment for neuropathic pain, refractory epilepsies, the symptoms of myasthenia gravis, and motion sickness. In exchange for the ownership of GTP, the Company issued a total of 16,927,878 shares of its common stock to the three prior owners of GTP which represents 33% of the issued and outstanding capital stock of the Company on a fully diluted basis.

Upon the consummation of the acquisition, Anthony J. Cataldo resigned as the Company's CEO and was simultaneously elected as Executive Chairman of the Board of Directors. Kathleen Clarence-Smith, MD, PhD, the founder of GTP, was then elected CEO of the Company and a member of the Board of Directors.

As prerequisites to the Acquisition: (i) the Company raised \$4,540,000 upon the sale of debentures which were subsequently converted into 3,575,109 shares of restricted common stock and 208,224 shares of Series J Preferred Stock to a total of nine persons or entities; (ii) cancelled debt in the amount \$17,295,352 upon the issuance of 13,712,516 shares of common stock and 700,278 shares of Series J Preferred Stock to a total of 26 persons or entities; (iii) issued 494,911 shares of common stock and 5,046 shares of Series J Preferred Stock upon the cashless exercise of warrants to a total of 22 persons or entities; and (iv) converted 25,000 Series H and 1,666,667 Series I shares of preferred stock into 5,327,734 shares of common stock to a total of three persons or entities. All stock issuances were exempt from the registration requirements of Section 5 of the Securities Act of 1933 pursuant to Section 4(2) of the same Act since the issuances of Shares did not involve any public offering.

#### *Employment Contracts*

In connection with the acquisition, the Company entered into employment contracts on September 1, 2017, with Mr. Cataldo as Executive Chairman, Dr. Clarence-Smith as CEO, Dr. Raymond Urbanski as CMO and the Company's CFO, Steven Weldon. Copies of the employment contracts are listed as exhibits to this form 10-Q.

#### *License Agreements*

*Accu-Break Pharmaceuticals Inc License Agreement.* GTP has in-licensed the rights to use the AccuBreak patents with drugs that like carbamazepine are voltage-gated sodium channel blockers in North America. The license field includes Sodium-voltage gated channels inhibitors and blockers for the treatment of epilepsy, neuropathic pain, and bipolar disorder.

Under the agreement, AccuBreak received an upfront license fee of \$35,000, royalty fees ranging from 2.5 to 5%, minimum annual royalty payments and 20% of net sublicensing revenues.

GT Biopharma shall pay the following cash amounts to Accu-Break Pharmaceuticals Inc upon the attainment of the following milestones:

- \$50,000 shall be due six (6) months after the first approval of the first indication by the FDA;
- \$50,000 shall be due nine (9) months after the first approval of the first indication by the FDA;
- \$100,000 shall be due twelve (12) months after the first approval of the first indication by the FDA;
- \$25,000 shall be due upon achievement of \$25,000,000 of cumulative Net Sales in the Territory;
- \$50,000 shall be due upon achievement of \$50,000,000 of cumulative Net Sales in the Territory;
- \$100,000 shall be due upon achievement of \$100,000,000 of cumulative Net Sales in the Territory.

#### *TriKE Agreements*

In March 2017, we entered a new one-year Sponsored Research Agreement with the University of Minnesota. The purpose of this agreement is to determine toxicities and in vivo behavior in our Trispecific Killer Engager (TriKE) technology licensed by GT Biopharma from the University of Minnesota.

In June 2017, we entered into a co-development partnership agreement with Altor BioScience Corp. in which the companies will collaborate exclusively in the clinical development of a novel 161533 TriKE fusion protein for cancer therapies using GT Biopharma's trispecific killer engager (TriKE) technology.

#### *Financing*

In July 2017, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$650,000 and warrants to acquire up to 43,333 shares of the Company's common stock at an exercise price of \$15.00 per share.

In August 2017, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$3,890,000 and warrants to acquire up to 259,333 shares of the Company's common stock at an exercise price of \$15.00 per share.

## **Results of Operations**

### **Comparison of the Three Months Ended September 30, 2017 and 2016**

#### *Research and Development Expenses*

During the three months ended September 30, 2017 and 2016, we incurred \$526,000 and \$250,000 of research and development expenses.

#### *Selling, general and administrative expenses*

During the three months ended September 30, 2017 and 2016, we incurred \$126,323,000 and \$2,280,000 of selling, general and administrative expenses. The increase in selling, general and administrative expenses is primarily attributable to an increase stock compensation.

#### *Change in value of warrant and derivative liabilities*

During the three months ended September 30, 2017, we recorded a loss as a result of an increase in the fair market value of outstanding warrants and beneficial conversion features of \$1,451,000 compared to income of \$436,000 during the three months ended September 31, 2016. We recorded a loss as a result of the conversion to common or preferred stock of all outstanding debt and equity securities accounted for as derivative liabilities.

#### *Interest Expense*

Interest expense was \$3,769,000 and \$1,536,000 for the three months ended September 30, 2017 and 2016 respectively. The increase is primarily due to an increase in the non-cash amortization of the debt issuance costs associated with the convertible debentures and demand notes payable.

### **Comparison of the Nine Months Ended September 30, 2017 and 2016**

#### *Research and Development Expenses*

During the nine months ended September 30, 2017 and 2016, we incurred \$911,000 and \$725,000 of research and development expenses.

#### *Selling, general and administrative expenses*

During the nine months ended September 30, 2017 and 2016, we incurred \$128,768,000 and \$7,827,000 of selling, general and administrative expenses. The increase in selling, general and administrative expenses is primarily attributable to an increase stock compensation.

#### *Change in value of warrant and derivative liabilities*

During the nine months ended September 30, 2017, we recorded a gain as a result of a decrease in the fair market value of outstanding warrants and beneficial conversion features of \$925,000, compared to a gain of \$37,195,000 during the nine months ended September 30, 2016. We recorded a gain as a result of the conversion to common or preferred stock of all outstanding debt and equity securities accounted for as derivative liabilities.

### *Interest Expense*

Interest expense was \$8,467,000 and \$4,781,000 for the nine months ended September 30, 2017 and 2016 respectively. The increase is primarily due to an increase in the non-cash amortization of the debt issuance costs associated with the convertible debentures and demand notes payable.

### **Liquidity and Capital Resources**

As of September 30, 2017, we had cash and cash equivalents of \$2,732,000. This cash and cash equivalents is in part the result of the proceeds from borrowings in 2017. On the same day we had total current assets of \$2,732,000, and a working capital deficit of \$70,000. Based upon the cash position, it is necessary to raise additional capital by the end of the next quarter in order to continue to fund current operations. The Company is pursuing several alternatives to address this situation, including the raising of additional funding through equity or debt financings. In order to finance existing operations and pay current liabilities over the next twelve months, the Company will need to raise approximately \$4-5 million of capital.

During the nine months ending September 30, 2017, the Company entered into convertible debentures totaling \$5,991,000. These convertible debentures were all converted to Common Stock or Series J Preferred Stock in August 2017.

### **Critical Accounting Policies**

We consider the following accounting policies to be critical given they involve estimates and judgments made by management and are important for our investors' understanding of our operating results and financial condition.

#### Basis of Consolidation

The consolidated financial statements contained in this report include the accounts of GT Biopharma, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated.

#### Revenue Recognition

##### *Product Revenue*

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

##### *License Revenue*

License arrangements may consist of non-refundable upfront license fees and various performance or sales milestones and future product royalty payments. Some of these arrangements are multiple element arrangements. Non-refundable, up-front fees that are not contingent on any future performance by us, and require no consequential continuing involvement on our part, are recognized as revenue when the license term commences and the licensed data, technology and/or compound is delivered. We defer recognition of non-refundable upfront fees if we have continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of our performance under the other elements of the arrangement. In addition, if we have continuing involvement through research and development services that are required because our know-how and expertise related to the technology is proprietary to us, or can only be performed by us, then such up-front fees are deferred and recognized over the period of continuing involvement.

### Long-Lived Assets

Our long-lived assets include property, plant and equipment, capitalized costs of filing patent applications and goodwill and other assets. We evaluate our long-lived assets for impairment in accordance with ASC 360, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Estimates of future cash flows and timing of events for evaluating long-lived assets for impairment are based upon management's judgment. If any of our intangible or long-lived assets are considered to be impaired, the amount of impairment to be recognized is the excess of the carrying amount of the assets over its fair value.

Applicable long-lived assets are amortized or depreciated over the shorter of their estimated useful lives, the estimated period that the assets will generate revenue, or the statutory or contractual term in the case of patents. Estimates of useful lives and periods of expected revenue generation are reviewed periodically for appropriateness and are based upon management's judgment. Goodwill and other assets are not amortized.

### Certain Expenses and Liabilities

On an ongoing basis, management evaluates its estimates related to certain expenses and accrued liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

### Derivative Financial Instruments

During the normal course of business, from time to time, we issue warrants as part of a debt or equity financing. We do not enter into any derivative contracts for speculative purposes. We recognize all derivatives as assets or liabilities measured at fair value with changes in fair value of derivatives reflected as current period income or loss unless the derivatives qualify for hedge accounting and are accounted for as such. During the nine months ended September 30, 2017 and 2016, we issued warrants to purchase 370,061 and 11,584 shares of common stock, respectively, in connection with equity transactions. In accordance with ASC Topic 815-40, "Derivatives and Hedging — Contracts in Entity's Own Stock" ("ASC 815-40"), the value of these warrants is required to be recorded as a liability, as the holders have an option to put the warrants back to us in certain events, as defined. On August 31, 2017, all warrants were converted to the Company's common stock on a cashless basis.

### **Inflation**

We believe that inflation has not had a material adverse impact on our business or operating results during the periods presented.

### **Off-balance Sheet Arrangements**

We have no off-balance sheet arrangements as of September 30, 2017.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

This company qualifies as a smaller reporting company, as defined in 17 C.F.R. §229.10(f) (1) and is not required to provide information by this Item.

### **Item 4. Controls and Procedures**

## **Evaluation of Disclosure Controls and Procedures**

Our principal executive officer and principal financial officer evaluated the effectiveness of our “disclosure controls and procedures” (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the United States Securities Exchange Act of 1934, as amended), as of September 30, 2017. Based on that evaluation we have concluded that our disclosure controls and procedures were not effective as of September 30, 2017.

## **Management’s Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, a company’s principal executive and principal financial officers and effected by a company’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As of September 30, 2017, management of the company conducted an assessment of the effectiveness of the company’s internal control over financial reporting. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. In the course of the assessment, material weaknesses were identified in the company’s internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management determined that fundamental elements of an effective control environment were missing or inadequate as of September 30, 2017. The most significant issues identified were: 1) lack of segregation of duties due to very small staff and significant reliance on outside consultants, and 2) risks of executive override also due to lack of established policies, and small employee staff. Based on the material weaknesses identified above, management has concluded that internal control over financial reporting was not effective as of September 30, 2017. As the company’s operations increase, the company intends to hire additional employees in its accounting department.

## **Changes in Internal Control over Financial Reporting**

Other than as described above, no changes in our internal control over financial reporting were made during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.



## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

On June 23, 2016, the Company was served with a complaint filed in the Circuit Court of the 13th Judicial Circuit in and for Hillsborough County, FL, Case No. 16-CA-004791. Suit was brought against the Company by Lippert/Heilshorn and Associates, Inc. who is alleging they are owed compensation for consulting services provided to the company. They are seeking payment of \$73,898. The Company has engaged legal counsel to answer the complaint.

On or immediately before February 15, 2017, MultiCell Immunotherapeutics filed an arbitration proceeding against the Company with the American Health Lawyers Association, Claim #3821. In its statement of claim, MultiCell is seeking \$207,783 plus interest and costs of arbitration pursuant to alleged contract rights against the Company under a research agreement between the parties. Following a hearing held September 1, 2017, the arbitrator awarded MultiCell the payment amount of \$207,783 plus interest in the amount of \$34,699. We are having legal counsel review to determine the extent to which the arbitrator's award is legally binding on the Company.

### **Item 1A. Risk Factors**

This company qualifies as a "smaller reporting company" as defined in 17 C.F.R. §229.10(f)(1), and is not required to provide information by this Item.

### **Item 2. Unregistered Sales of Securities and Use of Proceeds**

In January 2017, the Company entered into a securities purchase agreement with eight accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$633,593 and warrants to acquire up to 42,240 shares of the Company's common stock at an exercise price of \$15.00 per share.

In March 2017, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$232,313 and warrants to acquire up to 15,487 shares of the Company's common stock at an exercise price of \$15.00 per share.

In April 2017, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$70,000 and warrants to acquire up to 46,666 shares of the Company's common stock at an exercise price of \$15.00 per share.

In May 2017, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$125,000 and warrants to acquire up to 8,333 shares of the Company's common stock at an exercise price of \$15.00 per share.

In July 2017, the Company entered into a securities purchase agreement with one accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$650,000 and warrants to acquire up to 43,333 shares of the Company's common stock at an exercise price of \$15.00 per share.

In August 2017, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an exercise price of the lesser of (i) \$15.00 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of \$3,890,000 and warrants to acquire up to 259,333 shares of the Company's common stock at an exercise price of \$15.00 per share.

These convertible debentures were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information.**

None.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
<a href="#">2.1</a>	Agreement and Plan of Merger
<a href="#">4.1</a>	Certificate of Designation of Preferences, Rights and Limitations of Series J Convertible Preferred Stock of GT Biopharma, Inc
<a href="#">10.1</a>	Employment Agreement with Anthony Cataldo
<a href="#">10.2</a>	Employment Agreement with Dr. Kathleen Clarence-Smith
<a href="#">10.3</a>	Employment Agreement with Steven Weldon
<a href="#">10.4</a>	Employment Agreement with Dr. Raymond Urbanski
<a href="#">10.5</a>	Note Conversion Agreement
<a href="#">10.6</a>	Warrant Conversion Agreement
<a href="#">10.7</a>	Preferred Conversion Agreement
<a href="#">10.8</a>	Amended Note Conversion Agreement
<a href="#">10.9</a>	Amended Warrant Conversion Agreement
<a href="#">10.10</a>	Amended Preferred Conversion Agreement
<a href="#">31.1</a>	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended.
<a href="#">31.2</a>	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended.
<a href="#">32.1</a>	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
<a href="#">32.2</a>	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### GT Biopharma, Inc.

Dated: November 14, 2017

By: /s/ Kathleen Clarence-Smith

Kathleen Clarence-Smith  
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/ Anthony J. Cataldo</u> Anthony J. Cataldo	Executive Chairman of the Board, and President of Oxis Biotech	November 14, 2017
<u>/s/ Kathleen Clarence-Smith</u> Dr. Kathleen Clarence-Smith	Chief Executive Officer and Director	November 14, 2017
<u>/s/ Steven Weldon</u> Steven Weldon	Chief Financial Officer (Principal Accounting Officer), President and Director	November 14, 2017

## AGREEMENT AND PLAN OF MERGER

**THIS AGREEMENT AND PLAN OF MERGER** (“Agreement”), is entered into effective as of the 1st day of September, 2017, by and among GT Biopharma, Inc., a Delaware corporation (“GT Biopharma”), GT Biopharma Merger, Co., a Delaware corporation and a wholly-owned subsidiary of GT Biopharma (the “GT Biopharma Subsidiary”) and Georgetown Translational Pharmaceuticals, Inc., a Delaware corporation (the “Company”), and Kathleen Clarence-Smith, Mark J. Silverman, and Richard P. Dulik who are the holders of all of the issued and outstanding capital stock of the Company (the “Shareholders”).

**WHEREAS**, GT Biopharma, through the GT Biopharma Subsidiary, desires to acquire all of the shares of capital stock of the Company (the “Company Shares”) owned by the Shareholders on the terms and conditions set forth in this Agreement;

**WHEREAS**, the parties intend to effectuate the aforementioned acquisition of Company Shares by merging the GT Biopharma Subsidiary with and into the Company (the “Merger”) pursuant to the terms and conditions set forth in this Agreement with the Company being the surviving corporation (the “Surviving Corporation”) in the Merger; and

**WHEREAS**, the Company and the Shareholders deem it advisable and in their best interests to effect the Merger contemplated by this Agreement.

In consideration of the mutual covenants contained herein, GT Biopharma, GT Biopharma Subsidiary, the Company and the Shareholders hereby agree as follows:

### ARTICLE 1 TERMS OF THE MERGER

**1.1 Merger.** At the Effective Time (as hereinafter defined), upon the terms and subject to the conditions of this Agreement, the GT Biopharma Subsidiary shall merge with and into the Company in accordance with the Delaware General Corporation Law (the “Delaware Law”). At the Effective Time, the separate existence of the GT Biopharma Subsidiary shall cease and the Company shall be the surviving corporation in the Merger. The parties shall execute a Certificate of Merger, substantially in the form attached hereto as Exhibit A (“Certificate of Merger”) and such other documents necessary to comply in all respects with the requirements of the Delaware Law and with the provisions of this Agreement.

**1.2 Effective Time.** Subject to the terms and conditions of this Agreement, the Merger shall become effective at the time of the filing of the Certificate of Merger with the Delaware Secretary of State in accordance with the applicable provisions of the Delaware Law or at such later time as may be specified in the Certificate of Merger. The time when the Merger shall become effective is herein referred to as the “Effective Time,” and the date on which the Effective Time occurs is herein referred to as the “Closing Date.” The closing of the Merger (the “Closing”) and the filing of the Certificate of Merger shall occur as soon as practicable after:

1.2.1 Execution of this Agreement;

1.2.2 Satisfaction of all conditions to closing set forth in Article 4, “Conditions Precedent to Obligations of GT Biopharma and GT Biopharma Subsidiary,” and Article 5, “Conditions Precedent to the Obligations of the Company and the Shareholders”; and

1.2.3 Receipt by GT Biopharma of any required approvals under the Delaware Law and any other applicable corporate law and any other required regulatory approvals.

1.3 **Closing.** The Closing Date shall be the date of this Agreement. Any extension of the Closing Date may be made only with the written consent of GT Biopharma, the Company and the Shareholders.

1.4 **Merger Consideration; Conversion of Shares.** The total consideration to be paid to the Shareholders in connection with the Merger (the “Total Merger Consideration”) shall be the issuance of 33% of the issued and outstanding shares of common stock of GT Biopharma, on a fully diluted basis after giving effect to the consummation of the Merger, the Financing and the exchange or conversion of GT Biopharma Convertible Securities into GT Biopharma shares of common stock (the “GT Biopharma Shares”), to the Shareholders on the Closing Date.

1.5 **Exchange of Convertible Securities.** Prior to the Closing, each outstanding note, debenture or other security convertible into or exercisable for GT Biopharma shares of common stock (the “GT Biopharma Convertible Securities”) shall be exchanged for or converted into GT Biopharma shares of common stock.

1.6 **Shareholder’s Rights upon Merger.** Upon consummation of the Merger, the Shareholders shall cease to have any rights with respect to the certificates which theretofore represented shares of Company Shares (the “Certificates”), and, subject to applicable law and this Agreement, shall only have the right to receive their pro rata share of the Total Merger Consideration, based on the Shareholders’ relative ownership of the Company Shares.

1.7 **Surrender and Exchange of Shares; Payment of Merger Consideration.** In connection with the Closing, upon receipt of notice from the Company and GT Biopharma of the Effective Time, the Shareholders shall surrender and deliver the Certificates to GT Biopharma duly endorsed in blank. As soon as reasonably practicable following the later to occur of the Effective Time or such surrender and delivery, GT Biopharma will deliver to the Shareholders certificates representing their GT Biopharma Shares. Until so surrendered and exchanged, each outstanding Certificate after the Effective Time shall be deemed for all purposes to evidence only the right to receive the Total Merger Consideration set forth herein.

1.8 **Certificate of Incorporation.** At and after the Effective Time, the Certificate of Incorporation of the Company shall be the Certificate of Incorporation of the Surviving Corporation.

1.9 **Bylaws.** At and after the Effective Time, the Bylaws of the Company shall be the Bylaws of the Surviving Corporation (subject to any amendment specified in the Plan of Merger and any subsequent amendment).

1.10 **Name.** At and after the Effective Time, the name of GT Biopharma shall be GT Biopharma, Inc.

1.11 **Board of Directors; Appointment of Kathleen Clarence-Smith.** Effective as of and after the Effective Time, the board of directors of GT Biopharma shall consist of Anthony Cataldo, Steven Weldon, and Kathleen Clarence-Smith.

1.12 **Other Effects of Merger.** The Merger shall have all further effects as specified in the applicable provisions of the Delaware Law.

1.13 **Split of GT Biopharma Shares.** Prior to the Closing Date, GT Biopharma will reverse split its issued and outstanding shares on a one for three hundred basis (the "GT Biopharma Stock Split") so that GT Biopharma shares issued and outstanding immediately prior to the Effective Time shall equal 33,857,206 calculated on a Fully Diluted Basis. For the purposes of this Agreement, the term "Fully Diluted Basis" shall include all issued and outstanding shares of capital stock of GT Biopharma and all shares of capital stock issuable upon conversion of all GT Biopharma Convertible Securities.

1.14 **Additional Actions.** If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of the Company or otherwise to carry out this Agreement, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of Company, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of the Company, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement and the transactions contemplated hereby.

1.15 **Tax-Free Reorganization.** The parties intend that the Merger qualify as a tax- free reorganization pursuant to Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code").

1.16 **Financial Statements and Income Tax Returns.** The parties contemplate that the Surviving Corporation, as a subsidiary of GT Biopharma's consolidated group, will include its financial results in GT Biopharma's consolidated financial statements covering the periods after joining GT Biopharma's consolidated group.

**ARTICLE 2**  
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SHAREHOLDERS**

Except as disclosed on the schedules to be delivered by the Company and the Shareholders to GT Biopharma and the GT Biopharma Subsidiary on the Closing Date, attached hereto as Exhibit B (the "Company Disclosure Schedule"), which Company Disclosure Schedule is incorporated into and should be considered an integral part of this Agreement, the Company represents and warrants to GT Biopharma and the GT Biopharma Subsidiary as follows as to all Sections in this Article 2, except for Sections 2.1 (Validity of Agreement), 2.3 (Title), 2.4 (Exclusive Dealing), 2.15 (Intellectual Property), 2.16 (No Default), 2.17 (Litigation), 2.18 (Finders), 2.25 (Insurance Coverage), 2.29 (Indebtedness) and 2.31 (Investment Intent), which Sections are representations and warranties of the Shareholders and/or the Company, as the case may be. Any representation and warranty made by any Shareholder in this Article 2 shall be made solely with respect to such Shareholder and not with respect to the Company or any other Shareholder.

**2.1 Validity of Agreement.** This Agreement is valid and binding upon each Shareholder and the Company and neither the execution nor delivery of this Agreement by such parties nor the performance by such parties of any of their covenants or obligations hereunder will constitute a material default under any contract, agreement or obligation to which any of them is a party or by which they or any of their respective properties are bound. This Agreement is enforceable severally against the Company and each Shareholder in accordance with its terms, subject to bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium, receivership or other similar laws relating to or affecting creditors' rights generally.

**2.2 Organization and Good Standing.** The Company is a corporation duly organized and existing in good standing under the laws of the State of Delaware. The Company has full corporate power and authority to carry on its business as now conducted and to own or lease and operate the properties and assets now owned or leased and operated by it. The Company is duly qualified to transact business in the District of Columbia and in all states and jurisdictions in which the business or ownership of its property makes it necessary so to qualify, except for jurisdictions in which the nature of the property owned or business conducted, when considered in relation to the absence of serious penalties, renders qualification as a foreign corporation unnecessary as a practical matter.

**2.3 Title.** Each Shareholder has full right and title to the Company Shares that such Shareholder owns and to be exchanged, free and clear of all liens, encumbrances, pledge, restrictions and claims of every kind ("Encumbrances") and such Company Shares constitute all the Company Shares which such Shareholder, directly or indirectly, own or have any right to acquire. Each Shareholder has the legal right, power and authority to enter into this Agreement and will have the right to sell, assign, transfer and convey the Company Shares owned by such Shareholder pursuant to this Agreement and deliver to GT Biopharma valid title to such Company Shares pursuant to the provisions of this Agreement, free and clear of all Encumbrances. There are no outstanding options, warrants, rights, calls, commitments,

conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase or sale of any Company Shares owned by such Shareholder.

2.4 **Exclusive Dealing**. No Shareholder is engaged in any discussions or negotiations for the purchase or sale of any Company Shares owned by such Shareholder, except for those discussions with GT Biopharma which are embodied in this Agreement.

2.5 **Capitalization**. The authorized capital stock of the Company consists of 5,000 shares of common stock, of which 1,015 shares are issued and outstanding. The Company Shares constitute the only outstanding shares of the capital stock of the Company of any nature whatsoever, voting and non-voting. The Company Shares are validly issued, fully paid and non-assessable and are subject to no restrictions on transfer, except those imposed by the applicable federal and state securities laws. All Company Shares are certificated, and the Company has not executed and delivered certificates for Company Shares in excess of the number of Company Shares set forth in this Section 2.5. Except as set forth in the Company Disclosure Schedule, there are no outstanding options, warrants, rights, calls, commitments, conversion rights, plans or other agreements of any character providing for the purchase, issuance or sale of, or any securities convertible into, capital stock of the Company, whether issued, unissued or held in its treasury. There are no treasury shares.

2.6 **Subsidiaries**. The Company does not have any subsidiaries. The Company does not own five percent (5%) or more of the securities having voting power of any corporation (or would own such securities in such amount upon the closing of any existing purchase obligations for securities).

2.7 **Ownership and Authority**. The execution, delivery and performance of this Agreement by the Company has been duly authorized by its Board of Directors and all other required corporate approvals have been obtained. The execution, delivery and performance of this Agreement by the Company will not result in the violation or breach of any term or provision of charter instruments applicable to the Company or constitute a material default under any material indenture, mortgage, deed of trust or other contract or agreement to which the Company is a party or by which the Company or any of its properties is bound and will not cause the creation of an Encumbrance on any properties owned by or leased to or by the Company.

2.8 **Liabilities and Obligations**. The Company has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) secured by an Encumbrance on any of its assets.

2.9 **Monthly Expenditure Statements**. The monthly expenditures for the Company for the years ending December 31, 2015, December 31, 2016 and June 30, 2017, attached to Section 2.9 of the Company Disclosure Schedule (collectively the "Company Monthly Expenditure Statements") fairly present the monthly expenditures of the Company as of the dates thereof and for the periods indicated. There has not been any change between June 30, 2017 and the date of this Agreement which has had a material adverse effect on the financial position or



results of operations of the Company. Except as set forth in Section 2.9 of the Company Disclosure Schedule, the Company has no liabilities or obligations, contingent or otherwise.

2.10 **[Reserved]**.

2.11 **Taxes**. The Company has filed all federal, state, local or foreign tax returns, tax reports or forms that the Company was required to file since its inception. No taxes are due to any federal, state, local or foreign tax authority. The Company is not obligated to make any payments, and is not a party to any agreement that under any circumstances could obligate it to make any payments that will not be deductible under Section 280G of the Code. The Company has disclosed on its federal income tax returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code. The Company is not a party to any Tax allocation or sharing agreement. The Company

(i) has not been a member of an affiliated group filing a consolidated federal income tax return,

(ii) is not and has not ever been a partner in a partnership or an owner of an interest in an entity treated as a partnership for federal income tax purposes, and (iii) has no liability for the Taxes of any person (other than the Company) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise.

2.12 **Title to Properties and Assets**. The Company presently owns or leases real property from which it conducts its business and owns or leases certain personal property. The Company has good and marketable title to all real and personal property reflected on its books and records as owned by it or otherwise required or used in the operation of its business, free and clear of all security interests or Encumbrance of any nature, except as set forth in Section 2.12 of the Company Disclosure Schedule. Also set forth in Section 2.12 of the Company Disclosure Schedule is a list of property leased by the Company. Any security interests or Encumbrance shall be discharged in full on or before the Closing Date and evidenced by UCC Releases delivered by the Company on the Closing Date. Such improved real property or tangible personal property is in good operating condition and repair, and suitable for the purpose for which it is being used, subject in each case to consumption in the ordinary course, ordinary wear and tear and ordinary repair, maintenance and periodic replacement.

2.13 **Accounts Receivable/Payable**. Except as set forth in Section 2.13 of the Company Disclosure Schedule, since December 31, 2016, the Company has no accounts receivable, accounts payable, unbilled invoices and other debts. Except as set forth in Section

2.13 of the Company Disclosure Schedule, there have been no material adverse changes since December 31, 2016, in any accounts receivable or other debts due the Company or the allowances with respect thereto or accounts payable of the Company.

2.14 **Material Documents**. Set forth in Section 2.14 of the Company Disclosure Schedule is a complete list of all material documents to which the Company is a party. All such documents listed in Section 2.14 of the Company Disclosure Schedule are valid and enforceable and copies of such material documents (or, with the consent of GT Biopharma, forms thereof) as have been requested by GT Biopharma have been provided to GT Biopharma. Except as

disclosed in Section 2.14 of the Company Disclosure Schedule, neither the Company nor any of the other parties thereto, is or will be, merely with the passage of time, in default under any such material document nor is there any requirement for any of such material documents to be novated or to have the consent of the other contracting party in order for such material documents to be valid, effective and enforceable by the Company after the Closing Date as it was immediately prior thereto.

2.15 **Intellectual Property.** Except as set forth in Section 2.15 of the Company Disclosure Schedule, the Company has no interest in and owns no domestic and foreign letters patent, patents, patent applications, patent licenses, software licenses and know-how licenses, trade names, trademarks, copyrights, unpatented inventions, service mark registrations and applications and copyright registrations and applications owned or used by the Company in the operation of its business (collectively, the "Intellectual Property"). No Intellectual Property, other than as set forth on Section 2.15 of the Company Disclosure Schedule, is required or used in the operation of the business of the Company. There are no pending or, to the knowledge of the Company and the Shareholders, threatened claims of infringement upon the rights to the Intellectual Property or any intellectual property rights of others.

2.16 **No Default.** Neither the Company nor any Shareholder is in material default under any provision of any contract, commitment, or agreement respecting the Company or its assets to which the Company or such Shareholder is or are parties or by which they are bound.

2.17 **Litigation.** There are no lawsuits, arbitration actions or other proceedings (equitable, legal, administrative or otherwise) pending or, threatened, and there are no investigations pending or threatened against the Company which relate to and could have a material adverse effect on the properties, business, assets or financial condition of the Company or which could adversely affect the validity or enforceability of this Agreement or the obligation or ability of such Shareholder or the Company to perform their respective obligations under this Agreement or to carry out the transactions contemplated by this Agreement or otherwise affecting the Shares.

2.18 **Finders.** Neither the Company nor any Shareholder owes any fees or commissions, or other compensation or payments to any broker, finder, financial consultant, or similar person claiming to have been employed or retained by or on behalf of the Company or such Shareholder in connection with this Agreement or the transactions contemplated hereby.

2.19 **Employees.** Section 2.19 of the Company Disclosure Schedule sets forth the name and current monthly salary and any accrued benefit for each employee of the Company. Except as set forth in Section 2.19 of the Company Disclosure Schedule, the Company has no written employment agreements with any of its employees and it does not currently use the services of nor has it at any time engaged any independent contractor.

2.20 **Absence of Pension Liability.** The Company has no liability of any nature to any person or entity for pension or retirement obligations, vested or unvested, to or for the benefit of any of its existing or former employees. The consummation of the transactions

contemplated by this Agreement will not entitle any employee of the Company to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, including the Exhibits, or accelerate the time of payment or increase the amount of compensation due to any such employee. Except as described in Section 2.20 of the Company Disclosure Schedule, the Company does not presently have nor has it ever had any employee benefit plans and has no announced plan or legally binding commitment to create any employee benefit plans.

2.21 **Compliance With Laws.** The Company has conducted and is continuing to conduct its business in compliance with, and is in compliance with, all applicable statutes, orders, rules and regulations promulgated by governmental authorities relating in any respect to its operations, conduct of business or use of properties, except where noncompliance with any such statutes, orders, rules or regulations would not have an adverse effect on the Company or its results of operations. Such statutes, orders, rules or regulations include, but are not limited to, any applicable statute, order, rule or regulation relating to (i) wages, hours, hiring, nondiscrimination, retirement, benefits, pensions, working conditions, and worker safety and health; (ii) air, water, toxic substances, noise, or solid, gaseous or liquid waste generation, handling, storage, disposal or transportation; (iii) zoning and building codes; (iv) the production, storage, processing, advertising, sale, distribution, transportation, disposal, use and warranty of products; or (v) trade and antitrust regulations. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated by this Agreement will not, separately or jointly, violate, contravene or constitute a default under any applicable statutes, orders, rules and regulations promulgated by governmental authorities or cause an Encumbrance on any property used, owned or leased by the Company to be created thereunder. To the knowledge of the Company, there are no proposed changes in any applicable statutes, orders, rules and regulations promulgated by governmental authorities that would cause any representation or warranty contained in this Section 2.21 to be untrue or have an adverse effect on its operations, conduct of business or use of properties.

2.22 **Filings.** The Company has made all filings and reports required under all local, state and federal laws with respect to its business and of any predecessor entity or partnership, except filings and reports in those jurisdictions in which the nature of the property owned or business conducted, when considered in relation to the absence of serious penalties, renders the required filings or reports unnecessary as a practical matter.

2.23 **Certain Activities.** The Company has not, directly or indirectly, engaged in or been a party to any of the following activities:

2.23.1 Bribes, kickbacks or gratuities to any person or entity, including domestic or foreign government officials or any other payments to any such persons or entity, whether legal or not legal, to obtain or retain business or to receive favorable treatment of any nature with regard to business (excluding commissions or gratuities paid or given in full compliance with applicable law and constituting ordinary and necessary expenses incurred in carrying on its business in the ordinary course);

2.23.2 Contributions (including gifts), whether legal or not legal, made to any domestic or foreign political party, political candidate or holder of political office;

2.23.3 Holding of or participation in bank accounts, funds or pools of funds created or maintained in the United States or any foreign country, without being reflected on the corporate books of account, or as to which receipts or disbursements therefrom have not been reflected on such books, the purpose of which is to obtain or retain business or to receive favorable treatment with regard to business;

2.23.4 Receiving or disbursing monies, the actual nature of which has been improperly disguised or intentionally misrecorded on or improperly omitted from the corporate books of account;

2.23.5 Paying fees to domestic or foreign consultants or commercial agents which exceed the reasonable value of the ordinary and customary consulting and agency services purported to have been rendered;

2.23.6 Paying or reimbursing (including gifts) personnel of the Company for the purpose of enabling them to expend time or to make contributions or payments of the kind or for the purposes referred to in Subparagraphs 2.23.1 through 2.23.5 above;

2.23.7 Participating in any manner in any activity which is illegal under the international boycott provisions of the Export Administration Act, as amended, or the international boycott provisions of the Internal Revenue Code, or guidelines or regulations thereunder; and

2.23.8 Making or permitting unlawful charges, mischarges or defective or fraudulent pricing under any contract or subcontract under a contract with any department, agency or subdivision thereof, of the United States government, state or municipal government or foreign government.

2.24 **Employment Relations.** The Company is in compliance with all federal, state or other applicable laws, domestic or foreign, respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labor practice; no unfair labor practice complaint against the Company is pending before the National Labor Relations Board; there is no labor strike, dispute, slow down or stoppage actually pending or threatened against or involving the Company; no labor representation question exists respecting the employees of the Company; no grievance which might have an adverse effect upon the Company or the conduct of its business exists; no arbitration proceeding arising out of or under any collective bargaining agreement is currently being negotiated by the Company; and the Company has not experienced any material labor difficulty during the last three (3) years.

2.25 **Insurance Coverage.** The Company has heretofore delivered copies of the policies of fire, liability, workers' compensation or other forms of insurance of the Company.

The Company has complied with the terms and provisions of such policies including, without limitation, all riders and amendments thereto. The Company has met required collateral and premium for coverages in force. In the reasonable judgment of the Company and each Shareholder, such insurance is adequate and the Company will keep all current insurance policies in effect through the Closing.

2.26 **Certificate of Incorporation and Bylaws.** The Company has heretofore delivered to GT Biopharma true, accurate and complete copies of the Certificate of Incorporation and Bylaws of the Company, together with all amendments to each of the same as of the date hereof.

2.27 **Corporate Minutes.** The minute books of the Company provided to GT Biopharma at the Closing are the correct and only such minute books and do and will contain, in all material respects, complete and accurate records of any and all proceedings and actions at all meetings, including written consents executed in lieu of meetings of its shareholders, Board of Directors and committees thereof through the Closing Date. The stock records of the Company delivered to GT Biopharma at the Closing are the correct and only such stock records and accurately reflects all issues and transfers of record of the capital stock of the Company. The Company does not have any of its records or information recorded, stored, maintained or held off the premises of the Company.

2.28 **Default on Indebtedness.** The Company is not in default under any evidence of indebtedness for borrowed money.

2.29 **Indebtedness.** Neither any Shareholder nor any corporation or entity with which such Shareholder affiliated are indebted to the Company, and the Company has no indebtedness or liability to such Shareholder or any corporation or entity with which such Shareholder is affiliated.

2.30 **Governmental Approvals.** Except for filing of the Certificate of Merger with the Delaware Secretary of State and as set forth in Section 2.30 of the Company Disclosure Schedule, no consent, approval or authorization of, or notification to or registration with, any governmental authority, either federal, state or local, is required in connection with the execution, delivery and performance of this Agreement by any Shareholder or the Company.

2.31 **Investment Intent.** Each Shareholder is taking the GT Biopharma Shares for such Shareholder's own account and for investment, with no present intention of dividing such Shareholder's interest with others or of reselling or otherwise disposing of all or any portion of the GT Biopharma Shares to be issued to such Shareholder other than pursuant to available exemptions under applicable securities laws. Each Shareholder does not intend to sell the GT Biopharma Shares to be issued to such Shareholder, either currently or after the passage of a fixed or determinable period of time or upon the occurrence or non-occurrence of any predetermined event or circumstance. Each Shareholder has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for, or which is likely to compel, a disposition of the GT Biopharma Shares to be issued to such

Shareholder. Each Shareholder is not aware of any circumstances presently in existence which are likely in the future to prompt a disposition of the GT Biopharma Shares to be issued to such Shareholder. Each Shareholder possesses the experience in business in which GT Biopharma is involved necessary to make an informed decision to acquire the GT Biopharma Shares and such Shareholder has the financial means to bear the economic risk of the investment in the GT Biopharma Shares as of the Closing Date. Each Shareholder has had the opportunity to be represented by legal counsel and to consult with financial advisors to the extent such Shareholder deemed necessary. Each Shareholder has received and read the Disclosure Statement of GT Biopharma including its financial statements, SEC Reports, as defined in Section 3.6, "Securities Filings; Financial Statements," and any additional information such Shareholder has requested. Each Shareholder has had the opportunity to ask questions of the directors and officers of GT Biopharma concerning GT Biopharma.

2.32 **Licenses, Permits and Required Consents.** The Company has all required franchises, tariffs, licenses, ordinances, certifications, approvals, authorizations and permits ("Authorizations") materially necessary to the conduct of its business as currently conducted or proposed to be conducted. A list of such Authorizations is set forth in Section 2.32 of the Company Disclosure Schedule attached hereto, true, correct and complete copies of which have previously been delivered to GT Biopharma. All Authorizations relating to the business of the Company are in full force and effect, no violations have been made in respect thereof, and no proceeding is pending or threatened which could have the effect of revoking or limiting any such Authorizations and the same will not cease to remain in full force and effect by reason of the transactions contemplated by this Agreement.

2.33 **Completeness of Representations and Schedules; Delivery Via Upload to Dataroom.** The Company Disclosure Schedule and Exhibits hereto completely and correctly present in all material respects the information required by this Agreement. The Company's obligation to deliver or make available any agreement or document to GT Biopharma under this Agreement shall have been satisfied if such agreement or document has been uploaded in an electronic data room to which GT Biopharma has access.

### **ARTICLE 3**

#### **REPRESENTATIONS AND WARRANTIES OF GT BIOPHARMA AND THE GT BIOPHARMA SUBSIDIARY**

Except as disclosed in the schedules to be delivered by GT Biopharma and the GT Biopharma Subsidiary on the Closing Date, attached hereto as Exhibit C (the "GT Biopharma Disclosure Schedule"), which GT Biopharma Disclosure Schedule is incorporated into and should be considered an integral part of this Agreement, GT Biopharma and the GT Biopharma Subsidiary represent and warrant to the Company and the Shareholders as set forth in this Article 3.

#### **3.1 Organization and Good Standing.**

3.1.1 GT Biopharma is a corporation duly organized and existing in good standing under the laws of the State of Delaware. GT Biopharma has full corporate power and authority to carry on its business as now conducted. GT Biopharma is duly qualified to transact business in the State of Delaware and in all states and jurisdictions in which the business or ownership of the GT Biopharma Subsidiary's properties or assets makes it necessary so to qualify (other than in jurisdictions in which the nature of the property owned or business conducted, when considered in relation to the absence of serious penalties, renders qualification as a foreign corporation unnecessary as a practical matter).

3.1.2 The GT Biopharma Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The GT Biopharma Subsidiary has full corporate power and authority to carry on its business as now conducted. GT Biopharma Subsidiary is duly qualified to transact business in the State of Delaware and in all states and jurisdictions in which the business or ownership of the GT Biopharma Subsidiary's properties or assets makes it necessary so to qualify (other than in jurisdictions in which the nature of the property owned or business conducted, when considered in relation to the absence of serious penalties, renders qualification as a foreign corporation unnecessary as a practical matter).

3.2 **Finders.** No agent, broker, person or firm acting on behalf of GT Biopharma or the GT Biopharma Subsidiary is, or will be, entitled to any commission or broker's or finder's fees from any of the parties to this Agreement, or from any person controlling, controlled by or under common control with any of the parties to this Agreement, in connection with any of the transactions contemplated in this Agreement.

3.3 **Authority and Consent.** The execution, delivery and performance of this Agreement by GT Biopharma and the GT Biopharma Subsidiary have been duly authorized by their respective Board of Directors. This Agreement is valid and binding upon GT Biopharma and the GT Biopharma Subsidiary, and is enforceable against GT Biopharma and the GT Biopharma Subsidiary in accordance with its terms, subject to bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium, receivership or other similar laws relating to or affecting creditors' rights generally. GT Biopharma and the GT Biopharma Subsidiary have read and understand this Agreement, have consulted legal and accounting representatives to the extent deemed necessary and have the capacity to enter into this Agreement and to carry out the transactions contemplated hereby without the consent of any third party, except shareholder approval.

3.4 **Validity of Agreement.** Neither the execution nor the delivery of this Agreement by GT Biopharma and the GT Biopharma Subsidiary, nor the performance by GT Biopharma and the GT Biopharma Subsidiary of any of the covenants or obligations to be performed by GT Biopharma and the GT Biopharma Subsidiary hereunder, will result in any violation of any order, decree or judgment of any court or other governmental body, or statute or law applicable to GT Biopharma and the GT Biopharma Subsidiary, or in any breach of any terms or provisions of the Certificates of Incorporation or the Bylaws of GT Biopharma or the GT Biopharma Subsidiary, respectively, or constitute a default under any indenture, mortgage, deed of trust or

other contract to which GT Biopharma and the GT Biopharma Subsidiary is a party or by which GT Biopharma and the GT Biopharma Subsidiary is bound.

**3.5 Government Approvals.** No consent, approval or authorization of, or notification to or registration with, any governmental authority, either federal, state or local, is required in connection with the execution, delivery and performance of this Agreement by GT Biopharma and the GT Biopharma Subsidiary other than appropriate disclosure to the Securities and Exchange Commission and the filing of a Certificate of Merger with the Delaware Office of the Secretary of State.

**3.6 Securities Filings; Financial Statements.** GT Biopharma is obligated to file reports pursuant the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is current in the filing of all required reports (the "SEC Reports"). As of their respective dates, or as of the date of the last amendment thereof, if amended after filing, none of the SEC Reports (including all schedules thereto and disclosure documents incorporated by reference therein), contains any untrue statement of a material fact or omitted a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the SEC Reports as of the time of filing or as of the date of the last amendment thereof, if amended after filing, complied in all material respects with the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), as applicable. The consolidated financial statements of GT Biopharma included in the SEC Reports fairly present in conformity in all material respects with GAAP applied on a consistent basis the consolidated financial position of GT Biopharma as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended.

### **3.7 Capitalization.**

3.7.1 The authorized capital stock of GT Biopharma consists of 750,000,000 shares of Common Stock, \$0.001 par value per share. After the completion of all merger contingencies including the GT Biopharma Stock Split, conversion of GT Biopharma Convertible Securities, the Financing and warrant exercise, the issued and outstanding capital stock of GT Biopharma is 32,343,658 shares of common stock and 1,513,548 shares of Series J Preferred Stock. Shares of Series J Preferred Stock are convertible into shares of common stock of GT Biopharma on a share for share basis, resulting in 33,857,206 issued and outstanding shares of capital stock of GT Biopharma on a Fully Diluted Basis. All issued and outstanding shares of common stock and preferred stock of GT Biopharma are hereinafter referred to as "Outstanding GT Biopharma Shares". The Outstanding GT Biopharma Shares constitute the only outstanding shares of capital stock of GT Biopharma of any nature whatsoever. The Outstanding GT Biopharma Shares are validly issued, fully paid and non-assessable and are subject to no restrictions on transfer other than the transfer restrictions of Rule 144. There are no outstanding options, warrants, rights, calls, commitments, conversion rights, plans or other agreements of any character providing for the purchase, issuance or sale of, or any securities convertible into capital stock of GT Biopharma, whether issued, unissued or held in its treasury. There are no treasury shares. At Closing, the GT Biopharma Shares to be issued to the Shareholders total 16,927,878 shares of common stock, which will represent 33% of the issued and outstanding shares of



common stock of GT Biopharma, on a fully diluted basis after giving effect to the consummation of the Merger.

3.7.2 The authorized capital stock of the GT Biopharma Subsidiary consists of 1,000 shares of Common Stock, \$0.001 par value per share, 100 of which are issued and outstanding and entirely owned by GT Biopharma (“Outstanding GT Biopharma Subsidiary Shares”). The Outstanding GT Biopharma Subsidiary Shares constitute the only outstanding shares of the capital stock of the GT Biopharma Subsidiary of any nature whatsoever, voting and non-voting. The Outstanding GT Biopharma Subsidiary Shares are validly issued, fully paid and non-assessable and are subject to no restrictions on transfer. There are no outstanding options, warrants, rights, calls, commitments, conversion rights, plans or other agreements of any character providing for the purchase, issuance or sale of, or any securities convertible into, capital stock of the GT Biopharma Subsidiary, whether issued, unissued or held in its treasury. There are no treasury shares.

3.8 **Subsidiaries.** Except for Oxis Biotech, Inc., a Delaware corporation, and the GT Biopharma Subsidiary, neither GT Biopharma nor the GT Biopharma Subsidiary has any subsidiaries. Neither GT Biopharma nor the GT Biopharma Subsidiary owns five percent (5%) or more of the securities having voting power of any corporation other than Oxis Biotech, Inc., (or would own such securities in such amount upon the closing of any existing purchase obligations for securities). All references to GT Biopharma in this Agreement shall include an inherent reference to Oxis Biotech, Inc. even though it is not explicitly stated.

3.9 **[Reserved].**

3.10 **Transferability of GT Biopharma Shares.** The GT Biopharma Shares are qualified for trading on the OTCQB tier of the OTC Market under the symbol OXIS. The GT Biopharma Shares are restricted securities as defined in Rule 144 as promulgated under the Securities Act and may be traded pursuant to the restrictions of Rule 144, provided GT Biopharma timely files reports with the SEC as required by the Exchange Act and posts certain files on its corporate website.

3.11 **Title to Properties and Assets.** GT Biopharma does not presently own or lease real property other than its corporate headquarters. GT Biopharma has good and marketable title to all property reflected on its books and records as owned by it or otherwise required or used in the operation of its business, free and clear of all security interests or Encumbrances of any nature. Set forth in Section 3.11 of the GT Biopharma Disclosure Schedule is a list of property leased by GT Biopharma. Such improved real property or tangible personal property is in good operating condition and repair, and suitable for the purpose for which it is being used, subject in each case to consumption in the ordinary course, ordinary wear and tear and ordinary repair, maintenance and periodic replacement.

3.12 **Material Documents.** Set forth in Section 3.12 of the GT Biopharma Disclosure Schedule is a complete list of all material documents to which GT Biopharma or the GT Biopharma Subsidiary is a party. All such documents listed in Section 3.12 of the GT

Biopharma Disclosure Schedule are valid and enforceable and copies of such material documents (or, with the consent of the Company, forms thereof) have been provided to the Company. Except as disclosed in Section 3.12 of the GT Biopharma Disclosure Schedule, neither GT Biopharma, the GT Biopharma Subsidiary nor any of the other parties thereto, is or will be, merely with the passage of time, in default under any such material document nor is there any requirement for any of such material documents to be novated or to have the consent of the other contracting party in order for such material documents to be valid, effective and enforceable by GT Biopharma or the GT Biopharma Subsidiary, as the case may be, after the Closing Date as it was immediately prior thereto.

3.13 **Intellectual Property.** Except as set forth in Section 3.13 of the GT Biopharma Disclosure Schedule, neither GT Biopharma nor the GT Biopharma Subsidiary has any interest in and owns any domestic and foreign letters patent, patents, patent applications, patent licenses, software licenses and know-how licenses, trade names, trademarks, copyrights, unpatented inventions, service mark registrations and applications and copyright registrations and applications owned or used by GT Biopharma or the GT Biopharma Subsidiary in the operation of its business (collectively, the “Intellectual Property”). There are no pending or threatened claims of infringement upon the GT Biopharma Intellectual Property or upon the rights to any intellectual property of others.

3.14 **No Default.** Except as set forth in Section 3.14 of the GT Biopharma Disclosure Schedule, neither GT Biopharma nor the GT Biopharma Subsidiary is in default under any provision of any contract, commitment, or agreement respecting GT Biopharma, the GT Biopharma Subsidiary or any of their respective assets to which GT Biopharma or the GT Biopharma Subsidiary is or are parties or by which they are bound.

3.15 **Litigation.** Except as set forth in Section 3.15 of the GT Biopharma Disclosure Schedule, there are no lawsuits, arbitration actions or other proceedings (equitable, legal, administrative or otherwise) pending or, threatened, and there are no investigations pending or threatened against GT Biopharma or the GT Biopharma Subsidiary which relate to and could have a material adverse effect on the properties, business, assets or financial condition of GT Biopharma or the GT Biopharma Subsidiary or which could adversely affect the validity or enforceability of this Agreement or the obligation or ability of GT Biopharma or the GT Biopharma Subsidiary to perform their respective obligations under this Agreement or to carry out the transactions contemplated by this Agreement.

3.16 **Absence of Pension Liability.** Neither GT Biopharma nor the GT Biopharma Subsidiary has any liability of any nature to any person or entity for pension or retirement obligations, vested or unvested, to or for the benefit of any of its existing or former employees. The consummation of the transactions contemplated by this Agreement will not entitle any employee of GT Biopharma or the GT Biopharma Subsidiary to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, including the Exhibits, or accelerate the time of payment or increase the amount of compensation due to any such employee. Neither GT Biopharma nor the GT Biopharma Subsidiary have presently

nor have they ever had any employee benefit plans and have no announced plan or legally binding commitment to create any employee benefit plans.

3.17 **Compliance with Laws.** GT Biopharma and the GT Biopharma Subsidiary have conducted and are continuing to conduct their respective businesses in compliance with, and are in compliance with, all applicable statutes, orders, rules and regulations promulgated by governmental authorities relating in any respect to its operations, conduct of business or use of properties, except where noncompliance with any such statutes, orders, rules or regulations would not have an adverse effect on either GT Biopharma, the GT Biopharma Subsidiary or their respective results of operations. Such statutes, orders, rules or regulations include, but are not limited to, any applicable statute, order, rule or regulation relating to (i) wages, hours, hiring, nondiscrimination, retirement, benefits, pensions, working conditions, and worker safety and health; (ii) air, water, toxic substances, noise, or solid, gaseous or liquid waste generation, handling, storage, disposal or transportation; (iii) zoning and building codes; (iv) the production, storage, processing, advertising, sale, distribution, transportation, disposal, use and warranty of products; or (v) trade and antitrust regulations. The execution, delivery and performance of this Agreement by GT Biopharma and the GT Biopharma Subsidiary and the consummation by GT Biopharma and the GT Biopharma Subsidiary of the transactions contemplated by this Agreement will not, separately or jointly, violate, contravene or constitute a default under any applicable statutes, orders, rules and regulations promulgated by governmental authorities or cause an Encumbrance on any property used, owned or leased by GT Biopharma or the GT Biopharma Subsidiary to be created thereunder. There are no proposed changes in any applicable statutes, orders, rules and regulations promulgated by governmental authorities that would cause any representation or warranty contained in this Section 3.17 to be untrue or have an adverse effect on its operations, conduct of business or use of properties.

3.18 **Filings.** GT Biopharma and the GT Biopharma Subsidiary have made all filings and reports required under all local, state and federal laws with respect to its business and of any predecessor entity or partnership, except filings and reports in those jurisdictions in which the nature of the property owned or business conducted, when considered in relation to the absence of serious penalties, renders the required filings or reports unnecessary as a practical matter.

3.19 **Certain Activities.** Neither GT Biopharma nor the GT Biopharma Subsidiary has, directly or indirectly, engaged in or been a party to any of the following activities:

3.19.1 Bribes, kickbacks or gratuities to any person or entity, including domestic or foreign government officials or any other payments to any such persons or entity, whether legal or not legal, to obtain or retain business or to receive favorable treatment of any nature with regard to business (excluding commissions or gratuities paid or given in full compliance with applicable law and constituting ordinary and necessary expenses incurred in carrying on its business in the ordinary course);

3.19.2 Contributions (including gifts), whether legal or not legal, made to any domestic or foreign political party, political candidate or holder of political office;

3.19.3 Holding of or participation in bank accounts, funds or pools of funds created or maintained in the United States or any foreign country, without being reflected on the corporate books of account, or as to which receipts or disbursements therefrom have not been reflected on such books, the purpose of which is to obtain or retain business or to receive favorable treatment with regard to business;

3.19.4 Receiving or disbursing monies, the actual nature of which has been improperly disguised or intentionally misrecorded on or improperly omitted from the corporate books of account;

3.19.5 Paying fees to domestic or foreign consultants or commercial agents which exceed the reasonable value of the ordinary and customary consulting and agency services purported to have been rendered;

3.19.6 Paying or reimbursing (including gifts) personnel of GT Biopharma or the GT Biopharma Subsidiary for the purpose of enabling them to expend time or to make contributions or payments of the kind or for the purposes referred to in Subparagraphs 2.23.1 through 2.23.5 above;

3.19.7 Participating in any manner in any activity which is illegal under the international boycott provisions of the Export Administration Act, as amended, or the international boycott provisions of the Internal Revenue Code, or guidelines or regulations thereunder; and

3.19.8 Making or permitting unlawful charges, mischarges or defective or fraudulent pricing under any contract or subcontract under a contract with any department, agency or subdivision thereof, of the United States government, state or municipal government or foreign government.

3.20 **Employment Relations.** GT Biopharma and the GT Biopharma Subsidiary are in compliance with all Federal, state or other applicable laws, domestic or foreign, respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labor practice; no unfair labor practice complaint against either GT Biopharma or the GT Biopharma Subsidiary is pending before the National Labor Relations Board; there is no labor strike, dispute, slow down or stoppage actually pending or threatened against or involving either GT Biopharma or the GT Biopharma Subsidiary; no labor representation question exists respecting the employees of either GT Biopharma or the GT Biopharma Subsidiary; no grievance which might have an adverse effect upon either GT Biopharma or the GT Biopharma Subsidiary or the conduct of its business exists; no arbitration proceeding arising out of or under any collective bargaining agreement is currently being negotiated by either GT Biopharma or the GT Biopharma Subsidiary; and either GT Biopharma or the GT Biopharma Subsidiary has not experienced any material labor difficulty during the last three (3) years.

3.21 **Insurance Coverage.** The policies of fire, liability, workers' compensation or other forms of insurance of GT Biopharma and the GT Biopharma Subsidiary are described in Section 3.23 of the GT Biopharma Disclosure Schedule.

3.22 **Certificates of Incorporation and Bylaws.** Each of GT Biopharma and the GT Biopharma Subsidiary has heretofore delivered to the Company true, accurate and complete copies of their respective Certificates of Incorporation and Bylaws, together with all amendments to each of the same as of the date hereof.

3.23 **Corporate Minutes.** The minute books of each of GT Biopharma and the GT Biopharma Subsidiary provided to the Company at the Closing are the only such minute books and do and will contain, in all material respects, accurate records of any and all proceedings and actions at all meetings, including written consents executed in lieu of meetings of their respective shareholders, Board of Directors through the Closing Date that are material to the operations and good standing of GT Biopharma. The stock records of each of GT Biopharma and the GT Biopharma Subsidiary delivered to the Company and the Shareholders at the Closing are the correct and only such stock records and accurately reflects all issues and transfers of record of the capital stock of each of GT Biopharma and the GT Biopharma Subsidiary.

3.24 **Default on Indebtedness.** Except as set forth in Section 3.24 of the GT Biopharma Disclosure Schedule, neither GT Biopharma nor the GT Biopharma Subsidiary is in default under any evidence of indebtedness for borrowed money.

3.25 **Agreements, Judgment and Decrees.** Neither GT Biopharma nor the GT Biopharma Subsidiary is subject to any agreement, judgment or decree adversely affecting its or their ability to enter into this Agreement, to consummate the transactions contemplated herein.

3.26 **Governmental Approvals.** Except for filing of the Certificate of Merger with the Delaware Secretary of State and as set forth in Section 3.26 of the GT Biopharma Disclosure Schedule, no consent, approval or authorization of, or notification to or registration with, any governmental authority, either federal, state or local, is required in connection with the execution, delivery and performance of this Agreement by GT Biopharma or the GT Biopharma Subsidiary.

3.27 **Licenses, Permits and Required Consents.** Each of GT Biopharma and the GT Biopharma Subsidiary has all required franchises, tariffs, licenses, ordinances, certifications, approvals, authorizations and permits ("Authorizations") materially necessary to the conduct of its business as currently conducted or proposed to be conducted. A list of such Authorizations is set forth in Section 3.27 of the GT Biopharma Disclosure Schedule attached hereto, true, correct and complete copies of which have previously been delivered to the Company. All Authorizations relating to the business of GT Biopharma or the GT Biopharma Subsidiary are in full force and effect, no violations have been made in respect thereof, and no proceeding is pending or threatened which could have the effect of revoking or limiting any such Authorizations and the same will not cease to remain in full force and effect by reason of the transactions contemplated by this Agreement.

3.28 **Employment and Consulting Agreements.** Except as set forth in Section 3.28 of the GT Biopharma Disclosure Schedule, neither GT Biopharma nor the GT Biopharma Subsidiary has any outstanding employment or consulting agreement, written or oral, with any employee or third party.

3.29 **Completeness of Representations and Schedules; ; Delivery Via Upload to Dataroom.** The GT Biopharma Disclosure Schedule and Exhibits hereto completely and correctly present in all material respects the information required by this Agreement. GT Biopharma's obligation to deliver or make available any agreement or document to the Company under this Agreement shall have been satisfied if such agreement or document has been uploaded in an electronic data room to which the Company has access.

**ARTICLE 4**  
**CONDITIONS PRECEDENT TO THE OBLIGATIONS**  
**OF GT BIOPHARMA AND THE GT BIOPHARMA SUBSIDIARY**

The obligations of GT Biopharma and the GT Biopharma Subsidiary pursuant to this Agreement are, at the option of GT Biopharma and the GT Biopharma Subsidiary, subject to the fulfillment to GT Biopharma's and the GT Biopharma Subsidiary's reasonable satisfaction on or before the Closing Date of each of the following conditions:

4.1 **Execution of this Agreement.** The Company and the Shareholders have duly executed and delivered this Agreement to GT Biopharma, and all corporate action required to consummate the Merger and the transactions contemplated hereby shall have been duly and validly taken.

4.2 **Representations and Warranties Accurate.** All representations and warranties of the Shareholders and the Company contained in Article 2 of this Agreement shall have been true in all material respects as of the Closing Date.

4.3 **Performance of the Company and Shareholders.** The Company and the Shareholders shall have performed and complied with all agreements, terms and conditions required by this Agreement to be performed or complied with by them.

4.4 **Tender of Company Shares.** The Shareholders shall deliver to GT Biopharma all Company Shares free and clear of any Encumbrance, by surrendering and delivering the Certificates to GT Biopharma duly endorsed in blank.

4.5 **Title.** On or prior to the Closing Date, the Company shall deliver to GT Biopharma evidence that no Encumbrance has been recorded against any of the Company's properties or assets other than has been disclosed in this Agreement or its schedules or disclosure statements.

4.6 **Intellectual Property.** All trademarks, trade names, service marks, licenses or other rights that the Company uses in connection with its business shall be free and clear of any encumbrances, controversies, infringement or other claims or obligations on the Closing Date.

4.7 **Consent of Material Customers.** Prior to Closing, the Company shall have obtained all approvals in connection with the transfer of the Company Shares by the Shareholders to GT Biopharma as may be required by any material contracts between the Company and any of its principal customers, and such approvals shall have been issued in written form and substance satisfactory to GT Biopharma and its counsel or GT Biopharma shall have waived such requirements.

4.8 **Obligations to Third Parties.** There shall be no loans or obligations outstanding from the Company to any third party, except those incurred in the ordinary course of business or as otherwise disclosed to GT Biopharma.

4.9 **Outstanding Obligations to Employees.** There shall be no outstanding claims, loans or obligations of the Company owed to any of their employees or officers, provided that GT Biopharma shall give notice to the Shareholders and the Company of its approval or withholding of approval of any claims, loans or obligations then known to GT Biopharma or before the Closing Date.

4.10 **Approval of Plan of Merger.** The Merger and the Certificate of Merger shall have been duly approved by the Board of Directors of the Company and the Shareholders pursuant to the Delaware Law.

4.11 **Financial and Other Conditions.** The Company shall have no material contingent or other liabilities connected with its business, except as disclosed on the Company Disclosure Schedule or which otherwise have been incurred in the ordinary course of business and have otherwise been disclosed to GT Biopharma.

4.12 **Legal Prohibition; Regulatory Consents.** On the Closing Date, there shall exist no injunction or final judgment, law or regulation prohibiting the consummation of the transactions contemplated by this Agreement. Any required governmental or regulatory consents shall have been obtained.

4.13 **[Reserved].**

4.14 **No Adverse Change.** There shall not have occurred any material adverse change in the assets, business, condition or prospects of the Company.

4.15 **Employment and Consulting Agreements.** The Company shall have executed employment agreements, substantially in the forms attached hereto as Exhibits D-1, D-2 and D-3 (each, an "Employment Agreement") with Anthony Cataldo as Executive Chairman, Steven Weldon as CFO and Kathleen Clarence-Smith as CEO. GT Biopharma and the Company shall have executed a consulting agreement, substantially in the form attached hereto as Exhibit D-4 (the "Consulting Agreement") with Mark J. Silverman.

**ARTICLE 5**  
**CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE COMPANY AND THE SHAREHOLDERS**

The obligations of the Company and the Shareholders under this Agreement are, at the option of the Company or the Shareholders, subject to the fulfillment to the reasonable satisfaction of the Company and the Shareholders on or before the Closing Date of each of the following conditions:

5.1 **Execution and Approval of Agreement.** GT Biopharma and the GT Biopharma Subsidiary shall have duly executed and delivered this Agreement to the Company and the Shareholders and all corporate action required to consummate the Merger and the transactions contemplated hereby shall have been duly and validly taken.

5.2 **GT Biopharma Shares.** The GT Biopharma Shares received by the Shareholders shall be free and clear of any Encumbrance, except as may be imposed pursuant to the Securities Act.

5.3 **Employment and Consulting Agreements.** GT Biopharma shall have executed each Employment Agreement and the Consulting Agreement.

5.4 **Election to Board.** Kathleen Clarence-Smith shall have been elected to the GT Biopharma's Board of Directors.

5.5 **Representations and Warranties.** The representations and warranties of GT Biopharma and the GT Biopharma Subsidiary in Article 3 of this Agreement or in any document, statement, list or certificate furnished pursuant hereto shall be true and correct as of the Closing Date.

5.6 **No Material Liabilities.** GT Biopharma shall have no material contingent or other liabilities connected with its business, except as disclosed in its financial statements or which otherwise have been disclosed or incurred in the ordinary course of business.

5.7 **Approval of Plan of Merger.** The Merger and the Certificate of Merger shall have been duly approved by GT Biopharma as the sole shareholder of the GT Biopharma Subsidiary and by the Board of Directors of GT Biopharma pursuant to Delaware Law.

5.8 **Securities Filings.** GT Biopharma shall have filed all required periodic reports under the Securities Exchange Act of 1934 (the "Exchange Act") and shall have made all other such filings with the Securities and Exchange Commission and state securities regulators as may be required by applicable state and federal law.

5.9 **Governmental Proceedings.** No action or proceeding before any court or other governmental body shall be instituted which prohibits or invalidate the transaction, or threatens to prohibit or invalidate the transaction, or which may affect the right of the Shareholders to own



the Company Shares or to operate or control GT Biopharma or the Surviving Company after the Closing Date.

5.10 **Financing**. GT Biopharma shall have consummated an equity financing with net cash proceeds to GT Biopharma of \$3,000,000 or more (the “Financing”).

5.11 **Legal Prohibition; Regulatory Consents**. On the Closing Date, there shall exist no injunction or final judgment, law or regulation prohibiting the consummation of the transactions contemplated by this Agreement. Any required governmental or regulatory consents shall have been obtained.

5.12 **Conversion of GT Biopharma Convertible Securities**. All of the GT Biopharma Convertible Securities shall have been exchanged or converted into GT Biopharma shares of common stock.

5.13 **Evidence of Ownership of GT Biopharma Shares**. GT Biopharma shall have delivered evidence, in form reasonably acceptable to the Shareholders, of the Shareholders’ ownership of the GT Biopharma Shares, as of the Closing.

5.15 **GT Biopharma Stock Split**. GT Biopharma shall have delivered evidence that it has taken all necessary corporate action to effectuate the GT Biopharma Stock Split and that the GT Biopharma Stock Split has occurred.

5.16 **Officer’s Certificate**. GT Biopharma shall have delivered an officer’s certificate attesting to the genuineness and completeness of the documents evidencing the conditions precedent contained in Section 5.10, Section 5.12, and Section 5.15 of this Agreement.

## ARTICLE 6 SURVIVAL AND OTHER ITEMS

6.1 **Survival of Representations, Warranties and Certain Covenants**. The representations and warranties made by the parties in this Agreement and all of the covenants of the parties in this Agreement (except for the covenants set forth in Annex A, which shall survive in accordance with Section 1.14 thereof) shall survive the execution and delivery of this Agreement and the Closing Date and shall expire on the twelve month anniversary of the Closing Date. Any claim for indemnification shall be effective only if notice of such claim is given by the party claiming indemnification or other relief on or before the twelve month anniversary of the Closing Date.

6.2 **[Reserved]**.

6.3 **Attorney Fees**. Notwithstanding any of the other provisions hereof, in the event of litigation with respect to the interpretation or enforcement of this Agreement or any provisions hereof, the prevailing party in any such matter shall be entitled to recover from the other party their or its reasonable costs and expense, including reasonable attorneys’ fees, incurred in such

litigation. For purposes of this Agreement, a party shall be deemed to be the prevailing party only if such party (A)(i) receives an award or judgment in such arbitration and/or litigation for more than 50% of the disputed amount involved in such matter, or (ii) is ordered to pay the other party less than 50% of the disputed amount involved in such matter or (B)(i) succeeds in having imposed a material equitable remedy on the other party (such as an injunction or order compelling specific performance), or (ii) succeeds in defeating the other party's request for such an equitable remedy.

## **ARTICLE 7 CERTAIN COVENANTS OF THE PARTIES**

7.1 **D&O Insurance.** GT Biopharma shall maintain in effect, from a financially sound and reputable insurer, Directors and Officers liability insurance (the "D&O Insurance") in an amount, with a carrier and upon other terms and conditions approved by Kathleen Clarence-Smith. The D&O Insurance shall not be cancelable by GT Biopharma without prior approval by its board of directors, including an affirmative vote of Kathleen Clarence-Smith. GT Biopharma shall annually, within ninety (90) days after the end of each fiscal year, deliver to each of its directors a certification that the D&O Insurance remains in effect.

7.2 **Expenses and Fees.** GT Biopharma shall be solely responsible for all costs and expenses (including legal expenses, accounting expenses and brokers or finders fees and expenses) incurred by all parties to this Agreement, and the costs and expenses of its affiliates, in connection with the preparation and negotiation of this Agreement and the consummation of the transactions contemplated by this Agreement. No other party shall have any obligation for paying such expenses or costs of any other party.

7.3 **Public Announcements.** The parties agree that no public release, announcement or any other disclosure concerning any of the transactions contemplated hereby shall be made or issued by any party without the prior written consent of GT Biopharma and the Company (which consent shall not be unreasonably withheld or delayed), except to the extent such release, announcement or disclosure may be required by applicable laws, in which case the person required to make the release, announcement or disclosure shall allow GT Biopharma or the Company, as applicable, reasonable time to comment on such release, announcement or disclosure in advance of such issuance or disclosure; provided, however, that no notice is required if the disclosure is determined by the GT Biopharma's legal counsel to be required under federal or state securities laws or exchange regulation applicable to GT Biopharma.

7.4 **Operations Pending Closing.** Each of the Company, on one hand, and GT Biopharma and the GT Biopharma Subsidiary, on the other hand, covenants that from the date hereof through the Closing Date, except as otherwise provided in this Agreement; or with the prior written consent of the other parties, which shall not be unreasonably withheld or delayed, shall:

7.4.1 not undertake any transactions or enter into any contracts, commitments or arrangements other than in the ordinary course of business, use its good faith efforts to preserve the present business and organization of such party, and to preserve the goodwill of others having business relationships with such party;

7.4.2 not enter into, renew, extend, modify, terminate, waive or diminish any right under any material lease, contract or other instrument, except in the ordinary course of business;

7.4.3 not allow any of such parties' assets or properties to become subject to any Encumbrance that does not exist as of the date of this Agreement, except in the ordinary course of business;

7.4.4 maintain such party's existing insurance coverages, subject to variations in amounts in the ordinary course of business;

7.4.5 not declare or make any dividends or distributions; and

7.4.6 not amend the organizational documents of such party.

7.5 **[Reserved]**.

7.6 **Further Assurances.** Each of the parties hereto shall, at any time, and from time to time, either before or after the Closing Date, upon the request of the appropriate party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, assignments, transfers, conveyances and assurances as may be reasonably required to complete the transactions contemplated in this Agreement. After the Closing Date, each party shall use its good faith efforts to assure that any necessary third party shall execute such documents and do such acts and things as the other party may reasonably require for the purpose of giving each party the full benefit of all the provisions of this Agreement and as may be reasonably required to complete the transactions contemplated in this Agreement.

7.7 **Actions of the Parties.**

7.7.1 **No Actions Constituting a Breach.** From the date hereof through the Closing Date, neither the Company will take or knowingly permit to be done any action in the conduct of the business of the Company, nor will GT Biopharma or the GT Biopharma Subsidiary take any action, which would be in breach of its obligations herein, and each of the parties hereto shall cause the deliveries for which such party is responsible at the Closing to be duly and timely made.

7.7.2 **Notification of Breaches.** From the date hereof through the Closing Date, each party will promptly notify the other parties in writing if any such Party becomes aware of any fact or condition that causes or constitutes a breach of any of its representations and warranties as of the date of this Agreement. During the same period, each party will promptly

notify the other parties of the occurrence of any breach of any covenant of such party in this Article VIII.

7.8 **Compliance With Conditions.** Each party hereto agrees to cooperate fully with each other party and shall use its good faith efforts to cause the conditions precedent for which such Party is responsible to be fulfilled. Each party hereto further agrees to use its good faith efforts to consummate this Agreement and the transactions contemplated in this Agreement as promptly as possible.

7.9 **Risk of Loss.** The risk of loss or destruction of all or any part of the Company's properties or assets prior to the Closing Date from any cause (including, without limitation, fire, theft, acts of God or public enemy) shall be upon the Company. Such risk shall be upon GT Biopharma if such loss occurs after the Closing Date.

7.10 **No Solicitation.** The parties recognize that the parties will expend considerable money, resources and time performing their respective due diligence reviews. Accordingly, none of the Company, the Shareholders and GT Biopharma shall, and each shall cause their respective affiliates not to, directly or indirectly, solicit or encourage the initiation or submission of interest, offers, fund raising term sheets, inquiries or proposals (or consider or entertain any of the foregoing) from any person or entity (including, without limitation, by way of providing any non-public information concerning any entity or otherwise), initiate or participate in any negotiations or discussions, or enter into, accept or authorize any agreement or agreement in principle, or announce any intention to do any of the foregoing, with respect to any expression of interest, offer, proposal to fund or acquire, license, or lease (i) all or any portion of any entity's business or assets (including, without limitation its intellectual property), or (ii) all or any portion of any entity's capital stock, membership interest or other securities, in each case whether by stock purchase, merger, consolidation, combination, reorganization, recapitalization, purchase of assets, purchase of shares or membership interest, lease, license or otherwise (any of the foregoing, a "Competing Transaction"). Each of the Company, the Shareholders and GT Biopharma shall, and shall cause their respective affiliates to, immediately discontinue any ongoing discussions or negotiations (other than any ongoing discussions in connection with this Agreement) relating to a possible Competing Transaction, and shall promptly provide the other parties with an oral and a written notice of any expression of interest, proposal or offer relating to a possible Competing Transaction that is received by the Company, the Shareholders, GT Biopharma or by any of the Company Representatives or the GT Biopharma Representatives, as applicable, from any person, which notice shall contain the identity of such person or entity and the nature of the proposal. Without limiting the generality of the foregoing, the Financing shall not be considered a Competing Transaction.

#### ARTICLE 8 REGISTRATION RIGHTS

Registration rights granted to each Shareholder by GT Biopharma with respect to the GT Biopharma Shares are set forth in Annex A attached hereto, which is incorporated herein by reference and made part of this Agreement.

## **ARTICLE 9 MISCELLANEOUS**

### **9.1 Termination.**

9.1.1 General. This Agreement and the transactions contemplated hereby may be terminated prior to the Closing: (i) by the mutual written consent of the parties; or (ii) by written notice from either party in the event of a material breach of this Agreement by the other party; provided that the party wishing to terminate this Agreement has notified the other parties in writing of such breach and such breach has continued without cure for a period of thirty (30) calendar days after the notice of breach, subject to the provisions of Section 1.3, "Closing," of this Agreement.

9.1.2 Effect of Termination. If any party terminates this Agreement pursuant to this Article 8, all rights and obligations of the parties hereunder shall terminate without any liability of any party to the others except for such damages arising out of, related to, or in connection with, breaches of representations, warranties, covenants, or agreements which shall have occurred prior to such termination. Except, as set forth in the immediately preceding sentence, this Section shall not be deemed to release any party from any liability for any breach by such party of the representations, warranties, covenants or agreements which shall have occurred prior to such termination.

9.2 **Binding Agreement.** The parties covenant and agree that this Agreement, when executed and delivered by the parties, will constitute a legal, valid and binding agreement between the parties and will be enforceable in accordance with its terms.

9.3 **Assignment.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors. This Agreement cannot be assigned without the consent of the Company.

9.4 **Entire Agreement.** This Agreement and its exhibits and schedules constitute the entire contract among the parties hereto with respect to the subject matter thereof, superseding all prior communications and discussions and no party hereto shall be bound by any communication on the subject matter hereof unless such is in writing signed by any necessary party thereto and bears a date subsequent to the date hereof. The exhibits and schedules shall be construed with and deemed as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein. Information set forth in any exhibit, schedule or provision of this Agreement shall be deemed to be set forth in every other exhibit, schedule or provision of this Agreement and therefore shall be deemed to be disclosed for all purposes of this Agreement.

9.5 **Modification.** This Agreement may be waived, changed, amended, discharged or terminated only by an agreement in writing signed by the party against whom enforcement of any waiver, change, amendment, discharge or termination is sought.

9.6 **Notices.** All notices, requests, demands and other communications shall be deemed to have been duly given three (3) days after postmark of deposit in the United States mail, if mailed, certified or registered mail, postage prepaid:

If to the Company or the Shareholders:

Kathleen Clarence-Smith  
c/o KM Pharmaceutical Consulting LLC Suite 520  
1825 K Street NW Washington, DC 20006  
E-mail: [kcs@gt-pharmaceuticals.com](mailto:kcs@gt-pharmaceuticals.com)

Mark Silverman 224 22nd St.  
Santa Monica, CA 90402  
E-mail: [Mark@carecast.com](mailto:Mark@carecast.com)

Richard Dulik  
10507 Cambridge Ct. Great Falls, VA 22066  
E-mail: [rickpd@attglobal.net](mailto:rickpd@attglobal.net) With copy to:  
Pillsbury Winthrop Shaw Pittman LLP 1650 Tysons Blvd, Suite 1400  
McLean, VA 22102  
Attention: Steven L. Meltzer Facsimile No.: (703) 770-7901  
Telephone No.: (703) 770-7900  
E-mail: [steven.meltzer@pillsburylaw.com](mailto:steven.meltzer@pillsburylaw.com)

If to GT Biopharma or the GT Biopharma Subsidiary:

GT Biopharma, Inc.  
100 South Ashley Drive, Suite 600  
Tampa, FL 33602 Attention: Steven Weldon

With a copy to:

Gary R. Henrie  
P.O. Box 107  
315 Kimball's Garden Circle Nauvoo, IL 62354

or to such other address as any party shall designate to the other in writing. The parties shall promptly advise each other of changes in addresses for such notices.

9.7 **Choice of Law and Jurisdiction.** This Agreement shall be governed by, construed, interpreted and enforced according to the laws of the State of Delaware. Each party to this Agreement hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or any agreements or transactions contemplated hereby may be brought in the courts of the State of Delaware or of the United States of America for the District of Delaware and hereby expressly submits to the personal jurisdiction and venue of such courts for the purposes thereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address set forth in Paragraph 8.6, "Notices," such service to become effective ten (10) days after such mailing.

9.8 **Severability.** If any portion of this Agreement shall be finally determined by any court or governmental agency of competent jurisdiction to violate applicable law or otherwise not to conform to requirements of law and, therefore, to be invalid, the parties will cooperate to remedy or avoid the invalidity, but, in any event, will not upset the general balance of relationships created or intended to be created between them as manifested by this Agreement and the instruments referred to herein. Except insofar as it would be an abuse of the foregoing principle, the remaining provisions hereof shall remain in full force and effect.

9.9 **Other Documents.** The parties shall upon reasonable request of the other, execute such documents as may be necessary or appropriate to carry out the intent of this Agreement.

9.10 **Headings and the Use of Pronouns.** The section headings hereof are intended solely for convenience of reference and shall not be construed to explain any of the provisions of

this Agreement. All pronouns and any variations thereof and other words, as applicable, shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or matter may require.

9.11 **Time is of the Essence.** Time is of the essence of this Agreement.

9.12 **No Waiver and Remedies.** No failure or delay on a party's part to exercise any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by a party of a right or remedy hereunder preclude any other or further exercise. No remedy or election hereunder shall be deemed exclusive but it shall, wherever possible, be cumulative with all other remedies in law or equity.

9.13 **Counterparts.** This Agreement may be executed in two or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.14 **Further Assurances.** Each of the parties hereto shall use commercially practicable efforts to fulfill all of the conditions set forth in this Agreement over which it has control or influence (including obtaining any consents necessary for the performance of such party's obligations hereunder) and to consummate the transactions contemplated hereby, and shall execute and deliver such further instruments and provide such documents as are necessary to effect this Agreement.

9.15 **Rules of Construction.** The normal rules of construction which require the terms of an agreement to be construed most strictly against the drafter of such agreement are hereby waived since each party have been represented by counsel in the drafting and negotiation of this Agreement.

9.16 **Third Party Beneficiaries.** Each party hereto intends this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:  
**GEORGETOWN TRANSLATIONAL  
PHARMACEUTICALS, INC.,**  
a Delaware corporation

By: /s/ Kathleen Clarence-Smith  
Kathleen Clarence-Smith  
Its: CEO

SHAREHOLDERS:  
/s/ Kathleen Clarence-  
Smith  
Kathleen Clarence-Smith

/s/Mark J. Silverman  
Mark J. Silverman

/s/Richard P. Dulik  
Richard P. Dulik

GT BIOPHARMA:  
**GT BIOPHARMA, INC.,**  
a Delaware corporation

By: /s/ Anthony Cataldo  
Anthony Cataldo  
Its: CEO

GT BIOPHARMA SUBSIDIARY:  
**GT BIOPHARMA MERGER, CO.,** a Delaware corporation  
By: /s/ Steven Weldon  
Steven Weldon  
Its: President

*[Signature Page to Agreement and Plan of Merger]*

ANNEX A

Shareholders' Registration Rights

1.1 **Registration of GT Biopharma Shares.** At the election of the Shareholders, which shall not be made prior to the six (6)-month anniversary of the Closing Date, GT Biopharma shall file a registration statement under the Securities Act, necessary to register and facilitate the sale of the GT Biopharma Shares, for sale by any and all Shareholders in full compliance with the Securities Act.

**1.2 Piggyback Registration.**

(a) If GT Biopharma shall determine to register any of its securities either for its own account or the account of a security holder or holders exercising their respective demand registration rights, other than a registration pursuant to Section 1.1 or 1.3 of this Annex A, a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities, or a registration relating solely to a Rule 145 transaction, GT Biopharma shall:

(i) promptly give to each Shareholder written notice thereof; and

(ii) use commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.2(b) of this Annex A, and in any underwriting involved therein, all the GT Biopharma Shares specified in a written request or requests, made by any Shareholder and received by GT Biopharma within ten (10) days after the written notice from GT Biopharma described in clause (i) above is given by GT Biopharma. Such written request may specify all or a part of a Shareholder's GT Biopharma Shares.

(b) If the registration of which GT Biopharma gives notice is for a registered public offering involving an underwriting, GT Biopharma shall so advise the Shareholders as a part of the written notice given pursuant to Section 1.2(a)(i) of this Annex A. In such event, the right of any Shareholder to include GT Biopharma Shares in such registration pursuant to this Section 1.2 shall be conditioned upon such Shareholder's participation in such underwriting and the inclusion of such Shareholder's GT Biopharma Shares in the underwriting to the extent provided herein. All Shareholders proposing to distribute their securities through such underwriting shall (together with GT Biopharma Shares and any other stockholders of GT Biopharma distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by GT Biopharma.

(c) Notwithstanding any other provision of this Section 1.2, if the representative of the underwriters advises GT Biopharma that marketing factors require a limitation on the number of securities sold other than by GT Biopharma, the representative may (subject to the limitations set forth below) exclude all GT Biopharma Shares from, or limit the number of GT Biopharma Shares to be included in, the registration and underwriting. GT Biopharma may limit, to the extent so advised by the underwriters, the amount of securities to be

included in the registration by GT Biopharma's stockholders (including the Shareholders); provided, however, that the number GT Biopharma Shares to be included in such registration by GT Biopharma's stockholders (including the Shareholders) may not be so reduced to less than twenty-five percent (25%) of the total number of all securities included in such registration. GT Biopharma shall so advise all holders of securities requesting registration, and the number of securities that are entitled to be included in the registration and underwriting shall be allocated first to GT Biopharma for securities being sold for its own account and thereafter as set forth in Section 1.11 of this Annex A. If any person does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from GT Biopharma or the underwriter. Any securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. If securities are so withdrawn from the registration and if the number of securities to be included in such registration was previously reduced as a result of marketing factors, GT Biopharma shall then offer to all persons who have retained the right to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of securities so withdrawn, with such securities to be allocated among the persons requesting additional inclusion in accordance with Section 1.11 of this Annex A. To facilitate the allocation of securities in accordance with the above provisions, GT Biopharma or the underwriter(s) may round the number of securities allocated to any Shareholder to the nearest 100 shares.

(d) Right to Terminate Registration. GT Biopharma shall have the right to terminate or withdraw any registration initiated by it under this Section 1.2 prior to the effectiveness of such registration whether or not any Shareholder has elected to include securities in such registration.

### **1.3 Registration on Form S-3.**

(a) After GT Biopharma has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Annex A, each Shareholder shall have the right to request registrations on Form S-3 (such requests shall be in writing and shall state the number of GT Biopharma Shares to be disposed of and the intended methods of disposition of such securities by such Shareholder); provided, however, that GT Biopharma shall not be obligated to effect any such registration:

(i) if such Shareholder, together with the holders of any other securities of GT Biopharma entitled to inclusion in such registration, propose to sell GT Biopharma Shares and such other securities (if any) on Form S-3 at an aggregate price to the public of less than \$250,000; or

(ii) in a given twelve (12) month period, after GT Biopharma has effected one (1) such registration in any such period.

(b) If a request complying with the requirements of Section 1.3(a) of this Annex A is delivered to GT Biopharma, GT Biopharma shall (i) within ten (10) days of receipt thereof, give written notice of the proposed registration to all other Shareholders; and (ii) as soon as practicable, and in any event within sixty (60) days of receipt of such request, file a registration statement covering such GT Biopharma Shares of the initiating Shareholder as are

specified in such request, together with the GT Biopharma Shares of other any other Shareholders joining in such request as are specified in a written request received by GT Biopharma within ten (10) days after such written notice from GT Biopharma is given, and use commercially reasonable efforts to effect such registration.

1.4 **Expenses of Registration.** All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Sections 1.1, 1.2 or 1.3 of this Annex A shall be borne by GT Biopharma; provided, however, that GT Biopharma shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.3 of this Annex A if the registration request is subsequently withdrawn at the request of the Shareholders of a majority of the GT Biopharma Shares to be registered or because a sufficient number of Shareholders shall have withdrawn so that the minimum offering conditions set forth in Section 1.3 of this Annex A are no longer satisfied (in which case all participating Shareholders shall bear such expenses pro rata among such Shareholders based on the number of GT Biopharma Shares requested to be so registered), unless the Shareholders of a majority of the GT Biopharma Shares agree to forfeit their right to a demand registration pursuant to Section 1.3 of this Annex A; provided, further, however, that if such withdrawal occurs prior to the date the registration statement shall have become effective and is based upon material adverse information relating to GT Biopharma that is different from the information known to the Shareholders requesting registration at the time of their request for registration under Section 1.3 of this Annex A, such registration shall not be treated as a counted registration for purposes of Section 1.3 of this Annex A, even though the Shareholders do not bear the Registration Expenses for such registration. All Selling Expenses relating to securities so registered shall be borne by the holders of such securities pro rata on the basis of the number of securities so registered on their behalf.

1.5 **Registration Procedures.** In the case of each registration effected by GT Biopharma pursuant to Section 1.1, 1.2 or 1.3 of this Annex A, GT Biopharma will keep each Shareholder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, GT Biopharma shall use commercially reasonable efforts to:

- (a) Keep such registration effective for a period of one hundred twenty (120) days or until the Shareholder or Shareholders have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that
  - (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Shareholder refrains from selling any securities included in such registration at the request of an underwriter of common stock (or other securities) of GT Biopharma; and
  - (ii) in the case of any registration of GT Biopharma Shares on Form S-3 which are intended to be offered on a continuous or delayed basis, subject to compliance with rules of the Securities and Exchange Commission, such one hundred twenty (120) day period shall be extended for up to sixty (60) days, if necessary, to keep the registration statement effective until all such GT Biopharma Shares are sold;
- (b) Prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions

of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) Furnish such number of copies of a prospectus, including a preliminary prospectus, and any Free Writing Prospectus, including any amendments or supplements thereto, and other documents incident thereto, as a Shareholder from time to time may reasonably request in order to facilitate the distribution of such Shareholder's GT Biopharma Shares;

(d) Notify each seller of GT Biopharma Shares covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of GT Biopharma) relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of GT Biopharma) as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(e) Cause all such GT Biopharma Shares registered hereunder to be listed on each securities exchange on which similar securities issued by GT Biopharma are then listed;

(f) Provide a transfer agent and registrar for all GT Biopharma Shares registered pursuant to such registration statement and a CUSIP number for all such GT Biopharma Shares, in each case not later than the effective date of such registration;

(g) In connection with any underwritten offering pursuant to a registration statement filed pursuant to this Annex A, GT Biopharma will enter into an underwriting agreement reasonably necessary to effect the offer and sale of its common stock, provided such underwriting agreement contains customary underwriting provisions and provided further that if the underwriter so requests the underwriting agreement will contain customary contribution provisions;

(h) Furnish, at the request of any Shareholder requesting registration of GT Biopharma Shares pursuant to this Annex A, on the date that such GT Biopharma Shares are delivered to the underwriters for sale in connection with a registration pursuant to this Annex A, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing GT Biopharma for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Shareholders requesting registration of GT Biopharma Shares and (ii) a letter dated such date, from the independent certified public accountants of GT Biopharma, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten

public offering, addressed to the underwriters, if any, and to the Shareholders requesting registration of GT Biopharma Shares; and

(i) Register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Shareholders, provided that GT Biopharma shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

1.6 **Indemnification.** GT Biopharma will indemnify each Shareholder and each of his or her legal counsel, and accountants against all expenses, claims, losses, damages, and liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular, or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification, or compliance, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by GT Biopharma of the Securities Act, any state or other securities laws or any rule or regulation thereunder applicable to GT Biopharma and relating to action or inaction required of GT Biopharma in connection with any such registration, qualification, or compliance, and will reimburse each such Shareholder and each of his or her legal counsel, and accountants for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or action; provided that GT Biopharma will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on any untrue statement or omission based upon written information furnished to GT Biopharma by such Shareholder or underwriter and stated to be specifically for use therein. It is agreed that the indemnity agreement contained in this Section 1.6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of GT Biopharma (which consent has not been unreasonably withheld).

1.7 **Information by Shareholders.** Each Shareholder of GT Biopharma Shares shall furnish to GT Biopharma such information regarding such Shareholder and the distribution proposed by such Shareholder as GT Biopharma may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Annex A.

1.8 **Limitations on Subsequent Registration Rights.** After the date of this Agreement, GT Biopharma shall not, without the prior written consent of Shareholders of a majority of the GT Biopharma Shares, enter into any agreement with any holder or prospective holder of any securities of GT Biopharma giving such holder or prospective holder any registration rights the terms of which are more favorable than or on parity with the registration rights granted to the Shareholders hereunder, unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities would not reduce the number of GT Biopharma Shares included by the Shareholders.

1.9 **Rule 144 Reporting.** With a view to making available the benefits of certain rules and regulations of the Securities and Exchange Commission that may permit the sale of the GT Biopharma Shares to the public without registration, GT Biopharma agrees to use commercially reasonable efforts to:

(a) Make and keep public information regarding GT Biopharma available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after ninety (90) days following the effective date of the first registration under the Securities Act filed by GT Biopharma for an offering of its securities to the general public;

(b) File with the Securities and Exchange Commission in a timely manner all reports and other documents required of GT Biopharma under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(c) So long as a Shareholder owns any GT Biopharma Shares, furnish to the Shareholder forthwith upon written request a written statement by GT Biopharma as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following the effective date of the first registration statement filed by GT Biopharma for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of GT Biopharma, and such other reports and documents so filed as a Shareholder may reasonably request in availing itself of any rule or regulation of the Securities and Exchange Commission allowing a Shareholder to sell any such securities without registration.

1.10 **Transfer or Assignment of Registration Rights.** The rights to cause GT Biopharma to register securities granted to a Shareholder by GT Biopharma under this Annex A may be transferred or assigned by a Shareholder only to (a) a transferee or assignee of GT Biopharma Shares previously held by such Shareholder; or (b) a Family Member of such Shareholder or a trust for the benefit of such Shareholder or Family Member; provided, however, that in each such case GT Biopharma is given written notice at the time of or within a reasonable time after such transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned.

1.11 **Allocation of Registration Opportunities.** Except as otherwise provided in this Annex A, in any circumstance in which all of the GT Biopharma Shares requested to be included in a registration on behalf of the Shareholders cannot be so included as a result of limitations in the aggregate number of GT Biopharma Shares that may be so included, the number of GT Biopharma Shares shall be excluded by excluding GT Biopharma Shares, pro rata on the basis of the number of GT Biopharma Shares held by such Shareholders, until the aggregate number of GT Biopharma Shares may be included in such registration. If any Shareholder does not request inclusion of the maximum number of GT Biopharma Shares allocated to such person pursuant to the above described formula, the remaining portion of such person's allocation shall be reallocated among those requesting Shareholders whose allocations did not satisfy their requests, pro rata on the same basis as described above, and this procedure shall be repeated until all of the

GT Biopharma Shares that may be included in such registration on behalf of the Shareholders have been so allocated.

**1.12 “Market Stand-Off” Agreement.**

(a) Each Shareholder agrees that such Shareholder shall not sell or otherwise transfer, dispose of, make any short sale of, grant any option for the purchase of, or enter into any hedging of similar transaction with the same economic effect as a sale of, any common stock (or other securities) of GT Biopharma held by such Shareholder (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the initial registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or GT Biopharma shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation). The foregoing provisions of this Section 1.12 shall not apply to the sale of any securities to an underwriter pursuant to an underwriting agreement and shall only be applicable to the Shareholders if all then current officers and directors and greater than one percent (1%) stockholders of GT Biopharma enter into similar agreements. The underwriters in connection with any public offering subject to the provisions of this Section 1.12 are intended third party beneficiaries of this Section 1.12 and shall have the right to enforce the provisions hereof as though they were a party hereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by GT Biopharma or the underwriters shall apply to all Shareholders subject to such agreements pro rata based on the number of securities subject to such agreements, unless waived by the Shareholders of a majority of the GT Biopharma Shares.

(b) The obligations described in this Section 1.12 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. GT Biopharma may impose stop-transfer instructions with respect to the securities subject to the foregoing restriction until the end of the applicable periods. Each Shareholder agrees to execute a market standoff agreement with the underwriters in customary form consistent with the provisions of this Section 1.12.

1.13 **Delay of Registration.** No Shareholder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Annex A.

1.14 **Survival.** This Annex A shall survive the execution and delivery of this Agreement and the Closing Date and shall remain in full force and effect so long as any Shareholder and/or his or her permitted assigns hold any GT Biopharma Shares.

1.15 **Definitions.** For purposes of this Annex A:

(a) “Family Member” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships.



(b) "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act.

(c) "Registration Expenses" shall mean all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for GT Biopharma, blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, and fees and disbursements of one special counsel for the Shareholders (not to exceed \$50,000), but shall not include Selling Expenses and the compensation of regular employees of GT Biopharma, which shall be paid in any event by GT Biopharma.

(d) "Rule 145" shall mean Rule 145 as promulgated by the Securities and Exchange Commission under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the Securities and Exchange Commission.

Other capitalized terms used but not defined in this Annex A shall have the meaning given to them in the Agreement.

EXHIBIT A

FORM OF CERTIFICATE OF MERGER

[attached.]

STATE OF DELAWARE CERTIFICATE OF MERGER OF  
GT BIOPHARMA MERGER, CO. WITH AND INTO  
GEORGETOWN TRANSLATIONAL PHARMACEUTICALS, INC.

Pursuant to Title 8, Section 251(c) of the Delaware General Corporation Law (the "DGCL"), the undersigned corporation executed the following Certificate of Merger:

FIRST: The name of the surviving corporation is Georgetown Translational Pharmaceuticals, Inc., a Delaware corporation, and the name of the corporation being merged into this surviving corporation is GT Biopharma Merger, Co., a Delaware corporation.

SECOND: The Agreement and Plan of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the DGCL.

THIRD: The name of the surviving corporation is Georgetown Translational Pharmaceuticals, Inc., a Delaware corporation.

FOURTH: The Certificate of Incorporation of the surviving corporation shall be its Certificate of Incorporation.

FIFTH: The merger is to become effective upon filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

SIXTH: The Agreement and Plan of Merger is on file at 1825 K Street NW, Suite 510, Washington, DC 20006, the place of business of the surviving corporation.

SEVENTH: A copy of the executed Agreement and Plan of Merger will be furnished by the corporation on request, without cost, to any stockholder of the constituent corporations.

*[Signature Page Follows]*

IN WITNESS WHEREOF, said surviving corporation has caused this Certificate of Merger to be executed by its duly authorized officer, this first day of September, 2017.

**GEORGETOWN TRANSLATIONAL PHARMACEUTICALS,  
INC.**

By: /s/ Kathleen Clarence-Smith  
Name: Kathleen Clarence-Smith  
Title: Chief Executive Officer

SIGNATURE PAGE TO CERTIFICATE OF MERGER

**CERTIFICATE OF DESIGNATION OF  
PREFERENCES, RIGHTS AND LIMITATIONS OF  
SERIES J PREFERRED STOCK OF  
GT BIOPHARMA, INC.**

GT BIOPHARMA, INC. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY that, pursuant to authority conferred upon the Board of Directors by the Second Restated Certificate of Incorporation of the Corporation, as amended, and pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors, by resolutions adopted to be effective on September 1, 2017, duly determined that 2,000,000 of the authorized shares of Preferred Stock, \$.001 par value per share, of the Corporation shall be designated "Series J Preferred Stock," and duly adopted a resolution providing for the voting powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions, of the Series J Preferred Stock, which resolution is as follows:

"RESOLVED, that the Board of Directors, pursuant to the authority vested in it by the provisions of the Second Restated Certificate of Incorporation of the Corporation, as amended, hereby authorizes the issuance of 2,000,000 shares of Preferred Stock, \$.001 par value, of the Corporation, which shall be designated as "Series J Preferred Stock" (the "Series J Preferred Stock") and shall have the following designations, powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions:

1. Definitions.

As used herein, the following terms shall have the following meanings:

- (a) "Board" shall mean the Board of Directors of the Corporation.
- (b) "Common Stock" shall mean the Corporation's common stock, par value \$.001 per share.
- (c) "Issuance Date" shall mean the date on which the first share of Series J Preferred Stock is issued.
- (d) "Liquidation" shall mean any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation.
- (e) "Preferred Stock" shall mean the Corporation's preferred stock, par value \$.001 per share.
- (f) "Securities Act" shall mean the Securities Act of 1933, as amended.

2. Rank. The Series J Preferred Stock will rank on parity to any class or series of our capital stock hereafter created specifically ranking by its terms on parity with the Series J Preferred Stock.

3. Dividends. Shares of Series J Preferred Stock will not be entitled to receive any dividends, unless and until specifically declared by our board of directors. The holders of the Series J Preferred Stock will participate, on an as-if-converted-to-common stock basis, in any dividends to the holders of common stock.

4. Voting Rights. Shares of Series J Preferred Stock will have the same voting rights as shares of common stock with each share of Series J Preferred Stock entitled to one vote at a meeting of the shareholders of the Corporation.

5. Liquidation Preference. In the event of our liquidation, dissolution or winding up, holders of the Series J Preferred Stock will be on parity with the holders of our common stock and will participate, on an as-if-converted-to-common stock basis, in any distributions to the holders of common stock.

6. Conversion Rights. The holders of shares of Series J Preferred Stock shall have the following conversion rights:

A. *Conversion Rate*. Each share of the Series J Preferred Stock is convertible into one share of our common stock at any time at the option of the holder (the "Conversion Rate").

B. *Upon Extraordinary Common Stock Event*. Upon the happening of an Extraordinary Common Stock Event, shares of Series J Preferred Stock shall be impacted in the same way our shares of common stock were impacted by the Extraordinary Common Stock Event. An "Extraordinary Common Stock Event" shall mean: (i) the issuance of additional shares of Common Stock as a dividend or other distribution on the outstanding shares of Common Stock, (ii) the subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) the combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock, in each case other than pursuant to a transaction provided for in Section 6C or 6D.

C. *Capital Reorganization or Reclassification*. If the shares of Common Stock issuable upon conversion of Series J Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock, whether by reorganization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for in Section 6B, or a reorganization, merger, consolidation or sale of assets provided for in Section 6D), then and in each such event, the holders of shares of Series J Preferred Stock shall have the right thereafter to convert such shares into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification or other change by the holders of the number of shares of Common Stock into which such shares of Series J Preferred Stock were convertible immediately prior to such reorganization, reclassification or other change, all subject to further adjustment as provided herein.

D. *Reorganization, Merger or Consolidation.* If at any time or from time to time there shall be a reorganization, reclassification or recapitalization of the capital stock (other than a subdivision, combination, reorganization, reclassification or exchange of shares provided for elsewhere in this Section 6) (a "Reorganization"), then as a part of such Reorganization, provision shall be made so that each holder of Series J Preferred Stock shall thereafter be entitled to receive upon conversion of such shares of Series J Preferred Stock, the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock into which such holder's shares of Series J Preferred Stock were convertible immediately prior to such Reorganization would have been entitled upon consummation of such Reorganization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the holders of Series J Preferred Stock after the Reorganization to the end that the provisions of this Section 6 (including adjustment of the Conversion Value then in effect, and the number of shares of Common Stock issuable upon conversion of the Series J Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

E. *Exercise of Conversion Privilege.* To exercise the conversion right set forth in Section 6A, a holder of shares of Series J Preferred Stock shall surrender the certificates representing the shares being converted to the Corporation at its principal office, and shall give written notice to the Corporation at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificates for shares of Series J Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Corporation or in blank. The date when such written notice is received by the Corporation, together with the certificates representing the shares of Series J Preferred Stock being converted, shall be deemed the "Conversion Date." As promptly as practicable after the Conversion Date, the Corporation shall issue and deliver certificates to each holder of shares of Series J Preferred Stock so converted, or on its written order, such certificates as it may request, for the number of whole shares of Common Stock issuable upon the conversion of such shares of Series J Preferred Stock in accordance with the provisions of this Section 6, and cash as provided in Section 6K, in respect of any fraction of a share of Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series J Preferred Stock shall cease and the person or persons in whose name or names any certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

G. *Cash in Lieu of Fractional Shares.* No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon any conversion of shares of Series J Preferred Stock. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of shares of Series J Preferred Stock, the Corporation shall pay to the holder of shares of Series J Preferred Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the Market Price per share of the Common Stock at the close of business on the Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series J Preferred Stock so converted at any one time by any holder thereof, and not upon each share of Series J Preferred Stock so converted.

H. *Partial Conversion.* In the event some but not all of the shares of Series J Preferred Stock represented by a certificate surrendered by a holder are converted, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the number of shares of Series J Preferred Stock which were not converted.

I. *Reservation of Common Stock.* The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of shares of Series J Preferred Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series J Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series J Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

J. *No Reissuance of Series J Preferred Stock.* Shares of Series J Preferred Stock which are converted into shares of Common Stock as provided herein shall not be reissued.

K. *Issue Tax.* The issuance of certificates for shares of Common Stock upon conversion of any shares of Series J Preferred Stock shall be made without charge to the holders thereof for any issuance tax in respect thereof; provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the shares of Series J Preferred Stock which are being converted.

L. *Closing of Books.* The Corporation will at no time close its transfer books against the transfer of any shares of Series J Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of Series J Preferred Stock in any manner which interferes with the timely conversion of such shares of Series J Preferred Stock, except as may otherwise be required to comply with applicable securities laws.



M. Beneficial Ownership Limitation. The Corporation shall not effect any conversion of the Series J Preferred Stock, and a Holder shall not have the right to convert any portion of the Preferred Stock, to the extent that, after giving effect to the conversion set forth on the applicable Notice of Conversion, such Holder (together with such Holder's Affiliates, and any Persons acting as a group together with such Holder or any of such Holder's Affiliates (such Persons, "Attribution Parties")) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon conversion of the Series J Preferred Stock with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted Stated Value of Preferred Stock beneficially owned by such Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, the Preferred Stock or the Warrants) beneficially owned by such Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 6M, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 6M applies, the determination of whether the Preferred Stock is convertible (in relation to other securities owned by such Holder together with any Affiliates and Attribution Parties) and of how many shares of Preferred Stock are convertible shall be in the sole discretion of such Holder, and the submission of a Notice of Conversion shall be deemed to be such Holder's determination of whether the shares of Preferred Stock may be converted (in relation to other securities owned by such Holder together with any Affiliates and Attribution Parties) and how many shares of the Preferred Stock are convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, each Holder will be deemed to represent to the Corporation each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 6M, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Corporation or (iii) a more recent written notice by the Corporation or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request (which may be via email) of a Holder, the Corporation shall within two Trading Days confirm orally and in writing to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including the Preferred Stock, by such Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Series J Preferred Stock held by the applicable Holder. A Holder, upon notice to the Corporation, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 6M applicable to its Preferred Stock provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Series J Preferred Stock held by the Holder and the provisions of this Section 6M shall continue to apply. Any such increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Corporation and shall only apply to such Holder and no other Holder. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6M to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Preferred Stock.

7. Miscellaneous.

(a) The Corporation covenants that all shares of Common Stock which may be issued upon conversions of shares of Series J Preferred Stock will upon issuance be duly and validly issued, fully paid and nonassessable, free of all liens and charges and not subject to any preemptive rights.

(b) No share or shares of Series J Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise, shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

The number of shares of Series J Preferred Stock is 2,000,000, none of which have been issued.

IN WITNESS WHEREOF, this Certificate of Designation has been signed by an authorized officer of the Corporation as of the date first written above.

By:

/s/ Steven Weldon

Name: Steven Weldon

Title: CFO

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into by and among GT Biopharma, Inc. (the "Parent"), Georgetown Translational Pharmaceuticals, Inc. (the "Subsidiary" and together with the Parent, the "Companies" and each, a "Company") and Kathleen Clarence-Smith ("Executive") as of September 1, 2017 (the "Effective Date").

**WHEREAS**, each Company is desirous of employing Executive, and Executive wishes to be employed by each Company in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Position and Duties:** Executive shall be employed by each Company as its Chief Executive Officer ("CEO") reporting to the Board of Directors of each Company. CEO agrees to devote the necessary business time, energy and skill to her duties at each Company, and will be permitted engage in outside consulting and/or employment provided said services do not materially interfere with Executive's obligations to each Company under the terms of this Agreement. Executive agrees to advise the Board of Directors of the Parent of any outside services, and such Board's approval of Executive's participation in any such outside services shall not be unreasonably withheld or delayed. If such Board does not affirmatively approve of any such outside engagements within thirty (30) days after Executive informs the Board, the Board's approval shall be deemed to have been given. The duties of Executive under this Agreement shall include all those duties customarily performed by a CEO as well as providing advice and consultation on general corporate matters, particularly related to shareholder and investor relations, assisting the Parent with respect to raising equity and other financing for the Companies, and other projects as may be assigned by either Company's Board of Directors on an as needed basis. During the term of Executive's employment, Executive shall have the right to serve on boards of directors of other for-profit or not-for-profit entities provided such service does not materially adversely affect the performance of Executive's duties to each Company under this Agreement, and are not in conflict with the interests of each Company. For the avoidance of doubt, without any approval, Executive shall have the right to serve on boards of directors of, and otherwise provide services to, the entities as described on Exhibit A.

In addition to Executive's appointment as Chief Executive Officer of each Company, Executive shall be nominated to stand for election to the Board of Directors of each Company at each of its scheduled shareholders meeting so long as Executive remains as CEO of either Company. As a member of each Company's Board, Executive shall continue to be subject to the provisions of each Company's bylaws and all applicable general corporation laws relative to her position on the Board. In addition to each Company's bylaws, as a member of the Board, Executive shall also

be subject to the statement of powers, both specific and general, set forth in each Company's Articles of Incorporation.

2. **Term of Employment:** This Agreement shall remain in effect for a period of three years from the Effective Date, and thereafter will automatically renew for successive one year periods unless either party provides ninety days' prior written notice of termination. In the event either Company elects to terminate the Agreement, such termination shall be considered to be an Involuntary Termination, and Executive shall be provided benefits as provided in this Agreement. Upon the termination of Executive's employment for any reason, neither Executive nor the Companies shall have any further obligation or liability under this Agreement to the other, except as set forth below.

3. **Compensation:** Executive shall be compensated by the Parent for her services to the Companies as follows:

(a) **Base Salary:** CEO, Executive shall be paid a monthly Base Salary of \$500,000.00 per year. The monthly cash payment will be subject to applicable withholding, in accordance with the Parent's normal payroll procedures. Executive's salary shall be reviewed on at least an annual basis and may be adjusted as appropriate, but in no event shall it be reduced to an amount below Executive's salary then in effect. In the event of such an adjustment, that amount shall become Executive's Base Salary. Furthermore, during the term of this Agreement, in no event shall Executive's compensation be less than any other officer or employee of either Company or any subsidiary.

(b) **Benefits:** Executive shall have the right, on the same basis as other senior executives of either Company, to participate in and to receive benefits under any of either Company's employee benefit plans, medical insurance, as such plans may be modified from time to time, and provided that in no event shall Executive receive less than (4) four weeks paid vacation per annum, (6) six paid sick days per annum, and (5) five paid personal days per annum.

(c) **Performance Bonus:** Executive shall have the opportunity to earn a performance bonus in accordance with the Parent's Performance Bonus Plan if in effect ("Target Bonus"); if the Parent does not have a Bonus Plan in effect at any given time during the term of this Agreement, then the Parent's Compensation Committee or Board of Directors shall have discretion as to determining bonus compensation for Executive.

(d) **Stock and Options:** Within thirty (30) days after the Effective Date, the Parent shall award Executive restricted stock and/or options for such stock in an amount and subject to a vesting schedule (not to exceed four (4) years in total) that is reasonably satisfactory to Executive. Any such restricted stock and/or options shall fully accelerate on a Change in Control.

(e) **Expenses:** Parent shall reimburse Executive for reasonable travel, lodging, entertainment and meal expenses incurred in connection the performance of services within this Agreement. Executive shall be entitled to fly Business Class on any flight longer than four (4) hours and receive full reimbursement for such flight from the Parent.

(f) **Travel:** Executive shall travel as necessary from time to time to satisfy her performance and responsibilities under this Agreement.

#### 4. **Effect of Termination of Employment:**

(a) **Voluntary Termination:** In the event of Executive's voluntary termination from employment with the Companies, other than for Good Reason pursuant to Sections 5(d) or 5(e), Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of her termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of her termination. In the event that Executive's employment terminates as a result of her death or disability, Executive shall be entitled to a pro- rata share of the performance-based bonus for which Executive is then-eligible pursuant to Section 3(c) (presuming performance meeting, but not exceeding, target performance goals) in addition to all compensation and benefits earned under Section 3 through the date of termination.

(b) **Termination for Cause:** If Executive's employment is terminated by the Companies for Cause, Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of her termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of her termination. In the event that the Companies terminate Executive's employment for Cause, the Companies shall provide written notice to Executive of that fact prior to, or concurrently with, the termination of employment. Failure to provide written notice that the Companies contend that the termination is for Cause shall constitute a waiver of any contention that the termination was for Cause, and the termination shall be irrebuttably presumed to be an Involuntary Termination.

(c) **Involuntary Termination During Change in Control Period:** If Executive's employment with the Companies terminates as a result of a Change in Control Period Involuntary Termination, then, in addition to any other benefits described in this Agreement, Executive shall receive the following:

(i) all compensation and benefits earned under Section 3 through the date of Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred

and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life, disability insurance coverage at a level equivalent to that provided by the Companies for a period expiring upon the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive at the time of Involuntary Termination, the amount payable to Executive under subsections (i) through (iii), above, shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(d) Termination Without Cause in the Absence of Change in Control:** In the event that Executive's employment terminates as a result of a Non Change in Control Period Involuntary Termination, then Executive shall receive the following benefits:

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or

(b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(e) Resignation with Good Reason During Change in Control Period:** If Executive resigns her employment with the Companies as a result of a Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or

(b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(f) Resignation with Good Reason in the Absence of Change in Control:** If Executive resigns her employment with the Companies as a result of a Non Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred

and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or

(b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(g) **Resignation from Positions:** In the event that Executive's employment with the Companies is terminated for any reason, on the effective date of the termination Executive shall simultaneously resign from each position she holds on the Board and/or the Board of Directors of any of the Companies' affiliated entities and any position Executive holds as an officer of the Companies or any of the Companies' affiliated entities.

**5. Certain Definitions:** For the purpose of this Agreement, the following capitalized terms shall have the meanings set forth below:

(a) "Cause" shall mean any of the following occurring on or after the date of this Agreement :

(i) Executive's theft, dishonesty, breach of fiduciary duty for personal profit, or falsification of any employment or Company record;

(ii) Executive's willful violation of any law, rule, or regulation (other than traffic violations, misdemeanors or similar offenses) or final cease-and-desist order, in each case that involves moral turpitude;

(iii) any material breach by Executive of either Company's Code of Professional Conduct, which breach shall be deemed "material" if it results from an intentional act by Executive and has a material detrimental effect on either Company's reputation or business; or

(iv) any material breach by Executive of this Agreement, which breach, if curable, is not cured within thirty (30) days following written notice of such breach from the applicable Company.



(b) "Change in Control" shall mean the occurrence of any of the following events:

(i) the Parent is party to a merger or consolidation which results in the holders of the voting securities of the Parent outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the securities entitled to vote generally in the election of directors of the Parent or the surviving entity outstanding immediately after such merger or consolidation.

(ii) a change in the composition of the Board of Directors of the Parent occurring within a period of twenty-four (24) consecutive months, as a result of which fewer than a majority of the directors are Incumbent Directors;

(iii) effectiveness of an agreement for the sale, lease or disposition by the Parent of all or substantially all of the Parent's assets;  
or

(iv) a liquidation or dissolution of the Parent.

(c) "Change in Control Period" shall mean the period commencing on the date sixty (60) days prior to the date of consummation of the Change of Control

and ending one hundred eighty (180) days following consummation of the Change of Control.

(d) "Change in Control Period Good Reason" shall mean Executive's resignation for any of the following conditions, first occurring during a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's Base Salary, a decrease in Executive's Target Bonus (as a multiple of Executive's Base Salary) under the Performance Bonus Plan, or a decrease in employee benefits, in each case other than as part of any across-the-board reduction applying to all senior executives of either Company which does not have adverse effect on the Executive disproportionate to similarly situated executives of an acquirer;

(ii) a material, adverse change in Executive's title, authority, responsibilities, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change.

(iii) a change in the Executive's ability to maintain her principal workplace in Washington, D.C.;

(iv) any material breach by either Company of any provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(v) any failure of the Parent to obtain the assumption of this Agreement by any of the Parent's successors or assigns by purchase, merger, consolidation, sale of assets or otherwise.

(vi) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(e) "Non Change in Control Period Good Reason" shall mean the Executive's resignation within six months of any of the following conditions first occurring outside of a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's total cash compensation opportunity (adding Base Salary and Target Bonus) of greater than ten percent (10%);

(ii) a material, adverse change in Executive's title, authority, responsibilities or duties, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change;

(iii) any material breach by either Company of a provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(iv) a change in the Executive's ability to maintain her principal workplace in Washington, D.C.;

(v) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Non Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(f) "Incumbent Directors" shall mean members of the Board who either (a) are members of the Board as of the date hereof, or (b) are elected, or nominated for election, to the Board with the affirmative vote of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board).

(g) "Change in Control Period Involuntary Termination" shall mean during a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Change in Control Period

Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies; or

(h) "Non Change in Control Period Involuntary Termination" shall mean outside a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination by as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Non Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies.

6. **Dispute Resolution:** In the event of any dispute or claim relating to or arising out of this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, sex, race or other discrimination), Executive and the Companies agree that all such disputes shall be fully addressed and finally resolved by binding arbitration conducted by the American Arbitration Association in New York City, in the State of New York in accordance with its National Employment Dispute Resolution rules. In connection with any such arbitration, the Parent shall bear all costs not otherwise borne by a plaintiff in a court proceeding. Each Company agrees that any decisions of the Arbitration Panel will be binding and enforceable in any state that either Company conducts the operation of its business.

7. **Attorneys' Fees:** The prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any action brought to enforce any right arising out of this Agreement.

#### 8. **Restrictive Covenants:**

(a) **Nondisclosure.** During the term of this Agreement and following termination of the Executive's employment with the Companies, Executive shall not divulge, communicate, use to the detriment of the Companies or for the benefit of any other person or persons, or misuse in any way, any Confidential Information (as hereinafter defined) pertaining to the business of the Companies. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Companies (which shall include, but not be limited to, confidential information concerning each Company's financial condition, prospects, technology, customers, suppliers, methods of doing business and promotion of each Company's products and services) shall be deemed a valuable, special and unique asset of each Company that is received by the Executive in confidence and as a fiduciary. For purposes of this Agreement "Confidential Information" means information disclosed to the Executive or known by the Executive as a consequence of or through her employment by each Company (including information conceived, originated, discovered or developed by the Executive) prior to or after the date hereof and not generally known or in the public domain, about each Company or its business. Notwithstanding the foregoing, none of the following information shall be treated as Confidential Information: (i) information which is known to the public at the time of disclosure to Executive, (ii) information

which becomes known to the public by publication or otherwise after disclosure to Executive,

(iii) information which Executive can show by written records was in her possession at the time of disclosure to Executive, (iv) information which was rightfully received by Executive from a third party without violating any non-disclosure obligation owed to or in favor of the Companies, or (v) information which was developed by or on behalf of Executive independently of any disclosure hereunder as shown by written records. Nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information to the extent required by law or by any court.

(b) **Non-Competition.** The Executive shall not, while employed by either Company and for a period of one year following the date of termination for Cause, or resignation other than for Good Reason pursuant to Sections 5(d) or 5(e), engage or participate, directly or indirectly (whether as an officer, director, employee, partner, consultant, or otherwise), in any business that manufactures, markets or sells products that directly compete with any product of either Company that is significant to such Company's business based on sales and/or profitability of any such product as of the date of termination of Executive's employment with such Company. Nothing herein shall prohibit Executive from being a passive owner of less than 5% stock of any entity directly engaged in a competing business.

(c) **Property Rights; Assignment of Inventions.** Except as set forth below, with respect to information, inventions and discoveries or any interest in any copyright and/or other property right developed, made or conceived of by Executive, either alone or with others, during her employment by each Company arising out of such employment and pertinent to any field of business or research in which, during such employment, each Company is engaged or (if such is known to or ascertainable by Executive) is considering engaging, Executive hereby agrees:

(i) that all such information, inventions and discoveries or any interest in any copyright and/or other property right, whether or not patented or patentable, shall be and remain the exclusive property of the Companies;

(ii) to disclose promptly to an authorized representative of the Parent all such information, inventions and discoveries or any copyright and/or other property right and all information in Executive's possession as to possible applications and uses thereof;

(iii) not to file any patent application relating to any such invention or discovery except with the prior written consent of an authorized officer of the Parent (other than Executive);

(iv) that Executive hereby waives and releases any and all rights Executive may have in and to such information, inventions and discoveries, and hereby assigns to Executive and/or its nominees all of Executive's right, title and interest in them, and all Executive's right, title and interest in any patent, patent application, copyright or other property right based thereon. Executive hereby irrevocably designates and appoints the Parent and each of its duly authorized officers and agents as her agent and attorney-in-fact to act for her and on her behalf and in her

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stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance and enforcement of any such patent, patent application, copyright or other property right with the same force and effect as if executed and delivered by Executive; and

(v) at the request of the Parent, and without expense to Executive, to execute such documents and perform such other acts as the Parent deems necessary or appropriate, for the Companies to obtain patents on such inventions in a jurisdiction or jurisdictions designated by the Parent, and to assign to the Companies or their respective designees such inventions and any and all patent applications and patents relating thereto.

Notwithstanding the foregoing, any information, inventions, or discoveries (whether patentable or not), or interest in any copyright and/or other property right, developed, made or conceived of by Executive, either alone or with others and irrespective of whether developed, made or conceived during Executive's employment with either Company, for the benefit of one of the entities set forth on Exhibit A and relating to a disease that such entity targets, shall be and remain the exclusive property of such entity and not of the Companies.

#### 9. General:

(a) **Successors and Assigns:** The provisions of this Agreement shall inure to the benefit of and be binding upon the Companies, Executive and each and all of their respective heirs, legal representatives, successors and assigns. The duties, responsibilities and obligations of Executive under this Agreement shall be personal and not assignable or delegable by Executive in any manner whatsoever to any person, corporation, partnership, firm, company, joint venture or other entity. Executive may not assign, transfer, convey, mortgage, pledge or in any other manner encumber the compensation or other benefits to be received by her or any rights which she may have pursuant to the terms and provisions of this Agreement.

(b) **Amendments; Waivers:** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Parent (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Notices:** Any notices to be given pursuant to this Agreement by either party may be effected by personal delivery or by overnight delivery with receipt requested. Mailed notices shall be addressed to the parties at the addresses stated below, but each party may change its or his/her address by written notice to the other in accordance with this subsection (c). Mailed notices to Executive shall be addressed as follows:

Kathleen Clarence-Smith Suite 520

1825 K Street NW Washington, DC 20006  
E-mail: kcs@gt-pharmaceuticals.com

Mailed notices to the Companies shall be addressed as follows: GT Biopharma, Inc.

Georgetown Translational Pharmaceuticals, Inc. Attention: Anthony J. Cataldo, Executive  
Chairman 100 South Ashley Drive, Suite 600  
Tampa, FL 33602

(d) **Entire Agreement:** This Agreement constitutes the entire employment agreement among Executive and the Companies regarding the terms and conditions of her employment, with the exception of (a) the agreement described in Section 7 and (b) any stock option, restricted stock or other Company stock-based award agreements among Executive and the Companies to the extent not modified by this Agreement. This Agreement (including the other documents referenced in the previous sentence) supersedes all prior negotiations, representations or agreements among Executive and the Companies, whether written or oral, concerning Executive's employment by the Companies.

(e) **Withholding Taxes:** All payments made under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law.

(f) **Counterparts:** This Agreement may be executed by the Companies and Executive in counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

(g) **Headings:** Each and all of the headings contained in this Agreement are for reference purposes only and shall not in any manner whatsoever affect the construction or interpretation of this Agreement or be deemed a part of this Agreement for any purpose whatsoever.

(h) **Savings Provision:** To the extent that any provision of this Agreement or any paragraph, term, provision, sentence, phrase, clause or word of this Agreement shall be found to be illegal or unenforceable for any reason, such paragraph, term, provision, sentence, phrase, clause or word shall be modified or deleted in such a manner as to make this Agreement, as so modified, legal and enforceable under applicable laws. The remainder of this Agreement shall continue in full force and effect.

(i) **Construction:** The language of this Agreement and of each and every paragraph, term and provision of this Agreement shall, in all cases, for any and all purposes, and in any and all circumstances whatsoever be construed as a whole, according to its fair meaning, not strictly for

or against Executive or the Companies, and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

(j) **Further Assurances:** From time to time, at the Companies' request and without further consideration, Executive shall execute and deliver such additional documents and take all such further action as reasonably requested by the Companies to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of this Agreement and to provide adequate assurance of Executive's due performance hereunder.

(k) **Governing Law:** Executive and the Companies agree that this Agreement shall be interpreted in accordance with and governed by the laws of the State of Delaware.

(1) **Board Approval:** Each Company warrants to Executive that the Board of Directors of such Company has ratified and approved this Agreement, and that the Parent will cause the appropriate disclosure filing to be made with the Securities and Exchange Commission in a timely manner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written below.

**EXECUTIVE:**

Date: September 1, 2017

\_\_\_\_\_  
Kathleen Clarence-Smith

**GT BIOPHARMA, INC.**

Date:

\_\_\_\_\_  
Anthony Cataldo, Executive Chairman

**GEORGETOWN TRANSLATIONAL PHARMACEUTICALS, INC.**

Date:

\_\_\_\_\_  
Anthony Cataldo, Executive Chairman

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into by and among GT Biopharma, Inc. (the "Parent"), Georgetown Translational Pharmaceuticals, Inc. (the "Subsidiary" and together with the Parent, the "Companies" and each, a "Company") and Anthony Cataldo ("Executive") as of September 1, 2017 (the "Effective Date").

**WHEREAS**, each Company is desirous of employing Executive, and Executive wishes to be employed by each Company in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Position and Duties:** Executive shall be employed by each Company as its Executive Chairman ("Chairman") reporting to the Board of Directors of each Company. Chairman agrees to devote the necessary business time, energy and skill to his duties at each Company, and will be permitted engage in outside consulting and/or employment provided said services do not materially interfere with Executive's obligations to each Company under the terms of this Agreement. Executive agrees to advise the Board of Directors of the Parent of any outside services, and such Board's approval of Executive's participation in any such outside services shall not be unreasonably withheld or delayed. If such Board does not affirmatively approve of any such outside engagements within thirty (30) days after Executive informs the Board, the Board's approval shall be deemed to have been given. These duties of Executive under this Agreement shall include all those duties customarily performed by a Chairman as well as providing advice and consultation on general corporate matters and other projects as may be assigned by the Company's Board of Directors on an as needed basis. During the term of Executive's employment, Executive shall be permitted to serve on boards of directors of for-profit or not-for-profit entities provided such service does not adversely affect the performance of Executive's duties to the Company under this Agreement, and are not in conflict with the interests of the Company.

Executive shall be nominated to stand for election to the Board of Directors of each Company of its scheduled shareholders meeting so long as Executive remains as Chairman of either Company. As a member of each Company's Board, Executive shall continue to be subject to the provisions of each Company's bylaws and all applicable general corporation laws relative to her position on the Board. In addition to each Company's bylaws, as a member of the Board, Executive shall also be subject to the statement of powers, both specific and general, set forth in each Company's Articles of Incorporation.



2. **Term of Employment:** This Agreement shall remain in effect for a period of three years from the Effective Date, and thereafter will automatically renew for successive one year periods unless either party provides ninety days' prior written notice of termination. In the event either Company elects to terminate the Agreement, such termination shall be considered to be an Involuntary Termination, and Executive shall be provided benefits as provided in this Agreement. Upon the termination of Executive's employment for any reason, neither Executive nor the Companies shall have any further obligation or liability under this Agreement to the other, except as set forth below.

3. **Compensation:** Executive shall be compensated by the Parent for his services to the Companies as follows:

(a) **Base Salary:** Executive shall be paid a monthly Base Salary of \$500,000.00 per year. The monthly cash payment will be subject to applicable withholding, in accordance with the Parent's normal payroll procedures. Executive's salary shall be reviewed on at least an annual basis and may be adjusted as appropriate, but in no event shall it be reduced to an amount below Executive's salary then in effect. In the event of such an adjustment, that amount shall become Executive's Base Salary. Furthermore, during the term of this Agreement, in no event shall Executive's compensation be less than any other officer or employee of either Company or any subsidiary.

(b) **Benefits:** Executive shall have the right, on the same basis as other senior executives of either Company, to participate in and to receive benefits under any of either Company's employee benefit plans, medical insurance, as such plans may be modified from time to time, and provided that in no event shall Executive receive less than (4) four weeks paid vacation per annum, (6) six paid sick days per annum, and (5) five paid personal days per annum.

(c) **Performance Bonus:** Executive shall have the opportunity to earn a performance bonus in accordance with the Parent's Performance Bonus Plan if in effect ("Target Bonus"); if the Parent does not have a Bonus Plan in effect at any given time during the term of this Agreement, then the Parent's Compensation Committee or Board of Directors shall have discretion as to determining bonus compensation for Executive.

(d) **General Grant:** Executive (or an entity controlled by Executive) shall be granted 5,129,660 shares of common stock in the Company (the "Stock Grant"), valued at the trading price as of the Effective Date, as consideration for entering into this Agreement and remaining an executive for the entire Term. Such stock shall vest and be delivered to Executive within thirty (30) days following the Effective Date.

(e) **Expenses:** Parent shall reimburse Executive for reasonable travel, lodging, entertainment and meal expenses incurred in connection the performance of services within this Agreement. Executive shall be entitled to fly Business Class on any flight longer than four (4) hours and receive full reimbursement for such flight from the Parent.

(f) **Travel:** Executive shall travel as necessary from time to time to satisfy his performance and responsibilities under this Agreement.

#### 4. Effect of Termination of Employment:

(a) **Voluntary Termination:** In the event of Executive's voluntary termination from employment with the Companies, other than for Good Reason pursuant to Sections 5(d) or 5(e), Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that Executive's employment terminates as a result of his death or disability, Executive shall be entitled to a pro-rata share of the performance-based bonus for which Executive is then-eligible pursuant to Section 3(c) (presuming performance meeting, but not exceeding, target performance goals) in addition to all compensation and benefits earned under Section 3 through the date of termination.

(b) **Termination for Cause:** If Executive's employment is terminated by the Companies for Cause, Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that the Companies terminate Executive's employment for Cause, the Companies shall provide written notice to Executive of that fact prior to, or concurrently with, the termination of employment. Failure to provide written notice that the Companies contend that the termination is for Cause shall constitute a waiver of any contention that the termination was for Cause, and the termination shall be irrebuttably presumed to be an Involuntary Termination.

(c) **Involuntary Termination During Change in Control Period:** If Executive's employment with the Companies terminates as a result of a Change in Control Period Involuntary Termination, then, in addition to any other benefits described in this Agreement, Executive shall receive the following:

- (i) all compensation and benefits earned under Section 3 through the date of Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life, disability insurance coverage at a level equivalent to that provided by the Companies for a period expiring upon the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive at the time of Involuntary Termination, the amount payable to Executive under subsections (i) through (iii), above, shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(d) Termination Without Cause in the Absence of Change in Control:** In the event that Executive's employment terminates as a result of a Non Change in Control Period Involuntary Termination, then Executive shall receive the following benefits:

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(e) Resignation with Good Reason During Change in Control Period:** If Executive resigns his employment with the Companies as a result of a Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(f) Resignation with Good Reason in the Absence of Change in Control:** If Executive resigns his employment with the Companies as a result of a Non Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(g) **Resignation from Positions:** In the event that Executive's employment with the Companies is terminated for any reason, on the effective date of the termination Executive shall simultaneously resign from each position he holds on the Board and/or the Board of Directors of any of the Companies' affiliated entities and any position Executive holds as an officer of the Companies or any of the Companies' affiliated entities.

5. **Certain Definitions:** For the purpose of this Agreement, the following capitalized terms shall have the meanings set forth below:

(a) "Cause" shall mean any of the following occurring on or after the date of this Agreement :

(i) Executive's theft, dishonesty, breach of fiduciary duty for personal profit, or falsification of any employment or Company record;

(ii) Executive's willful violation of any law, rule, or regulation (other than traffic violations, misdemeanors or similar offenses) or final cease-and-desist order, in each case that involves moral turpitude;

(iii) any material breach by Executive of either Company's Code of Professional Conduct, which breach shall be deemed "material" if it results from an intentional act by Executive and has a material detrimental effect on either Company's reputation or business; or

(iv) any material breach by Executive of this Agreement, which breach, if curable, is not cured within thirty (30) days following written notice of such breach from the applicable Company.

(b) "Change in Control" shall mean the occurrence of any of the following events:

(i) the Parent is party to a merger or consolidation which results in the holders of the voting securities of the Parent outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the securities entitled to vote generally in the election of directors of the Parent or the surviving entity outstanding immediately after such merger or consolidation.

(ii) a change in the composition of the Board of Directors of the Parent occurring within a period of twenty-four (24) consecutive months, as a result of which fewer than a majority of the directors are Incumbent Directors;

(iii) effectiveness of an agreement for the sale, lease or disposition by the Parent of all or substantially all of the Parent's assets; or

(iv) a liquidation or dissolution of the Parent.

(c) "Change in Control Period" shall mean the period commencing on the date sixty (60) days prior to the date of consummation of the Change of Control and ending one hundred eighty (180) days following consummation of the Change of Control.

(d) "Change in Control Period Good Reason" shall mean Executive's resignation for any of the following conditions, first occurring during a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's Base Salary, a decrease in Executive's Target Bonus (as a multiple of Executive's Base Salary) under the Performance Bonus Plan, or a decrease in employee benefits, in each case other than as part of any across-the-board reduction applying to all senior executives of either Company which does not have adverse effect on the Executive disproportionate to similarly situated executives of an acquirer;

(ii) a material, adverse change in Executive's title, authority, responsibilities, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change.

(iii) a change in the Executive's ability to maintain his principal workplace in Beverly Hills, CA;

(iv) any material breach by either Company of any provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(v) any failure of the Parent to obtain the assumption of this Agreement by any of the Parent's successors or assigns by purchase, merger, consolidation, sale of assets or otherwise.

(vi) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(e) "Non Change in Control Period Good Reason" shall mean the Executive's resignation within six months of any of the following conditions first occurring outside of a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's total cash compensation opportunity (adding Base Salary and Target Bonus) of greater than ten percent (10%);

(ii) a material, adverse change in Executive's title, authority, responsibilities or duties, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change;

(iii) any material breach by either Company of a provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(iv) a change in the Executive's ability to maintain his principal workplace in Beverly Hills, CA;

(v) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Non Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(f) "Incumbent Directors" shall mean members of the Board who either (a) are members of the Board as of the date hereof, or (b) are elected, or nominated for election, to the Board with the affirmative vote of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board).

(g) "Change in Control Period Involuntary Termination" shall mean during a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies; or

(h) "Non Change in Control Period Involuntary Termination" shall mean outside a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination by as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Non Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies.

**6. Dispute Resolution:** In the event of any dispute or claim relating to or arising out of this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, sex, race or other discrimination), Executive and the Companies agree that all such disputes shall be fully addressed and finally resolved by binding arbitration conducted by the American Arbitration Association in New York City, in the State of New York in accordance with its National Employment Dispute Resolution rules. In connection with any such arbitration, the Parent shall bear all costs not otherwise borne by a plaintiff in a court proceeding. Each Company agrees that any decisions of the Arbitration Panel will be binding and enforceable in any state that either Company conducts the operation of its business.

**7. Attorneys' Fees:** The prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any action brought to enforce any right arising out of this Agreement.



## 8. Restrictive Covenants:

(a) **Nondisclosure.** During the term of this Agreement and following termination of the Executive's employment with the Companies, Executive shall not divulge, communicate, use to the detriment of the Companies or for the benefit of any other person or persons, or misuse in any way, any Confidential Information (as hereinafter defined) pertaining to the business of the Companies. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Companies (which shall include, but not be limited to, confidential information concerning each Company's financial condition, prospects, technology, customers, suppliers, methods of doing business and promotion of each Company's products and services) shall be deemed a valuable, special and unique asset of each Company that is received by the Executive in confidence and as a fiduciary. For purposes of this Agreement "Confidential Information" means information disclosed to the Executive or known by the Executive as a consequence of or through his employment by each Company (including information conceived, originated, discovered or developed by the Executive) prior to or after the date hereof and not generally known or in the public domain, about each Company or its business. Notwithstanding the foregoing, nothingnone of the following information shall be treated as Confidential Information: (i) information which is known to the public at the time of disclosure to Executive, (ii) information which becomes known to the public by publication or otherwise after disclosure to Executive, (iii) information which Executive can show by written records was in his possession at the time of disclosure to Executive, (iv) information which was rightfully received by Executive from a third party without violating any non-disclosure obligation owed to or in favor of the Companies, or (v) information which was developed by or on behalf of Executive independently of any disclosure hereunder as shown by written records. Nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information to the extent required by law or by any court.

(b) **Non-Competition.** The Executive shall not, while employed by either Company and for a period of one year following the date of termination for Cause, or resignation other than for Good Reason pursuant to Sections 5(d) or 5(e), engage or participate, directly or indirectly (whether as an officer, director, employee, partner, consultant, or otherwise), in any business that manufactures, markets or sells products that directly compete with any product of either Company that is significant to such Company's business based on sales and/or profitability of any such product as of the date of termination of Executive's employment with such Company. Nothing herein shall prohibit Executive from being a passive owner of less than 5% stock of any entity directly engaged in a competing business.

(c) **Property Rights; Assignment of Inventions.** With respect to information, inventions and discoveries or any interest in any copyright and/or other property right developed, made or conceived of by Executive, either alone or with others, during his employment by each Company arising out of such employment and pertinent to any field of business or research in which, during such employment, each Company is engaged or (if such is known to or ascertainable by Executive) is considering engaging, Executive hereby agrees:

(i) that all such information, inventions and discoveries or any interest in any copyright and/or other property right, whether or not patented or patentable, shall be and remain the exclusive property of the Companies;

(ii) to disclose promptly to an authorized representative of the Parent all such information, inventions and discoveries or any copyright and/or other property right and all information in Executive's possession as to possible applications and uses thereof;

(iii) not to file any patent application relating to any such invention or discovery except with the prior written consent of an authorized officer of the Parent (other than Executive);

(iv) that Executive hereby waives and releases any and all rights Executive may have in and to such information, inventions and discoveries, and hereby assigns to Executive and/or its nominees all of Executive's right, title and interest in them, and all Executive's right, title and interest in any patent, patent application, copyright or other property right based thereon. Executive hereby irrevocably designates and appoints the Parent and each of its duly authorized officers and agents as his agent and attorney-in-fact to act for his and on his behalf and in his stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance and enforcement of any such patent, patent application, copyright or other property right with the same force and effect as if executed and delivered by Executive; and

(v) at the request of the Parent, and without expense to Executive, to execute such documents and perform such other acts as the Parent deems necessary or appropriate, for the Companies to obtain patents on such inventions in a jurisdiction or jurisdictions designated by the Parent, and to assign to the Companies or their respective designees such inventions and any and all patent applications and patents relating thereto.

#### 9. General:

(a) **Successors and Assigns:** The provisions of this Agreement shall inure to the benefit of and be binding upon the Companies, Executive and each and all of their respective heirs, legal representatives, successors and assigns. The duties, responsibilities and obligations of Executive under this Agreement shall be personal and not assignable or delegable by Executive in any manner whatsoever to any person, corporation, partnership, firm, company, joint venture or other entity. Executive may not assign, transfer, convey, mortgage, pledge or in any other manner encumber the compensation or other benefits to be received by his or any rights which he may have pursuant to the terms and provisions of this Agreement.

(b) **Amendments; Waivers:** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Parent (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Notices:** Any notices to be given pursuant to this Agreement by either party may be effected by personal delivery or by overnight delivery with receipt requested. Mailed notices shall be addressed to the parties at the addresses stated below, but each party may change its or his/her address by written notice to the other in accordance with this subsection (c). Mailed notices to Executive shall be addressed as follows:

Anthony Cataldo  
100 South Ashley Street, Suite 100  
Tampa, FL 33302

E-mail: cataldo14@aol.com

Mailed notices to the Companies shall be addressed as follows:

GT Biopharma, Inc.  
Georgetown Translational Pharmaceuticals, Inc.  
Attention: Steven Weldon, CFO  
100 South Ashley Street, Suite 100  
Tampa, FL 33302

(d) **Entire Agreement:** This Agreement constitutes the entire employment agreement among Executive and the Companies regarding the terms and conditions of his employment, with the exception of (a) the agreement described in Section 7 and (b) any stock option, restricted stock or other Company stock-based award agreements among Executive and the Companies to the extent not modified by this Agreement. This Agreement (including the other documents referenced in the previous sentence) supersedes all prior negotiations, representations or agreements among Executive and the Companies, whether written or oral, concerning Executive's employment by the Companies.

(e) **Withholding Taxes:** All payments made under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law.

(f) **Counterparts:** This Agreement may be executed by the Companies and Executive in counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

(g) **Headings:** Each and all of the headings contained in this Agreement are for reference purposes only and shall not in any manner whatsoever affect the construction or interpretation of this Agreement or be deemed a part of this Agreement for any purpose whatsoever.

(h) **Savings Provision:** To the extent that any provision of this Agreement or any paragraph, term, provision, sentence, phrase, clause or word of this Agreement shall be found to be illegal or unenforceable for any reason, such paragraph, term, provision, sentence, phrase, clause or word shall be modified or deleted in such a manner as to make this Agreement, as so modified, legal and enforceable under applicable laws. The remainder of this Agreement shall continue in full force and effect.

(i) **Construction:** The language of this Agreement and of each and every paragraph, term and provision of this Agreement shall, in all cases, for any and all purposes, and in any and all circumstances whatsoever be construed as a whole, according to its fair meaning, not strictly for or against Executive or the Companies, and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

(j) **Further Assurances:** From time to time, at the Companies' request and without further consideration, Executive shall execute and deliver such additional documents and take all such further action as reasonably requested by the Companies to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of this Agreement and to provide adequate assurance of Executive's due performance hereunder.

(k) **Governing Law:** Executive and the Companies agree that this Agreement shall be interpreted in accordance with and governed by the laws of the State of Delaware.

(l) **Board Approval:** Each Company warrants to Executive that the Board of Directors of such Company has ratified and approved this Agreement, and that the Parent will cause the appropriate disclosure filing to be made with the Securities and Exchange Commission in a timely manner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written below.

**EXECUTIVE:**

Date: September 1, 2017

\_\_\_\_\_  
Anthony Cataldo

**GT BIOPHARMA, INC.**

Date: September 1, 2017

\_\_\_\_\_  
Steven Weldon, CFO

**GEORGETOWN TRANSLATIONAL PHARMACEUTICALS, INC.**

Date: September 1, 2017

\_\_\_\_\_  
Steven Weldon, CFO

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into by and among GT Biopharma, Inc. (the "Parent"), Georgetown Translational Pharmaceuticals, Inc. (the "Subsidiary" and together with the Parent, the "Companies" and each, a "Company") and Steven Weldon ("Executive") as of September 1, 2017 (the "Effective Date").

**WHEREAS**, each Company is desirous of employing Executive, and Executive wishes to be employed by each Company in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Position and Duties:** Executive shall be employed by the Company as its Chief Financial Officer ("CFO") reporting to the Company's Board of Directors. CFO agrees to devote the necessary business time, energy and skill to his duties at each Company, and will be permitted engage in outside consulting and/or employment provided said services do not materially interfere with Executive's obligations to each Company under the terms of this Agreement. Executive agrees to advise the Board of Directors of the Parent of any outside services, and such Board's approval of Executive's participation in any such outside services shall not be unreasonably withheld or delayed. If such Board does not affirmatively approve of any such outside engagements within thirty (30) days after Executive informs the Board, the Board's approval shall be deemed to have been given. These duties of Executive under this Agreement shall include all those duties customarily performed by a CFO as well as providing advice and consultation on general corporate matters and other projects as may be assigned by the Company's Board of Directors on an as needed basis. During the term of Executive's employment, Executive shall be permitted to serve on boards of directors of for-profit or not-for-profit entities provided such service does not adversely affect the performance of Executive's duties to the Company under this Agreement, and are not in conflict with the interests of the Company.

2. **Term of Employment:** This Agreement shall remain in effect for a period of three years from the Effective Date, and thereafter will automatically renew for successive one year periods unless either party provides ninety days' prior written notice of termination. In the event either Company elects to terminate the Agreement, such termination shall be considered to be an Involuntary Termination, and Executive shall be provided benefits as provided in this Agreement. Upon the termination of Executive's employment for any reason, neither Executive nor the Companies shall have any further obligation or liability under this Agreement to the other, except as set forth below.

**3. Compensation:** Executive shall be compensated by the Parent for his services to the Companies as follows:

(a) **Base Salary:** Executive shall be paid a monthly Base Salary of \$400,000.00 per year. The monthly cash payment will be subject to applicable withholding, in accordance with the Parent's normal payroll procedures. Executive's salary shall be reviewed on at least an annual basis and may be adjusted as appropriate, but in no event shall it be reduced to an amount below Executive's salary then in effect. In the event of such an adjustment, that amount shall become Executive's Base Salary. Furthermore, during the term of this Agreement, in no event shall Executive's compensation be less than any other officer or employee of either Company or any subsidiary.

(b) **Benefits:** Executive shall have the right, on the same basis as other senior executives of either Company, to participate in and to receive benefits under any of either Company's employee benefit plans, medical insurance, as such plans may be modified from time to time, and provided that in no event shall Executive receive less than (4) four weeks paid vacation per annum, (6) six paid sick days per annum, and (5) five paid personal days per annum.

(c) **Performance Bonus:** Executive shall have the opportunity to earn a performance bonus in accordance with the Parent's Performance Bonus Plan if in effect ("Target Bonus"); if the Parent does not have a Bonus Plan in effect at any given time during the term of this Agreement, then the Parent's Compensation Committee or Board of Directors shall have discretion as to determining bonus compensation for Executive.

(d) **General Grant:** Executive (or an entity controlled by Executive) shall be granted 2,564,830 shares of common stock in the Company (the "Stock Grant"), valued at the trading price as of the Effective Date, as consideration for entering into this Agreement and remaining an executive for the entire Term. Such stock shall vest and be delivered to Executive within thirty (30) days following the Effective Date.

(e) **Expenses:** Parent shall reimburse Executive for reasonable travel, lodging, entertainment and meal expenses incurred in connection the performance of services within this Agreement. Executive shall be entitled to fly Business Class on any flight longer than four (4) hours and receive full reimbursement for such flight from the Parent.

(f) **Travel:** Executive shall travel as necessary from time to time to satisfy his performance and responsibilities under this Agreement.

**4. Effect of Termination of Employment:**

(a) **Voluntary Termination:** In the event of Executive's voluntary termination from employment with the Companies, other than for Good Reason pursuant to Sections 5(d) or 5(e), Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that Executive's employment terminates as a result of his death or disability, Executive shall be entitled to a pro-rata share of the performance-based bonus for which Executive is then-eligible pursuant to Section 3(c) (presuming performance meeting, but not exceeding, target performance goals) in addition to all compensation and benefits earned under Section 3 through the date of termination.

(b) **Termination for Cause:** If Executive's employment is terminated by the Companies for Cause, Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that the Companies terminate Executive's employment for Cause, the Companies shall provide written notice to Executive of that fact prior to, or concurrently with, the termination of employment. Failure to provide written notice that the Companies contend that the termination is for Cause shall constitute a waiver of any contention that the termination was for Cause, and the termination shall be irrebuttably presumed to be an Involuntary Termination.

(c) **Involuntary Termination During Change in Control Period:** If Executive's employment with the Companies terminates as a result of a Change in Control Period Involuntary Termination, then, in addition to any other benefits described in this Agreement, Executive shall receive the following:

(i) all compensation and benefits earned under Section 3 through the date of Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and



(iv) reimbursement for the cost of medical, life, disability insurance coverage at a level equivalent to that provided by the Companies for a period expiring upon the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive at the time of Involuntary Termination, the amount payable to Executive under subsections (i) through (iii), above, shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(d) Termination Without Cause in the Absence of Change in Control:** In the event that Executive's employment terminates as a result of a Non Change in Control Period Involuntary Termination, then Executive shall receive the following benefits:

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(e) Resignation with Good Reason During Change in Control Period:** If Executive resigns his employment with the Companies as a result of a Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(f) Resignation with Good Reason in the Absence of Change in Control:** If Executive resigns his employment with the Companies as a result of a Non Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(g) **Resignation from Positions:** In the event that Executive's employment with the Companies is terminated for any reason, on the effective date of the termination Executive shall simultaneously resign from each position he holds on the Board and/or the Board of Directors of any of the Companies' affiliated entities and any position Executive holds as an officer of the Companies or any of the Companies' affiliated entities.

**5. Certain Definitions:** For the purpose of this Agreement, the following capitalized terms shall have the meanings set forth below:

(a) "Cause" shall mean any of the following occurring on or after the date of this Agreement :

(i) Executive's theft, dishonesty, breach of fiduciary duty for personal profit, or falsification of any employment or Company record;

(ii) Executive's willful violation of any law, rule, or regulation (other than traffic violations, misdemeanors or similar offenses) or final cease-and-desist order, in each case that involves moral turpitude;

(iii) any material breach by Executive of either Company's Code of Professional Conduct, which breach shall be deemed "material" if it results from an intentional act by Executive and has a material detrimental effect on either Company's reputation or business; or

(iv) any material breach by Executive of this Agreement, which breach, if curable, is not cured within thirty (30) days following written notice of such breach from the applicable Company.

(b) "Change in Control" shall mean the occurrence of any of the following events:

(i) the Parent is party to a merger or consolidation which results in the holders of the voting securities of the Parent outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the securities entitled to vote generally in the election of directors of the Parent or the surviving entity outstanding immediately after such merger or consolidation.

(ii) a change in the composition of the Board of Directors of the Parent occurring within a period of twenty-four (24) consecutive months, as a result of which fewer than a majority of the directors are Incumbent Directors;

(iii) effectiveness of an agreement for the sale, lease or disposition by the Parent of all or substantially all of the Parent's assets; or

(iv) a liquidation or dissolution of the Parent.

(c) "Change in Control Period" shall mean the period commencing on the date sixty (60) days prior to the date of consummation of the Change of Control and ending one hundred eighty (180) days following consummation of the Change of Control.

(d) "Change in Control Period Good Reason" shall mean Executive's resignation for any of the following conditions, first occurring during a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's Base Salary, a decrease in Executive's Target Bonus (as a multiple of Executive's Base Salary) under the Performance Bonus Plan, or a decrease in employee benefits, in each case other than as part of any across-the-board reduction applying to all senior executives of either Company which does not have adverse effect on the Executive disproportionate to similarly situated executives of an acquirer;

(ii) a material, adverse change in Executive's title, authority, responsibilities, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change.

(iii) a change in the Executive's ability to maintain his principal workplace in Tampa, FL;

(iv) any material breach by either Company of any provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(v) any failure of the Parent to obtain the assumption of this Agreement by any of the Parent's successors or assigns by purchase, merger, consolidation, sale of assets or otherwise.

(vi) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(e) "Non Change in Control Period Good Reason" shall mean the Executive's resignation within six months of any of the following conditions first occurring outside of a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's total cash compensation opportunity (adding Base Salary and Target Bonus) of greater than ten percent (10%);

(ii) a material, adverse change in Executive's title, authority, responsibilities or duties, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change;

(iii) any material breach by either Company of a provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(iv) a change in the Executive's ability to maintain his principal workplace in Tampa, FL;

(v) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Non Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(f) "Incumbent Directors" shall mean members of the Board who either (a) are members of the Board as of the date hereof, or (b) are elected, or nominated for election, to the Board with the affirmative vote of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board).

(g) "Change in Control Period Involuntary Termination" shall mean during a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies; or

(h) "Non Change in Control Period Involuntary Termination" shall mean outside a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination by as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Non Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies.

**6. Dispute Resolution:** In the event of any dispute or claim relating to or arising out of this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, sex, race or other discrimination), Executive and the Companies agree that all such disputes shall be fully addressed and finally resolved by binding arbitration conducted by the American Arbitration Association in New York City, in the State of New York in accordance with its National Employment Dispute Resolution rules. In connection with any such arbitration, the Parent shall bear all costs not otherwise borne by a plaintiff in a court proceeding. Each Company agrees that any decisions of the Arbitration Panel will be binding and enforceable in any state that either Company conducts the operation of its business.

**7. Attorneys' Fees:** The prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any action brought to enforce any right arising out of this Agreement.

**8. Restrictive Covenants:**

(a) **Nondisclosure.** During the term of this Agreement and following termination of the Executive's employment with the Companies, Executive shall not divulge, communicate, use to the detriment of the Companies or for the benefit of any other person or persons, or misuse in any way, any Confidential Information (as hereinafter defined) pertaining to the business of the Companies. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Companies (which shall include, but not be limited to, confidential information concerning each Company's financial condition, prospects, technology, customers, suppliers, methods of doing business and promotion of each Company's products and services) shall be deemed a valuable, special and unique asset of each Company that is received by the Executive in confidence and as a fiduciary. For purposes of this Agreement "Confidential Information" means information disclosed to the Executive or known by the Executive as a consequence of or through his employment by each Company (including information conceived, originated, discovered or developed by the Executive) prior to or after the date hereof and not generally known or in the public domain, about each Company or its business. Notwithstanding the foregoing, nothingnone of the following information shall be treated as Confidential Information: (i) information which is known to the public at the time of disclosure to Executive, (ii) information which becomes known to the public by publication or otherwise after disclosure to Executive, (iii) information which Executive can show by written records was in his possession at the time of disclosure to Executive, (iv) information which was rightfully received by Executive from a third party without violating any non-disclosure obligation owed to or in favor of the Companies, or (v) information which was developed by or on behalf of Executive independently of any disclosure hereunder as shown by written records. Nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information to the extent required by law or by any court.

(b) **Non-Competition.** The Executive shall not, while employed by either Company and for a period of one year following the date of termination for Cause, or resignation other than for Good Reason pursuant to Sections 5(d) or 5(e), engage or participate, directly or indirectly (whether as an officer, director, employee, partner, consultant, or otherwise), in any business that manufactures, markets or sells products that directly compete with any product of either Company that is significant to such Company's business based on sales and/or profitability of any such product as of the date of termination of Executive's employment with such Company. Nothing herein shall prohibit Executive from being a passive owner of less than 5% stock of any entity directly engaged in a competing business.

(c) **Property Rights; Assignment of Inventions.** With respect to information, inventions and discoveries or any interest in any copyright and/or other property right developed, made or conceived of by Executive, either alone or with others, during his employment by each Company arising out of such employment and pertinent to any field of business or research in which, during such employment, each Company is engaged or (if such is known to or ascertainable by Executive) is considering engaging, Executive hereby agrees:

(i) that all such information, inventions and discoveries or any interest in any copyright and/or other property right, whether or not patented or patentable, shall be and remain the exclusive property of the Companies;

(ii) to disclose promptly to an authorized representative of the Parent all such information, inventions and discoveries or any copyright and/or other property right and all information in Executive's possession as to possible applications and uses thereof;

(iii) not to file any patent application relating to any such invention or discovery except with the prior written consent of an authorized officer of the Parent (other than Executive);

(iv) that Executive hereby waives and releases any and all rights Executive may have in and to such information, inventions and discoveries, and hereby assigns to Executive and/or its nominees all of Executive's right, title and interest in them, and all Executive's right, title and interest in any patent, patent application, copyright or other property right based thereon. Executive hereby irrevocably designates and appoints the Parent and each of its duly authorized officers and agents as his agent and attorney-in-fact to act for his and on his behalf and in his stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance and enforcement of any such patent, patent application, copyright or other property right with the same force and effect as if executed and delivered by Executive; and

(v) at the request of the Parent, and without expense to Executive, to execute such documents and perform such other acts as the Parent deems necessary or appropriate, for the Companies to obtain patents on such inventions in a jurisdiction or jurisdictions designated by the Parent, and to assign to the Companies or their respective designees such inventions and any and all patent applications and patents relating thereto.

## 9. General:

(a) **Successors and Assigns:** The provisions of this Agreement shall inure to the benefit of and be binding upon the Companies, Executive and each and all of their respective heirs, legal representatives, successors and assigns. The duties, responsibilities and obligations of Executive under this Agreement shall be personal and not assignable or delegable by Executive in any manner whatsoever to any person, corporation, partnership, firm, company, joint venture or other entity. Executive may not assign, transfer, convey, mortgage, pledge or in any other manner encumber the compensation or other benefits to be received by his or any rights which he may have pursuant to the terms and provisions of this Agreement.

(b) **Amendments; Waivers:** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Parent (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Notices:** Any notices to be given pursuant to this Agreement by either party may be effected by personal delivery or by overnight delivery with receipt requested. Mailed notices shall be addressed to the parties at the addresses stated below, but each party may change its or his/her address by written notice to the other in accordance with this subsection (c). Mailed notices to Executive shall be addressed as follows:

Steven Weldon  
100 South Ashley Street, Suite 100  
Tampa, FL 33302  
Steven.weldon@oxis.com

E-mail: Raymond\_urbanski@yahoo.com

Mailed notices to the Companies shall be addressed as follows:

GT Biopharma, Inc.  
Georgetown Translational Pharmaceuticals, Inc.  
Attention: Anthony J. Cataldo, Executive Chairman  
100 South Ashley Street, Suite 100  
Tampa, FL 33302



(d) **Entire Agreement:** This Agreement constitutes the entire employment agreement among Executive and the Companies regarding the terms and conditions of his employment, with the exception of (a) the agreement described in Section 7 and (b) any stock option, restricted stock or other Company stock-based award agreements among Executive and the Companies to the extent not modified by this Agreement. This Agreement (including the other documents referenced in the previous sentence) supersedes all prior negotiations, representations or agreements among Executive and the Companies, whether written or oral, concerning Executive's employment by the Companies.

(e) **Withholding Taxes:** All payments made under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law.

(f) **Counterparts:** This Agreement may be executed by the Companies and Executive in counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

(g) **Headings:** Each and all of the headings contained in this Agreement are for reference purposes only and shall not in any manner whatsoever affect the construction or interpretation of this Agreement or be deemed a part of this Agreement for any purpose whatsoever.

(h) **Savings Provision:** To the extent that any provision of this Agreement or any paragraph, term, provision, sentence, phrase, clause or word of this Agreement shall be found to be illegal or unenforceable for any reason, such paragraph, term, provision, sentence, phrase, clause or word shall be modified or deleted in such a manner as to make this Agreement, as so modified, legal and enforceable under applicable laws. The remainder of this Agreement shall continue in full force and effect.

(i) **Construction:** The language of this Agreement and of each and every paragraph, term and provision of this Agreement shall, in all cases, for any and all purposes, and in any and all circumstances whatsoever be construed as a whole, according to its fair meaning, not strictly for or against Executive or the Companies, and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

(j) **Further Assurances:** From time to time, at the Companies' request and without further consideration, Executive shall execute and deliver such additional documents and take all such further action as reasonably requested by the Companies to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of this Agreement and to provide adequate assurance of Executive's due performance hereunder.

(k) **Governing Law:** Executive and the Companies agree that this Agreement shall be interpreted in accordance with and governed by the laws of the State of Delaware.

(l) **Board Approval:** Each Company warrants to Executive that the Board of Directors of such Company has ratified and approved this Agreement, and that the Parent will cause the appropriate disclosure filing to be made with the Securities and Exchange Commission in a timely manner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written below.

**EXECUTIVE:**

Date:

\_\_\_\_\_  
Steven Weldon

**GT BIOPHARMA, INC.**

Date:

\_\_\_\_\_  
Anthony Cataldo, Executive Chairman

**GEORGETOWN TRANSLATIONAL PHARMACEUTICALS, INC.**

Date:

\_\_\_\_\_  
Anthony Cataldo, Executive Chairman

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into by and among GT Biopharma, Inc. (the "Parent"), Georgetown Translational Pharmaceuticals, Inc. (the "Subsidiary" and together with the Parent, the "Companies" and each, a "Company") and Raymond Urbanski ("Executive") as of \_\_\_\_\_ (the "Effective Date").

**WHEREAS**, each Company is desirous of employing Executive, and Executive wishes to be employed by each Company in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Position and Duties:** Executive shall be employed by the Company in the position of Chief Medical Officer. Executive shall have the duties and responsibilities consistent with the position of Chief Medical Officer and such other duties and responsibilities assigned by the Company's Chief Executive Officer. Executive shall perform faithfully and diligently such duties as are reasonable and customary for Executive's position, as well as such other duties as the Chief Executive Officer shall reasonably assign from time to time. Executive shall provide his services hereunder from the Company's offices in Washington, D.C., or from his home, as the Chief Executive Officer may hereafter direct or approve. Executive understands and agrees that Executive will faithfully devote Executive's best efforts and substantially all of his time during normal business hours to advance the interests of the Company. Executive will abide by all policies duly adopted by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in a manner that Executive reasonably believes to be in the best interest of the Company at all times. Executive further understands and agrees that Executive has a fiduciary duty of loyalty to the Company to the extent provided by applicable law and that Executive will take no action which materially harms the business, business interests, or reputation of the Company.

2. **Term of Employment:** This Agreement shall remain in effect for a period of three years from the Effective Date, and thereafter will automatically renew for successive one year periods unless either party provides ninety days' prior written notice of termination. In the event either Company elects to terminate the Agreement, such termination shall be considered to be an Involuntary Termination, and Executive shall be provided benefits as provided in this Agreement. Upon the termination of Executive's employment for any reason, neither Executive nor the Companies shall have any further obligation or liability under this Agreement to the other, except as set forth below.

3. **Compensation:** Executive shall be compensated by the Parent for his services to the Companies as follows:

(a) **Base Salary:** Executive shall be paid a monthly Base Salary of \$400,000.00. The monthly cash payment will be subject to applicable withholding, in accordance with the Parent's normal payroll procedures. Executive's salary shall be reviewed on at least an annual basis and may be adjusted as appropriate, but in no event shall it be reduced to an amount below Executive's salary then in effect. In the event of such an adjustment, that amount shall become Executive's Base Salary. Furthermore, during the term of this Agreement, in no event shall Executive's compensation be less than any other officer or employee of either Company or any subsidiary.

(b) **Benefits:** Executive shall have the right, on the same basis as other senior executives of either Company, to participate in and to receive benefits under any of either Company's employee benefit plans, medical insurance, as such plans may be modified from time to time, and provided that in no event shall Executive receive less than (4) four weeks paid vacation per annum, (6) six paid sick days per annum, and (5) five paid personal days per annum.

(c) **Performance Bonus:** Executive shall have the opportunity to earn a performance bonus in accordance with the Parent's Performance Bonus Plan if in effect ("Target Bonus"); if the Parent does not have a Bonus Plan in effect at any given time during the term of this Agreement, then the Parent's Compensation Committee or Board of Directors shall have discretion as to determining bonus compensation for Executive.

(d) **General Grant:** Executive (or an entity controlled by Executive) shall be granted 1,538,898 shares of common stock in the Company (the "Stock Grant"), valued at the trading price as of the Effective Date, as consideration for entering into this Agreement and remaining an executive for the entire Term. Such stock shall vest and be delivered to Executive on the following schedule, at his direction, but no earlier than the initial one-third (1/3) vesting and deliverable within thirty (30) days following the Effective Date; the second one-third (1/3) vesting and deliverable within thirty (30) days following the one-year anniversary of the Effective Date, and the final one-third (1/3) vesting and deliverable within thirty (30) days following the two-year anniversary of the Effective Date.

(e) **Expenses:** Parent shall reimburse Executive for reasonable travel, lodging, entertainment and meal expenses incurred in connection the performance of services within this Agreement. Executive shall be entitled to fly Business Class on any flight longer than four (4) hours and receive full reimbursement for such flight from the Parent.

(f) **Travel:** Executive shall travel as necessary from time to time to satisfy his performance and responsibilities under this Agreement.

#### 4. Effect of Termination of Employment:

(a) **Voluntary Termination:** In the event of Executive's voluntary termination from employment with the Companies, other than for Good Reason pursuant to Sections 5(d) or 5(e), Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that Executive's employment terminates as a result of his death or disability, Executive shall be entitled to a pro-rata share of the performance-based bonus for which Executive is then-eligible pursuant to Section 3(c) (presuming performance meeting, but not exceeding, target performance goals) in addition to all compensation and benefits earned under Section 3 through the date of termination.

(b) **Termination for Cause:** If Executive's employment is terminated by the Companies for Cause, Executive shall be entitled to no compensation or benefits from the Companies other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that the Companies terminate Executive's employment for Cause, the Companies shall provide written notice to Executive of that fact prior to, or concurrently with, the termination of employment. Failure to provide written notice that the Companies contend that the termination is for Cause shall constitute a waiver of any contention that the termination was for Cause, and the termination shall be irrebuttably presumed to be an Involuntary Termination.

(c) **Involuntary Termination During Change in Control Period:** If Executive's employment with the Companies terminates as a result of a Change in Control Period Involuntary Termination, then, in addition to any other benefits described in this Agreement, Executive shall receive the following:

(i) all compensation and benefits earned under Section 3 through the date of Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life, disability insurance coverage at a level equivalent to that provided by the Companies for a period expiring upon the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive at the time of Involuntary Termination, the amount payable to Executive under subsections (i) through (iii), above, shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(d) Termination Without Cause in the Absence of Change in Control:** In the event that Executive's employment terminates as a result of a Non Change in Control Period Involuntary Termination, then Executive shall receive the following benefits:

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(e) Resignation with Good Reason During Change in Control Period:** If Executive resigns his employment with the Companies as a result of a Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

**(f) Resignation with Good Reason in the Absence of Change in Control:** If Executive resigns his employment with the Companies as a result of a Non Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid or payable to Executive for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or one-half of Executive's Base Salary then in effect, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Companies for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Parent that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the

Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(g) **Resignation from Positions:** In the event that Executive's employment with the Companies is terminated for any reason, on the effective date of the termination Executive shall simultaneously resign from each position he holds on any of the Companies' affiliated entities and any position Executive holds as an officer of the Companies or any of the Companies' affiliated entities.

**5. Certain Definitions:** For the purpose of this Agreement, the following capitalized terms shall have the meanings set forth below:

(a) "Cause" shall mean any of the following occurring on or after the date of this Agreement:

(i) Executive's theft, dishonesty, breach of fiduciary duty for personal profit, or falsification of any employment or Company record;

(ii) Executive's willful violation of any law, rule, or regulation (other than traffic violations, misdemeanors or similar offenses) or final cease-and-desist order, in each case that involves moral turpitude;

(iii) any material breach by Executive of either Company's Code of Professional Conduct, which breach shall be deemed "material" if it results from an intentional act by Executive and has a material detrimental effect on either Company's reputation or business; or

(iv) any material breach by Executive of this Agreement, which breach, if curable, is not cured within thirty (30) days following written notice of such breach from the applicable Company.

(b) "Change in Control" shall mean the occurrence of any of the following events:



(i) the Parent is party to a merger or consolidation which results in the holders of the voting securities of the Parent outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the securities entitled to vote generally in the election of directors of the Parent or the surviving entity outstanding immediately after such merger or consolidation.

(ii) a change in the composition of the Board of Directors of the Parent occurring within a period of twenty-four (24) consecutive months, as a result of which fewer than a majority of the directors are Incumbent Directors;

(iii) effectiveness of an agreement for the sale, lease or disposition by the Parent of all or substantially all of the Parent's assets; or

(iv) a liquidation or dissolution of the Parent.

(c) "Change in Control Period" shall mean the period commencing on the date sixty (60) days prior to the date of consummation of the Change of Control and ending one hundred eighty (180) days following consummation of the Change of Control.

(d) "Change in Control Period Good Reason" shall mean Executive's resignation for any of the following conditions, first occurring during a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's Base Salary, a decrease in Executive's Target Bonus (as a multiple of Executive's Base Salary) under the Performance Bonus Plan, or a decrease in employee benefits, in each case other than as part of any across-the-board reduction applying to all senior executives of either Company which does not have adverse effect on the Executive disproportionate to similarly situated executives of an acquirer;

(ii) a material, adverse change in Executive's title, authority, responsibilities, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change.

(iii) a change in the Executive's ability to maintain his principal workplace in Los Angeles County, CA.;

(iv) any material breach by either Company of any provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(v) any failure of the Parent to obtain the assumption of this Agreement by any of the Parent's successors or assigns by purchase, merger, consolidation, sale of assets or otherwise.

(vi) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(e) "Non Change in Control Period Good Reason" shall mean the Executive's resignation within six months of any of the following conditions first occurring outside of a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's total cash compensation opportunity (adding Base Salary and Target Bonus) of greater than ten percent (10%);

(ii) a material, adverse change in Executive's title, authority, responsibilities or duties, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change;

(iii) any material breach by either Company of a provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(iv) a change in the Executive's ability to maintain his principal workplace in Los Angeles County, CA.;

(v) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 5(iv), above.

The effective date of any resignation from employment by the Executive for Non Change in Control Period Good Reason shall be the date of notification to the Parent of such resignation from employment by the Executive.

(f) "Incumbent Directors" shall mean members of the Board who either (a) are members of the Board as of the date hereof, or (b) are elected, or nominated for election, to the Board with the affirmative vote of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board).

(g) "Change in Control Period Involuntary Termination" shall mean during a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies; or

(h) "Non Change in Control Period Involuntary Termination" shall mean outside a Change in Control Period the termination by the Companies of Executive's employment with the Companies for any reason, including termination by as a result of death or disability of Executive, but excluding termination for Cause. The effective date of any Non Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Companies.

**6. Dispute Resolution:** In the event of any dispute or claim relating to or arising out of this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, sex, race or other discrimination), Executive and the Companies agree that all such disputes shall be fully addressed and finally resolved by binding arbitration conducted by the American Arbitration Association in New York City, in the State of New York in accordance with its National Employment Dispute Resolution rules. In connection with any such arbitration, the Parent shall bear all costs not otherwise borne by a plaintiff in a court proceeding. Each Company agrees that any decisions of the Arbitration Panel will be binding and enforceable in any state that either Company conducts the operation of its business.

**7. Attorneys' Fees:** The prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any action brought to enforce any right arising out of this Agreement.

**8. Restrictive Covenants:**

(a) **Nondisclosure.** During the term of this Agreement and following termination of the Executive's employment with the Companies, Executive shall not divulge, communicate, use to the detriment of the Companies or for the benefit of any other person or persons, or misuse in any way, any Confidential Information (as hereinafter defined) pertaining to the business of the Companies. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Companies (which shall include, but not be limited to, confidential information concerning each Company's financial condition, prospects, technology, customers, suppliers, methods of doing business and promotion of each Company's products and services) shall be deemed a valuable, special and unique asset of each Company that is received by the Executive in confidence and as a fiduciary. For purposes of this Agreement "Confidential Information" means information disclosed to the Executive or known by the Executive as a consequence of or through his employment by each Company (including information conceived, originated, discovered or developed by the Executive) prior to or after the date hereof and not generally known or in the public domain, about each Company or its business. Notwithstanding the foregoing, nothingnone of the following information shall be treated as Confidential

Information: (i) information which is known to the public at the time of disclosure to Executive,

(ii) information which becomes known to the public by publication or otherwise after disclosure to Executive, (iii) information which Executive can show by written records was in his possession at the time of disclosure to Executive, (iv) information which was rightfully received by Executive from a third party without violating any non-disclosure obligation owed to or in favor of the Companies, or (v) information which was developed by or on behalf of Executive independently of any disclosure hereunder as shown by written records.

Nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information to the extent required by law or by any court.

(b) **Non-Competition.** The Executive shall not, while employed by either Company and for a period of one year following the date of termination for Cause, or resignation other than for Good Reason pursuant to Sections 5(d) or 5(e), engage or participate, directly or indirectly (whether as an officer, director, employee, partner, consultant, or otherwise), in any business that manufactures, markets or sells products that directly compete with any product of either Company that is significant to such Company's business based on sales and/or profitability of any such product as of the date of termination of Executive's employment with such Company. Nothing herein shall prohibit Executive from being a passive owner of less than 5% stock of any entity directly engaged in a competing business.

(c) **Property Rights; Assignment of Inventions.** With respect to information, inventions and discoveries or any interest in any copyright and/or other property right developed, made or conceived of by Executive, either alone or with others, during his employment by each Company arising out of such employment and pertinent to any field of business or research in which, during such employment, each Company is engaged or (if such is known to or ascertainable by Executive) is considering engaging, Executive hereby agrees:

(i) that all such information, inventions and discoveries or any interest in any copyright and/or other property right, whether or not patented or patentable, shall be and remain the exclusive property of the Companies;

(ii) to disclose promptly to an authorized representative of the Parent all such information, inventions and discoveries or any copyright and/or other property right and all information in Executive's possession as to possible applications and uses thereof;

(iii) not to file any patent application relating to any such invention or discovery except with the prior written consent of an authorized officer of the Parent (other than Executive);

(iv) that Executive hereby waives and releases any and all rights Executive may have in and to such information, inventions and discoveries, and hereby assigns to Executive and/or its nominees all of Executive's right, title and interest in them, and all Executive's right, title and interest in any patent, patent application, copyright or other property right based thereon. Executive hereby irrevocably designates and appoints the Parent and each of its duly authorized officers and agents as his agent and attorney-in-fact to act for his and on his behalf and in his stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance and enforcement of any such patent, patent application, copyright or other property right with the same force and effect as if executed and delivered by Executive; and

(v) at the request of the Parent, and without expense to Executive, to execute such documents and perform such other acts as the Parent deems necessary or appropriate, for the Companies to obtain patents on such inventions in a jurisdiction or jurisdictions designated by the Parent, and to assign to the Companies or their respective designees such inventions and any and all patent applications and patents relating thereto.

**9. General:**

(a) **Successors and Assigns:** The provisions of this Agreement shall inure to the benefit of and be binding upon the Companies, Executive and each and all of their respective heirs, legal representatives, successors and assigns. The duties, responsibilities and obligations of Executive under this Agreement shall be personal and not assignable or delegable by Executive in any manner whatsoever to any person, corporation, partnership, firm, company, joint venture or other entity. Executive may not assign, transfer, convey, mortgage, pledge or in any other manner encumber the compensation or other benefits to be received by his or any rights which he may have pursuant to the terms and provisions of this Agreement.

(b) **Amendments; Waivers:** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Parent (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Notices:** Any notices to be given pursuant to this Agreement by either party may be effected by personal delivery or by overnight delivery with receipt requested. Mailed notices shall be addressed to the parties at the addresses stated below, but each party may change its or his/her address by written notice to the other in accordance with this subsection (c). Mailed notices to Executive shall be addressed as follows:

Raymond Urbanski

E-mail: Raymond\_urbanski@yahoo.com

Mailed notices to the Companies shall be addressed as follows:

GT Biopharma, Inc.  
Georgetown Translational Pharmaceuticals, Inc.  
Attention: Anthony J. Cataldo, Executive Chairman  
100 South Ashley Street, Suite 100  
Tampa, FL 33302

(d) **Entire Agreement:** This Agreement constitutes the entire employment agreement among Executive and the Companies regarding the terms and conditions of his employment, with the exception of (a) the agreement described in Section 7 and (b) any stock option, restricted stock or other Company stock-based award agreements among Executive and the Companies to the extent not modified by this Agreement. This Agreement (including the other documents referenced in the previous sentence) supersedes all prior negotiations, representations or agreements among Executive and the Companies, whether written or oral, concerning Executive's employment by the Companies.

(e) **Withholding Taxes:** All payments made under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law.

(f) **Counterparts:** This Agreement may be executed by the Companies and Executive in counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

(g) **Headings:** Each and all of the headings contained in this Agreement are for reference purposes only and shall not in any manner whatsoever affect the construction or interpretation of this Agreement or be deemed a part of this Agreement for any purpose whatsoever.

(h) **Savings Provision:** To the extent that any provision of this Agreement or any paragraph, term, provision, sentence, phrase, clause or word of this Agreement shall be found to be illegal or unenforceable for any reason, such paragraph, term, provision, sentence, phrase, clause or word shall be modified or deleted in such a manner as to make this Agreement, as so modified, legal and enforceable under applicable laws. The remainder of this Agreement shall continue in full force and effect.

(i) **Construction:** The language of this Agreement and of each and every paragraph, term and provision of this Agreement shall, in all cases, for any and all purposes, and in any and all circumstances whatsoever be construed as a whole, according to its fair meaning, not strictly for or against Executive or the Companies, and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

(j) **Further Assurances:** From time to time, at the Companies' request and without further consideration, Executive shall execute and deliver such additional documents and take all such further action as reasonably requested by the Companies to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of this Agreement and to provide adequate assurance of Executive's due performance hereunder.

(k) **Governing Law:** Executive and the Companies agree that this Agreement shall be interpreted in accordance with and governed by the laws of the State of Delaware.

(l) **Board Approval:** Each Company warrants to Executive that the Board of Directors of such Company has ratified and approved this Agreement, and that the Parent will cause the appropriate disclosure filing to be made with the Securities and Exchange Commission in a timely manner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written below.

**EXECUTIVE:**

Date:

\_\_\_\_\_  
Raymond Urbanski

**GT BIOPHARMA, INC.**

Date:

\_\_\_\_\_  
Anthony Cataldo, Executive Chairman

**GEORGETOWN TRANSLATIONAL PHARMACEUTICALS, INC.**

Date:

\_\_\_\_\_  
Anthony Cataldo, Executive Chairman



## NOTE CONVERSION AGREEMENT

This Note Conversion Agreement (this "*Agreement*") is entered into as of August 29, 2017, by and among GT Biopharma, Inc., a Delaware corporation (the "*Company*"), and the parties listed on Schedule A hereto.

WHEREAS, the Company and Bristol Investment Fund, Ltd. ("Bristol") are party to that certain Securities Purchase Agreement dated October 25, 2006, as amended from time to time (the "2006 Purchase Agreement"), pursuant to which the Company issued 0% Convertible Debentures (the "2006 Debentures");

WHEREAS, the Company and Theorem Group LLC ("Theorem") are party to that certain Securities Purchase Agreement dated October 1, 2009, as amended from time to time (the "2009 Purchase Agreement"), pursuant to which the Company issued 0% Convertible Debentures (the "2009 Debentures");

WHEREAS, Farhad Rostamian, Leslie Canter ("Canter"), (the foregoing individuals and entities, collectively, the "June 2011 Investors") and the Company are party to that certain Securities Purchase Agreement dated June 7, 2011, as amended from time to time (the "June 2011 Purchase Agreement"), pursuant to which the Company issued 12% Convertible Debentures (the "June 2011 Debentures");

WHEREAS, each of Alpha Capital Anstalt ("Alpha"), Adam Cohen, Canter (the foregoing individuals and entities, collectively, the "November 2011 Investors") and the Company are party to that certain Securities Purchase Agreement dated November 13, 2011, as amended from time to time (the "November 2011 Purchase Agreement"), pursuant to which the Company issued 8% Convertible Debentures (the "November 2011 Debentures");

WHEREAS, each of Ho'okipa Capital, Howard Knee, (the foregoing individuals and entities, collectively, the "March 2012 Investors") and the Company are party to that certain Securities Purchase Agreement dated March 1, 2012, as amended from time to time (the "March 2012 Purchase Agreement") and Transaction Documents (as defined in the 2012 Purchase Agreement), pursuant to which the Company issued 8% Convertible Debentures (the "March 2012 Debentures");

WHEREAS, each of Alpha, Bristol (the foregoing individuals and entities, collectively, the "May 2012 Investors") and the Company are party to that certain Securities Purchase Agreement dated May 22, 2012, as amended from time to time (the "May 2012 Purchase Agreement") and Transaction Documents (as defined in the 2012 Purchase Agreement), pursuant to which the Company issued 8% Convertible Debentures (the "May 2012 Debentures");

WHEREAS, each of Alpha, SV Booth Investment III (the "SV Booth") (the foregoing individuals and entities, collectively, the "December 2012 Note Holders") and the Company are party to that certain Note Purchase Agreements dated December 3, 2012, as amended from time to time (the "December 2012 Purchase Agreement"), pursuant to which the Company issued Demand Promissory Notes (the "December 2012 Notes");

WHEREAS, each of SV Booth, Theorem, (the foregoing individuals and entities, collectively, the "10% Two-Year Senior Secured Convertible Debenture Holders") and the Company are party to that certain Note Purchase Agreements dated between October 2013 and April 2014, as amended from time to time (the "10% Two-Year Senior Secured Convertible Debenture Agreement"), pursuant to which the Company issued Demand Promissory Notes (the "10% Two-Year Senior Secured Convertible Debentures");

WHEREAS, the Company and Theorem are party to that certain Convertible Demand Promissory Note dated December 31, 2013, as amended from time to time (the "December 2013 Purchase Agreement"), pursuant to which the Company issued a Convertible Demand Promissory Note (the "December 2013 Note");

WHEREAS, each of Adam Kasower ("Kasower"), SV Booth, Bristol, Munt Trust, Greg McPherson, (the foregoing individuals and entities, collectively, the "July 2014 Investors") and the Company are party to that certain Securities Purchase Agreement dated July 24, 2014, as amended from time to time (the "July 2014 Purchase Agreement"), pursuant to which the Company issued 10% Convertible Debentures (the "July 2014 Debentures");

WHEREAS, each of William Heavener (“Heavener”), Gianna Simone Baxter (“S. Baxter”), Anthony Baxter (“Baxter”), Scott Williams (“Williams”), Red Mango Ltd. (“Red Mango”), Kasower (the foregoing individuals and entities, collectively, the “October 2014 Investors”) and the Company are party to that certain Securities Purchase Agreement dated October 14, 2014, as amended from time to time (the “October 2014 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “October 2014 Debentures”);

WHEREAS, each of Theorem, Kasower, Heavener, S. Baxter, Baxter, Red Mango, Bristol, Williams, (the foregoing individuals and entities, collectively, the “March 2015 Investors”) and the Company are party to that certain Securities Purchase Agreement dated March 12, 2015, as amended from time to time (the “March 2015 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “March 2015 Debentures”);

WHEREAS, each of Heavener, Kasower, S. Baxter, Williams, Baxter (the foregoing individuals collectively, the “July 2015 Investors”) and the Company are party to that certain Securities Purchase Agreement dated July 8, 2015, as amended from time to time (the “July 2015 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “July 2015 Debentures”);

WHEREAS, each of Heavener, S. Baxter, Baxter, Private Resources, Ltd, (the foregoing individuals and entities collectively, the “October 2015 Investors”) and the Company are party to that certain Securities Purchase Agreement dated October 5, 2015, as amended from time to time (the “October 2015 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “October 2015 Debentures”);

WHEREAS, each of Heavener, S. Baxter, Baxter, Alpha, Bristol, Williams, (the foregoing individuals and entities collectively, the “December 2015 Investors”) and the Company are party to that certain Securities Purchase Agreement dated October 5, 2015, as amended from time to time (the “December 2015 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “December 2015 Debentures”);

WHEREAS, each of Heavener, S. Baxter, Baxter, Alpha, Bristol, Kasower, Theorem, Red Mango, SV Booth, Bristol Capital LLC, East Ventures, LLC (“East Ventures”), Randy Berinhout, Piter Korompis, Private Resources, Ltd, Barry Wolfe, Williams, Net Capital LLC, (the foregoing individuals and entities collectively, the “May 2016 Investors”) and the Company are party to that certain Securities Purchase Agreement dated May 4, 2016, as amended from time to time (the “May 2016 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “May 2016 Debentures”);

WHEREAS, H.C. Wainwright and Company, LLC (“Wainwright”) (the foregoing entity known as, the “August 2016 Investor”) and the Company are party to that certain Securities Purchase Agreement dated August 6, 2015, as amended from time to time (the “August 2016 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “August 2016 Debentures”);

WHEREAS, each of Heavener, S. Baxter, Baxter, Alpha, Bristol, Kasower, Bristol Capital LLC, Williams, Private Resources Ltd, Wainwright (the foregoing individuals and entities collectively, the “January 2017 Investors”) and the Company are party to that certain Securities Purchase Agreement dated January 9, 2017, as amended from time to time (the “January 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “January 2017 Debentures”);

WHEREAS, each of Alpha, Kasower, (the foregoing individuals and entities collectively, the “March 2017 Investors”) and the Company are party to that certain Securities Purchase Agreement dated March 16, 2017, as amended from time to time (the “March 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “March 2017 Debentures”);

WHEREAS, each of Alpha, Craig Osborne, (the foregoing individuals and entities collectively, the “April 2017 Investors”) and the Company are party to that certain Securities Purchase Agreement dated April 13, 2017, as amended from time to time (the “April 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “April 2017 Debentures”);

WHEREAS, each of Kasower, Red Mango, Bristol, (the foregoing individuals and entities collectively, the “July 2017 Investors”) and the Company are party to that certain Securities Purchase Agreement dated July 19, 2017, as amended from time to time (the “July 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “July 2017 Debentures”);

WHEREAS, each of Heavener, S. Baxter, Alpha, Bristol, Kasower, Craig Osborne, Williams, Randy Berinhout, Red Mango, (the foregoing individuals and entities collectively, the “August 2017 Investors”) and the Company are party to that certain Securities Purchase Agreement dated August 16, 2017, as amended from time to time (the “August 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “August 2017 Debentures”);

WHEREAS, each of Theorem, Bristol and the Company are party to that certain Settlement Agreement dated August 8, 2012 (the “2012 Settlement Agreement”), pursuant to which the Company issued Convertible Notes to Theorem and Bristol in order to settle certain claims regarding certain convertible debentures held by Bristol (pursuant to the terms and schedules of the 2012 Settlement Agreement);

WHEREAS, each of Bristol Capital LLC, Bristol and the Company are party to that certain Settlement Agreement dated August 14, 2015 (the “August 2015 Settlement Agreement”), pursuant to which the Company issued allonges to Alpha, Bristol Capital LLC and Bristol, increasing the principal amounts of July 2014 Debentures held by each entity (pursuant to the terms and schedules of the August 2015 Settlement Agreement);

WHEREAS, each of East Ventures, SV Booth and the Company are party to that certain Settlement Agreement dated October 7, 2015 (the “October 2015 Settlement Agreement”), pursuant to which the Company issued allonges to East Ventures and SV Booth, increasing the principal amounts of July 2014 Debentures held by each entity (pursuant to the terms and schedules of the October 2015 Settlement Agreement);

WHEREAS, each of Alpha, Bristol Capital LLC, Bristol, East Ventures, SV Booth and the Company are party to that certain Second Settlement Agreement dated November 5, 2015 (the “November 2015 Settlement Agreement”), pursuant to which the Company issued allonges to Alpha, Bristol Capital LLC and Bristol, increasing the principal amounts of July 2014 Debentures held by each entity (pursuant to the terms and schedules of the November 2015 Settlement Agreement);

WHEREAS, Bristol, Theorem and the Company are party to that certain Settlement Agreements dated December 7, 2015 (the “December 2015 Settlement Agreement”), pursuant to which the Company issued allonges to Bristol and Theorem, increasing the principal amounts of 2006 Debentures and 2009 Debentures held by each entity (pursuant to the terms and schedules of the December 2015 Settlement Agreement);

WHEREAS, Alpha and the Company are party to that certain Settlement Agreement dated April 5, 2017 (the “April 2017 Settlement Agreement”), pursuant to which the Company issued an allonge to Alpha, increasing the principal amounts of their March 2017 Debenture (pursuant to the terms and schedules of the April 2017 Settlement Agreement);

WHEREAS, Bristol, Theorem, June 2011 Investors, November 2011 Investors, March 2012 Investors, May 2012 Investors, December 2012 Note Holders, 10% Two-Year Senior Secured Convertible Debenture Holders, July 2014 Investors, October 2014 Investors, March 2015 Investors, July 2015 Investors, October 2015 Investors, December 2015 Investors, May 2016 Investors, August 2016 Investors, January 2017 Investors, March 2017 Investors, April 2017 Investors, July 2017 Investors, and August 2017 Investors, Alpha, Bristol Capital LLC, East Ventures and SV Booth are herein referred to as, each, a “Note Holder” and, collectively, the “Note Holders”;

WHEREAS, the 2006 Debentures, 2009 Debentures, June 2011 Debentures, November 2011 Debentures, March 2012 Debentures, May 2012 Debentures, December 2012 Notes, 10% Two-Year Senior Secured Convertible Debentures, December 2013 Note, July 2014 Debentures, October 2014 Debentures, March 2015 Debentures, July 2015 Debentures, October 2015 Debentures, December 2015 Debentures, May 2016 Debentures, August 2016 Debentures, January 2017 Debentures, March 2017 Debentures, April 2017 Debentures, July 2017 Debentures, and August 2017 Debentures are herein collectively referred to as the “Notes”;

WHEREAS, the 2006 Purchase Agreement, 2009 Purchase Agreement, June 2011 Purchase Agreement, November 2011 Purchase Agreement, March 2012 Purchase Agreement, May 2012 Purchase Agreement, 10% Two-Year Senior Secured Convertible Debenture Agreement, December 2012 Purchase Agreement, December 2013 Purchase Agreement, July 2014 Purchase Agreement, October 2014 Purchase Agreement, March 2015 Purchase Agreement, July 2015 Purchase Agreement, October 2015 Purchase Agreement, December 2015 Purchase Agreement, May 2016 Purchase Agreement, August 2016 Purchase Agreement, January 2017 Purchase Agreement, March 2017 Purchase Agreement, April 2017 Purchase Agreement, July 2017 Purchase Agreement, August 2017 Purchase Agreement, 2012 Settlement Agreement, August 2015 Settlement Agreement, October 2015 Settlement Agreement, November 2015 Settlement Agreement, December 2015 Settlement Agreement, and April 2017 Settlement Agreement are herein collectively referred to as the “Prior Subscription Agreements”;

WHEREAS, the Prior Subscription Agreements and the Notes are herein collectively referred to as the “Prior Transaction Documents”;

WHEREAS, each Note Holder hereby agrees to convert and cancel all indebtedness of the Company to such Note Holder, including any accrued and unpaid interest or penalties under the Notes, and the Company agrees to issue to each Note Holder in exchange for the cancellation of all indebtedness of the Company to such Note Holder, including any accrued and unpaid interest or penalties under the Notes, and for no additional consideration, the number of shares of Common Stock described in Section 1 (collectively, the “*Note Conversion Shares*”).

NOW, THEREFORE, in consideration of the rights and benefits that they will each receive in connection with this Agreement, the parties, intending to be legally bound, agree as follows:

**1. Cancellation of Notes; Issuance of Note Conversion Shares.** Subject to the terms and conditions of this Agreement, in exchange for the cancellation of all indebtedness of the Company to such Note Holder under the Notes held by such Note Holder, including any accrued and unpaid interest or penalties under such Notes and for no additional consideration, such number of Note Conversion Shares set forth beside such Note Holder’s name on Schedule B attached hereto (the “*Note Conversion*”). Thereafter, the Notes converted shall solely represent the right to receive the Note Conversion Shares hereunder, and no amounts shall remain outstanding under such Notes and such Notes shall otherwise be of no further force or effect. In the event a Note Conversion will result in a Note Holder owning more than 9.99% of the total issued and outstanding common shares of the Company, the Note Holder will be issued common stock in connection with the Note Conversion until the Note Holder owns 9.99% of the issued and outstanding stock of the Company. The balance of the Note Conversion will be completed by the Company issuing the Note Holder shares of Series J Preferred Stock. A copy of the Certificate of Designation with respect to such Series J Preferred Stock is annexed hereto as Exhibit C.

## **2. Closing.**

(a) Closing. With respect to all Notes, the Note Holders shall deliver their physical Notes (or if such Notes are lost, mutilated or destroyed, a lost note affidavit and indemnity agreement in substantially the form attached hereto as Exhibit A (each, an “*Affidavit*”)) to the Company for cancellation.

(b) Delivery of Shares. Within five (5) business days from the receipt of the physical Notes (or Affidavit, as applicable) from any Note Holder, the Company shall deliver the applicable Note Conversion Shares to such Note Holder pursuant to a legal opinion acceptable to the transfer agent and the Holders to be issued by Company counsel and paid for by the Company, electronically through the Depository Trust Company or another established clearing corporation performing similar functions.

**3. Representations and Warranties of the Company.** The Company hereby represents and warrants to each Note Holder as of the date hereof as follows:

(a) Organization and Standing. The Company is a corporation duly organized, validly existing under, and by virtue of, the laws of the State of Delaware, and is in good standing under such laws. The Company has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company is duly qualified and authorized to transact business and is in good standing as a foreign corporation in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business, properties or financial condition.

(b) Corporate Power. The Company has all requisite legal and corporate power and authority to execute and deliver this Agreement, to sell and issue the Note Conversion Shares hereunder, and to carry out and perform its obligations under the terms of this Agreement and the transactions contemplated hereby.

(c) Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement, the authorization, sale, issuance and delivery of the Note Conversion Shares and the performance of all of the Company's obligations hereunder have been taken or will be taken prior to the applicable Closing. This Agreement has been duly executed by the Company and constitutes valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Valid Issuance of Stock. The Note Conversion Shares, when issued, sold and delivered in compliance with the provisions of this Agreement, will be duly and validly issued, fully paid and nonassessable and issued in compliance with applicable federal and state securities laws. Such Note Conversion Shares will also be free and clear of any liens or encumbrances; provided, however, that the Note Conversion Shares shall be subject to the provisions of this Agreement and restrictions on transfer under state and/or federal securities laws. The Note Conversion Shares are not subject to any preemptive rights, rights of first refusal or restrictions on transfer.

(e) Offering. Subject in part to the accuracy of the Note Holder's representations in Sections 4 and 5 (if applicable) hereof, the offer, sale and issuance of the Note Conversion Shares in conformity with the terms of this Agreement constitute transactions exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**") and from all applicable state securities laws.

(f) Governmental Consents. No consent, approval, qualification or authority of, or registration or filing with, any local, state or federal governmental authority on the part of the Company is required in connection with the valid execution, delivery or performance of this Agreement, or the offer, sale or issuance of the Shares, or the consummation of any transaction contemplated hereby, except (i) such filings as have been made prior to the date hereof and (ii) such additional post-closing filings as may be required to comply with applicable federal and state securities laws (including but not limited to any Form D or Form 8-K filings), and with applicable general corporation laws of the various states, each of which will be filed with the proper authority by the Company in a timely manner.

**4. Representations and Warranties of all Note Holders.** Each Note Holder, for itself and for no other person, hereby represents and warrants as of the date hereof to the Company as follows:

(a) Organization and Standing. The Note Holder is either an individual or an entity duly organized, validly existing under, and by virtue of, the laws of the jurisdiction of its incorporation or formation, and is in good standing under such laws.

(b) Corporate Power. The Note Holder has all right, corporate, partnership, limited liability company or similar power and authority to execute and deliver this Agreement, to effect the Note Conversion hereunder, and to carry out and perform its obligations under the terms of this Agreement and the transactions contemplated hereby.

(c) Authorization. All corporate, partnership, limited liability company or similar action, as applicable on the part of such Note Holder, necessary for the authorization, execution, delivery and performance of this Agreement, the Note Conversion and the performance of all of such Note Holder's obligations hereunder have been taken or will be taken prior to the applicable Closing. This Agreement has been duly executed by the Note Holder and constitutes valid and legally binding obligations of such Note Holder, enforceable against such Note Holder in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Governmental Consents. No consent, approval, qualification or authority of, or registration or filing with, any local, state or federal governmental authority on the part of the Company is required in connection with the valid execution, delivery or performance of this Agreement, or the offer, sale or issuance of the Note Conversion Shares, or the consummation of any transaction contemplated hereby, except such filings as have been made prior to the date hereof.

(e) Own Account. Such Note Holder understands that the Note Conversion Shares are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law in reliance upon exemptions from regulation for non-public offerings and is acquiring the Note Conversion Shares as principal for its own account and not with a view to or for distributing or reselling such Note Conversion Shares or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any such Note Conversion Shares in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Note Conversion Shares in violation of the Securities Act or any applicable state securities law. Such Note Holder agrees that the Note Conversion Shares or any interest therein will not be sold or otherwise disposed of by such Note Holder unless the shares are subsequently registered under the Securities Act and under appropriate state securities laws or unless the Company receives an opinion of counsel satisfactory to it (including the opinion delivered by the Company at Closing) that an exception from registration is available.

(f) Note Holder Status. The Note Holder is either: (i) an “accredited investor” as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act. Such Note Holder is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”).

(g) Experience of Note Holder. Such Note Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Note Conversion Shares, and has so evaluated the merits and risks of such investment.

(h) Ability to Bear Risk. Such Note Holder understands and acknowledges that investment in the Company is highly speculative and involves substantial risks. Such Note Holder is able to bear the economic risk of an investment in the Note Conversion Shares and is able to afford a complete loss of such investment.

(i) General Solicitation. Such Note Holder is not accepting the Note Conversion Shares as a result of any advertisement, article, notice or other communication regarding the Note Conversion Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(j) Disclosure of Information. Such Note Holder has had the opportunity to receive all additional information related to the Company requested by it and to ask questions of, and receive answers from, the Company regarding the Company, including the Company’s business management and financial affairs, and the terms and conditions of this offering of the Note Conversion Shares. Such questions were answered to such Note Holder’s satisfaction. Such Note Holder has also had access to copies of the Company’s filings with the Securities Exchange Commission under the Securities Act and Exchange Act. The Note Holder believes that it has received all the information such Note Holder considers necessary or appropriate for deciding whether to consummate the Note Conversion. The Note Holder understands that such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company’s business and prospects, but were not necessarily a thorough or exhaustive description. The Note Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(k) Residency. The residency of the Note Holder (or in the case of a partnership or corporation, such entity’s principal place of business) is correctly set forth on Schedule A attached hereto.

(l) Security Holdings. The Notes (including the aggregate and principal amounts outstanding), held by each Note Holder, as applicable, as of the date hereof are correctly described on Schedule B attached hereto. The Note Holder does not hold any other securities or equity interests in the Company other than what is set forth opposite such Note Holder's name on Schedule B attached hereto, Schedule B to the Warrant Exercise Agreement, dated August 23, 2017 and Schedule B to the Preferred Stock Exchange Agreement, dated August 23, 2017, each of which is incorporated herein by reference as though fully set forth herein and made a part of this Agreement.

(m) Tax Matters. The Note Holder has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transaction contemplated by this Agreement. The Note Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Agreement.

(n) Restrictions on Transferability: No Endorsement. The Note Holder has been informed of and understand the following:

- i. there are restrictions on the transferability of the Note Conversion Shares; or
- ii. no federal or state agency has made any finding or determination as to the fairness for public investment, nor any recommendation nor endorsement of the Note Conversion Shares.

(o) No Other Representation by the Company. None of the following information has ever been represented, guaranteed or warranted to the Note Holder, expressly or by implication by any broker, the Company, or agent or employee of the foregoing, or by any other Person:

- i. the approximate or exact length of time that the Note Holder will be required to remain a holder of the Note Conversion Shares;
- ii. the amount of consideration, profit or loss to be realized, if any, as a result of an investment in the Company; or
- iii. that the past performance or experience of the Company, its officers, directors, associates, agents, affiliates or employees or any other person will in any way indicate or predict economic results in connection with the plan of operations of the Company or the return on investment.

**5. Representations, Warranties and Covenants of Non-US Note Holders.** Each Note Holder who is a Non-U.S. Person (as defined herein) hereby represents and warrants to the Company as follows (provided however a Note Holder may not make the representation in this Section 5 if it so indicates on such Note Holder's signature page):

(a) Certain Definitions. As used herein, the term "United States" means and includes the United States of America, its territories and possessions, any state of the United States and the District of Columbia, and the term "Non-U.S. person" means any person who is not a U.S. person (as defined in Regulation S) or is deemed not to be a U.S. person under Rule 902(k)(2) of the Securities Act.

(b) Reliance on Representations and Warranties by the Company. This Agreement is made by the Company with such Note Holder who is a Non-U.S. person ("**Non-U.S. Note Holder**") in reliance upon such Non-U.S. Note Holder's representations and warranties made herein.

(c) Regulation S. Such Non-U.S. Note Holder has been advised and acknowledges that:

- i. the Note Conversion Shares have not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other country;
- ii. in issuing and selling the Note Conversion Shares to such Non-U.S. Note Holder pursuant hereto, the Company is relying upon the "safe harbor" provided by Regulation S and/or on Section 4(a)(2) under the Securities Act;

iii. it is a condition to the availability of the Regulation S “safe harbor” that the Note Conversion Shares not be offered or sold in the United States or to a U.S. person until the expiration of a period of one year following the applicable Closing Date; notwithstanding the foregoing, prior to the expiration of one year after the applicable Closing (the “*Restricted Period*”), the Note Conversion Shares may be offered and sold by the holder thereof only if such offer and sale is made in compliance with the terms of this Agreement and either: (A) if the offer or sale is within the United States or to or for the account of a U.S. person, the securities are offered and sold pursuant to an effective registration statement or pursuant to Rule 144 under the Securities Act or pursuant to an exemption from registration requirements of the Securities Act, or (B) the offer and sale is outside the United States and to other than a U.S. person.

(d) Certain Restrictions on Note Conversion Shares. Such Non-U.S. Note Holder agrees that with respect to the Note Conversion Shares until the expiration of the Restricted Period:

i. such Non-U.S. Note Holder, its agents or its representatives have not and will not solicit offers to buy, offer for sale or sell any of the Note Conversion Shares or any beneficial interest therein in the United States or to or for the account of a U.S. person during the Restricted Period; notwithstanding the foregoing, prior to the expiration of the Restricted Period, the Note Conversion Shares may be offered and sold by the holder thereof only if such offer and sale is made in compliance with the terms of this Agreement and either: (A) if the offer or sale is within the United States or to or for the account of a U.S. person, the securities are offered and sold pursuant to an effective registration statement or pursuant to Rule 144 under the Securities Act or pursuant to an exemption from registration requirements of the Securities Act; or (B) the offer and sale is outside the United States and to a person other than a U.S. person; and

ii. such Non-U.S. Note Holder shall not engage in hedging transactions with regards to the Note Conversion Shares unless in compliance with the Securities Act.

The foregoing restrictions are binding upon subsequent transferees of the Note Conversion Shares, except for transferees pursuant to an effective registration statement. Such Non-U.S. Note Holder agrees that after the Restricted Period, the Note Conversion Shares may be offered or sold within the United States or to or for the account of a U.S. person only pursuant to applicable securities laws.

(e) Directed Selling. Such Non-U.S. Note Holder has not engaged, nor is it aware that any party has engaged, and such Non-U.S. Note Holder will not engage or cause any third party to engage, in any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Note Conversion Shares.

(f) Location of Non-U.S. Note Holder. Such Non-U.S. Note Holder: (i) is domiciled and has its principal place of business or registered office outside the United States; (ii) certifies it is not a U.S. person and is not acquiring the Note Conversion Shares for the account or benefit of any U.S. person; and (iii) at the time of the applicable Closing, the Non-U.S. Note Holder or persons acting on the Non-U.S. Note Holder’s behalf in connection therewith are located outside the United States.

(g) Distributor; Dealer. Such Non-U.S. Note Holder is not a “distributor” (as defined in Regulation S) or a “dealer” (as defined in the Securities Act).

(h) Notation of Restrictions. Such Non-U.S. Note Holder acknowledges that the Company shall make a notation in its stock books regarding the restrictions on transfer set forth in this section and shall transfer such shares on the books of the Company only to the extent consistent therewith.

(i) Compliance with Laws. Such Non-U.S. Note Holder is satisfied as to the full observance of the laws of such Non-U.S. Note Holder’s jurisdiction in connection with the Note Conversion, including (i) the legal requirements within such Non-U.S. Note Holder’s jurisdiction for the Note Conversion, (ii) any foreign exchange restrictions applicable to such Note Conversion, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the exchange, holding, redemption, sale or transfer of such securities. Such Non-U.S. Note Holder’s participation in the Note Conversion and such Non-U.S. Note Holder’s continued beneficial ownership of the Note Conversion Shares will not violate any applicable securities or other laws of such Non-U.S. Note Holder’s jurisdiction.



**6. Waiver and Release.** Effective immediately upon the Note Conversion with respect to the Notes held by each Note Holder:

(a) Such Note Holder expressly forfeits and waives any and all anti-dilution and piggyback registration rights under any and all Prior Transaction Documents or otherwise applicable to the Notes, including any anti-dilution rights such Note Holder may have with respect to the issuances of any capital stock or other securities of the Company pursuant to previous transactions and pursuant to this Agreement.

(b) Such Note Holder unconditionally, irrevocably and absolutely releases and discharges the Company, and any parent and subsidiary corporations, divisions and affiliated corporations, partnerships or other entities of the Company, past and present, as well as the Company's past and present employees, officers, directors, agents, principals, shareholders, successors and assigns from all claims, losses, demands, interests, causes of action, suits, debts, controversies, liabilities, costs, expenses and damages related to the waiver of anti-dilution and piggyback registration rights above, any security interest pursuant to any Prior Transaction Documents or otherwise over any collateral of the Company, or related in any way to any rights such Note Holder may have to equity or debt securities of the Company, other than as provided under this Agreement, any other agreement entered into contemporaneously herewith or set forth on the schedules hereto and thereto. This release includes, but is not limited to, any tort, contract, common law, constitution or other statutory claims (including but not limited to any claims for attorneys' fees, costs and expenses).

(c) Such Note Holders and the Company expressly waives such Note Holder's or Company's (as applicable) right to recovery of any type, including damages or reinstatement, in any administrative court or action, whether state or federal, and whether brought by such Note Holder or Company or on such Note Holder's or Company's (as applicable) behalf, related in any way to the matters released herein.

(d) Such Note Holder and the Company declares and represents that it intends this Agreement to be complete and not subject to any claim of mistake, and that the release of the claims described herein expresses a full and complete release and it intends the release of such claims to be final and complete.

(e) The parties acknowledge that this release is not intended to bar any claims that, by statute, may not be waived and shall not waive any indemnification rights previously granted in Prior Transaction Documents.

(f) The Company unconditionally, irrevocably and absolutely releases and discharges such Note Holder, and any parent and subsidiary corporations, divisions and affiliated corporations, partnerships or other entities of such Note Holder, past and present, as well as the such Note Holder's past and present employees, officers, directors, agents, principals, shareholders, successors and assigns from all claims, losses, demands, interests, causes of action, suits, debts, controversies, liabilities, costs, expenses and damages related to any Prior Transaction Documents or otherwise over any collateral of the Company, or related in any way to any obligations such Note Holder may have to the Company, other than as provided under this Agreement or set forth on the schedules hereto. This release includes, but is not limited to, any tort, contract, common law, constitution or other statutory claims (including but not limited to any claims for attorneys' fees, costs and expenses).

## 7. Covenants.

(a) On or about the date of this Agreement, the Company is entering into Note Conversion Agreements, Preferred Stock Exchange Agreements, and Warrant Exercise Agreements with the debenture holders, the preferred stock holders and the warrant holders of the Company. Pursuant to these agreements, common stock and sometimes Series J Preferred Stock will be issued upon the conversion of debentures, conversion of old preferred stock and the exercise of warrants (collectively the “Newly Issued Capital Stock”). The Note Holder’s “New Stock” is the common stock received pursuant to this Agreement, any Preferred Stock Exchange Agreement and any Warrant Exercise Agreement of even date herewith, together with the number of common shares into which the Note Holder’s Series J Preferred Stock received by virtue of the same agreements, is convertible. The “Note Holder’s Percentage” is the percentage of the Note Holder’s New Stock compared to the total of the Newly Issued Capital Stock. At all times during the one-year period immediately following the Closing in which the Note Holder participates (“Restricted Period”), beginning on the Closing Date, such Note Holder hereby agrees with the Company that such Note Holder shall not sell on any one day, any shares of the Company’s capital stock in excess of the Note Holder’s Percentage of the Company’s trading volume on that day. The foregoing restriction was requested by the Company of each Note Holder and was not requested by any Note Holder. Each Note Holder shall make its own determination of when to sell and when not to sell independently of any other Note Holder and not as a part of any group. Notwithstanding the foregoing, the restrictions set forth in this Section 7(a) will terminate with respect to any Note Conversion Shares when the Company has any registration statement declared effective by the Securities and Exchange Commission. The Company undertakes and agrees to notify each Note Holder in writing (which may be via e-mail to with a ‘read receipt requested’) of the effective date on the same day that the Company receives notice of such effective date. The parties hereto acknowledge and agree that, except as set forth in this Agreement, the Company is under no obligation to register any of the Note Conversion Shares. The Note Holder’s Percentage is listed on Schedule A. Notwithstanding anything herein to the contrary, during the Restricted Period, the Holder may, directly or indirectly, sell or transfer all, or any part, of the Shares or the Warrant Shares (the “Restricted Securities”) to any Person (an “Assignee”) in a transaction which does not need to be reported on the Nasdaq consolidated tape, without complying with (or otherwise limited by) the restrictions set forth in this Section 7(a); provided, that as a condition to any such sale or transfer an authorized signatory of the Company and such Assignee duly execute and deliver a leak-out agreement in the form of this Section 7(a) (an “Assignee Agreement”, and each such transfer a “Permitted Transfer”) and, subsequent to a Permitted Transfer, sales of the Note Holder and all Assignees (other than any such sales that constitute Permitted Transfers) shall be aggregated for all purposes of this Section 7(a) and all Assignee Agreements.

(b) The Company hereby represents and warrants as of the date hereof and covenants and agrees from and after the date hereof that none of the terms offered to any Note Holder with respect to the terms hereunder and the Note Conversion Shares is or will be more favorable to any other Note Holder than those offered under this Agreement (including by way of any written or verbal side or separate agreements). If, and whenever on or after the date hereof, the Company offers different terms to another Note Holder, then (i) the Company shall provide notice thereof to all Note Holders promptly following the occurrence thereof and (ii) the terms and conditions of this Agreement shall be, without any further action by the Holder or the Company, automatically and retroactively amended and modified in an economically and legally equivalent manner such that all Note Holders shall receive the benefit of the more favorable terms and/or conditions (as the case may be) granted to such other Note Holder, provided that upon written notice to the Company at any time a Note Holder may elect not to accept the benefit of any such amended or modified term or condition, in which event the term or condition contained in this Agreement shall apply to the Note Holder as it was in effect immediately prior to such amendment or modification as if such amendment or modification never occurred with respect to the Note Holder.

(c) This Agreement shall be effective with respect to Holders who accept this offer only if Holders possessing not less than 100% of the outstanding Note principal and interest accept this offer and execute and deliver a copy of this Agreement to the Company on or before September 1, 2017. If this Agreement becomes effective and the transaction documents are executed on or before 8:30 a.m. on August September 5, 2017, then on or before 9:00 a.m. Eastern Time on September 5, 2017, the Company shall file a Current Report on Form 8-K with the Commission. From and after such filing, the Company represents to the Note Holders that it shall have publicly disclosed all material, non-public information delivered to it by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents.

(d) Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Note Holder or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Note Holder shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Note Holder shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

## **8. Miscellaneous.**

(a) Restriction Notations. The provisions of this Subsection 8(a) and Subsection 8(d) below, apply to all common shares received by any Note Holder pursuant to a Note Conversion Agreement, a Preferred Stock Exchange Agreement, or a Warrant Exercise Agreement and shares of common stock into which Series J Preferred Stock is converted, which shares of Series J Preferred Stock are received pursuant to the same agreements. Collectively these shares are referred to in this Subsection 8(a) and Subsection 8(d) as the “Shares”.

i. Except as otherwise provided in this Agreement, the Company shall not make any notations on its records or give any instructions to the registrar and transfer agent of the Company (along with any successor transfer agent of the Company, the “**Transfer Agent**”) implementing any restrictions on transfer.

ii. Company and Transfer Agent records evidencing the Shares shall not contain any restriction notation (including any restriction notation under this Section 8(a)): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144, (iii) if such Shares are eligible for sale under Rule 144 or (iv) if such restriction notation is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly if required by the Transfer Agent or requested by a Note Holder to effect the removal of the restriction notation hereunder. If all or any Series J Preferred Stock is converted at a time when there is an effective registration statement to cover the resale of the Note Conversion Shares, Common Stock issuable upon conversion of the Series J Preferred Stock (“**Series J Conversion Shares**”) or if the Shares may be sold under Rule 144 or if such restriction notation is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Shares and Series J Conversion Shares shall be issued free of all restriction notations. The Company agrees that following such time as such restriction notation is no longer required under this Section 8(a), it will, no later than three business days following the request by a Note Holder to the Company that the restriction on the Note Holder’s shares be removed (such third business day, the “**Restriction Notation Removal Date**”), cause the Transfer Agent to transfer the Shares upon the request of the Note Holder by crediting the account of the Note Holder's prime broker with the Depository Trust Company System as directed by such Note Holder. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 8. Without limiting the generality of the foregoing and subject to the volume limitations of Section 7(a), provided a Note Holder is not an affiliate of the Company and the Company is current in its reporting obligations, the Note Conversion Shares and Series J Conversion Shares may be sold under Rule 144 without restriction and the Company will provide the required legal opinions in connection with such sales.

iii. In addition to the Note Holder's other available remedies, the Company shall pay to a Note Holder, in cash, as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the VWAP of the Common Stock of the Company on the date a request for restriction notation removal is submitted to the Transfer Agent) to which a removal of a restriction notation was requested and subject to Section 8(a)(ii), \$10 per business day (increasing to \$20 per business day five (5) business days after such damages have begun to accrue) for each business day after the Restriction Notation Removal Date until such stock is delivered without a restriction notation. Nothing herein shall limit such Note Holder's right to pursue actual damages for the Company's failure to transfer Shares or Series J Conversion Shares as required by this Agreement, and such Note Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. For the purposes of this section, "**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Note Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company. For the purposes of this section, "**Trading Market**" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board, or any market of the OTC Markets, Inc. (or any successors to any of the foregoing).

In addition to such Note Holder's other available remedies, in the event that the Shares are delivered more than 5 Trading Days following the date hereof (or if issued pursuant to the Series J Preferred, following conversion) or a legal opinion required above is not delivered to the Transfer Agent prior to the expiration of its effectiveness ("Required Delivery Date"), Company shall pay to a Note Holder, in cash, (i) as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the VWAP of the Common Stock on the date such Securities are required to be delivered), \$10 per Trading Day (increasing to \$20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Required Delivery Date until such Shares or Series J Conversion Shares are delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to a Note Holder by the Required Delivery Date, Shares or Series J Conversion Shares without legends that is free from all restrictive and other legends and (b) if after the Required Delivery Date such Note Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Note Holder of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Note Holder anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Note Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "**Buy-In Price**") over the product of (A) such number of that the Company was required to deliver to such Note Holder by the Required Delivery Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Note Holder to the Company of the applicable Shares or Series J Conversion Shares (as the case may be) and ending on the date of such delivery and payment under this clause (iii).

(b) **Transfers.** Subject to Section 7 above, the Company hereby confirms that it will not require a legal opinion or "no action" letter from any Note Holder who desires to transfer the Note Conversion Shares or Series J Conversion Shares in compliance with Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act ("**Rule 144**").

(c) Registration Rights. Holders of Note Conversion Shares will have the registration rights described in Exhibit B hereto.

(d) Furnishing of Information. Until the earliest of the time that no Note Holder owns Notes or Shares, the Company covenants to maintain the registration of its Common Stock under Section 12(b) or 12(g) of the Exchange Act. During the period that the Note Holders own Notes or Shares, the Company shall timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company pursuant to the Exchange Act, even if the Company is not then subject to the reporting requirements of the Exchange Act.

(e) Tacking. Each party hereto acknowledges that the holding period for the Note Conversion Shares and Series J Conversion Shares may be tacked back to the date the Note cancelled and exchanged therefor was initially issued and the Company shall take no position contrary to this position.

(f) Reliance on Representations and Warranties by the Company. Each Note Holder acknowledges that the representations and warranties contained herein are made by it with the intention that such representations and warranties may be relied upon by the Company and its legal counsel in determining the Note Holder's eligibility to purchase the Note Conversion Shares under applicable securities legislation, or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Note Conversion Shares under applicable securities legislation. The Note Holder further agrees that the representations and warranties made by the Note Holder will survive the Note Conversion and will continue in full force and effect notwithstanding any subsequent disposition of the Note Holder of such Note Conversion Shares.

(g) Fees and Expenses. Each party shall pay the fees and expenses of its advisors, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the preparation, execution, delivery and performance of this Agreement.

(h) Entire Agreement. This Agreement, together with the schedules attached hereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written with respect to such matters.

(i) Notices. All notices, demands requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. The addresses for such communications shall be: (i) if to the Company, to: GT Biopharma, Inc., Attn: Chief Financial Officer, 4100 South Ashley Drive, Suite 600, Tampa, FL 33602, and (ii) if to the Note Holders, to the addresses as indicated on the signature pages attached hereto.

(j) Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Note Holders holding at least a majority in interest of the Note Conversion Shares then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; provided, that all waivers, modifications, supplements or amendments effected by less than all Note Holders impact all Note Holders in the same fashion. No waiver with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

(k) Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(l) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

(m) No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(n) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the transactions contemplated hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principals of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts of New York for the adjudication of any dispute hereunder or in connection herewith or the transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. In addition to any other rights or remedies hereunder, any indemnification provisions granted to a Note Holder shall continue to survive and apply to such Note Holder as if such rights were granted hereunder.

(o) Survival. The representations and warranties contained herein shall survive the Closings for the applicable statute of limitations.

(p) Execution. This Agreement may be executed in one or more counterparts, all of which when taken together shall be considered one and the same agreement, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by email delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature was an original thereof.

(q) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ, an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(r) Independent Nature of Obligations and Rights. The obligations of each Note Holder and hereunder are several and not joint with the obligations of any other Note Holder, and no Note Holder shall be responsible in any way for the performance or non-performance of the obligations of any other Note Holder hereunder. Nothing contained herein and no action taken by any Note Holder hereto shall be deemed to constitute the Note Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Note Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby. The Company and each Note Holder confirms that such Note Holder has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. Each Note Holder shall be entitled to independently protect and enforce its rights under this Agreement and it shall not be necessary for any other Note Holder to be joined as an additional party in any proceeding for such purpose.

(s) No Third Party Beneficiaries. Nothing in this Agreement shall provide any benefit to any third party nor entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Agreement shall not otherwise be construed as a third party beneficiary contract.

(t) Construction. The parties hereto agree that each of them and/or their respective counsel have reviewed and have had an opportunity to revise this Agreement and the schedules attached hereto. This Agreement shall be construed according to its fair meaning and not strictly for or against any party. The word “including” shall be construed to include the words “without limitation.” In this Agreement, unless the context otherwise requires, references to the singular shall include the plural and vice versa.

**(u) WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

*Signature page to  
Note Conversion Agreement  
(Company)*

IN WITNESS WHEREOF, the parties have caused this Note Conversion Agreement to be duly executed and delivered as of the date and year first written above.

**“Company”  
GT Biopharma, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



*Signature page to  
Note Conversion Agreement  
(Note Holders)*

IN WITNESS WHEREOF, the parties have caused this Note Conversion Agreement to be duly executed and delivered as of the date and year first written above.

**“Note Holders”**

**If by an individual:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residency: \_\_\_\_\_

**If by an  
entity:**

\_\_\_\_\_  
Name of entity  
  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Principal Place  
of Business: \_\_\_\_\_

**Address for  
Notice:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Facsimile:** \_\_\_\_\_

**Schedule A**

	Percentage
Bristol Investment Fund*	21.515%
Theorem Group*	14.507%
James W. Heavener*	11.175%
Adam Kasower*	10.515%
Canyons Trust	10.407%
Red Mango*	9.096%
Alpha Capital *	7.374%
Scott Booth Investments III*	5.551%
Bristol Capital*	2.954%
East Ventures Inc*	2.136%
HC Wainwright*	1.065%
Raymond Pribadi (Private Resources) *	0.653%
Scott Williams*	0.554%
Randy Berinhout*	0.398%
Craig Osborne*	0.393%
Adam Cohen*	0.321%
Les Cantor*	0.319%
Munt Trust*	0.245%
Gianna Simone Baxter*	0.183%
Farhad Rastanian*	0.132%
Howard Knee*	0.121%
Ho'okipa Capital Partners Inc*	0.120%
Anthony Baxter*	0.085%
Piter Korompis*	0.057%
Greg McPherson*	0.049%
Net Capital*	0.039%
Barry Wolfe*	0.025%
John Brady	0.009%
Brannon Family Office LLLP	0.002%
Total	100.000%

\*Party to this agreement

**Note Conversion Shares**

*(see attached)*

**EXHIBIT A**

**LOST NOTE AFFIDAVIT AND INDEMNITY AGREEMENT**

[ \_\_\_\_\_ ] (the “*Note Holder*”), by and through its duly authorized person, hereby certifies:

1. This Lost Note Affidavit and Indemnity Agreement (the “*Agreement*”), entered into effective as of [ \_\_\_\_\_ ], 20\_\_], relates to (1) the Securities Purchase Agreement (the “*Purchase Document*”) dated as of [ \_\_\_\_\_ ], 20\_\_ ] by and among OXIS International, Inc., a Delaware corporation (the “*Company*”) and the Note Holder, and (2) the [ \_\_\_% Convertible Debentures] (the “*Note*”) dated as of [ \_\_\_\_\_ ], 20\_\_], made by Company payable to Note Holder in the original principal amount of \_\_\_\_\_ ( \_\_\_\_\_ ).

2. Note Holder hereby represents, warrants, and agrees as follows:

a. After having conducted a diligent investigation of its records and files, Note Holder has been unable to find the Note and believes that such Note has been lost, misfiled, misplaced, or destroyed.

b. Note Holder has not assigned, encumbered, endorsed, pledged, or hypothecated the Note, or otherwise transferred to another individual or entity any right, title, interest, or claim in, to, or under the Note.

c. Note Holder agrees that if it ever finds the Note, it will promptly notify Company of the existence of the Note, mark the Note as canceled, and forward the Note to Company or the Company’s designee.

d. Note Holder shall indemnify Company for, and hold Company harmless from and against, any damages, liabilities, losses, claims (including any claim by any individual or entity for the collection of any sums due under or with respect to such Note), or expenses arising out of, or resulting from, (i) Note Holder’s inability to find and deliver the Note to Company, or (ii) any inaccuracy or misstatement of fact in, or breach of any representation, warranty, agreement, or duty in or under, this Agreement.

3. This Agreement may be executed in counterparts, each of which shall be identical and all of which, when taken together, shall constitute one and the same instrument.

4. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware (without regard to any conflicts of laws provisions thereof).

*[Remainder of page intentionally left blank]*

The parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first written above.

**“NOTE HOLDER”**

**If by an individual:**

Printed Name: \_\_\_\_\_

**If by an entity:**

Name of entity \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

DWAC Instructions:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ACCEPTED AND AGREED**

**“COMPANY”**

**OXIS INTERNATIONAL, INC.**

a Delaware corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT B

### REGISTRATION RIGHTS

1.1 **Company Registration.** If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration relating solely to employee benefit plans, a registration relating to a corporate reorganization or other Rule 145 transaction, or a registration on any registration form that does not permit secondary sales, the Company will:

(a) promptly give written notice of the proposed registration to all Note Holders; and

(b) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.2 of this Exhibit B below, and in any underwriting involved therein, all of such Registrable Securities as are specified in a written request or requests made by any Note Holder or Note Holders received by the Company within 10 days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Note Holder's Registrable Securities.

1.2 **Underwriting.** If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Note Holders as a part of the written notice given pursuant to Section 1.1(a) of this Exhibit B. In such event, the right of any Note Holder to registration pursuant to this Section 1.2 shall be conditioned upon such Note Holder's participation in such underwriting and the inclusion of such Note Holder's Registrable Securities in the underwriting to the extent provided herein. All Note Holders proposing to distribute their securities through such underwriting shall (together with the Company, the Other Selling Stockholders and other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 1.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registrable Securities to be included in, the registration and underwriting. The Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated, as follows: (i) first, to the Company for securities being sold for its own account, and (ii) second, to the Note Holders and Other Selling Stockholders requesting to include Registrable Securities and Other Shares in such registration statement based on the *pro rata* percentage of Registrable Securities and Other Shares held by such Note Holders and Other Selling Stockholders, assuming conversion and (iii) third, to the Other Selling Stockholders requesting to include Other Shares in such registration statement based on the *pro rata* percentage of Other Shares held by such Other Selling Stockholders, assuming conversion.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

1.3 **Right to Terminate Registration.** The Company shall have the right to terminate or withdraw any registration initiated by it under this Exhibit B prior to the effectiveness of such registration whether or not any Note Holder has elected to include securities in such registration.

1.4 **Definitions.** The following definitions shall apply for the purposes of this Exhibit B:

(a) "**Other Selling Stockholders**" shall mean persons other than Note Holders who, by virtue of agreements with the Company, are entitled to include their Other Shares in certain registrations hereunder.

(b) “**Other Shares**” shall mean shares of Common Stock, other than Registrable Securities (as defined below), with respect to which registration rights have been granted.

(c) “**Registrable Securities**” shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Notes and (ii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) above; provided, however, that Registrable Securities shall not include any shares of Common Stock described in clause (i) or (ii) above which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor’s rights under this Agreement are not validly assigned in accordance with this Agreement.

## WARRANT EXERCISE AGREEMENT

This Warrant Exercise Agreement (this “*Agreement*”) is entered into as of August 29, 2017, by and among GT Biopharma, Inc., a Delaware corporation (the “*Company*”), and the parties listed on Schedule A hereto (the “*Warrant Holders*” or “ *Holders*”).

WHEREAS, each of James Heavener, Gianna Simone Baxter, Anthony Baxter, Alpha Capital Anstalt, Bristol Investment Fund, Ltd, Adam Kasower, Theorem Group, LLC, Red Mango Ltd, SV Booth Investments III, Bristol Capital LLC, East Ventures, LLC, Randy Berinhout, Piter Korompis, Private Resources, Ltd, Barry Wolfe, Scott Williams, Net Capital LLC, Canyons Trust, Brannon Family Office LLLP, John Brady (the foregoing individuals and entities collectively, the “May 2016 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated May 4, 2016, as amended from time to time (the “May 2016 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “May 2016 Warrants”);

WHEREAS, H.C. Wainwright and Company, LLC (the foregoing entity known as, the “August 2016 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated August 6, 2015, as amended from time to time (the “August 2016 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “August 2016 Warrants”);

WHEREAS, each of James Heavener, Gianna Simone Baxter, Alpha Capital Anstalt, Bristol Investment Fund, Ltd, Adam Kasower, Bristol Capital LLC, Scott Williams, Private Resources Ltd, H.C. Wainwright and Company LLC (the foregoing individuals and entities collectively, the “January 2017 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated January 9, 2017, as amended from time to time (the “January 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “January 2017 Warrants”);

WHEREAS, each of Alpha Capital Anstalt, Adam Kasower, (the foregoing individuals and entities collectively, the “March 2017 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated March 16, 2017, as amended from time to time (the “March 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “March 2017 Warrants”);

WHEREAS, each of Alpha Capital Anstalt, Craig Osborne, (the foregoing individuals and entities collectively, the “April 2017 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated April 13, 2017, as amended from time to time (the “April 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “April 2017 Warrants”);

WHEREAS, each of Adam Kasower, Red Mango Ltd, Bristol Investment Fund, Ltd, (the foregoing individuals and entities collectively, the “July 2017 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated July 19, 2017, as amended from time to time (the “July 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “July 2017 Warrants”);

WHEREAS, each of James Heavener, Gianna Simone Baxter, Anthony Baxter, Alpha Capital Anstalt, Bristol Investment Fund, Ltd, Adam Kasower, Craig Osborne, Scott Williams, Randy Berinhout, Red Mango Ltd, (the foregoing individuals and entities collectively, the “August 2017 Warrant Holders”) and the Company are party to that certain Securities Purchase Agreement dated August 16, 2017, as amended from time to time (the “August 2017 Purchase Agreement”), pursuant to which the Company issued 10% Convertible Debentures (the “August 2017 Warrants”);

WHEREAS, May 2016 Warrants, August 2016 Warrants, January 2017 Warrants, March 2017 Warrants, April 2017 Warrants, July 2017 Warrants, and August 2017 Warrants are herein collectively referred to as the “Warrants”;



WHEREAS, May 2016 Warrant Holders, August 2016 Warrant Holders, January 2017 Warrant Holders, March 2017 Warrant Holders, April 2017 Warrant Holders, July 2017 Warrant Holders, and August 2017 Warrant Holders are herein collectively referred to as the “Warrant Holders”;

WHEREAS, the May 2016 Purchase Agreement, August 2016 Purchase Agreement, January 2017 Purchase Agreement, March 2017 Purchase Agreement, April 2017 Purchase Agreement, July 2017 Purchase Agreement, and August 2017 Purchase Agreement are herein collectively referred to as the “Prior Subscription Agreements”;

WHEREAS, the Prior Subscription Agreements and the Warrants are herein collectively referred to as the “Prior Transaction Documents”;

WHEREAS, each Warrant Holder hereby agrees to exercise all Warrants held by such Warrant Holder, and the Company agrees to issue to each Warrant Holder upon exercise of such Warrants, which exercise shall be cashless and for no additional consideration, the number of shares of Common Stock set forth opposite such Warrant Holder’s name on Schedule B hereto (the “*Warrant Shares*”);

NOW, THEREFORE, in consideration of the rights and benefits that they will each receive in connection with this Agreement, the parties, intending to be legally bound, agree as follows:

**1. Exercise of Warrants; Issuance of Warrant Shares.** Subject to the terms and conditions of this Agreement, at the Closing (as defined herein) the Company shall issue to each Warrant Holder, pursuant to the cashless exercise of the Warrants then held by such Warrant Holder, based on a VWAP of \$8.20 and an exercise price of \$7.20, for such number of Warrant Shares set forth beside such Warrant Holder’s name on Schedule B attached hereto (the “*Warrant Exercise*”). From and after the Closing, the Warrants shall solely represent the right to receive the Warrant Shares hereunder. In the event a Warrant Exercise will result in a Warrant Holder owning more than 9.99% of the total issued and outstanding common shares of the Company, the Warrant Holder will be issued common stock in connection with the Warrant Exercise until the Warrant Holder owns 9.99% of the issued and outstanding stock of the Company. The balance of the Warrant Exercise will be completed by the Company issuing the Warrant Holder shares of Series J Preferred Stock. A copy of the Certificate of Designation with respect to such Series J Preferred Stock is annexed hereto as Exhibit C.

## **2. Closing.**

(a) Closing. With respect to all Warrants, the Warrant Holders shall deliver their physical Warrants (or if such Warrants are lost, mutilated or destroyed, a lost note affidavit and indemnity agreement in substantially the form attached hereto as Exhibit A (each, an “*Affidavit*”)) to the Company for cancellation.

(b) Delivery of Shares. Within five (5) business days from the receipt of the physical Warrants (or Affidavit, as applicable) from any Warrant Holder, the Company shall deliver the Warrant Shares to the Warrant Holders pursuant to a legal opinion acceptable to the transfer agent and the Holders to be issued by Company counsel and paid for by the Company, electronically through the Depository Trust Company or another established clearing corporation performing similar functions.

**3. Representations and Warranties of the Company.** The Company hereby represents and warrants to each Warrant Holder as of the date hereof as follows:

(a) Organization and Standing. The Company is a corporation duly organized, validly existing under, and by virtue of, the laws of the State of Delaware, and is in good standing under such laws. The Company has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company is duly qualified and authorized to transact business and is in good standing as a foreign corporation in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business, properties or financial condition.

(b) Corporate Power. The Company has all requisite legal and corporate power and authority to execute and deliver this Agreement, to issue the Warrant Shares hereunder, and to carry out and perform its obligations under the terms of this Agreement and the transactions contemplated hereby.

(c) Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement, the authorization, sale, issuance and delivery of the Warrant Shares and the performance of all of the Company's obligations hereunder have been taken or will be taken prior to the applicable Closing. This Agreement has been duly executed by the Company and constitutes valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Valid Issuance of Stock. The Warrant Shares, when issued, sold and delivered in compliance with the provisions of this Agreement, will be duly and validly issued, fully paid and nonassessable and issued in compliance with applicable federal and state securities laws. Such Warrant Shares will also be free and clear of any liens or encumbrances; provided, however, that the Warrant Shares shall be subject to the provisions of this Agreement and restrictions on transfer under state and/or federal securities laws. The Warrant Shares are not subject to any preemptive rights, rights of first refusal or restrictions on transfer.

(e) Offering. Subject in part to the accuracy of the Warrant Holder's representations in Sections 4 and 5 (if applicable) hereof, the offer, sale and issuance of the Warrant Shares in conformity with the terms of this Agreement constitute transactions exempt from registration under the Securities Act of 1933, as amended (the "*Securities Act*") and from all applicable state securities laws.

(f) Governmental Consents. No consent, approval, qualification or authority of, or registration or filing with, any local, state or federal governmental authority on the part of the Company is required in connection with the valid execution, delivery or performance of this Agreement, or the offer, sale or issuance of the Shares, or the consummation of any transaction contemplated hereby, except (i) such filings as have been made prior to the date hereof and (ii) such additional post-closing filings as may be required to comply with applicable federal and state securities laws (including but not limited to any Form D or Form 8-K filings), and with applicable general corporation laws of the various states, each of which will be filed with the proper authority by the Company in a timely manner.

**4. Representations and Warranties of all Warrant Holders**. Each Warrant Holder, for itself and for no other person, hereby represents and warrants as of the date hereof to the Company as follows:

(a) Organization and Standing. The Warrant Holder is either an individual or an entity duly organized, validly existing under, and by virtue of, the laws of the jurisdiction of its incorporation or formation, and is in good standing under such laws.

(b) Corporate Power. The Warrant Holder has all right, corporate, partnership, limited liability company or similar power and authority to execute and deliver this Agreement, to effect the Warrant Exercise hereunder, and to carry out and perform its obligations under the terms of this Agreement and the transactions contemplated hereby.

(c) Authorization. All corporate, partnership, limited liability company or similar action, as applicable on the part of such Warrant Holder, necessary for the authorization, execution, delivery and performance of this Agreement, the Warrant Exercise and the performance of all of such Warrant Holder's obligations hereunder have been taken or will be taken prior to the applicable Closing. This Agreement has been duly executed by the Warrant Holder and constitutes valid and legally binding obligations of such Warrant Holder, enforceable against such Warrant Holder in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Governmental Consents. No consent, approval, qualification or authority of, or registration or filing with, any local, state or federal governmental authority on the part of the Company is required in connection with the valid execution, delivery or performance of this Agreement, or the offer, sale or issuance of the Warrant Shares, or the consummation of any transaction contemplated hereby, except such filings as have been made prior to the date hereof.

(e) Own Account. Such Warrant Holder understands that the Warrant Shares are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law in reliance upon exemptions from regulation for non-public offerings and is acquiring the Warrant Shares as principal for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any such Warrant Shares in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Warrant Shares in violation of the Securities Act or any applicable state securities law. Such Warrant Holder agrees that the Warrant Shares or any interest therein will not be sold or otherwise disposed of by such Warrant Holder unless the shares are subsequently registered under the Securities Act and under appropriate state securities laws or unless the Company receives an opinion of counsel satisfactory to it (including the opinion delivered by the Company at Closing) that an exception from registration is available.

(f) Warrant Holder Status. The Warrant Holder is either: (i) an “accredited investor” as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act. Such Warrant Holder is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”).

(g) Experience of Warrant Holder. Such Warrant Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Warrant Shares, and has so evaluated the merits and risks of such investment.

(h) Ability to Bear Risk. Such Warrant Holder understands and acknowledges that investment in the Company is highly speculative and involves substantial risks. Such Warrant Holder is able to bear the economic risk of an investment in the Warrant Shares and is able to afford a complete loss of such investment.

(i) General Solicitation. Such Warrant Holder is not accepting the Warrant Shares as a result of any advertisement, article, notice or other communication regarding the Warrant Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(j) Disclosure of Information. Such Warrant Holder has had the opportunity to receive all additional information related the Company requested by it and to ask questions of, and receive answers from, the Company regarding the Company, including the Company’s business management and financial affairs, and the terms and conditions of this offering of the Warrant Shares. Such questions were answered to such Warrant Holder’s satisfaction. Such Warrant Holder has also had access to copies of the Company’s filings with the Securities Exchange Commission under the Securities Act and Exchange Act. The Warrant Holder believes that it has received all the information such Warrant Holder considers necessary or appropriate for deciding whether to consummate the Warrant Exercise. The Warrant Holder understands that such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company’s business and prospects, but were not necessarily a through or exhaustive description. The Warrant Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(k) Residency. The residency of the Warrant Holder (or in the case of a partnership or corporation, such entity’s principal place of business) is correctly set forth on the signature pages attached hereto.

(l) Security Holdings. The Warrants held by each Warrant Holder, as applicable, as of the date hereof are correctly described on Schedule B attached hereto. The Warrant Holder does not hold any other securities or equity interests in the Company other than what is set forth opposite such Warrant Holder's name on Schedule B attached hereto, and Schedule B to the Note Conversion Agreement, dated August 23, 2017, which is incorporated herein by reference as though fully set forth herein and made a part of this Agreement.

(m) Tax Matters. The Warrant Holder has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transaction contemplated by this Agreement. The Warrant Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Agreement.

(n) Restrictions on Transferability; No Endorsement. The Warrant Holder has been informed of and understand the following:

i. there are substantial restrictions on the transferability of the Warrant Shares; or

ii. no federal or state agency has made any finding or determination as to the fairness for public investment, nor any recommendation nor endorsement of the Warrant Shares.

(o) No Other Representation by the Company. None of the following information has ever been represented, guaranteed or warranted to the Warrant Holder, expressly or by implication by any broker, the Company, or agent or employee of the foregoing, or by any other Person:

i. the approximate or exact length of time that the Warrant Holder will be required to remain a holder of the Warrant Shares;

ii. the amount of consideration, profit or loss to be realized, if any, as a result of an investment in the Company; or

iii. that the past performance or experience of the Company, its officers, directors, associates, agents, affiliates or employees or any other person will in any way indicate or predict economic results in connection with the plan of operations of the Company or the return on investment.

**5. Representations, Warranties and Covenants of Non-US Warrant Holders**. Each Warrant Holder who is a Non-U.S. Person (as defined herein) hereby represents and warrants to the Company as follows (provided however a Warrant Holder may not make the representation in this Section 5 if it so indicates on such Warrant Holder's signature page):

(a) Certain Definitions. As used herein, the term "United States" means and includes the United States of America, its territories and possessions, any state of the United States and the District of Columbia, and the term "Non-U.S. person" means any person who is not a U.S. person (as defined in Regulation S) or is deemed not to be a U.S. person under Rule 902(k)(2) of the Securities Act.

(b) Reliance on Representations and Warranties by the Company. This Agreement is made by the Company with such Warrant Holder who is a Non-U.S. person ("**Non-U.S. Warrant Holder**") in reliance upon such Non-U.S. Warrant Holder's representations and warranties made herein.

(c) Regulation S. Such Non-U.S. Warrant Holder has been advised and acknowledges that:

i. the Warrant Shares have not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other country;

ii. in issuing and selling the Warrant Shares to such Non-U.S. Warrant Holder pursuant to hereto, the Company is relying upon the "safe harbor" provided by Regulation S and/or on Section 4(a)(2) under the Securities Act;

iii. it is a condition to the availability of the Regulation S “safe harbor” that the Warrant Shares not be offered or sold in the United States or to a U.S. person until the expiration of a period of one year following the Closing Date; notwithstanding the foregoing, prior to the expiration of one year after the Closing (the “**Restricted Period**”), the Warrant Shares may be offered and sold by the holder thereof only if such offer and sale is made in compliance with the terms of this Agreement and either: (A) if the offer or sale is within the United States or to or for the account of a U.S. person, the securities are offered and sold pursuant to an effective registration statement or pursuant to Rule 144 under the Securities Act or pursuant to an exemption from registration requirements of the Securities Act, or (B) the offer and sale is outside the United States and to other than a U.S. person.

(d) Certain Restrictions on Warrant Shares. Such Non-U.S. Warrant Holder agrees that with respect to the Shares until the expiration of the Restricted Period:

i. such Non-U.S. Warrant Holder, its agents or its representatives have not and will not solicit offers to buy, offer for sale or sell any of the Shares or any beneficial interest therein in the United States or to or for the account of a U.S. person during the Restricted Period; notwithstanding the foregoing, prior to the expiration of the Restricted Period, the Warrant Shares may be offered and sold by the holder thereof only if such offer and sale is made in compliance with the terms of this Agreement and either: (A) if the offer or sale is within the United States or to or for the account of a U.S. person, the securities are offered and sold pursuant to an effective registration statement or pursuant to Rule 144 under the Securities Act or pursuant to an exemption from registration requirements of the Securities Act; or (B) the offer and sale is outside the United States and to a person other than a U.S. person; and

ii. such Non-U.S. Warrant Holder shall not engage in hedging transactions with regards to the Warrant Shares unless in compliance with the Securities Act.

The foregoing restrictions are binding upon subsequent transferees of the Warrant Shares, except for transferees pursuant to an effective registration statement. Such Non-U.S. Warrant Holder agrees that after the Restricted Period, the Warrant Shares may be offered or sold within the United States or to or for the account of a U.S. person only pursuant to applicable securities laws.

(e) Directed Selling. Such Non-U.S. Warrant Holder has not engaged, nor is it aware that any party has engaged, and such Non-U.S. Warrant Holder will not engage or cause any third party to engage, in any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Shares.

(f) Location of Non-U.S. Warrant Holder. Such Non-U.S. Warrant Holder: (i) is domiciled and has its principal place of business or registered office outside the United States; (ii) certifies it is not a U.S. person and is not acquiring the Warrant Shares for the account or benefit of any U.S. person; and (iii) at the time of Closing, the Non-U.S. Warrant Holder or persons acting on the Non-U.S. Warrant Holder’s behalf in connection therewith are located outside the United States.

(g) Distributor; Dealer. Such Non-U.S. Warrant Holder is not a “distributor” (as defined in Regulation S) or a “dealer” (as defined in the Securities Act).

(h) Notation of Restrictions. Such Non-U.S. Warrant Holder acknowledges that the Company shall make a notation in its stock books regarding the restrictions on transfer set forth in this section and shall transfer such shares on the books of the Company only to the extent consistent therewith.

(i) Compliance with Laws. Such Non-U.S. Warrant Holder is satisfied as to the full observance of the laws of such Non-U.S. Warrant Holder’s jurisdiction in connection with the Warrant Exercise, including (i) the legal requirements within such Non-U.S. Warrant Holder’s jurisdiction for the Warrant Exercise, (ii) any foreign Warrant Exercise restrictions applicable to such Warrant Exercise, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the Warrant Exercise, holding, redemption, sale or transfer of such securities. Such Non-U.S. Warrant Holder’s participation in the Warrant Exercise, and such Non-U.S. Warrant Holder’s continued beneficial ownership of the Warrant Shares will not violate any applicable securities or other laws of such Non-U.S. Warrant Holder’s jurisdiction.

**6. Waiver and Release.** Effective immediately upon the Warrant Exercise with respect to the Warrants held by each Warrant Holder:

(a) Such Warrant Holder expressly forfeits and waives any and all anti-dilution and piggyback registration rights under any and all Prior Transaction Documents or otherwise applicable to the Warrants, including any anti-dilution rights such Warrant Holder may have with respect to the issuances of any capital stock or other securities of the Company pursuant to previous transactions and pursuant to this Agreement.

(b) Such Warrant Holder unconditionally, irrevocably and absolutely releases and discharges the Company, and any parent and subsidiary corporations, divisions and affiliated corporations, partnerships or other entities of the Company, past and present, as well as the Company's past and present employees, officers, directors, agents, principals, shareholders, successors and assigns from all claims, losses, demands, interests, causes of action, suits, debts, controversies, liabilities, costs, expenses and damages related to the waiver of anti-dilution and piggyback registration rights above, any security interest pursuant to any Prior Transaction Documents or otherwise over any collateral of the Company, or related in any way to any rights such Warrant Holder may have to equity or debt securities of the Company, other than as set forth on the schedules hereto. This release includes, but is not limited to, any tort, contract, common law, constitution or other statutory claims (including but not limited to any claims for attorneys' fees, costs and expenses).

(c) Such Warrant Holders and the Company expressly waives such Warrant Holder's or Company's (as applicable) right to recovery of any type, including damages or reinstatement, in any administrative court or action, whether state or federal, and whether brought by such Warrant Holder or Company or on such Warrant Holder's or Company's (as applicable) behalf, related in any way to the matters released herein.

(d) Such Warrant Holders and the Company declares and represents that it intends this Agreement to be complete and not subject to any claim of mistake, and that the release of the claims described herein expresses a full and complete release and it intends the release of such claims to be final and complete.

(e) The parties acknowledge that this release is not intended to bar any claims that, by statute, may not be waived and shall not waive any indemnification rights previously granted in Prior Transaction Documents.

(f) The Company unconditionally, irrevocably and absolutely releases and discharges such Warrant Holder, and any parent and subsidiary corporations, divisions and affiliated corporations, partnerships or other entities of such Warrant Holder, past and present, as well as the such Warrant Holder's past and present employees, officers, directors, agents, principals, shareholders, successors and assigns from all claims, losses, demands, interests, causes of action, suits, debts, controversies, liabilities, costs, expenses and damages related to any Prior Transaction Documents or otherwise over any collateral of the Company, or related in any way to any obligations such Warrant Holder may have to the Company, other than as provided under this Agreement or set forth on the schedules hereto. This release includes, but is not limited to, any tort, contract, common law, constitution or other statutory claims (including but not limited to any claims for attorneys' fees, costs and expenses).

## 7. Covenants.

(a) On or about the date of this Agreement, the Company is entering into Note Conversion Agreements, Preferred Stock Exchange Agreements, and Warrant Exercise Agreements with the debenture holders, the preferred stock holders and the warrant holders of the Company. Pursuant to these agreements, common stock and sometimes Series J Preferred Stock will be issued upon the conversion of debentures, conversion of old preferred stock and the exercise of warrants (collectively the “Newly Issued Capital Stock”). The Note Holder’s “New Stock” is the common stock received pursuant to this Agreement, any Preferred Stock Exchange Agreement and any Warrant Exercise Agreement of even date herewith, together with the number of common shares into which the Note Holder’s Series J Preferred Stock received by virtue of the same agreements, is convertible. The “Note Holder’s Percentage” is the percentage of the Note Holder’s New Stock compared to the total of the Newly Issued Capital Stock. At all times during the one-year period immediately following the Closing in which the Note Holder participates (“Restricted Period”), beginning on the Closing Date, such Note Holder hereby agrees with the Company that such Note Holder shall not sell on any one day, any shares of the Company’s capital stock in excess of the Note Holder’s Percentage of the Company’s trading volume on that day. The foregoing restriction was requested by the Company of each Note Holder and was not requested by any Note Holder. Each Note Holder shall make its own determination of when to sell and when not to sell independently of any other Note Holder and not as a part of any group. Notwithstanding the foregoing, the restrictions set forth in this Section 7(a) will terminate with respect to any Note Conversion Shares when the Company has any registration statement declared effective by the Securities and Exchange Commission. The Company undertakes and agrees to notify each Note Holder in writing (which may be via e-mail to with a ‘read receipt requested’) of the effective date on the same day that the Company receives notice of such effective date. The parties hereto acknowledge and agree that, except as set forth in this Agreement, the Company is under no obligation to register any of the Note Conversion Shares. The Note Holder’s Percentage is listed on Schedule A. Notwithstanding anything herein to the contrary, during the Restricted Period, the Holder may, directly or indirectly, sell or transfer all, or any part, of the Shares or the Warrant Shares (the “Restricted Securities”) to any Person (an “Assignee”) in a transaction which does not need to be reported on the Nasdaq consolidated tape, without complying with (or otherwise limited by) the restrictions set forth in this Section 7(a); provided, that as a condition to any such sale or transfer an authorized signatory of the Company and such Assignee duly execute and deliver a leak-out agreement in the form of this Section 7(a) (an “Assignee Agreement”, and each such transfer a “Permitted Transfer”) and, subsequent to a Permitted Transfer, sales of the Note Holder and all Assignees (other than any such sales that constitute Permitted Transfers) shall be aggregated for all purposes of this Section 7(a) and all Assignee Agreements.

(b) The Company hereby represents and warrants as of the date hereof and covenants and agrees from and after the date hereof that none of the terms offered to any Warrant Holder with respect to the terms hereunder and the Warrant Shares is or will be more favorable to any other Warrant Holder than those offered under this Agreement (including by way of any written or verbal side or separate agreements). If, and whenever on or after the date hereof, the Company offers different terms to another Warrant Holder, then (i) the Company shall provide notice thereof to all Warrant Holders promptly following the occurrence thereof and (ii) the terms and conditions of this Agreement shall be, without any further action by the Holder or the Company, automatically and retroactively amended and modified in an economically and legally equivalent manner such that all Warrant Holders shall receive the benefit of the more favorable terms and/or conditions (as the case may be) granted to such other Warrant Holder, provided that upon written notice to the Company at any time a Warrant Holder may elect not to accept the benefit of any such amended or modified term or condition, in which event the term or condition contained in this Agreement shall apply to the Warrant Holder as it was in effect immediately prior to such amendment or modification as if such amendment or modification never occurred with respect to the Warrant Holder.

(c) This Agreement shall be effective with respect to Holders who accept this offer only if Holders possessing not less than 100% of the outstanding Warrants accept this offer and execute and deliver a copy of this Agreement to the Company on or before September 1, 2017. If this Agreement becomes effective and the transaction documents are executed on or before 8:30 a.m. on September 5, 2017, then on or before 9:00 a.m. Eastern Time on September 5, 2017, the Company shall file a Current Report on Form 8-K with the Commission. From and after such filing, the Company represents to the Warrant Holders that it shall have publicly disclosed all material, non-public information delivered to it by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents.

(d) Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Warrant Holder or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Warrant Holder shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Warrant Holder shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

#### **8. Miscellaneous.**

(a) Restriction Notations. The provisions of this Subsection 8(a) and Subsection 8(d) below, apply to all common shares received by any Note Holder pursuant to a Note Conversion Agreement, a Preferred Stock Exchange Agreement, or a Warrant Exercise Agreement and shares of common stock into which Series J Preferred Stock is converted, which shares of Series J Preferred Stock are received pursuant to the same agreements. Collectively these shares are referred to in this Subsection 8(a) and Subsection 8(d) as the “Shares”.

i. Except as otherwise provided in this Agreement, the Company shall not make any notations on its records or give any instructions to the registrar and transfer agent of the Company (along with any successor transfer agent of the Company, the “Transfer Agent”) implementing any restrictions on transfer.

ii. Company and Transfer Agent records evidencing the Shares shall not contain any restriction notation (including any restriction notation under this Section 8(a)): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144, (iii) if such Shares are eligible for sale under Rule 144 or (iv) if such restriction notation is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly if required by the Transfer Agent or requested by a Warrant Holder to effect the removal of the restriction notation hereunder. If all or any Series J Preferred Stock is converted at a time when there is an effective registration statement to cover the resale of the Shares, Common Stock issuable upon conversion of the Series J Preferred Stock (“Series J Conversion Shares”) or if the Shares may be sold under Rule 144 or if such restriction notation is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Warrant Shares and Series J Conversion Shares shall be issued free of all restriction notations. The Company agrees that following such time as such restriction notation is no longer required under this Section 8(a), it will, no later than three business days following the request by a Warrant Holder to the Company that the restriction on the Warrant Holder’s shares be removed (such third business day, the “Restriction Notation Removal Date”), cause the Transfer Agent to transfer the Shares upon the request of the Warrant Holder by crediting the account of the Warrant Holder’s prime broker with the Depository Trust Company System as directed by such Warrant Holder. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 8. Without limiting the generality of the foregoing and subject to the volume limitations of Section 7(a), provided a Note Holder is not an affiliate of the Company and the Company is current in its reporting obligations, the Note Conversion Shares and Series J Conversion Shares may be sold under Rule 144 without restriction and the Company will provide the required legal opinions in connection with such sales.



iii. In addition to the Warrant Holder's other available remedies, the Company shall pay to a Warrant Holder, in cash, as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the VWAP of the Common Stock of the Company on the date a request for restriction notation removal is submitted to the Transfer Agent) to which a removal of a restriction notation was requested and subject to Section 8(a)(ii), \$10 per business day (increasing to \$20 per business day five (5) business days after such damages have begun to accrue) for each business day after the Restriction Notation Removal Date until such stock is delivered without a restriction notation. Nothing herein shall limit such Warrant Holder's right to pursue actual damages for the Company's failure to transfer Shares or Series J Conversion Shares as required by this Agreement, and such Warrant Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. For the purposes of this section, "VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Warrant Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company. For the purposes of this section, "Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board, or any market of the OTC Markets, Inc. (or any successors to any of the foregoing).

In addition to such Warrant Holder's other available remedies, in the event that the Shares are delivered more than 5 Trading Days following the date hereof (or if issued pursuant to the Series J Preferred, following conversion) or a legal opinion required above is not delivered to the Transfer Agent prior to the expiration of its effectiveness ("Required Delivery Date"), Company shall pay to a Warrant Holder, in cash, (i) as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the VWAP of the Common Stock on the date such Securities are required to be delivered), \$10 per Trading Day (increasing to \$20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Required Delivery Date until such Shares or Series J Conversion Shares are delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to a Warrant Holder by the Required Delivery Date Shares or Series J Conversion Shares without legends that is free from all restrictive and other legends and (b) if after the Required Delivery Date such Warrant Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Warrant Holder of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Warrant Holder anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Warrant Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of that the Company was required to deliver to such Warrant Holder by the Required Delivery Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Warrant Holder to the Company of the applicable Shares or Series J Conversion Shares (as the case may be) and ending on the date of such delivery and payment under this clause (iii).

(b) Transfers. Subject to Section 7 above, the Company hereby confirms that it will not require a legal opinion or "no action" letter from any Warrant Holder who desires to transfer the Warrant Shares or Series J Conversion Shares in compliance with Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act ("Rule 144").

(c) Registration Rights. Holders of Warrant Shares will have the registration rights described in Exhibit B hereto

(d) Furnishing of Information. Until the earliest of the time that no Warrant Holder owns Warrants or Shares, the Company covenants to maintain the registration of its Common Stock under Section 12(b) or 12(g) of the Exchange Act. During the period that the Warrant Holders own Warrants or Shares, the Company shall timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company pursuant to the Exchange Act, even if the Company is not then subject to the reporting requirements of the Exchange Act.

(e) Tacking. Each party hereto acknowledges that the holding period for the Warrant Shares and the Series J Conversion Shares may be tacked back to the date the Warrants were initially issued and the Company shall take no position contrary to this position.

(f) Reliance on Representations and Warranties by the Company. Each Warrant Holder acknowledges that the representations and warranties contained herein are made by it with the intention that such representations and warranties may be relied upon by the Company and its legal counsel in determining the Warrant Holder's eligibility to purchase the Warrant Shares under applicable securities legislation, or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Warrant Shares under applicable securities legislation. The Warrant Holder further agrees that the representations and warranties made by the Warrant Holder will survive the Warrant Exercise and will continue in full force and effect notwithstanding any subsequent disposition of the Warrant Holder of such Warrant Shares.

(g) Fees and Expenses. Each party shall pay the fees and expenses of its advisors, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the preparation, execution, delivery and performance of this Agreement.

(h) Entire Agreement. This Agreement, together with the schedules attached hereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written with respect to such matters.

(i) Notices. All notices, demands requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. The addresses for such communications shall be: (i) if to the Company, to: GT Biopharma, Inc., Attn: Chief Financial Officer, 4100 South Ashley Drive, Suite 600, Tampa, FL 33602, and (ii) if to the Warrant Holders, to the addresses as indicated on the signature pages attached hereto.

(j) Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Warrant Holders holding at least a majority in interest of the Warrant Shares then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; provided, that all waivers, modifications, supplements or amendments effected by less than all Warrant Holders impact all Warrant Holders in the same fashion. No waiver with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

(k) Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(l) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

(m) No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(n) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the transactions contemplated hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principals of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts of New York for the adjudication of any dispute hereunder or in connection herewith or the transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. In addition to any other rights or remedies hereunder, any indemnification provisions granted to a Warrant Holder shall continue to survive and apply to such Warrant Holder as if such rights were granted hereunder.

(o) Survival. The representations and warranties contained herein shall survive the Closing for the applicable statute of limitations.

(p) Execution. This Agreement may be executed in one or more counterparts, all of which when taken together shall be considered one and the same agreement, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by email delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature was an original thereof.

(q) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ, an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(r) Independent Nature of Obligations and Rights. The obligations of each Warrant Holder hereunder are several and not joint with the obligations of any other Warrant Holder, and no Warrant Holder shall be responsible in any way for the performance or non-performance of the obligations of any other Warrant Holder hereunder. Nothing contained herein and no action taken by any Warrant Holder hereto shall be deemed to constitute the Warrant Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Warrant Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby. The Company and each Warrant Holder confirms that such Warrant Holder has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. Each Warrant Holder shall be entitled to independently protect and enforce its rights under this Agreement and it shall not be necessary for any other Warrant Holder to be joined as an additional party in any proceeding for such purpose.

(s) No Third Party Beneficiaries. Nothing in this Agreement shall provide any benefit to any third party nor entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Agreement shall not otherwise be construed as a third party beneficiary contract.

(t) Construction. The parties hereto agree that each of them and/or their respective counsel have reviewed and have had an opportunity to revise this Agreement and the schedules attached hereto. This Agreement shall be construed according to its fair meaning and not strictly for or against any party. The word “including” shall be construed to include the words “without limitation.” In this Agreement, unless the context otherwise requires, references to the singular shall include the plural and vice versa.

**(u) WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

*[Remainder of page intentionally left blank]*

*Signature page to  
Warrant Exercise Agreement  
(Company)*

IN WITNESS WHEREOF, the parties have caused this Warrant Exercise Agreement to be duly executed and delivered as of the date and year first written above.

**“Company”**

**GT Biopharma, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Signature page to  
Warrant Exercise Agreement  
(Warrant Holders)*

IN WITNESS WHEREOF, the parties have caused this Warrant Exercise Agreement to be duly executed and delivered as of the date and year first written above.

**“Warrant Holders”**

**If by an individual:**

Printed Name: \_\_\_\_\_  
Residency: \_\_\_\_\_

**If by an  
entity:**

\_\_\_\_\_  
Name of entity  
  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Principal Place  
of Business: \_\_\_\_\_

**Address for  
Notice:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Facsimile:** \_\_\_\_\_

**Schedule A**

	Percentage
Bristol Investment Fund*	21.515%
Theorem Group*	14.507%
James W. Heavener*	11.175%
Adam Kasower*	10.515%
Canyons Trust*	10.407%
Red Mango*	9.096%
Alpha Capital *	7.374%
Scott Booth Investments III*	5.551%
Bristol Capital*	2.954%
East Ventures Inc*	2.136%
HC Wainwright*	1.065%
Raymond Pribadi (Private Resources) *	0.653%
Scott Williams*	0.554%
Randy Berinhout*	0.398%
Craig Osborne*	0.393%
Adam Cohen	0.321%
Les Cantor	0.319%
Munt Trust	0.245%
Gianna Simone Baxter*	0.183%
Farhad Rastanian	0.132%
Howard Knee	0.121%
Ho'okipa Capital Partners Inc	0.120%
Anthony Baxter*	0.085%
Piter Korompis*	0.057%
Greg McPherson	0.049%
Net Capital*	0.039%
Barry Wolfe*	0.025%
John Brady*	0.009%
Brannon Family Office *LLLP	0.002%
Total	100.000%

\*Party to this agreement

Warrant Shares

<u>Warrant Holder</u>	<u>Warrants</u>	<u>Common Stock</u>	<u>Series J Preferred</u>
Adam Kasower	62,360	63,575	-
Alpha Capital	91,703	92,865	-
Anthony Baxter	211	226	-
Barry Wolfe	374	421	-
Brannon Family Office LLLP	561	561	-
Bristol Capital	4,485	-	5,046
Bristol Investment Fund	111,291	114,119	-
Canyons Trust	1,121	1,121	-
Craig Osborne	8,162	8,162	-
East Ventures Inc	4,934	5,551	-
Gianna Simone Baxter	1,944	1,959	-
HC Wainwright	19,321	19,321	-
James W. Heavener	72,185	73,635	-
John Brady	2,068	2,068	-
Net Capital	3,707	3,754	-
Piter Korompis	852	959	-
Randy Berinhout	3,333	3,750	-
Raymond Pribadi	748	841	-
Red Mango	77,476	78,410	-
Scott Booth Investments III	7,521	8,461	-
Scott Williams	4,451	4,513	-
Theorem Group	9,458	10,640	-
Total	488,266	494,911	5,046



**LOST WARRANT AFFIDAVIT AND INDEMNITY AGREEMENT**

[ \_\_\_\_\_ ] (the "**Warrant Holder**"), by and through its duly authorized person, hereby certifies:

1. This Lost Warrant Affidavit and Indemnity Agreement (the "**Agreement**"), entered into effective as of [ \_\_\_\_\_, 20\_\_ ], relates to (1) the Securities Purchase Agreement (the "**Purchase Document**") dated as of [ \_\_\_\_\_, 20\_\_ ] by and among OXIS International, Inc., a Delaware corporation (the "**Company**") and the Warrant Holder, and (2) the [Series \_\_ Warrants to Purchase Series \_\_\_\_ Common Stock] (the "**Warrant**") dated as of [ \_\_\_\_\_, 20\_\_ ], issued by the Company to Warrant Holder.
2. Warrant Holder hereby represents, warrants, and agrees as follows:
  - a. After having conducted a diligent investigation of its records and files, Warrant Holder has been unable to find the Warrant and believes that such Warrant has been lost, misfiled, misplaced, or destroyed.
  - b. Warrant Holder has not assigned, encumbered, endorsed, pledged, or hypothecated the Warrant, or otherwise transferred to another individual or entity any right, title, interest, or claim in, to, or under the Warrant.
  - c. Warrant Holder agrees that if it ever finds the Warrant, it will promptly notify Company of the existence of the Warrant, mark the Warrant as canceled, and forward the Warrant to Company or the Company's designee.
  - d. Warrant Holder shall indemnify Company for, and hold Company harmless from and against, any damages, liabilities, losses, claims (including any claim by any individual or entity for the collection of any sums due under or with respect to such Warrant), or expenses arising out of, or resulting from, (i) Warrant Holder's inability to find and deliver the Warrant to Company, or (ii) any inaccuracy or misstatement of fact in, or breach of any representation, warranty, agreement, or duty in or under, this Agreement.
3. This Agreement may be executed in counterparts, each of which shall be identical and all of which, when taken together, shall constitute one and the same instrument.
4. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware (without regard to any conflicts of laws provisions thereof).

The parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first written above.

**“WARRANT HOLDER”**

**If by an individual:**

Printed Name: \_\_\_\_\_

**If by an  
entity:**

Name of entity \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTED AND AGREED**

**“COMPANY”**

**GT Biopharma, Inc.**  
a Delaware corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT B

### REGISTRATION RIGHTS

1.1 **Company Registration.** If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration relating solely to employee benefit plans, a registration relating to a corporate reorganization or other Rule 145 transaction, or a registration on any registration form that does not permit secondary sales, the Company will:

(a) promptly give written notice of the proposed registration to all Warrant Holders; and

(b) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.2(b) of this Exhibit B below, and in any underwriting involved therein, all of such Registrable Securities as are specified in a written request or requests made by any Warrant Holder or Warrant Holders received by the Company within 10 days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Warrant Holder's Registrable Securities.

1.2 **Underwriting.** If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Warrant Holders as a part of the written notice given pursuant to Section 1.2(a)(i) of this Exhibit B. In such event, the right of any Warrant Holder to registration pursuant to this Section 1.2 shall be conditioned upon such Warrant Holder's participation in such underwriting and the inclusion of such Warrant Holder's Registrable Securities in the underwriting to the extent provided herein. All Warrant Holders proposing to distribute their securities through such underwriting shall (together with the Company, the Other Selling Stockholders and other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 1.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registrable Securities to be included in, the registration and underwriting. The Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated, as follows: (i) first, to the Company for securities being sold for its own account, and (ii) second, to the Warrant Holders and Other Selling Stockholders requesting to include Registrable Securities and Other Shares in such registration statement based on the *pro rata* percentage of Registrable Securities and Other Shares held by such Warrant Holders and Other Selling Stockholders, assuming exercise and (iii) third, to the Other Selling Stockholders requesting to include Other Shares in such registration statement based on the *pro rata* percentage of Other Shares held by such Other Selling Stockholders, assuming exercise.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

1.3 **Right to Terminate Registration.** The Company shall have the right to terminate or withdraw any registration initiated by it under this Exhibit B prior to the effectiveness of such registration whether or not any Warrant Holder has elected to include securities in such registration.

1.4 **Definitions.** The following definitions shall apply for the purposes of this Exhibit B:

(a) "**Other Selling Stockholders**" shall mean persons other than Warrant Holders who, by virtue of agreements with the Company, are entitled to include their Other Shares in certain registrations hereunder.

(b) “**Other Shares**” shall mean shares of Common Stock, other than Registrable Securities (as defined below), with respect to which registration rights have been granted.

(c) “**Registrable Securities**” shall mean (i) shares of Common Stock issued or issuable pursuant to the exercise of the Warrants and (ii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) above; *provided, however*, that Registrable Securities shall not include any shares of Common Stock described in clause (i) or (ii) above which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor’s rights under this Agreement are not validly assigned in accordance with this Agreement.

**PREFERRED STOCK EXCHANGE AGREEMENT**

This Preferred Stock Exchange Agreement (this “*Agreement*”) is entered into as of August 29, 2017, by and among GT Biopharma, Inc., a Delaware corporation (the “*Company*”), and the parties listed on Schedule A hereto.

WHEREAS, Theorem Group LLC and Canyons Trust (together, the “*Series H Stockholders*”) currently hold shares of Series H Convertible Preferred Stock of the Company (the “*Series H Preferred Stock*”) pursuant to the Series H Preferred Stock Agreement, dated February 10, 2010 (the “*Series H Preferred SPA*”);

WHEREAS, Adam Kasower (the “*Series I Stockholder*”) currently hold shares of Series I Convertible Preferred Stock of the Company (the “*Series I Preferred Stock*”) pursuant to the Series I Preferred Stock Purchase Agreement, dated November 8, 2010 (the “*Series I Preferred SPA*”);

WHEREAS, Series H Preferred Stock, and Series I Preferred Stock are herein collectively referred to as the “*Preferred Stock*”;

WHEREAS, Series H Stockholders and Series I Stockholders are herein collectively referred to as the “*Investors*” or “*Preferred Stockholders*”;

WHEREAS, the Series H Preferred SPA and Series I Preferred SPA are herein collectively referred to as the “*Prior Subscription Agreements*” or “*Prior Transaction Documents*”;

WHEREAS, each Preferred Stockholder hereby agrees to exchange all shares of Preferred Stock held by such Preferred Stockholder, and the Company agrees to issue to each Preferred Stockholder in exchange for such shares, and for no additional consideration, the number of shares of Common Stock set forth opposite such Preferred Stockholder’s name on Schedule B hereto (the “*Exchange Shares*”);

NOW, THEREFORE, in consideration of the rights and benefits that they will each receive in connection with this Agreement, the parties, intending to be legally bound, agree as follows:

**1. Exchange of Preferred Stock; Issuance of Exchange Shares.** Subject to the terms and conditions of this Agreement, in exchange for the Preferred Stock and for no additional consideration, such number of Exchange Shares set forth beside such Preferred Stockholder’s name on Schedule B attached hereto (the “*Stock Conversion*”). Thereafter, the Preferred Stock converted shall solely represent the right to receive the Exchange Shares hereunder, and Preferred Stock shall remain issued and outstanding. In the event a Stock Conversion will result in a Preferred Stockholder owning more than 9.99% of the total issued and outstanding common shares of the Company, the Preferred Stockholder will be issued common stock in connection with the Stock Conversion until the Preferred Stockholder owns 9.99% of the issued and outstanding stock of the Company. The balance of the Stock Conversion will be completed by the Company issuing the Preferred Stockholder shares of Series J Preferred Stock. A copy of the Certificate of Designation with respect to such Series J Preferred Stock is annexed hereto as Exhibit C.

**2. Closing.**

(a) **Closing.** With respect to all shares of Preferred Stock, the Preferred Stockholders shall deliver their certificates representing the Preferred Stock (or if such certificates are lost, mutilated or destroyed, a lost certificate affidavit and indemnity agreement in substantially the form attached hereto as Exhibit A (each, an “*Affidavit*”)) to the Company for cancellation.

(b) **Delivery of Shares.** Within five (5) business days from the receipt of the certificates (or Affidavit, as applicable) from any Preferred Stockholder, the Company shall deliver the applicable Exchange Shares to such Preferred Stockholder pursuant to a legal opinion acceptable to the transfer agent and the Preferred Stockholders to be issued by Company counsel and paid for by the Company, electronically through the Depository Trust Company or another established clearing corporation performing similar functions.

**3. Representations and Warranties of the Company.** The Company hereby represents and warrants to each Investor as of the date hereof as follows:

(a) Organization and Standing. The Company is a corporation duly organized, validly existing under, and by virtue of, the laws of the State of Delaware, and is in good standing under such laws. The Company has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company is duly qualified and authorized to transact business and is in good standing as a foreign corporation in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business, properties or financial condition.

(b) Corporate Power. The Company has all requisite legal and corporate power and authority to execute and deliver this Agreement, to sell and issue the Exchange Shares hereunder, and to carry out and perform its obligations under the terms of this Agreement and the transactions contemplated hereby.

(c) Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement, the authorization, sale, issuance and delivery of the Exchange Shares and the performance of all of the Company's obligations hereunder, other than the Charter Amendment, have been taken or will be taken prior to the Closing. This Agreement has been duly executed by the Company and constitutes valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Valid Issuance of Stock. The Exchange Shares, when issued, sold and delivered in compliance with the provisions of this Agreement, will be duly and validly issued, fully paid and nonassessable and issued in compliance with applicable federal and state securities laws. Such Exchange Shares will also be free and clear of any liens or encumbrances; provided, however, that the Exchange Shares shall be subject to the provisions of this Agreement and restrictions on transfer under state and/or federal securities laws. The Exchange Shares are not subject to any preemptive rights, rights of first refusal or restrictions on transfer.

(e) Offering. Subject in part on the accuracy of the Investor's representations in Sections 4 and 5 (if applicable) hereof, the offer, sale and issuance of the Exchange Shares in conformity with the terms of this Agreement constitute transactions exempt from registration under the Securities Act of 1933, as amended (the "*Securities Act*") and from all applicable state securities laws.

(f) Governmental Consents. No consent, approval, qualification or authority of, or registration or filing with, any local, state or federal governmental authority on the part of the Company is required in connection with the valid execution, delivery or performance of this Agreement, or the offer, sale or issuance of the Shares, or the consummation of any transaction contemplated hereby, except (i) such filings as have been made prior to the date hereof, (ii) the Charter Amendment and (iii) such additional post-closing filings as may be required to comply with applicable federal and state securities laws (including but not limited to any Form D or Form 8-K filings), and with applicable general corporation laws of the various states, each of which will be filed with the proper authority by the Company in a timely manner.

**4. Representations and Warranties of all Investors.** Each Investor, for itself and for no other person, hereby represents and warrants as of the date hereof to the Company as follows:

(a) Organization and Standing. The Investor is either an individual or an entity duly organized, validly existing under, and by virtue of, the laws of the jurisdiction of its incorporation or formation, and is in good standing under such laws.

(b) Corporate Power. The Investor has all right, corporate, partnership, limited liability company or similar power and authority to execute and deliver this Agreement, to effect the Exchange hereunder, and to carry out and perform its obligations under the terms of this Agreement and the transactions contemplated hereby.

(c) Authorization. All corporate, partnership, limited liability company or similar action, as applicable on the part of such Investor, necessary for the authorization, execution, delivery and performance of this Agreement, the Exchange and the performance of all of such Investor's obligations hereunder have been taken or will be taken prior to the Closing. This Agreement has been duly executed by the Investor and constitutes valid and legally binding obligations of such Investor, enforceable against such Investor in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Governmental Consents. No consent, approval, qualification or authority of, or registration or filing with, any local, state or federal governmental authority on the part of the Company is required in connection with the valid execution, delivery or performance of this Agreement, or the offer, sale or issuance of the Exchange Shares, or the consummation of any transaction contemplated hereby, except such filings as have been made prior to the date hereof.

(e) Own Account. Such Investor understands that the Exchange Shares are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law in reliance upon exemptions from regulation for non-public offerings and is acquiring the Exchange Shares as principal for its own account and not with a view to or for distributing or reselling such Exchange Shares or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any such Exchange Shares in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Exchange Shares in violation of the Securities Act or any applicable state securities law. Such Investor agrees that the Exchange Shares or any interest therein will not be sold or otherwise disposed of by such Investor unless the shares are subsequently registered under the Securities Act and under appropriate state securities laws or unless the Company receives an opinion of counsel satisfactory to it that an exception from registration is available.

(f) Investor Status. The Investor is either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act. Such Investor is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(g) Experience of Investor. Such Investor, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Exchange Shares, and has so evaluated the merits and risks of such investment.

(h) Ability to Bear Risk. Such Investor understands and acknowledges that in investment in the Company is highly speculative and involves substantial risks. Such Investor is able to bear the economic risk of an investment in the Exchange Shares and is able to afford a complete loss of such investment.

(i) General Solicitation. Such Investor is not accepting the Exchange Shares as a result of any advertisement, article, notice or other communication regarding the Exchange Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(j) Disclosure of Information. Such Investor has had the opportunity to receive all additional information related the Company requested by it and to ask questions of, and receive answers from, the Company regarding the Company, including the Company's business management and financial affairs, and the terms and conditions of this offering of the Exchange Shares. Such questions were answered to such Investor's satisfaction. Such Investor has also had access to copies of the Company's filings with the Securities Exchange Commission under the Securities Act and Exchange Act. The Investor believes that it has received all the information such Investor considers necessary or appropriate for deciding whether to consummate the Exchange. The Investor understands that such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a through or exhaustive description. The Investor acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(k) Residency. The residency of the Investor (or in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on signature pages attached hereto.

(l) Security Holdings. The shares of Preferred Stock held by each Investor, as applicable, as of the date hereof are correctly described on Schedule B attached hereto. The Investor does not hold any other securities or equity interests in the Company other than what is set forth opposite such Investor's name on Schedule B attached hereto, Schedule B to the Note Conversion Agreement, dated August 25, 2017, and Schedule B to the Warrant Exercise Agreement, dated August 25, 2017, each of which is incorporated herein by reference as though fully set forth herein and made a part of this Agreement.

(m) Tax Matters. The Investor has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transaction contemplated by this Agreement. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Agreement.

(n) Restrictions on Transferability; No Endorsement. The Investor has been informed of and understand the following:

i. there are substantial restrictions on the transferability of the Exchange Shares; or

ii. no federal or state agency has made any finding or determination as to the fairness for public investment, nor any recommendation nor endorsement of the Exchange Shares.

(o) No Other Representation by the Company. None of the following information has ever been represented, guaranteed or warranted to the Investor, expressly or by implication by any broker, the Company, or agent or employee of the foregoing, or by any other Person:

i. the approximate or exact length of time that the Investor will be required to remain a holder of the Exchange Shares;

ii. the amount of consideration, profit or loss to be realized, if any, as a result of an investment in the Company; or

iii. that the past performance or experience of the Company, its officers, directors, associates, agents, affiliates or employees or any other person will in any way indicate or predict economic results in connection with the plan of operations of the Company or the return on investment.

**5. Representations, Warranties and Covenants of Non-US Investors.** Each Investor who is a Non-U.S. Person (as defined herein) hereby represents and warrants to the Company as follows:

(a) Certain Definitions. As used herein, the term "United States" means and includes the United States of America, its territories and possessions, any state of the United States and the District of Columbia, and the term "Non-U.S. person" means any person who is not a U.S. person (as defined in Regulation S) or is deemed not to be a U.S. person under Rule 902(k)(2) of the Securities Act.

(b) Reliance on Representations and Warranties by the Company. This Agreement is made by the Company with such Investor who is a Non-U.S. person ("**Non-U.S. Investor**") in reliance upon such Non-U.S. Investor's representations and warranties made herein.

(c) Regulation S. Such Non-U.S. Investor has been advised and acknowledges that:

i. the Exchange Shares have not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other country;



ii. in issuing and selling the Exchange Shares to such Non-U.S. Investor pursuant to hereto, the Company is relying upon the “safe harbor” provided by Regulation S and/or on Section 4(a)(2) under the Securities Act;

iii. it is a condition to the availability of the Regulation S “safe harbor” that the Exchange Shares not be offered or sold in the United States or to a U.S. person until the expiration of a period of one year following the Closing Date; notwithstanding the foregoing, prior to the expiration of one year after the Closing (the “*Restricted Period*”), the Exchange Shares may be offered and sold by the holder thereof only if such offer and sale is made in compliance with the terms of this Agreement and either: (A) if the offer or sale is within the United States or to or for the account of a U.S. person, the securities are offered and sold pursuant to an effective registration statement of the Securities Act, or (B) the offer and sale is outside the United States and to other than a U.S. person.

(d) Certain Restrictions on Exchange Shares. Such Non-U.S. Investor agrees that with respect to the Shares until the expiration of the Restricted Period:

i. such Non-U.S. Investor, its agents or its representatives have not and will not solicit offers to buy, offer for sale or sell any of the Shares or any beneficial interest therein in the United States or to or for the account of a U.S. person during the Restricted Period; notwithstanding the foregoing, prior to the expiration of the Restricted Period, the Exchange Shares may be offered and sold by the holder thereof only if such offer and sale is made in compliance with the terms of this Agreement and either: (A) if the offer or sale is within the United States or to or for the account of a U.S. person, the securities are offered and sold pursuant to an effective registration statement or pursuant to Rule 144 under the Securities Act or pursuant to an exemption from registration requirements of the Securities Act; or (B) the offer and sale is outside the United States and to a person other than a U.S. person; and

ii. such Non-U.S. Investor shall not engage in hedging transactions with regards to the Exchange Shares unless in compliance with the Securities Act.

The foregoing restrictions are binding upon subsequent transferees of the Exchange Shares, except for transferees pursuant to an effective registration statement. Such Non-U.S. Investor agrees that after the Restricted Period, the Exchange Shares may be offered or sold within the United States or to or for the account of a U.S. person only pursuant to applicable securities laws.

(e) Directed Selling. Such Non-U.S. Investor has not engaged, nor is it aware that any party has engaged, and such Non-U.S. Investor will not engage or cause any third party to engage, in any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Shares.

(f) Location of Non-U.S. Investor. Such Non-U.S. Investor: (i) is domiciled and has its principal place of business or registered office outside the United States; (ii) certifies it is not a U.S. person and is not acquiring the Exchange Shares for the account or benefit of any U.S. person; and (iii) at the time of Closing, the Non-U.S. Investor or persons acting on the Non-U.S. Investor’s behalf in connection therewith are located outside the United States.

(g) Distributor; Dealer. Such Non-U.S. Investor is not a “distributor” (as defined in Regulation S) or a “dealer” (as defined in the Securities Act).

(h) Notation of Restrictions. Such Non-U.S. Investor acknowledges that the Company shall make a notation in its stock books regarding the restrictions on transfer set forth in this section and shall transfer such shares on the books of the Company only to the extent consistent therewith.

(i) Compliance with Laws. Such Non-U.S. Investor is satisfied as to the full observance of the laws of such Non-U.S. Investor’s jurisdiction in connection with the Exchange, including (i) the legal requirements within such Non-U.S. Investor’s jurisdiction for the Exchange, (ii) any foreign exchange restrictions applicable to such Exchange, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the exchange, holding, redemption, sale or transfer of such securities. Such Non-U.S. Investor’s participation in the Exchange, and such Non-U.S. Investor’s continued beneficial ownership of the Exchange Shares will not violate any applicable securities or other laws of such Non-U.S. Investor’s jurisdiction.

**6. Waiver and Release.** Effective immediately upon the Stock Conversion with respect to the Preferred Stock held by each Preferred Stockholder:

(a) Such Investor expressly forfeits and waives any and all anti-dilution and piggyback registration rights under any and all Prior Transaction Documents or otherwise applicable to the Preferred Stock, including any anti-dilution rights such Investor may have with respect to the issuances of any capital stock or other securities of the Company pursuant to previous transactions and pursuant to this Agreement.

(b) Such Investor unconditionally, irrevocably and absolutely releases and discharges the Company, and any parent and subsidiary corporations, divisions and affiliated corporations, partnerships or other entities of the Company, past and present, as well as the Company's past and present employees, officers, directors, agents, principals, shareholders, successors and assigns from all claims, losses, demands, interests, causes of action, suits, debts, controversies, liabilities, costs, expenses and damages related to the waiver of anti-dilution and piggyback registration rights above, any security interest pursuant to any Prior Transaction Documents or otherwise over any collateral of the Company, or related in any way to any rights such Investor may have to equity or debt securities of the Company, other than as provided under this Agreement, any other agreement entered into contemporaneously herewith or set forth on the schedules hereto and thereto .. This release includes, but is not limited to, any tort, contract, common law, constitution or other statutory claims (including but not limited to any claims for attorneys' fees, costs and expenses).

(c) Such Investors and the Company expressly waives such Investor's or Company's (as applicable) right to recovery of any type, including damages or reinstatement, in any administrative court or action, whether state or federal, and whether brought by such Investor or Company or on such Investor's or Company's (as applicable) behalf, related in any way to the matters released herein.

(d) Such Investors and the Company declare and represent that they intend this Agreement to be complete and not subject to any claim of mistake, and that the release of the claims described herein expresses a full and complete release and it intends the release of such claims to be final and complete.

(e) The parties acknowledge that this release is not intended to bar any claims that, by statute, may not be waived and shall not waive any indemnification rights previously granted in Prior Transaction Documents.

(f) The Company unconditionally, irrevocably and absolutely releases and discharges such Preferred Stockholder, and any parent and subsidiary corporations, divisions and affiliated corporations, partnerships or other entities of such Preferred Stockholder, past and present, as well as the such Preferred Stockholder's past and present employees, officers, directors, agents, principals, shareholders, successors and assigns from all claims, losses, demands, interests, causes of action, suits, debts, controversies, liabilities, costs, expenses and damages related to any Prior Transaction Documents or otherwise over any collateral of the Company, or related in any way to any obligations such Preferred Stockholder may have to the Company, other than as provided under this Agreement or set forth on the schedules hereto. This release includes, but is not limited to, any tort, contract, common law, constitution or other statutory claims (including but not limited to any claims for attorneys' fees, costs and expenses).

## 7. Covenants.

(a) On or about the date of this Agreement, the Company is entering into Note Conversion Agreements, Preferred Stock Exchange Agreements, and Warrant Exercise Agreements with the debenture holders, the preferred stock holders and the warrant holders of the Company. Pursuant to these agreements, common stock and sometimes Series J Preferred Stock will be issued upon the conversion of debentures, conversion of old preferred stock and the exercise of warrants (collectively the “Newly Issued Capital Stock”). The Note Holder’s “New Stock” is the common stock received pursuant to this Agreement, any Preferred Stock Exchange Agreement and any Warrant Exercise Agreement of even date herewith, together with the number of common shares into which the Note Holder’s Series J Preferred Stock received by virtue of the same agreements, is convertible. The “Note Holder’s Percentage” is the percentage of the Note Holder’s New Stock compared to the total of the Newly Issued Capital Stock. At all times during the one-year period immediately following the Closing in which the Note Holder participates (“Restricted Period”), beginning on the Closing Date, such Note Holder hereby agrees with the Company that such Note Holder shall not sell on any one day, any shares of the Company’s capital stock in excess of the Note Holder’s Percentage of the Company’s trading volume on that day. The foregoing restriction was requested by the Company of each Note Holder and was not requested by any Note Holder. Each Note Holder shall make its own determination of when to sell and when not to sell independently of any other Note Holder and not as a part of any group. Notwithstanding the foregoing, the restrictions set forth in this Section 7(a) will terminate with respect to any Note Conversion Shares when the Company has any registration statement declared effective by the Securities and Exchange Commission. The Company undertakes and agrees to notify each Note Holder in writing (which may be via e-mail to with a ‘read receipt requested’) of the effective date on the same day that the Company receives notice of such effective date. The parties hereto acknowledge and agree that, except as set forth in this Agreement, the Company is under no obligation to register any of the Note Conversion Shares. The Note Holder’s Percentage is listed on Schedule A. Notwithstanding anything herein to the contrary, during the Restricted Period, the Holder may, directly or indirectly, sell or transfer all, or any part, of the Shares or the Warrant Shares (the “Restricted Securities”) to any Person (an “Assignee”) in a transaction which does not need to be reported on the Nasdaq consolidated tape, without complying with (or otherwise limited by) the restrictions set forth in this Section 7(a); provided, that as a condition to any such sale or transfer an authorized signatory of the Company and such Assignee duly execute and deliver a leak-out agreement in the form of this Section 7(a) (an “Assignee Agreement”, and each such transfer a “Permitted Transfer”) and, subsequent to a Permitted Transfer, sales of the Note Holder and all Assignees (other than any such sales that constitute Permitted Transfers) shall be aggregated for all purposes of this Section 7(a) and all Assignee Agreements.

(b) The Company hereby represents and warrants as of the date hereof and covenants and agrees from and after the date hereof that none of the terms offered to any Preferred Stockholder with respect to the terms hereunder and the Exchange Shares is or will be more favorable to any other Preferred Stockholder than those offered under this Agreement (including by way of any written or verbal side or separate agreements). If, and whenever on or after the date hereof, the Company offers different terms to another Preferred Stockholder, then (i) the Company shall provide notice thereof to all Preferred Stockholders promptly following the occurrence thereof and (ii) the terms and conditions of this Agreement shall be, without any further action by the Preferred Stockholder or the Company, automatically and retroactively amended and modified in an economically and legally equivalent manner such that all Preferred Stockholders shall receive the benefit of the more favorable terms and/or conditions (as the case may be) granted to such other Preferred Stockholder, provided that upon written notice to the Company at any time a Preferred Stockholder may elect not to accept the benefit of any such amended or modified term or condition, in which event the term or condition contained in this Agreement shall apply to the Preferred Stockholder as it was in effect immediately prior to such amendment or modification as if such amendment or modification never occurred with respect to the Preferred Stockholder.

(c) This Agreement shall be effective with respect to Preferred Stockholders who accept this offer only if Preferred Stockholders possessing not less than 100% of the outstanding Note principal and interest accept this offer and execute and deliver a copy of this Agreement to the Company on or before September 1, 2017. If this Agreement becomes effective and the transaction documents are executed on or before 8:30 a.m. on September 5, 2017, then on or before 9:00 a.m. Eastern Time on September 5, 2017, the Company shall file a Current Report on Form 8-K with the Commission. From and after such filing, the Company represents to the Preferred Stockholders that it shall have publicly disclosed all material, non-public information delivered to it by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents.

(d) Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Preferred Stockholder or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Preferred Stockholder shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Preferred Stockholder shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

#### **8. Miscellaneous.**

(a) Restriction Notations. The provisions of this Subsection 8(a) and Subsection 8(d) below, apply to all common shares received by any Note Holder pursuant to a Note Conversion Agreement, a Preferred Stock Exchange Agreement, or a Warrant Exercise Agreement and shares of common stock into which Series J Preferred Stock is converted, which shares of Series J Preferred Stock are received pursuant to the same agreements. Collectively these shares are referred to in this Subsection 8(a) and Subsection 8(d) as the “Shares”.

i. Except as otherwise provided in this Agreement, the Company shall not make any notations on its records or give any instructions to the registrar and transfer agent of the Company (along with any successor transfer agent of the Company, the “*Transfer Agent*”) implementing any restrictions on transfer.

ii. Company and Transfer Agent records evidencing the Shares shall not contain any restriction notation (including any restriction notation under this Section 8(a)): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144, (iii) if such Shares are eligible for sale under Rule 144 or (iv) if such restriction notation is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly if required by the Transfer Agent or requested by an Investor to effect the removal of the restriction notation hereunder. If all or any Series J Preferred Stock is converted at a time when there is an effective registration statement to cover the resale of the Shares, Common Stock issuable upon conversion of the Series J Preferred Stock (“Series J Conversion Shares”) or if the Shares may be sold under Rule 144 or if such restriction notation is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Shares and Series J Conversion Shares shall be issued free of all restriction notations. The Company agrees that following such time as such restriction notation is no longer required under this Section 8(a), it will, no later than three business days following the request by an Investor to the Company that the restriction on the Investor’s shares be removed (such third business day, the “Restriction Notation Removal Date”), cause the Transfer Agent to transfer the Shares upon the request of the Investor by crediting the account of the Investor’s prime broker with the Depository Trust Company System as directed by such Investor. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 8. Without limiting the generality of the foregoing and subject to the volume limitations of Section 7(a), provided a Note Holder is not an affiliate of the Company and the Company is current in its reporting obligations, the Note Conversion Shares and Series J Conversion Shares may be sold under Rule 144 without restriction and the Company will provide the required legal opinions in connection with such sales.

iii. In addition to the Investor's other available remedies, the Company shall pay to an Investor, in cash, as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the VWAP of the Common Stock of the Company on the date a request for restriction notation removal is submitted to the Transfer Agent) to which a removal of a restriction notation was requested and subject to Section 8(a)(ii), \$10 per business day (increasing to \$20 per business day five (5) business days after such damages have begun to accrue) for each business day after the Restriction Notation Removal Date until such stock is delivered without a restriction notation. Nothing herein shall limit such Investor's right to pursue actual damages for the Company's failure to transfer Shares or Series J Conversion Shares as required by this Agreement, and such Investor shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. For the purposes of this section, "VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Investors of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company. For the purposes of this section, "Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board, or any market of the OTC Markets, Inc. (or any successors to any of the foregoing).

In addition to such Investor's other available remedies, in the event that the Shares are delivered more than 5 Trading Days following the date hereof (or if issued pursuant to the Series J Preferred, following conversion) or a legal opinion required above is not delivered to the Transfer Agent prior to the expiration of its effectiveness ("Required Delivery Date"), Company shall pay to an Investor, in cash, (i) as partial liquidated damages and not as a penalty, for each \$1,000 of Shares (based on the VWAP of the Common Stock on the date such Securities are required to be delivered), \$10 per Trading Day (increasing to \$20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Required Delivery Date until such Shares or Series J Conversion Shares are delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to an Investor by the Required Delivery Date Shares or Series J Conversion Shares without legends that are free from all restrictive and other legends and (b) if after the Required Delivery Date such Investor purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Investor of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Investor anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Investor's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of that the Company was required to deliver to such Investor by the Required Delivery Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Investor to the Company of the applicable Shares or Series J Conversion Shares (as the case may be) and ending on the date of such delivery and payment under this clause (iii).

(b) Transfers. Subject to Section 7 above, the Company hereby confirms that it will not require a legal opinion or "no action" letter from any Investor who desires to transfer the Exchange Shares or Series J Conversion Shares in compliance with Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act ("Rule 144").

(c) Registration Rights. Holders of Exchange Shares will have the registration rights described in Exhibit B hereto.

(d) Furnishing of Information. Until the earliest of the time that no Investor owns Preferred Stock or Shares, the Company covenants to maintain the registration of its Common Stock under Section 12(b) or 12(g) of the Exchange Act. During the period that the Investors own Preferred Stock or Shares, the Company shall timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company pursuant to the Exchange Act, even if the Company is not then subject to the reporting requirements of the Exchange Act.

(e) Tacking. Each party hereto acknowledges that the holding period for the Exchange Shares and Series J Conversion Shares may be tacked back to the date the Preferred Stock was initially issued and the Company shall take no position contrary to this position.

(f) Reliance on Representations and Warranties by the Company. Each Investor acknowledges that the representations and warranties contained herein are made by it with the intention that such representations and warranties may be relied upon by the Company and its legal counsel in determining the Investor's eligibility to acquire the Exchange Shares under applicable securities legislation, or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Exchange Shares under applicable securities legislation. The Investor further agrees that the representations and warranties made by the Investor will survive the Exchange and will continue in full force and effect notwithstanding any subsequent disposition of the Investor of such Exchange Shares.

(g) Fees and Expenses. Each party shall pay the fees and expenses of its advisors, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the preparation, execution, delivery and performance of this Agreement.

(h) Entire Agreement. This Agreement, together with the schedules attached hereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written with respect to such matters.

(i) Notices. All notices, demands requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. The addresses for such communications shall be: (i) if to the Company, to: GT Biopharma, Inc., Attn: Chief Financial Officer, 4100 South Ashley Drive, Suite 600, Tampa, FL 33602, and (ii) if to the Note Holders, to the addresses as indicated on the signature pages attached hereto.

(j) Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Investors holding at least a majority in interest of the Exchange Shares then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; provided, that all waivers, modifications, supplements or amendments effected by less than all Investors impact all Investors in the same fashion. No waiver with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

(k) Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(l) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

(m) No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(n) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the transactions contemplated hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principals of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts of New York for the adjudication of any dispute hereunder or in connection herewith or the transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. In addition to any other rights or remedies hereunder, any indemnification provisions granted to an Investor shall continue to survive and apply to such Investor as if such rights were granted hereunder.

(o) Survival. The representations and warranties contained herein shall survive the Closings for the applicable statute of limitations.

(p) Execution. This Agreement may be executed in one or more counterparts, all of which when taken together shall be considered one and the same agreement, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by email delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature was an original thereof.

(q) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ, an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(r) Independent Nature of Obligations and Rights. The obligations of each Investor and hereunder are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance or non-performance of the obligations of any other Investor hereunder. Nothing contained herein and no action taken by any Investor hereto shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby. The Company and each Investor confirms that such Investor has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. Each Investor shall be entitled to independently protect and enforce its rights under this Agreement and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose.

(s) No Third Party Beneficiaries. Nothing in this Agreement shall provide any benefit to any third party nor entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Agreement shall not otherwise be construed as a third party beneficiary contract.

(t) Construction. The parties hereto agree that each of them and/or their respective counsel have reviewed and have had an opportunity to revise this Agreement and the schedules attached hereto. This Agreement shall be construed according to its fair meaning and not strictly for or against any party. The word “including” shall be construed to include the words “without limitation.” In this Agreement, unless the context otherwise requires, references to the singular shall include the plural and vice versa.

**(u) WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

*[Remainder of page intentionally left blank]*



*Signature page to  
Preferred Stock Exchange Agreement  
(Company)*

IN WITNESS WHEREOF, the parties have caused this Preferred Stock Exchange Agreement to be duly executed and delivered as of the date and year first written above.

**“Company”**

**GT Biopharma, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Signature page to  
Preferred Stock Exchange Agreement  
(Investors)*

IN WITNESS WHEREOF, the parties have caused this Preferred Stock Exchange Agreement to be duly executed and delivered as of the date and year first written above.

**“Investors”**

**If by an individual:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residency: \_\_\_\_\_

**If by an  
entity:**

\_\_\_\_\_  
Name of entity  
  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Principal Place  
of Business: \_\_\_\_\_

**Address for  
Notice:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Facsimile:** \_\_\_\_\_

**Schedule A**

	<u>Percentage</u>
Bristol Investment Fund	21.515%
Theorem Group*	14.507%
James W. Heavener	11.175%
Adam Kasower*	10.515%
Canyons Trust*	10.407%
Red Mango	9.096%
Alpha Capital	7.374%
Scott Booth Investments III	5.551%
Bristol Capital	2.954%
East Ventures Inc	2.136%
HC Wainwright	1.065%
Raymond Pribadi	0.653%
Scott Williams	0.554%
Randy Berinhout	0.398%
Craig Osborne	0.393%
Adam Cohen	0.321%
Les Cantor	0.319%
Munt Trust	0.245%
Gianna Simone Baxter	0.183%
Farhad Rastanian	0.132%
Howard Knee	0.121%
Ho'okipa Capital Partners Inc	0.120%
Anthony Baxter	0.085%
Piter Korompis	0.057%
Greg McPherson	0.049%
Net Capital	0.039%
Barry Wolfe	0.025%
John Brady	0.009%
Brannon Family Office LLLP	0.002%
Total	<u><u>100.000%</u></u>

\*Party to this agreement

**Exchange Shares**

Preferred Stock holder of Series H:

Theorem Group LLC	4.99% of fully diluted shares (approximately 2,481,417 shares)
Canyons Trust	4.99% of fully diluted shares (approximately 2,481,417 shares)

Preferred Stock holder of Series I:

Adam Kasower	208,333 shares
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EXHIBIT A

**LOST STOCK CERTIFICATE AFFIDAVIT  
AND INDEMNITY AGREEMENT**

[ \_\_\_\_\_ ] (the “*Investor*”), by and through its duly authorized person, hereby certifies:

1. This Lost Stock Certificate Affidavit and Indemnity Agreement (the “*Agreement*”), entered into effective as of [ \_\_\_\_\_ ], 2017], relates to the Series [H/I] Preferred Stock Purchase Agreement (the “*Purchase Document*”) dated as of [ \_\_\_\_\_ ], 20\_\_] by and among GT Biopharma, Inc., a Delaware corporation (the “*Company*”) and the Investor.

2. The Investor is the sole legal and beneficial owner of a total of \_\_\_\_\_ shares of the Series [H/I] Preferred Stock (the “*Shares*”) of the Company, represented by stock certificate number [ \_\_\_\_\_ ] (the “*Certificate*”), issued by the Company to Investor as of [ \_\_\_\_\_ ], 20\_\_].

3. Investor hereby represents, warrants, and agrees as follows:

a. After having conducted a diligent investigation of its records and files, Investor has been unable to find the Certificate and believes that such Certificate has been lost, misfiled, misplaced, or destroyed.

b. Investor has not assigned, encumbered, endorsed, pledged, or hypothecated the Certificate, or otherwise transferred to another individual or entity any right, title, interest, or claim in, to, or under the Certificate.

c. Investor agrees that if it ever finds the Certificate, it will promptly notify Company of the existence of the Certificate, mark the Certificate as canceled, and forward the Certificate to Company or the Company’s designee.

d. Investor shall indemnify Company for, and hold Company harmless from and against, any damages, liabilities, losses, claims (including any claim by any individual or entity for the collection of any sums due under or with respect to such Certificate), or expenses arising out of, or resulting from, (i) Investor’s inability to find and deliver the Certificate to Company, or (ii) by reason of any payment, transfer, exchange or other act which the Company may do or cause to be done with respect to the Certificate, or (iii) by reason of any refusal to make any payment on the Certificate to any person tendering the Certificate, or (iv) any inaccuracy or misstatement of fact in, or breach of any representation, warranty, agreement, or duty in or under, this Agreement, whether or not such liabilities, losses, costs, damages, counsel fees and other expenses arise or occur through accident, oversight, inadvertence or neglect on the part of the Company, or its respective officers, agents, clerks or employees.

3. This Agreement may be executed in counterparts, each of which shall be identical and all of which, when taken together, shall constitute one and the same instrument.

4. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware (without regard to any conflicts of laws provisions thereof).

*[Remainder of page intentionally left blank]*

The parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first written above.

**“INVESTOR”**

**If by an individual:**

Printed Name: \_\_\_\_\_

**If by an  
entity:**

\_\_\_\_\_  
Name of entity

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACCEPTED AND AGREED**

**“COMPANY”**

**GT Biopharma, Inc.**  
a Delaware corporation

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT B

### REGISTRATION RIGHTS

1.1 Company Registration. If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration relating solely to employee benefit plans, a registration relating to a corporate reorganization or other Rule 145 transaction, or a registration on any registration form that does not permit secondary sales, the Company will:

(a) promptly give written notice of the proposed registration to all Investors; and

(b) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.2 of this Exhibit B below, and in any underwriting involved therein, all of such Registrable Securities as are specified in a written request or requests made by any Investor or Investors received by the Company within 10 days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Investor's Registrable Securities.

1.2 Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Investors as a part of the written notice given pursuant to Section 1.1(a) of this Exhibit B. In such event, the right of any Investor to registration pursuant to this Section 1.2 shall be conditioned upon such Investor's participation in such underwriting and the inclusion of such Investor's Registrable Securities in the underwriting to the extent provided herein. All Investors proposing to distribute their securities through such underwriting shall (together with the Company, the Other selling stockholders and other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 1.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registrable Securities to be included in, the registration and underwriting. The Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated, as follows: (i) first, to the Company for securities being sold for its own account, and (ii) second, to the Investors and other selling stockholders requesting to include Registrable Securities and Other Shares in such registration statement based on the pro rata percentage of Registrable Securities and Other Shares held by such Investors and other selling stockholders, assuming conversion and (iii) third, to the other selling stockholders requesting to include other shares in such registration statement based on the pro rata percentage of other shares held by such other selling stockholders, assuming conversion.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

1.3 Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Exhibit B prior to the effectiveness of such registration whether or not any Investor has elected to include securities in such registration.

1.4 Definitions. The following definitions shall apply for the purposes of this Exhibit B:

(a) “Other Selling Stockholders” shall mean persons other than Investors who, by virtue of agreements with the Company, are entitled to include their Other Shares in certain registrations hereunder.

(b) “Other Shares” shall mean shares of Common Stock, other than Registrable Securities (as defined below), with respect to which registration rights have been granted.

(c) “Registrable Securities” shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Notes and (ii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) above; provided, however, that Registrable Securities shall not include any shares of Common Stock described in clause (i) or (ii) above which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor’s rights under this Agreement are not validly assigned in accordance with this Agreement.



AMENDMENT AGREEMENT

This Amendment Agreement (“**Agreement**”) is made and entered into as of October 10, 2017, by and among GT Biopharma Inc., a Delaware corporation (the “**Company**”), and the parties identified on the signature page hereto (each a “**Note Holder**” and collectively, “**Note Holders**”). Capitalized terms used but not defined herein will have the meanings assigned to them in the Note Conversion Agreements (as defined below).

Capitalized terms defined herein shall be incorporated in the Note Conversion Agreements, as appropriate.

WHEREAS, on August 25, 2017, the Company and Note Holders identified on **Schedule A** entered into Note Conversion Agreements (the “**Note Conversion Agreements**”); and

WHEREAS, pursuant to the terms of the Note Conversion Agreements, in exchange for the cancellation of all indebtedness of the Company, the Company issued to the Note Holders Newly Issued Capital Stock and New Stock (as defined in the Note Conversion Agreements); and

WHEREAS, pursuant to Section 8(j) of the Note Conversion Agreements, a Majority in Interest may consent to an amendment of any provision of the Note Conversion Agreements on behalf of the Note Holders; and

WHEREAS, the Company has requested the Note Holders agree to an amendment of Section 7 of the Note Conversion Agreements.

NOW THEREFORE, in consideration of promises and mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby consent and agree as follows:

1. Section 7 of the Note Conversion Agreements shall be amended as follows:

(a) the following language shall be added to the end of Section 7(a):

The restrictions set forth in this Section 7(a) shall terminate if the Company issues any securities in a financing transaction for the purpose of raising capital during any time that any New Stock is outstanding.

(b) the following language shall be added to the end of Section 7:

“In addition to the obligations set forth herein, beginning on October 9, 2017 until the earlier of November 30, 2017 and the end of the Restricted Period, no shares of New Stock may be sold by a Note Holder at a sales price of less than \$7.00 per share of New Stock. During the Restricted Period, if in effect, from and after December 1, 2017, the shares of New Stock which may be sold on a particular trading day (the "Baseline Day") based on such Note Holder's Percentage (the "Allotted Shares") may be sold by such Note Holder on the Baseline Trading Day and any one or more of the following five consecutive trading days following the Baseline Trading Day (for example, if the Note Holder determines that its number of Allotted Shares is 10,000 on the Baseline Trading Day, then the Note Holder may sell the 10,000 shares over the six (6) consecutive trading day period beginning on the Baseline Trading Day and continuing for the following five consecutive trading days after that).”

2. The Company will immediately notify each of the Note Holders upon the attainment by the Company of the approval of a Majority in Interest of Note Holders.
3. The Company represents that the foregoing amendment of Section 7 was requested by the Company of each Note Holder and was not requested by any Note Holder.
4. Each of the Note Holders hereby represents the truth and accuracy of each Note Holder's representations and warranties contained in the Note Conversion Agreement when made and also as if such representations and warranties were made as of the date hereof.
5. Each of the Note Holders executing this Agreement represents to the Company that it has the authority to enter into and deliver this Agreement.
6. All other terms contained in the Note Conversion Agreements remain in effect.
7. Except as specifically described herein, there is no other amendment or waiver expressed or implied.
8. Each Note Holder represents to the Company that it is making its own determination whether it will consent to this Agreement and not as a part of a group.
9. All notices, demands, requests, consents, approvals, and other communications required or permitted in connection with this Agreement shall be made and given in the same manner set forth in the Note Conversion Agreements.
10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws and principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York in the federal courts located in the state of New York. Both parties and the individuals executing this Agreement and other agreements on behalf of the parties agree to submit to the jurisdiction of such courts and waive trial by jury. The prevailing party (which shall be the party which receives an award most closely resembling the remedy or action sought) shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement.
11. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same Agreement and shall become effective when the counterparts have been signed by each party and delivered to the other party, it is being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or PDF transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were an original thereof.

IN WITNESS WHEREOF, the Company and the undersigned Note Holders have caused this Agreement to be executed as of the date first written above.

GT BIOPHARMA INC.  
the "Company"

By: \_\_\_\_\_

\_\_\_\_\_  
the "Note Holder"

By: \_\_\_\_\_

AMENDMENT AGREEMENT

This Amendment Agreement (“**Agreement**”) is made and entered into as of October 10, 2017, by and among GT Biopharma Inc., a Delaware corporation (the “**Company**”), and the parties identified on the signature page hereto (each a “**Warrant Holder**” and collectively, “**Warrant Holders**”). Capitalized terms used but not defined herein will have the meanings assigned to them in the Warrant Exercise Agreements (as defined below).

Capitalized terms defined herein shall be incorporated in the Warrant Exercise Agreements, as appropriate.

WHEREAS, on August 25, 2017, the Company and Warrant Holders identified on **Schedule A** entered into Warrant Exercise Agreements (the “**Warrant Exercise Agreements**”); and

WHEREAS, pursuant to the terms of the Warrant Exercise Agreements, in exchange for the cancellation of all indebtedness of the Company, the Company issued to the Warrant Holders Newly Issued Capital Stock (as defined in the Warrant Exercise Agreements); and

WHEREAS, pursuant to Section 8(j) of the Warrant Exercise Agreements, a Majority in Interest may consent to an amendment of any provision of the Warrant Exercise Agreements on behalf of the Warrant Holders; and

WHEREAS, the Company has requested the Warrant Holders agree to an amendment of Section 7 of the Warrant Exercise Agreements.

NOW THEREFORE, in consideration of promises and mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby consent and agree as follows:

1. Section 7 of the Warrant Conversion Agreements shall be amended as follows:

(a) the following language shall be added to the end of Section 7(a):

The restrictions set forth in this Section 7(a) shall terminate if the Company issues any securities in a financing transaction for the purpose of raising capital during any time that any New Stock is outstanding.

(b) the following language shall be added to the end of Section 7:

“In addition to the obligations set forth herein, beginning on October 9, 2017 until the earlier of November 30, 2017 and the end of the Restricted Period, no shares of New Stock may be sold by a Warrant Holder at a sales price of less than \$7.00 per share of New Stock. During the Restricted Period, if in effect, from and after December 1, 2017, the shares of New Stock which may be sold on a particular trading day (the “Baseline Day”) based on such Warrant Holder’s Percentage (the “Allotted Shares”) may be sold by such Warrant Holder on the Baseline Trading Day and any one or more of the following five consecutive trading days following the Baseline Trading Day (for example, if the Warrant Holder determines that its number of Allotted Shares is 10,000 on the Baseline Trading Day, then the Warrant Holder may sell the 10,000 shares over the six (6) consecutive trading day period beginning on the Baseline Trading Day and continuing for the following five consecutive trading days after that).”

2. The Company will immediately notify each of the Warrant Holders upon the attainment by the Company of the approval of a Majority in Interest of Warrant Holders.
3. The Company represents that the foregoing amendment of Section 7 was requested by the Company of each Warrant Holder and was not requested by any Warrant Holder.
4. Each of the Warrant Holders hereby represents the truth and accuracy of each Warrant Holder's representations and warranties contained in the Warrant Exercise Agreement when made and also as if such representations and warranties were made as of the date hereof.
5. Each of the Warrant Holders executing this Agreement represents to the Company that it has the authority to enter into and deliver this Agreement.
6. All other terms contained in the Warrant Exercise Agreements remain in effect.
7. Except as specifically described herein, there is no other amendment or waiver is expressed or implied.
8. Each Warrant Holder represents to the Company that it is making its own determination whether it will consent to this Agreement and not as a part of a group.
9. All notices, demands, requests, consents, approvals, and other communications required or permitted in connection with this Agreement shall be made and given in the same manner set forth in the Warrant Exercise Agreements.
10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws and principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York in the federal courts located in the state of New York. Both parties and the individuals executing this Agreement and other agreements on behalf of the parties agree to submit to the jurisdiction of such courts and waive trial by jury. The prevailing party (which shall be the party which receives an award most closely resembling the remedy or action sought) shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement.
11. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same Agreement and shall become effective when the counterparts have been signed by each party and delivered to the other party, it is being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or PDF transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were an original thereof.

IN WITNESS WHEREOF, the Company and the undersigned Warrant Holders have caused this Agreement to be executed as of the date first written above.

GT BIOPHARMA INC.  
the "Company"

By: \_\_\_\_\_

\_\_\_\_\_  
the "Warrant Holder"

By: \_\_\_\_\_

AMENDMENT AGREEMENT

This Amendment Agreement (“**Agreement**”) is made and entered into as of October 10, 2017, by and among GT Biopharma Inc., a Delaware corporation (the “**Company**”), and the parties identified on the signature page hereto (each a “**Preferred Stockholder**” and collectively, “**Preferred Stockholders**”). Capitalized terms used but not defined herein will have the meanings assigned to them in the Preferred Stock Exchange Agreements (as defined below).

Capitalized terms defined herein shall be incorporated in the Preferred Stock Exchange Agreements, as appropriate.

WHEREAS, on August 29, 2017, the Company and Preferred Stockholders identified on **Schedule A** entered into Preferred Stock Exchange Agreements (the “**Preferred Stock Exchange Agreements**”); and

WHEREAS, pursuant to the terms of the Preferred Stock Exchange Agreements, in exchange for the cancellation of all indebtedness of the Company, the Company issued to the Preferred Stockholders Newly Issued Capital Stock and New Stock (as defined in the Preferred Stock Exchange Agreements; and

WHEREAS, pursuant to Section 8(j) of the Preferred Stock Exchange Agreements, a Majority in Interest may consent to an amendment of any provision of the Preferred Stock Exchange Agreements on behalf of the Preferred Stockholders; and

WHEREAS, the Company has requested the Preferred Stockholders agree to an amendment of Section 7 of the Preferred Stock Exchange Agreements.

NOW THEREFORE, in consideration of promises and mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby consent and agree as follows:

1. Section 7 of the Preferred Stock Conversion Agreements shall be amended as follows:

(a) the following language shall be added to the end of Section 7(a):

The restrictions set forth in this Section 7(a) shall terminate if the Company issues any securities in a financing transaction for the purpose of raising capital during any time that any New Stock is outstanding.

(b) the following language shall be added to the end of Section 7:

“In addition to the obligations set forth herein, beginning on October 9, 2017 until the earlier of November 30, 2017 and the end of the Restricted Period, no shares of New Stock may be sold by a Preferred Stockholder at a sales price of less than \$7.00 per share of New Stock. During the Restricted Period, if in effect, from and after December 1, 2017, the shares of New Stock which may be sold on a particular trading day (the “Baseline Day”) based on such Preferred Stockholder’s Percentage (the “Allotted Shares”) may be sold by such Preferred Stockholder on the Baseline Trading Day and any one or more of the following five consecutive trading days following the Baseline Trading Day (for example, if the Warrant Holder determines that its number of Allotted Shares is 10,000 on the Baseline Trading Day, then the Preferred Stockholder may sell the 10,000 shares over the six (6) consecutive trading day period beginning on the Baseline Trading Day and continuing for the following five consecutive trading days after that).”

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2. The Company will immediately notify each of the Preferred Stockholders upon the attainment by the Company of the approval of a Majority in Interest of Preferred Stockholders.
  3. The Company represents that the foregoing amendment of Section 7 was requested by the Company of each Preferred Stockholder and was not requested by any Preferred Stockholder.
  4. Each of the Preferred Stockholders hereby represents the truth and accuracy of each Preferred Stockholder's representations and warranties contained in the Preferred Stock Exchange Agreement when made and also as if such representations and warranties were made as of the date hereof.
  5. Each of the Preferred Stockholders executing this Agreement represents to the Company that it has the authority to enter into and deliver this Agreement.
  6. All other terms contained in the Preferred Stock Exchange Agreements remain in effect.
  7. Except as specifically described herein, there is no other amendment or waiver expressed or implied.
  8. Each Preferred Stockholder represents to the Company that it is making its own determination whether it will consent to this Agreement and not as a part of a group.
  9. All notices, demands, requests, consents, approvals, and other communications required or permitted in connection with this Agreement shall be made and given in the same manner set forth in the Preferred Stock Exchange Agreements.
  10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws and principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York in the federal courts located in the state of New York. Both parties and the individuals executing this Agreement and other agreements on behalf of the parties agree to submit to the jurisdiction of such courts and waive trial by jury. The prevailing party (which shall be the party which receives an award most closely resembling the remedy or action sought) shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement.
  11. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same Agreement and shall become effective when the counterparts have been signed by each party and delivered to the other party, it is being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or PDF transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were an original thereof.
-



IN WITNESS WHEREOF, the Company and the undersigned Preferred Stockholders have caused this Agreement to be executed as of the date first written above.

GT BIOPHARMA INC.  
the "Company"

By: \_\_\_\_\_

\_\_\_\_\_  
the "Preferred Stockholder"

By: \_\_\_\_\_

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## CERTIFICATIONS

I, Kathleen Clarence-Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GT Biopharma, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/Kathleen Clarence-Smith

\_\_\_\_\_  
Kathleen Clarence-Smith

Chief Executive Officer and Director

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## CERTIFICATIONS

I, Steven Weldon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GT Biopharma, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ Steven Weldon

\_\_\_\_\_  
Steven Weldon  
CFO, President, Chief Accounting Officer, and  
Director

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of GT Biopharma, Inc. (the “*Company*”), for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “*Report*”), I, Kathleen Clarence-Smith, Chief Executive Officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify, to my knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 15 U.S.C. 78m(a) or 780(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

/s/ Kathleen Clarence-Smith

\_\_\_\_\_  
Kathleen Clarence-Smith

Chief Executive Officer and Director

A signed original of this written statement required by Section 906 has been provided to GT Biopharma, Inc. and will be retained by GT Biopharma, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of GT Biopharma, Inc. (the “*Company*”), for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “*Report*”), I, Steven Weldon, Chief Financial Officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify, to my knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 15 U.S.C. 78m(a) or 780(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

/s/ Steven Weldon

\_\_\_\_\_  
Steven Weldon  
CFO, President, Chief Accounting Officer, and  
Director

A signed original of this written statement required by Section 906 has been provided to GT Biopharma, Inc. and will be retained by GT Biopharma, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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