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, 2016**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to ___.

Commission File Number 001-36860

LION BIOTECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	75-3254381
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

999 Skyway Road, Suite 150, San Carlos, CA 94070
(Address of principal executive offices and zip code)

(650) 260-7120
(Registrant's telephone number, including area code)

112 W. 34th Street, 17th floor, New York, NY 10120
(Former name, former address and former fiscal year, if changed since last report)

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☑
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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 1, 2016, the issuer had 62,086,963 shares of common stock, par value $0.000041666 per share, outstanding.

LION BIOTECHNOLOGIES, INC.
FORM 10-Q
For the Quarter Ended September 30, 2016

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

LION BIOTECHNOLOGIES, INC.
Condensed Balance Sheets
(in thousands, except share information)

	September 30, 2016 (unaudited)	December 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	$ 92,895	$ 33,587
Short-term investments	86,387	70,113
Prepaid expenses and other current assets	1,274	277
Total Current Assets	180,556	103,977
Property and equipment, net	1,769	1,676
Total Assets	$ 182,325	$ 105,653
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 228	$ 958
Accrued expenses	2,966	672
Total Current Liabilities	3,194	1,630
Commitments and contingencies (see note 8)		
Stockholders' Equity		
Series A Preferred stock, $0.001 par value; 17,000 shares authorized, 1,694 shares issued and outstanding, respectively	-	-
Series B Preferred stock, $0.001 par value; 11,500,000 shares authorized, 7,946,673 and 0 shares issued and outstanding (aggregate liquidation value of $37,747), respectively	8	-
Common stock, $0.000041666 par value; 150,000,000 shares authorized, 61,948,389 and 48,547,720 shares issued and outstanding, respectively	3	2
Common stock to be issued, 303,125 shares	245	245
Accumulated other comprehensive income	163	48
Additional paid-in capital	320,140	207,950
Accumulated deficit	(141,428)	(104,222)
Total Stockholders' Equity	179,131	104,023
Total Liabilities and Stockholders' Equity	$ 182,325	$ 105,653

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

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Operations
(In thousands, except per share information)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Revenues	**$ -**	**$ -**	**$ -**	**$ -**
Costs and expenses				
Research and development	8,481	4,960	17,200	11,413
General and administrative	10,498	2,683	20,517	7,968
Total costs and expenses	18,979	7,643	37,717	19,381
Loss from operations	(18,979)	(7,643)	(37,717)	(19,381)
Other income				
Interest income	221	8	511	81
Net Loss	$ (18,758)	$ (7,635)	$ (37,206)	$ (19,300)
Deemed dividend related to beneficial conversion feature of convertible preferred stock	(49,454)	-	(49,454)	-
Net loss Attributable to Common Stockholders	$ (68,212)	$ (7,635)	$ (86,660)	$ (19,300)
Net Loss Per Common Share, Basic and Diluted	$ (1.15)	$ (0.16)	$ (1.64)	$ (0.44)
Weighted-Average Common Shares Outstanding, Basic and Diluted	59,113	47,272	52,963	43,399

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

Condensed Statements of Comprehensive Loss
(in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Net Loss	$ (18,758)	$ (7,635)	$ (37,206)	$ (19,300)
Other comprehensive income:				
Unrealized gain on short-term investments	85	16	115	38
Comprehensive Loss	$ (18,673)	$ (7,619)	$ (37,091)	$ (19,262)

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

LION BIOTECHNOLOGIES, INC.
Statement of Stockholders' Equity
For the Nine Months Ended September 30, 2016
(In thousands, except share information)
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Common Stock to Be Issued	Additional Paid-In Capital	Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance - January 1, 2016	1,694	$ -	-	$ -	48,547,720	$ 2	$ 245	$ 207,950	$ 48	$ (104,222)	$ 104,023
Stock-based compensation expense								15,781			15,781
Tax payments related to shares witheld for vested restricted stock awards								(624)			(624)
Common stock issued upon exercise of warrants					381,058	-		879			879
Common stock issued upon exercise of stock options					75,480			478			478
Common stock sold in private placement, net of offering costs					9,684,000	1		44,008			44,009
Preferred stock sold in private placement, net of offering costs			11,368,633	11				51,665			51,676
Conversion of convertible preferred stock into common stock			(3,421,960)	(3)	3,421,960			3			-
Cancellation of restricted shares					(161,829)	-					-
Beneficial conversion feature of preferred stock								49,454			49,454
Deemed dividend on beneficial conversion feature of preferred stock								(49,454)			(49,454)
Unrealized gain on short- term investments									115		115
Net loss										(37,206)	(37,206)
Balance - September 30, 2016	1,694	$ -	7,946,673	$ 8	61,948,389	$ 3	$ 245	$ 320,140	$ 163	$ (141,428)	$ 179,131

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

LION BIOTECHNOLOGIES, INC.
Statements of Cash Flows
(In thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2016	**2015**
Cash Flows From Operating Activities		
Net loss	$ (37,206)	$ (19,300)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	688	691
Amortization of premium on investments	(69)	-
Stock-based compensation expense	15,781	5,778
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(997)	(163)
Accounts payable and accrued expenses	1,294	1,193
Net Cash Used In Operating Activities	(20,509)	(11,801)
Cash Flows From Investing Activities		
Purchase of short- term investments	(110,249)	(95,236)
Maturities of short- term investments	94,159	15,900
Purchase of property and equipment	(781)	(992)
Net Cash Used In Investing Activities	(16,871)	(80,328)
Cash Flows From Financing Activities		
Tax payments related to shares witheld for vested restricted stock awards	(354)	-
Proceeds from the issuance of common stock upon exercise of warrants	879	9,618
Proceeds from the issuance of common stock upon exercise of options	478	66
Proceeds from the issuance of preferred stock and common stock, net	95,685	68,308
Net Cash Provided By Financing Activities	96,688	77,992
Net increase(decrease) in cash and cash equivalents	59,308	(14,137)
Cash and Cash Equivalents, Beginning of Period	33,587	44,909
Cash and Cash Equivalents, End of Period	$ 92,895	$ 30,772
Supplemental Disclosures of Cash Flow Information:		
Unrealized gain on short-term investments	$ 115	$ 48
Deemed dividend related to a beneficial conversion feature	49,454	-

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

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

Lion Biotechnologies, Inc. (the "Company," "we," "us" or "our") is a biotechnology company focused on developing in order to commercialize adoptive cell therapy (ACT) using autologous tumor infiltrating lymphocytes (TIL) for the treatment of metastatic melanoma and other solid tumor cancers. ACT utilizes T-cells harvested from a patient to treat cancer in that patient. TIL, a kind of anti-tumor T-cells that are naturally present in a patient's tumors, are collected from individual patient tumor samples. The TIL are then expanded ex vivo and then infused back into the patient to fight their tumor.

Basis of Presentation of Unaudited Condensed Financial Information

The unaudited condensed financial statements of the Company for the three and nine months ended September 30, 2016 and 2015 have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-K. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2015 was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2015 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 11, 2016. These financial statements should be read in conjunction with that report.

Reclassification

Certain amounts within the condensed balance sheet for the prior periods have been reclassified to conform with the current period presentation. These reclassifications had no impact on the Company's previously reported financial position or net loss.

Liquidity

We are currently engaged in the development of therapeutics to fight cancer. We do not have any commercial products and have not yet generated any revenues from our biopharmaceutical business. We currently do not anticipate that we will generate any revenues during 2016 from the sale or licensing of any products. As shown in the accompanying condensed financial statements, we have incurred a net loss of $37.2 million for the nine months ended September 30, 2016 and used $20.5 million of cash in our operating activities during the nine months ended September 30, 2016. As of September 30, 2016, we had $179.3 million of cash and cash equivalents and short-term investments on hand, stockholders' equity of $179.1 million and had working capital of $177.4 million.

We expect to further increase our research and development activities, which will increase the amount of cash we will use during 2017. Specifically, we expect increased spending on clinical trials, research and development activities, higher payroll expenses as we increase our professional and scientific staff, as well as continuing payments under our Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI) and continued and expansion of manufacturing activities. Based on the funds we have available, we believe that we have sufficient capital to fund our anticipated operating expenses for at least 12 months from the date of filing this quarterly report.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Short-term Investments

The Company's short-term investments represent available-for-sale securities and are recorded at fair value with any unrealized gains and losses recorded within accumulated other comprehensive loss. The estimated fair value of the available for sale securities is determined based on quoted market prices or rates for similar instruments. In addition, the cost of debt securities in this category is adjusted for amortization of premium and accretion of discount to maturity. The Company evaluates securities with unrealized losses to determine whether such losses, if any, are other than temporary. No losses have been recognized for the three and nine months ended September 30, 2016 and 2015.

Loss per Share

Basic net income (loss) per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed using the weighted average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued.

At September 30, 2016 and 2015, the dilutive impact of the following outstanding equity equivalents have been excluded because their impact on the loss per share is anti-dilutive.

	September 30, 2016	September 30, 2015
Stock options	4,945,358	2,704,195
Warrants	6,808,216	7,237,216
Series A Preferred	847,000	1,847,000
Series B Preferred	7,946,673	-
Restricted stock awards	9,167	494,000
Restricted stock units	550,000	-
	21,106,414	12,282,411

The dilutive effect of potentially dilutive securities is reflected in diluted earnings per common share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities.

Fair Value Measurements

Under Financial Accounting Standards Board ("FASB") ASC 820, Fair Value Measurements and Disclosures, fair value is defined as the price at which an asset could be exchanged or a liability transferred in a transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

Assets and liabilities recorded at fair value in our financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair valued assets we hold that are generally included under this Level 1 are money market securities where fair value is based on publicly quoted prices.

Level 2—Are inputs, other than quoted prices included in Level 1, that are either directly or indirectly observable for the asset or liability through correlation with market data at the reporting date and for the duration of the instrument's anticipated life.

The fair valued assets we hold that are generally assessed under Level 2 are corporate bonds and commercial paper. We utilize third party pricing services in developing fair value measurements where fair value is based on valuation methodologies such as models using observable market inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers and other reference data. We use quotes from external pricing service providers and other on-line quotation systems to verify the fair value of investments provided by our third party pricing service providers. We review independent auditor's reports from our third party pricing service providers particularly regarding the controls over pricing and valuation of financial instruments and ensure that our internal controls address certain control deficiencies, if any, and complementary user entity controls are in place.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and which reflect management's best estimate of what market participants would use in pricing the asset or liability at the reporting date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

We do not have fair valued assets classified under Level 3.

The Company believes the carrying amount of its financial instruments (consisting of cash and cash equivalents, accounts payable and accrued expenses) approximates fair value due to the short-term nature of such instruments.

Financial assets measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations (in thousands):

	Assets at Fair Value as of September 30, 2016			
	Level 1	Level 2	Level 3	Total
Commercial paper	$ -	$ 49,691	$ -	$ 49,691
Corporate debt securities	-	32,698	-	32,698
US Government agency securities	-	3,998	-	3,998
Total	$ -	$ 86,387	$ -	$ 86,387

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Corporate debt securities	$ -	$ 70,113	$ -	$ 70,113
Total	$ -	$ 70,113	$ -	$ 70,113

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of available-for-sale investments, accounting for potential liabilities, the valuation allowance associated with the Company's deferred tax assets, and the assumptions made in valuing stock instruments issued for services.

Stock-Based Compensation

The Company periodically grants stock options and warrants to employees and non-employees in non-capital raising transactions as compensation for services rendered. The Company accounts for stock option grants to employees based on the authoritative guidance provided by the Financial Accounting Standards Board where the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option grants to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board where the value of the stock compensation is determined based upon the measurement date at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option grants is estimated using a Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

The Company as in the past issued restricted shares of its common stock for share-based compensation programs. The Company measures the compensation cost with respect to restricted shares issued to employees based upon the estimated fair value of the equity instruments at the date of the grant, and is recognized as expense over the period which an employee is required to provide services in exchange for the award.

The fair value of restricted stock units is based on the closing price of the Company’s common stock on the grant date.

Total stock-based compensation expense related to all of our stock-based awards was recorded on the statement of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Research and development	$ 640	$ 855	$ 1,818	$ 2,051
General and administrative	8,005	1,533	13,963	3,727
Total stock-based compensation expense	$ 8,645	$ 2,388	$ 15,781	$ 5,778

Total stock-based compensation broken down based on each individual instrument was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Stock option expense	$ 7,877	$ 1,922	$ 13,944	$ 4,223
Restricted stock award expense	145	466	976	1,555
Restricted stock unit expense	623	-	861	-
Total stock-based compensation expense	$ 8,645	$ 2,388	$ 15,781	$ 5,778

Preferred Stock

The Company applies the accounting standards for distinguishing liabilities from equity when determining the classification and measurement of its preferred stock. Preferred shares subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable preferred shares (including preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, preferred shares are classified as stockholders’ equity.

Convertible Instruments

The Company applies the accounting standards for derivatives and hedging and for distinguishing liabilities from equity when accounting for hybrid contracts that feature conversion options. The accounting standards require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. The derivative is subsequently marked to market at each reporting date based on current fair value, with the changes in fair value reported in results of operations.

Conversion options that contain variable settlement features such as provisions to adjust the conversion price upon subsequent issuances of equity or equity linked securities at exercise prices more favorable than that featured in the hybrid contract generally result in their bifurcation from the host instrument.

The Company also records, when necessary, deemed dividends for the intrinsic value of the conversion options embedded in preferred stock based upon the difference between the fair value of the underlying common stock at the commitment date of the transaction and the effective conversion price embedded in the preferred stock.

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, Allowance for Loan and Lease Losses (Financial Instruments - Credit Losses Topic 326.). New impairment guidance for certain financial instruments (including trade receivables) will replace the current "incurred loss" model for estimating credit losses with a forward looking "expected loss" model. The ASU is effective for the Company for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early application is permitted as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact of this standard on its financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. This ASU identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This ASU will be effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. The Company is currently assessing the potential impact of this ASU on its condensed financial statements. Early adoption is permitted.

The FASB issued ASU No. 2016-08 "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)." This guidance amends the principal versus agent guidance in the new revenue standard. The amendments retain the guidance that the principal in an arrangement controls a good or service before it is transferred to a customer. The amendments clarify how an entity should identify the unit of accounting for principal versus agent evaluation and how it should apply the control principle to certain types of arrangements, such as service transactions. The amendments also reframe the indicators to focus on evidence that an entity is acting as a principal rather than an agent, revise examples in the new standard and add new examples. The Company has not yet determined the effect of the adoption of this standard on the Company's financial position and results of operations.

In February 2016, the FASB issued ASU 2016-02-Leases with fundamental changes to how entities account for leases. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. Additional disclosures for leases will also be required. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. The new standard may materially impact the Company's financial statements.

In January 2016, the FASB issued ASU 2016-01 Financial Instruments-Overall, which address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments in this Update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Earlier application is permitted under specific circumstances. The Company is currently assessing the potential impact of this standard on its financial statements.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the condensed financial statements.

NOTE 3. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents and short-term investments consist of the following (in thousands):

	September 30, 2016	December 31, 2015
Cash - Demand deposits	$ 1,240	$ 13,642
Cash equivalents - money market funds	88,656	19,945
Cash equivalents - commercial paper	2,999	-
Cash and cash equivalents total	$ 92,895	$ 33,587

	September 30, 2016	December 31, 2015
Commercial paper	$ 49,691	$ -
Corporate debt securities	32,698	70,113
US Government agency securities	3,998	-
Short-term investments total	$ 86,387	$ 70,113

Money market funds and short-term investments include the following securities with gross unrealized gains and losses (in thousands):

As of Septmeber 30, 2016	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 88,656	$ -	$ -	$ 88,656
Commercial paper	49,517	174	-	49,691
Corporate debt securities	32,708	3	(13)	32,698
US Government agency securities	3,999	-	(1)	3,998
Total	$ 174,880	$ 177	$ (14)	$ 175,043

As of December 31, 2015	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 19,945	$ -	$ -	$ 19,945
Corporate debt securities	70,065	48	-	70,113
Total	$ 90,010	$ 48	$ -	$ 90,058

At September 30, 2016, the Company's short-term investments had the following remaining contractual maturities (in thousands):

	Amortized Cost	Estimated Fair Value
Less than one year	$ 86,224	$ 86,387

The Company's investment policy limits investments to certain types of instruments such as certificates of deposit, money market instruments, obligations issued by the U.S. government and U.S. government agencies as well as corporate debt securities, and places restrictions on maturities and concentration by type and issuer.

NOTE 4. STOCKHOLDERS' EQUITY

Series B Preferred Stock

In June 2016, the Company created a new class of Preferred Stock designated as Series B Preferred Stock (the "Series B Preferred"). The rights of the Series B Preferred are set forth in the Certificate of Designation of Rights, Preferences and Privileges of Series B Preferred Stock (the "Series B Certificate of Designation"). A total of 11,500,000 shares of Series B Preferred are authorized for issuance under the Certificate of Designation. The shares of Series B Preferred have a stated value of $4.75 per share and are convertible into shares of common stock at an initial conversion price of $4.75 per share.

Holders of the Series B Preferred are entitled to dividends on an as-if-converted basis in the same form as any dividends actually paid on shares of our Series A Convertible Preferred Stock or our common stock. So long as any Series B Preferred remains outstanding, the Company may not redeem, purchase or otherwise acquire any material amount of our Series A Preferred Stock or any junior securities.

The Company has also evaluated its convertible preferred stock in accordance with the provisions of ASC 815, Derivatives and Hedging, including consideration of embedded derivatives requiring bifurcation. The issuance of the convertible preferred stock could generate a beneficial conversion feature ("BCF"), which arises when a debt or equity security is issued with an embedded conversion option that is beneficial to the investor or in the money at inception because the conversion option has an effective strike price that is less than the market price of the underlying stock at the commitment date. The Company recognized the BCF by allocating the intrinsic value of the conversion option, which is the number of shares of common stock available upon conversion multiplied by the difference between the effective conversion price per share and the fair value of common stock per share on the commitment date, to additional paid-in capital, resulting in a discount on the convertible preferred stock. As the convertible preferred stock may be converted immediately, the Company recognized a BCF of $49.5 million as a deemed dividend in the condensed statements of operations for the three and nine months ended September 30, 2016

During the three and nine months ended September 30, 2016, 3,421,960 shares of Series B Preferred Stock that were originally issued in the June 2016 private placement (discussed below) were converted into 3,421,960 shares of common stock.

Private Placement

On June 2, 2016, the Company entered into a securities purchase agreement with various institutional and individual accredited investors to raise gross proceeds of $100 million in a private placement (the "Private Placement"). On June 7, 2016, the Company completed the Private Placement. In the Private Placement, the Company issued (i) 9,684,000 shares of its common stock and (ii) 11,368,633 shares of its new Series B Preferred Stock. The shares of common stock and Series B Preferred were sold for $4.75 per share. The shares of Series B Preferred initially were not convertible into common stock and, except as required by law, are non-voting. On July 7, 2016 the Company filed a proxy statement with the SEC with respect to a stockholders meeting that was held on August 16, 2016 at which the stockholders were asked to vote on a proposal to permit the Series B Preferred to become convertible into shares of the Company's common stock and to permit the issuance of shares of common stock upon such conversion. The requisite stockholder approval was obtained and, as a result, the Series B Preferred became convertible into shares of common stock at an initial conversion price of $4.75 per share.

The Company recognized a one-time deemed dividend of $49.5 million on August 16, 2016 as a result of the beneficial conversion feature of the Series B Preferred. The deemed dividend was recorded on the date that our stockholders approved the provision in the Series B Preferred that allowed the Series B Preferred to convert into common stock. This one-time, non-cash charge impacted net loss attributable to common stockholder and loss per share for the three and nine months ended September 30, 2016.

The Company received net proceeds of approximately $95.7 million from the Private Placement, after paying placement agent fees and estimated offering expenses.

In connection with the Private Placement, the Company also entered into a registration rights agreement (the "Registration Rights Agreement") with the investors pursuant to which the Company agreed to file with the SEC, within 30 days of the closing of the Private Placement, a registration statement covering the resale by the investors of the shares of common stock purchased by them. The Company also agreed in the Registration Rights Agreement to file with the SEC within 30 days of any stockholders meeting approving the conversion feature of the Series B Preferred Stock, a registration statement covering the resale of the shares of our common stock issuable upon conversion of their shares of Series B Preferred by the holders of shares of Series B Preferred. The Company also agreed to use its best efforts to have the respective registration statements declared effective as soon as practicable upon filing, but in any event within 90 days after filing. The Company filed the registration statement to register the Private Placement common stock on July 1, 2016, which registration statement was amended to include the shares underlying the Series B Preferred. The combined registration statement covering both the shares of common stock sold in the Private Placement and the shares underlying the Series B Preferred was declared effective on September 2, 2016, thereby fulfilling the Company's registration obligations under the Registration Rights Agreement. The Registration Rights Agreement also provides, among other things, that if the foregoing registration statement ceases to be effective under certain circumstances, the Company will pay to the holders on the occurrence of each such event and for each 30-day period thereafter until the applicable event is cured, an amount in cash equal to 1% of the aggregate amount invested (or outstanding, as specified in greater detail in the Registration Rights Agreement) by the holders under the Purchase Agreement for each 30-day period (prorated for any period of less than 30 days) during which such registration statement was not effective.

Restricted Stock Awards

Shares of restricted stock awards granted below are subject to forfeiture to the Company or other restrictions that will lapse in accordance with a vesting schedule determined by our Board.

The following table summarizes restricted common stock award activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested shares, January 1, 2016	321,252	$ 6.96
Granted	-	-
Vested	(272,084)	6.90
Forfeited	(40,001)	-
Non-vested shares, September 30, 2016	9,167	$ 6.49

Restricted Stock Units

On June 1, 2016, we entered into a restricted stock unit agreement with the Company's new Chief Executive Officer (Maria Fardis, Ph.D.) pursuant to which the Company granted Dr. Fardis 550,000 non-transferrable restricted stock units at fair market value of $5.87 per share as an inducement of employment pursuant to the exception to The NASDAQ Global Market rules that generally require stockholder approval of equity incentive plans. The 550,000 restricted stock units will vest in installments as follows: (i) 137,500 restricted stock units will vest upon the first anniversary of the effective date of Dr. Fardis' employment agreement; (ii) 275,000 restricted stock units will vest upon the satisfaction of certain clinical trial milestones; and (iii) 137,500 restricted stock units will vest in equal monthly installments over the 36-month period following the first anniversary of the effective date of Dr. Fardis' employment, provided that Dr. Fardis has been continuously employed with the Company as of such vesting dates.

Stock-based compensation expense for RSUs is measured based on the closing fair market value of the Company's common stock on the date of grant.

NOTE 5. STOCK OPTIONS AND WARRANTS

Stock Options

A summary of the status of stock options at September 30, 2016, and the changes during the nine months then ended, is presented in the following table:

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2016	2,693,237	$ 8.12	8.00	$ 2,347
Granted	3,007,483	6.55		
Exercised	(75,480)	6.35		
Expired/Forfeited	(679,882)	8.42		
Outstanding at September 30, 2016	4,945,358	$ 7.13	6.87	$ 8,060
Exercisable at September 30, 2016	2,382,194	$ 7.29	4.03	$ 4,125

During the nine months ended September 30, 2016, the Company granted options to purchase 3,007,483 shares of common stock to employees and directors of the Company. The stock options generally vest between one and three years. The fair value of these options was determined to be $19.2 million using the Black-Scholes option pricing model based on the following assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Expected dividend yield	0%	0%	0%	0%
Risk-free interest rate	1.26% - 1.18%	1.57%	1.79% - 1.18%	1.57%
Expected term (in years)	5.89 - 5.19	10	6.50 - 5.07	10
Expected volatility	170.54% - 158.13%	211.38%	213.64% - 158.13%	218.00% - 211.38%

Expected Dividend Yield—The Company has never paid dividends and does not expect to pay dividends.

Risk-Free Interest Rate—The risk-free interest rate was based on the market yield currently available on United States Treasury securities with maturities approximately equal to the option's expected term.

Expected Term—Expected term represents the period that the Company's stock-based awards are expected to be outstanding. The Company's assumptions about the expected term have been based on that of companies that have similar industry, life cycle, revenue, and market capitalization and the historical data on employee exercises.

Expected Volatility—The expected volatility is based on a combination of historical volatility for the Company's stock and the historical stock volatilities of several of the Company's publicly listed comparable companies over a period equal to the expected terms of the options, as the Company does not have a long trading history.

Forfeiture Rate—The Company estimates its forfeiture rate based on an analysis of its actual forfeitures and will continue to evaluate the adequacy of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover behavior, and other factors. The impact from a forfeiture rate adjustment will be recognized in full in the period of adjustment, and if the actual number of future forfeitures differs from that estimated by the Company, the Company may be required to record adjustments to stock-based compensation expense in future periods.

Each of the inputs discussed above is subjective and generally requires significant management judgment.

As of September 30, 2016, the value of unvested options was $15.3 million to be recognized over a weighted period of 2.5 years.

Warrants

A summary of the status of stock warrants at September 30, 2016, and the changes during the nine months then ended, is presented in the following table:

	Shares Under Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2016	7,202,216	$ 2.51	3.3 years	$ 37,596
Issued	-	-		
Exercised	(381,058)	2.31		
Expired/Cancelled	(12,942)	-		
Outstanding and exercisable at September 30, 2016	6,808,216	$ 2.52	2.1 years	$ 39,011

NOTE 6. AGREEMENTS

National Institutes of Health and the National Cancer Institute

Cooperative Research and Development Agreement
Effective August 5, 2011, the Company signed a five-year Cooperative Research and Development Agreement ("CRADA") with the National Institutes of Health and the National Cancer Institute ("NCI") to work with Dr. Steven A. Rosenberg, M.D., Ph.D., chief of NCI's Surgery Branch, on developing adoptive cell immunotherapies that are designed to destroy metastatic melanoma cells using a patient's tumor infiltrating lymphocytes. On January 22, 2015, the Company executed an amendment (the "Amendment") to the CRADA to include four new indications. As amended, in addition to metastatic melanoma, the CRADA included the development of TIL therapy for the treatment of patients with bladder, lung, triple-negative breast, and HPV-associated cancers.

On August 18, 2016, the NCI and the Company entered into a second amendment to the CRADA. The principal changes effected by the second amendment included (i) extending the term of the CRADA by another five years to August 2021, and (ii) modifying the focus on the development of TIL as a stand-alone therapy or in combination with FDA-licensed products and commercially available reagents routinely used for adoptive cell therapy. The parties will continue the development of improved methods for the generation and selection of TIL with anti-tumor reactivity in metastatic melanoma, bladder, lung, breast, and HPV-associated cancers.

Patent License Agreement Related to the Development and Manufacture of TIL
Effective October 5, 2011, the Company entered into a Patent License Agreement with the National Institutes of Health, an agency of the United States Public Health Service within the Department of Health and Human Services ("NIH"), which Patent License Agreement was subsequently amended on February 9, 2015 and October 2, 2015. Pursuant to the License Agreement as amended, the NIH granted the Company a right and license to certain technologies relating to autologous tumor infiltrating lymphocyte adoptive cell therapy products for the treatment of metastatic melanoma, lung, breast, bladder and HPV-positive cancers. The Patent License Agreement requires the Company to pay royalties based on a percentage of net sales (which percentage is in the mid-single digits), a percentage of revenues from sublicensing arrangements, and lump sum benchmark royalty payments on the achievement of certain clinical and regulatory milestones for each of the various indications and other direct costs incurred by the NIH pursuant to the agreement.

Exclusive Patent License Agreement
On February 10, 2015, the Company entered into an Exclusive Patent License Agreement with the NIH under which the Company received an exclusive license to the NIH's rights to patent-pending technologies related to methods for improving adoptive cell therapy through more potent and efficient production of TIL from melanoma tumors by selecting for T-cell populations that express various inhibitory receptors. Unless terminated sooner, the license shall remain in effect until the last licensed patent right expires.

In consideration for the exclusive rights granted under the Exclusive Patent License Agreement, the Company agreed to pay the NIH a non-refundable upfront licensing fee which was recognized as research and development expense during the year ended December 31, 2015. The Company also agreed to pay customary royalties based on a percentage of net sales of a licensed product (which percentage is in the mid-single digits), a percentage of revenues from sublicensing arrangements, and lump sum benchmark payments upon the successful completion of clinical studies involving licensed technologies, the receipt of the first FDA approval or foreign equivalent for a licensed product or process resulting from the licensed technologies, the first commercial sale of a licensed product or process in the United States, and the first commercial sale of a licensed product or process in any foreign country. The Company will also be responsible for all costs associated with the preparation, filing, maintenance and prosecution of the patent applications and patents covered by the License.

H. Lee Moffitt Cancer Center

Research Collaboration Agreement
In September, 2014, the Company entered into a research collaboration agreement with the H. Lee Moffitt Cancer Center and Research Institute, Inc. ("Moffitt") to jointly engage in transitional research and development of adoptive tumor-infiltrating lymphocyte cell therapy with improved anti-tumor properties and process.

License Agreement

The Company entered into a license agreement (the "Moffitt License Agreement"), effective as of June 28, 2014, with Moffitt under which the Company received a world-wide license to Moffitt's rights to patent-pending technologies related to methods for improving tumor-infiltrating lymphocytes for adoptive cell therapy. Unless earlier terminated, the term of the license extends until the earlier of the expiration of the last patent related to the licensed technology or 20 years after the effective date of the license agreement.

Pursuant to the Moffitt License Agreement, the Company paid an upfront licensing fee which was recognized as research and development expense during 2014. A patent issuance fee will also be payable under the Moffitt License Agreement, upon the issuance of the first U.S. patent covering the subject technology. In addition, the Company agreed to pay milestone license fees upon completion of specified milestones, customary royalties based on a specified percentage of net sales (which percentage is in the low single digits) and sublicensing payments, as applicable, and annual minimum royalties beginning with the first sale of products based on the licensed technologies, which minimum royalties will be credited against the percentage royalty payments otherwise payable in that year. The Company will also be responsible for all costs associated with the preparation, filing, maintenance and prosecution of the patent applications and patents covered by the Moffitt License Agreement related to the treatment of any cancers in the United States, Europe and Japan and in other countries selected that the Company and Moffitt agreed to.

During the nine months ended September 30, 2016 and 2015, the Company recognized $0.6 million and $0.4 million respectively, of expenses related to its license agreements. The amounts were recorded as part of research and development expenses in the statements of operations. Additionally, during the nine months ended September 30, 2016, there were no net sales subject to certain annual minimum royalty payments or sales that would require us to pay a percentage of revenues from sublicensing arrangements. In addition, there were no benchmarks or milestones achieved that would require payment under the lump sum benchmark royalty payments on the achievement of certain clinical regulatory milestones for each of the various indications.

PolyBioCept, AB

Exclusive and Co-exclusive License Agreement

On September 14, 2016, the Company entered into an Exclusive and Co-Exclusive License Agreement (the "License Agreement") with PolyBioCept AB, a corporation organized under the laws of Sweden ("PolyBioCept"). PolyBioCept has filed two patent applications with claims related to a cytokine cocktail for use in expansion of lymphocytes. Under the License Agreement, the Company received the exclusive right and license to PolyBioCept's intellectual property to develop, manufacture, market and genetically engineer tumor infiltrating lymphocytes (TIL) produced by expansion, selection and enrichment using a cytokine cocktail. The Company also received a co-exclusive license (with PolyBioCept) to develop, manufacture and market genetically engineered TIL under the same intellectual property. The licenses are for the use in all cancers and are worldwide in scope, with the exception that the uses in melanoma are not included for certain countries of the former Soviet Union.

The Company paid PolyBioCept a total of $2.5 million as an up-front exclusive license payment. The Company will also have to make additional milestone payments to PolyBioCept under the License Agreement if, and when, (i) certain product development milestones are achieved, (ii) certain regulatory approvals have been obtained from the U.S. Food and Drug Administration (FDA) and/or the European Medicines Agency (EMA), and (iii) certain product sales targets are achieved. The milestone payments will be payable both in cash (U.S. dollars) and in shares of the Company's common stock. If all of the foregoing product development, regulatory approval and sales milestone payments are met, the Company will have to pay PolyBioCept an additional $8.7 million and will have to issue to PolyBioCept a total 2,219,376 shares of unregistered common stock. In addition to these potential payments, the Company will reimburse PolyBioCept up to $0.2 million in expenses related to the transfer of know-how and will pay PolyBioCept $0.1 million as a clinical trials management fee. The Company also separately engaged PolyBioCept as a consultant to provide certain product development and research related services in a one-year agreement for up to $0.2 million, subject to the consent of the Karolinska Institute to the services to be performed by its employees thereunder. The License Agreement has an initial term of 30 years, and may be extended for additional five-year periods.

In connection with the execution of the License Agreement, the Company also (i) entered into a clinical trials agreement with the Karolinska University Hospital to conduct clinical trials in glioblastoma and pancreatic cancer at the Karolinska University Hospital, and (ii) agreed to enter into a sponsored research agreement with the Karolinska Institute for the research of the cytokine cocktail in additional indications. The Company agreed to enter into the sponsored research agreement within 90 days after the date of the License Agreement. Failure to do so will give PolyBioCept the right to terminate the License Agreement (and to return $2.2 million of the payments it received). The Company will pay the Karolinska an additional $2.6 million in connection with these other related agreements. The Company recognized $2.4 million and $0 as research and development expense in connection with this agreement in the quarter ended September30, 2016 and September 30, 2015, respectively.

NOTE 7. LEGAL PROCEEDINGS

SEC Settlement. On April 23, 2014 the Company received a subpoena from the SEC that stated that the staff of the SEC was conducting an investigation then designated as "*In the Matter of Galena Biopharma, Inc.*" File No. HO 12346 (now known as "*In the Matter of Certain Stock Promotions*") and that the subpoena was issued to the Company as part of the foregoing investigation. The Company has been informed by the Staff of the SEC that the SEC's investigation, in part, involves the conduct of the Company's former Chief Executive Officer, Manish Singh, during the period between September 2013 and April 2014. As the Company understands, as it pertains to the Company's former Chief Executive Officer, the investigation has focused on the failure by authors of certain articles about the Company to disclose that they were compensated by one of our former investor relations firms. The Company understands that it is the position of the SEC Staff that the conduct of the former Chief Executive Officer with respect to these articles may be imputed to the Company.

In order to resolve this matter, the Company has agreed with the Staff of the SEC to a proposed settlement framework under which it would consent to the entry of an order requiring that it cease and desist from any future violations of certain provisions of the federal securities laws, without admitting or denying any allegations, and agree to a financial penalty. The Company does not anticipate that the amount of the financial penalty will have a material impact on its cash position. The proposed settlement is contingent upon reaching agreement with the Staff of the SEC on a complete set of settlement terms and approval by the Commissioners of the SEC, neither of which can be assured.

Solomon Capital, LLC. On April 8, 2016, a lawsuit titled Solomon Capital, LLC, Solomon Capital 401(K) Trust, Solomon Sharbat and Shelhav Raff against Lion Biotechnologies, Inc. was filed by Solomon Capital, LLC, Solomon Capital 401(k) Trust, Solomon Sharbat and Shelhav Raff against the Company in the Supreme Court of the State of New York County of New York (index no. 651881/2016). The plaintiffs allege that, between June and November 2012 they provided to the Company $0.1 million and that they advanced and paid on our behalf an additional $0.2 million. The complaint further alleges that the Company agreed to (i) provide them with promissory notes totaling $0.2 million, plus interest, (ii) issue a total of 111,425 shares to the plaintiffs (before the 1-for-100 reverse split of our common stock effected in September 2013), and (iii) allow the plaintiffs to convert the foregoing funds into our securities in the next transaction. The plaintiffs allege that they should have been able to convert their advances and payments into shares of the Company's common stock in the Restructuring that it effected in May 2013. Based on the foregoing, the plaintiffs allege causes for breach of contract and unjust enrichment and demand judgment against the Company in an unspecified amount exceeding $1.5 million, plus interest and attorneys' fees.

On June 3, 2016, the Company filed an answer and counterclaims in the lawsuit. In its counterclaims, the Company alleges that the plaintiffs misrepresented their qualifications to assist it in fundraising and that they failed to disclose that they were under investigation for securities laws violations. The Company is seeking damages in an amount exceeding $0.5 million and an order rescinding any and all agreements that the plaintiffs contend entitled them to obtain stock in the Company. The Company's investigation of the allegations made by the plaintiffs is ongoing and it intends to vigorously defend the complaint and pursue its counterclaims.

The Company may be involved, from time to time, in legal proceedings and claims arising in the ordinary course of its business. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. The Company accrues amounts, to the extent they can be reasonably estimated, that it believes are adequate to address any liabilities related to legal proceedings and other loss contingencies that the Company believes will result in a probable loss. While there can be no assurances as to the ultimate outcome of any legal proceeding or other loss contingency involving the Company, management does not believe any pending matter will be resolved in a manner that would have a material adverse effect on the Company's condensed consolidated financial position, results of operations or cash flows.

NOTE 8. COMMITMENTS AND CONTINENGIES

Lease Obligations

Tampa Lease
In December 2014, the Company commenced a five-year non-cancellable operating lease with the University of South Florida Research Foundation for a 5,115 square foot facility located in Tampa, Florida. The facility is part of the University of South Florida research park and is used as the Company's research and development facilities. The Company has the option to extend the lease term of this facility for an additional five-year period on the same terms and conditions, except that the base rent for the renewal term will be increased in accordance with the applicable consumer price index.

In April 2015, the Company amended the original lease agreement to increase the rentable space to 6,043 square feet. In September 2016, the Company further increased the rentable space to 8,673 square feet. The per square foot cost and term of the lease were unchanged.

San Carlos Lease
On August 4, 2016, the Company entered into an agreement to lease 8,733 square feet in San Carlos, California. The term of the lease is 54 months subsequent to the commencement date, and total expected rental payments under the lease are expected to be $2.1 million.

The Company recognizes rental expense on the facilities on a straight-line basis over the lease term. Differences between the straight line rent expense and rent payments are classified as deferred rent liability on the balance sheet. As of September 30, 2016, the Company's future minimum lease payments under non-cancelable operating leases are as follows (in thousands):

Year	Amount
2016 (remaining three months)	$ 39
2017	610
2018	629
2019	633
2020	495
2021	169
	$ 2,575

Commitments under the CRADA

On August 18, 2016, the NCI and the Company entered into second amendment to the CRADA. In connection with the amendment, the Company is required to make quarterly payments starting August 2016 in the amount of $0.5 million through August 2021 (or a total of $10 million over the life of the amended CRADA).

Other Matters

During the second quarter of 2016, warrants representing 128,500 shares were exercised. The 128,500 shares of common stock had previously been registered for re-sale. However, we believe that these 128,500 warrant shares were sold by the holders in open market transactions in May 2016 at a time when the registration statement was ineffective. Accordingly, those sales were not made in accordance with Sections 5 and 10(a)(3) of the Securities Act, and the purchasers of those shares may have rescission rights (if they still own the shares) or claims for damages (if they no longer own the shares). The amount of any such liability is uncertain and as such, an accrual for any potential loss has not been made. The Company believes that any claims brought against it would not result in a material impact to the Company's financial position or results of operations. The Company has not accrued a loss for a potential claim associated with this matter as it is unable to estimate any at this time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In this section, "we," "our," "ours" and "us" refer to Lion Biotechnologies, Inc.

This management's discussion and analysis of financial condition as of September 30, 2016 and results of operations for the three and nine months ended September 30, 2016 and 2015, should be read in conjunction with management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2015 which was filed with the SEC on March 11, 2016.

Forward-Looking Statements

The discussion below includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements. All forward-looking statements included in this Quarterly Report are based on information available to us on the date hereof and, except as required by law, we assume no obligation to update any such forward-looking statements. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information in the "Risk Factors" section in our Form 10-K for the year ended December 31, 2015. The identification in this Quarterly Report of factors that may affect future performance and the accuracy of forward-looking statements is meant to be illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Background on the Company and Recent Events Affecting our Financial Condition and Operations

We are a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to harness the power of a patient's own immune system to eradicate cancer cells. Our lead program is an adoptive cell therapy utilizing tumor-infiltrating lymphocytes (TIL), which are T cells derived from patients' tumors, for the treatment of metastatic melanoma. TIL therapy is being developed in collaboration with the National Cancer Institute (NCI). A patient's immune system, particularly their TIL, plays an important role in identifying and killing cancer cells. TIL therapy involves growing a patient's TIL in special culture conditions outside the patient's body, or ex vivo, and then infusing the T cells back into the patient in combination with interleukin-2 (IL-2). By taking TIL away from the immune-suppressive tumor microenvironment in the patient, the T cells can rapidly proliferate. TIL, when infused back into the patient, are more able to search out and eradicate the tumor.

In 2011, we acquired from the National Institutes of Health (NIH) a non-exclusive license to certain NIH patents and patent applications to develop and manufacture autologous TIL for the treatment of metastatic melanoma, ovarian, breast, and colorectal cancers. Under a Cooperative Research and Development Agreement (CRADA) with the U.S. Department of Health and Human Services, as represented by the NCI, we support the in vitro development of improved methods for the generation and selection of TIL, the development of large-scale production of TIL, and clinical trials using these improved methods of generating TIL. On January 22, 2015, we executed an amendment to the CRADA to include four new indications. On February 9, 2015, the NIH granted us additional licenses to certain technologies useful in the treatment of melanoma with TIL therapy, and on October 2, 2015, one of these license agreements was amended to include the rights to treat breast, lung, bladder and HPV-associated cancers with TIL therapy. In consideration for receiving the rights to treat breast, lung, bladder and HPV-associated cancers with the licensed TIL therapy, we gave up the non-exclusive rights to treat colorectal and ovarian cancers with the TIL therapy. Under the amended CRADA, we are required to pay the NIH a total of $2 million annually. On August 18, 2016, we agreed with the NIH to amend the CRADA to extend its term until August 5, 2021. In addition to our CRADA, we also conduct research and development on TIL technology at our research facility in Tampa, Florida, and developed our own proprietary technologies for which we are pursuing intellectual property protection.

On June 7, 2016, we completed a private placement (the "Private Placement") in which we issued (i) 9,684,000 shares of our common stock and (ii) 11,368,633 shares of our new Series B Preferred Stock (the "Series B Preferred") to a limited number of institutional and accredited investors. . The shares of common stock and Series B Preferred were sold for $4.75 per share. We received net proceeds of approximately $95.7 million from the Private Placement, after paying placement agent fees and estimated offering expenses, which we will use to fund our research and development and for working capital purposes. Jefferies LLC and Piper Jaffray & Co. acted as joint lead placement agents for the Private Placement, and we paid the placement agents a customary placement fee and reimbursed them for certain expenses.

Our pipeline consist of various trials at different stages. We are currently enrolling patients in a Phase 2 clinical trial of our lead product candidate, LN-144, for the treatment of refractory metastatic melanoma. In addition, the NCI is enrolling patients in a combination trial of TIL with Keytruda. In 2017, we intend to initiate a Phase 2 clinical trial of TIL therapy in cervical cancer and another Phase 2 clinical trial of TIL therapy in head and neck cancer. Also, pursuant to a clinical trials agreement we have entered into with Karolinska University Hospital, Karolinska has agreed to commence Phase 1 trials for glioblastoma and pancreatic cancer in 2017.

Results of Operations

Revenues

We are a clinical development stage company that is currently engaged in the development of novel cancer immunotherapy products, and we have not yet generated any revenues from our biopharmaceutical business or otherwise since our formation. We currently do not anticipate that we will generate any revenues during 2016 from the sale or licensing of any products. Our ability to generate revenues in the future will depend on our ability to complete the development of our product candidates and to obtain regulatory approval for them.

Research and Development

	For the Three Months Ended September 30,		Increase (Decrease)		For the Nine Months Ended September 30,		Increase (Decrease)	
	2016	2015	$	%	2016	2015	$	%
Research and development	$ 8,481	$ 4,960	3,521	71%	$ 17,200	$ 11,413	5,787	51%
Stock-based compensation expense included in research and development expense	640	855	(215)	-25%	1,818	2,051	(233)	-11%

Research and development expense consists of costs incurred in performing research and development activities, clinical trials, personnel costs for research and development employees and consultants, rent at our research and development facility in Tampa, Florida, cost of laboratory supplies, manufacturing expenses, and fees paid to third parties, including the NCI and our third party contract manufacturer that will process and manufacture our products for our clinical trial. Research and development expenses also included amounts paid to the National Institutes of Health under terms of our license agreements, and to the NCI under the CRADA. For the three months ended September 30, 2016, our research and development costs increased by $3.5 million, or 71%, and for the nine months ended September 30 2016 our research and development costs increased by $5.8 million, or 51%, when compared to the same periods in 2015 due to the general expansion of our research and development efforts, the expansion of our Tampa, Florida research facility, and the initiation of our Phase II clinical trial, and the payment of $2.4 million related to the agreement with PolyBioCept AB which occurred during the quarter ended September 30, 2016. In addition, in the three and nine month periods ended September 30, 2016 we incurred $0.6 million and $1.8 million, respectively, of non-cash stock-based compensation costs, compared to $0.9 million and $2.1 million, respectively, for such costs in the same period in 2015. The change in our research and development stock-based compensation expense is primarily due to the timing of hiring or terminating employees and officers.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect our research and development expenses to increase over the next several years as we continue to conduct our clinical trials for our products and as we increase our research and development efforts in other cancer indications. However, it is difficult to determine with certainty the duration and completion costs of our current or future preclinical programs and clinical trials of our product candidates.

The duration, costs and timing of our clinical trials and development of our product candidates will depend on a number of factors that include, but are not limited to, the number of patients that enroll in the trial, per patient trial costs, number of sites included in the trial, discontinuation rates of patients, duration of patient follow-up, efficacy and safety profile of the product candidate, and the length of time required to enroll eligible patients. Additionally, the probability of success for our product candidate will depend on a number of factors, including competition, manufacturing capability and cost efficiency, and commercial viability.

General and Administrative

	For the Three Months Ended September 30,		Increase (Decrease)		For the Nine Months Ended September 30,		Increase (Decrease)	
	2016	2015	$	%	2016	2015	$	%
General and administrative	$ 10,498	2,683	7,815	291%	20,517	7,968	12,549	157%
Stock-based compensation expense included in general and administrative	8,005	1,533	6,472	422%	13,963	3,727	10,236	275%

General and administrative expenses include compensation-related costs for our employees engaged in general and administrative activities (other than employees engaged in research and development), legal fees, audit and tax fees, consultants and professional services, and general corporate expenses. For the three months ended September 30, 2016, our general and administrative expenses increased by $7.8 million, or 291%, for the nine months ended September 30, 2016 our general and administrative expense increased $12.5 million, or 157%, when compared to the same periods in 2015. The increases are due to the hiring of new employees and separation consideration provided to our former Chief Executive Officer whom left the Company in June 2016, and to our former Chief Financial Officer whom left the Company in August 2016. In addition, in the three and nine month periods ended September 30, 2016, we incurred $8.0 million, and $14.0 million, respectively, of non-cash stock-based compensation costs compared to $1.5 million and $3.8 million, respectively, for such costs in the same periods in 2015. Share based compensation includes stock and options granted to our executive officers, employees, directors, and consultants. As a result of the planned increase in our operations and increase in the number of our employees, our general and administrative expenses in the future are expected to continue to increase.

Deemed Dividend

We recognized a one-time deemed dividend of $49.5 million on August 16, 2016 related to the charges arising as a result of the beneficial conversion feature of the Series B Preferred Stock. The deemed dividend was recorded on the date that our stockholders approved the provision in the Series B Preferred Stock that allowed the Series B Preferred to convert into common stock, which was held on August 16, 2016. This one-time, non-cash charge impacted net income attributable to common stockholder and earnings per share in the quarter ended September 30, 2016.

Net loss attributable to common stockholders

We had a net loss attributable to common stockholders of $86.7 million and $19.3 million, for the nine months ended September 30, 2016 and 2015, respectively and for three month ended September 30, 2016 and 2015, we had a net loss attributable to common stockholders of $68.2 million and $7.6 million, respectively. The increase in our net loss during 2016 is due primarily due to the $49.5 million one-time deemed dividend incurred in August 2016, and to an increase in research and development expenses and general and administrative expenses, as described above. We anticipate that we will continue to incur net losses in the future as we continue to invest in our research and development, and we do not expect to generate any revenues in the near term.

Liquidity and Capital Resources

Our principal sources of working capital have been private and public equity financings and interest income.

We are currently engaged in the development of therapeutics to fight cancer. We do not have any commercial products and have not yet generated any revenues from our biopharmaceutical business. We currently do not anticipate that we will generate any revenues during 2016 from the sale or licensing of any products. As shown in the accompanying condensed financial statements, we have incurred a net loss of $37.2 million for the nine months ended September 30, 2016 and used $20.5 million of cash in our operating activities during the nine months ended September 30, 2016. As of September 30, 2016, we had $179.3 million of cash and cash equivalents and short-term investments on hand, stockholders' equity of $179.1 million and had working capital of $177.4 million.

We expect to further increase our research and development activities, which will increase the amount of cash we will use during 2017. Specifically, we expect increased spending on clinical trials, research and development activities, higher payroll expenses as we increase our professional and scientific staff, as well as continuing payments under our Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI) and continued and expansion of manufacturing activities. Based on the funds we have available, we believe that we have sufficient capital to fund our anticipated operating expenses for at least 12 months from the date of filing this quarterly report.

Cash Flows from Operating, Investing and Financing Activities (in thousands):

	For the Nine Months Ended September 30,	
	2016	**2015**
Net cash provided by (used in):		
Operating activities	$ (20,509)	$ (11,801)
Investing activities	(16,871)	(80,328)
Financing activities	96,688	77,992
Net increase(decrease) in cash and cash equivalents	$ 59,308	$ (14,137)

Net cash used in operating activities was approximately $20.5 million for the nine months ended September 30, 2016 compared to approximately $11.8 million in the same period in 2015. Net cash used in operating activities primarily consisted of cash payments related to the increased spending within our research and development group in support of our clinical development programs and manufacturing costs, as well as the increase in our administrative functions as we scale up our business to support of the clinical activities. The timing of cash requirements may vary from period to period depending on our research and development activities, including our planned clinical trials.

Net cash used in investing activities was approximately $16.9 million for the nine months ended September 30, 2016 compared to net cash used in investing activities of approximately $80.3 million in the same period of 2015. Net cash used in investing activities in 2016 related to net purchases of short-term investments in the amount of $110.2 million, offset by maturities of $94.2 million, and capital expenditures of $0.8 million.

Net cash provided by financing activities was $96.7 million for the nine months ended September 30, 2016, primarily as a result of the Private Placement in the amount of $95.7 million, compared to approximately $78.0 million in the same period of 2015 due to the underwritten public offering of $68.3 million.

Off-Balance Sheet Arrangements

At September 30, 2016, we had no obligations that would require disclosure as off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our condensed financial statements and accompanying notes, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. When making these estimates and assumptions, we consider our historical experience, our knowledge of economic and market factors and various other factors that we believe to be reasonable under the circumstances. Actual results may differ under different estimates and assumptions.

The accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they inherently involve significant judgments and uncertainties. There were no significant changes to our critical accounting policies from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015

Inflation

Inflation and changing prices have had no effect on our continuing operations over our two most recent fiscal years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is limited primarily to interest income sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because a significant portion of our investments are in short-term debt securities issued by the U.S. government, corporations and institutional money market funds. The primary objective of our investment activities is to preserve principal. Due to the nature of our marketable securities, we believe that we are not exposed to any material market risk. We do not have any derivative financial instruments or foreign currency instruments. If interest rates had varied by 10% in the nine months ended September 30, 2016, it would not have had a material effect on our results of operations or cash flows for that period.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report.

Changes in Internal Controls Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Nothing to report.

Item 1A. Risk Factors

Information regarding risk factors appears under "Risk Factors" included in Item 1A, Part I, and under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the year ended December 31, 2015. Except as follows, there have been no material changes from the risk factors previously disclosed in the above-mentioned periodic report.

We may be subject to claims for rescission or damages in connection with certain sales of shares of our common stock in the open market.

In January 2014, the SEC declared effective a registration statement that we filed to cover the resale of shares issued and sold (or to be issued and sold) by certain selling stockholders. On March 11, 2016, that registration statement (and the prospectus contained therein) became ineligible for future use, and selling stockholders could no longer sell any shares of our common stock in open market transactions by means of that prospectus. We believe that certain stockholders did sell up to 128,500 shares of our common stock in open market transactions in May 2016 by means of the ineffective registration statement/prospectus. Accordingly, those sales were not made in accordance with Sections 5 and 10(a)(3) of the Securities Act, and the purchasers of those shares may have rescission rights (if they still own the shares) or claims for damages (if they no longer own the shares). In addition, we also may have indemnification obligations to the selling stockholders. The amount of any such liability is uncertain.

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

Nothing to report.

Item 3. Defaults Upon Senior Securities.

Nothing to report.

Item 4. Mine Safety Disclosures

Nothing to report.

Item 5. Other Information.

Nothing to report.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
10.1	Office Lease, effective as of August 4, 2016, between Lion Biotechnologies, Inc. and Hudson Skyway Landing, LLC(1)
10.2	Amendment #2 Cooperative Research and Development Agreement # 02734, dated August 18, 2016, between the National Cancer Institute, and Registrant(2)
10.3	Exclusive and Co-Exclusive License Agreement, dated September 14, 2016, between Lion Biotechnologies, Inc. and PolyBioCept AB*
10.4	Executive Employment Agreement, dated September 28, 2016, by and among Lion Biotechnologies, Inc. and Gregory T. Schiffman.#(3)
10.5	Form of Indemnification Agreement
31.1	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.
31.2	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.
32.1	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).
32.2	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).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Certain portions of the Exhibit have been omitted based upon a pending request for confidential treatment filed by us with the SEC . The omitted portions of the Exhibit have been separately filed by us with the SEC.

# Indicates a management contract or compensatory plan or arrangement.

(1) Previously filed on August 8, 2016 as an exhibit to the Company's current report on Form 8-K and incorporated herein by reference.

(2) Previously filed on August 31, 2016 as an exhibit to the Company's pre-effective Amendment No. 1 on Form S-/A and incorporated herein by reference.

(3) Previously filed on October 3, 2016 as an exhibit to the Company's current report on Form 8-K and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements 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.

Lion Biotechnologies, Inc.

November 4, 2016 By: /s/ Maria Fardis
Maria Fardis
Chief Executive Officer (Principal Executive Officer)

November 4, 2016 By: /s/ Greg Schiffman
Greg Schiffman
Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.3

Text Marked By [* * *] Has Been Omitted Pursuant To A Request For Confidential Treatment And Was Filed Separately With The Securities And Exchange Commission.

EXCLUSIVE AND CO-EXCLUSIVE LICENSE AGREEMENT

Between

LION BIOTECHNOLOGIES, INC.

and

POLYBIOCEPT AB

Effective as of: September 14, 2016

EXCLUSIVE AND CO-EXCLUSIVE LICENSE AGREEMENT

This **Exclusive and Co-Exclusive License Agreement** (this "**Agreement**") is made and entered into to be effective as of this 14th day of September, 2016 (the "**Effective Date**"), by and between

Lion Biotechnologies, Inc.
112 West 34th Street
17th Floor
New York, New York 10120 USA

a corporation organized under the laws of the state of Nevada ("**Lion**"),

and

PolyBioCept AB
Sankt Eriksgatan 43a
11234 Stockholm
Sweden

a corporation organized under the laws of Sweden ("**PolyBioCept**" or "**Licensor**").

Lion and PolyBioCept may be referred to herein individually as a "**Party**" or together as the "**Parties**."

RECITALS

WHEREAS, PolyBioCept is the owner of certain cell therapy technologies and derivatives thereof;

WHEREAS, Lion desires to obtain a license from PolyBioCept to certain intellectual property necessary for the Development, Manufacture, and Commercialization of Products (as defined herein) upon the terms and conditions hereinafter set forth; and

WHEREAS, Lion and PolyBioCept executed a non-binding Term Sheet for Exclusive and Co-Exclusives dated May 9, 2016 (the "**Term Sheet**"), on which the terms of this Agreement are based.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1 DEFINITIONS

For the purposes of this Agreement, the following terms are defined as follows:

1.1 "**1933 Act**" means the U.S. Securities Act of 1933, as amended.

1.2 "**Acceptance**" means Licensor's receipt of a Notice of Acceptance Lion or the occurrence of Deemed Acceptance.

1.3 "**Acceptance Certificate**" means the acceptance certificate attached at **Schedule 7**.

1.4 "**Acceptance Criteria**" means the criteria set forth in Section III of **Schedule 2** attached hereto.

1.5 "**Achievement**" and phrases of similar import mean the date of satisfaction of the condition specified in the corresponding section.

1.6 "**Additional Terms**" mean the additional conditions, obligations and terms applicable to the Transfer of Know-How under Section 2.2, which are set forth in **Schedule 2.1** attached hereto.

1.7 "**Adverse Event**" means any untoward medical occurrence in a patient or clinical investigation subject who was administered a pharmaceutical product and which does not necessarily have a causal relationship with such treatment.

1.8 "**Affiliate**" of a Person means any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. As used in this definition of "Affiliate", the term "control" shall mean, as to any such other Person, (a) direct or indirect ownership of more than fifty percent (50%) (or such lesser percentage as is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) of the voting interests or other ownership interests in the Person in question, or (b) possession, directly or indirectly, of the power to direct or cause the direction of management or policies of the Person in question (whether through ownership of securities or other ownership interests, by contract or otherwise).

1.9 "**Agency**" means any applicable Governmental Authority involved in the regulation of or the granting of approvals for the research, Development, Manufacturing, Commercialization, handling, use, storage, import, transport, distribution, marketing, sale, reimbursement and/or pricing of Products or GE Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory.

1.10 "**Aggregate Sales**" means the aggregate consideration actually received by Lion, and all sublicensees and Affiliates of Lion, whether as money, securities, or otherwise, including, without limitation, all income, revenue, or other payments received by any of the foregoing, from the sales or distribution of Covered Products and Covered GE Products. For avoidance of doubt, to calculate the Aggregate Sales hereunder, "revenue actually received" by Lion and all sublicensees and Affiliates of Lion shall mean revenue recognized in accordance with U.S. GAAP, provided that consideration from the sale or distribution of each unique Covered Product and Covered GE Product shall only be counted once.

1.11 "**Antigens**" means molecules, including, but not limited to, peptides, polysaccharides and lipids, that are recognized by antigen-specific receptors, such as a B-Cell or T-Cell receptors and are capable of inducing an immune response.

1.12 "**Antigen-Edited Lymphocytes**" means Lymphocytes that are produced by exposure to Antigens and Expansion in supportive conditions, such as Cytokine Cocktails, CD3 antibodies, and/or other selection/growth conditions that promote their survival/Expansion; provided, however, as used in this definition of "Antigen-Edited Lymphocytes", the term "Antigens" shall not include Antigens naturally occurring and present in the same Tumor sample from which the TIL are obtained prior to isolation of the TIL from the Tumor sample.

1.13 "**Applicable Laws**" means each applicable federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ, award, decree, injunction, judgment, stay or restraining order of any Governmental Authority, the terms of any Regulatory Approval, and any other ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

1.14 "**Background Patents**" means Patents Controlled by Licensor as of the Effective Date of this Agreement, other than the Licensed Patents.

1.15 "**Budget**" means the budget set forth in **Schedule 2.3** attached hereto.

1.16 "**Business Day**" means any day other than Saturday, Sunday or a day on which banking institutions in the state of Delaware are permitted or obligated by law to close.

1.17 "**Challenge**" shall have the meaning set forth in Section 8.4.2(b).

1.18 "**Claim**" means allegations, actions, causes of action, claims, demand, investigations, administrative or legal proceedings, Proceedings, and suits.

1.19 "**Clinical Trials Agreement**" means that certain Clinical Trials Agreement to be executed by and between Lion and KH and attached hereto at **Schedule 4**, as the same may be amended from time to time.

1.20 "**Code**" shall have the meaning set forth in Section 8.7.

1.21 "**Commercialize**"/"**Commercialization**"/"**Commercializing**"/"**Commercialized"** means activities directed to the marketing, promotion, use, selling, or offering for sale of a product, including pre-marketing, advertising, educating, planning, marketing, promoting, distributing, importing, exporting, post-marketing safety surveillance and reporting. For clarity, Commercialization shall not include any activities related to the Manufacturing or Development of Products or GE Products.

1.22 "**Commercially Reasonable Efforts**" means, with respect to a Party, carrying out of tasks and obligations under this Agreement with respect to the Development, Manufacture or Commercialization of a Product or GE Product, as applicable, at the level of efforts as would be consistent with actions in respect to a product Controlled by such Party that is of a market potential similar to the market potential of such Product or GE Product, as applicable, and at a similar stage in the Development or of its product life, taking into account data from Product- or GE-Product-related (as applicable) clinical trials (whether or not such Party is the sponsor of such trial); establishment or projected position of such Product or GE Product, as applicable, in the marketplace; the competitiveness of the marketplace; the proprietary position of the Product or GE Product, as applicable; any blocking Third Party intellectual property positions, as applicable; the regulatory environment with respect to products similar to the Product or GE Product, as applicable; the likelihood of Regulatory Approval; the actual or projected pricing and reimbursement of such Product or GE Product; the relative safety, efficacy, convenience and product label of the Product or GE Product (as applicable) as compared to other products; the actual or projected profitability of such Product or GE Product, including the cost of Manufacture, royalties and milestones payable to Licensors of Patent or other Intellectual Property rights; and all other relevant scientific, technical and commercial factors. Commercially Reasonable Efforts shall be determined on a market-by-market and indication-by-indication basis for a particular Product or GE Product, as applicable, and it is anticipated that the level of effort shall be different for different markets and different indications and shall change over time, reflecting changes in the status of the Product or GE Product, as applicable, and the market(s) and indication(s) involved.

1.23 "**Competitive Infringement**" shall have the meaning set forth in Section 6.3.1.

1.24 "**Completion of Clinical Studies**" means receipt by Lion of the final clinical study reports in a format consistent with the structure and content guidelines set forth in the ICH E3 guidance, "*Structure and Content of Clinical Study Reports*" for at least one (1) of the Clinical Studies (as defined in the Clinical Trials Agreement).

1.25 "**Completion Notice**" shall have the meaning set forth in Section 2.2.2(a).

1.26 "**Confidential Information**" shall mean Lion Confidential Information or PolyBioCept Confidential Information, as applicable, except Confidential Information shall not include information that the Recipient can substantiate by documentary evidence: (a) was known to the Recipient at the time of its receipt; (b) was, or has become, publicly known and made generally available in the public domain through no wrongful act of the Recipient; (c) is rightfully received from lawful disclosure by a third party without any breach of this Agreement or such third party's obligations of confidentiality; (d) is approved for release by prior written authorization of the Discloser; (e) is independently developed by the Recipient (as established by dated documentation) without access to the information provided by the Discloser; or (f) the Recipient is required by law to disclose pursuant to a court order, the [* * *] Agreement (subject to Section 6.1.1(d)), or other governmental requirement, but with respect to a disclosure required by law pursuant to a court order or other governmental requirement, only if the Recipient gives reasonable notice to the Discloser, uses its commercially reasonable efforts to limit such disclosure in a manner reasonably satisfactory to the Discloser and, to the extent permissible under Applicable Laws, provides the Discloser a reasonable opportunity to seek a protective order.

1.27 "**Confidentiality Agreement**" means the Confidentiality and Nondisclosure Agreement dated October 16, 2015, between Lion and PolyBioCept.

1.28 "**Consulting Agreement**" means the certain Consulting Agreement dated September 14, 2016, executed by and between Lion and PolyBioCept and attached hereto at **Schedule 5**, as the same may be amended from time to time.

1.29 "**Contest**" shall have the meaning set forth in Section 8.4.2(b).

1.30 "**Control**" / "**Controlled**" means, with respect to any intellectual property right, that a Party owns, has a license or sublicense to, or otherwise has the legal right to grant access, license or sublicense in or to such right without violating the terms of any agreement or other arrangement with any Third Party.

1.31 "**Covered GE Product**" means a GE Product, the manufacture, importation, use, offer for sale, or sale of which, would infringe a Valid Claim of an Issued Licensed Patent but for the license granted in Section 2.1.1.

1.32 "**Covered Product**" means a Product, the manufacture, importation, use, offer for sale, or sale of which, would infringe a Valid Claim of an Issued Licensed Patent but for the license granted in Section 2.1.1.

1.33 "**Cytokine Cocktails**" means combinations of cytokines and/or other prosurvival and/or proliferative factors and/or methods, including, but not limited to, [* * *].

1.34 "**Data and Documentation**" means Data and Documentation Nos. 1, 2, and 3 set forth in Section I on **Schedule 2** attached hereto, as such Data and Documentation Nos. 1, 2, and 3 exist as of the Effective Date, including any revisions made by PolyBioCept to the tangible or electronic copy of Data and Documentation Nos. 2 and 3 and tangible or electronic copy of a previous draft of Data and Documentation No. 1 received by Lion prior to the Effective Date.

1.35 "**Data and Documentation No. 1**" has the meaning set forth in Section (I)(1) of **Schedule 2** attached hereto.

1.36 "**Data and Documentation No. 2**" has the meaning set forth in Section (I)(2) of **Schedule 2** attached hereto.

1.37 "**Data and Documentation No. 3**" has the meaning set forth in Section (I)(3) of **Schedule 2** attached hereto.

1.38 "**Deemed Acceptance**" has the meaning set forth in Section 2.2.2(b).

1.39 "**Demonstration of Concept**" means the scope of work set forth in Section II on **Schedule 2** attached hereto.

1.40 "**Develop**" / "**Development**" / "**Developing**" / "**Developed**" means non-clinical and clinical research and biological product development activities, including toxicology, test method development and stability testing, process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, clinical studies (including pre- and post-approval studies), regulatory affairs, and product approval and clinical study regulatory activities.

1.41 "**Discloser**" shall have the meaning set forth in Section 7.5.3(b).

1.42 "**Discontinued Maintenance**" shall have the meaning set forth in Section 6.2.3(a).

1.43 "**Designated Senior Officers**" shall have the meaning set forth in Section 10.4.

1.44 "**Dispute**" shall have the meaning set forth in Section 10.4.

1.45 "**Election Not to Pursue**" shall have the meaning set forth in Section 6.2.3(a).

1.46 "**Election To Pursue**" shall have the meaning set forth in Section 6.2.3(a).

1.47 "**EMA**" means the European Medicines Agency and any successor thereto.

1.48 "**Enrich**" / "**Enrichment**" / "**Enriching**" / "**Enriched**" means production of Lymphocytes with an increased percentage of Selected Lymphocytes, in particular TILs.

1.49 "**Equipment and Materials**" means the equipment and materials set forth in **Schedule 2.2** attached hereto.

1.50 "**Excluded Claim**" shall have the meaning set forth in Section 10.4.

1.51 "**Exclusions**" has the meaning set forth in Section 2.1.6.

1.52 "**Exclusive License Payment**" has the meaning set forth in Section 5.2.

1.53 "**Expand**" / "**Expansion**" / "**Expanding**" / "**Expanded**" means proliferation of Lymphocytes, in particular TIL, wherein at least a subset of the proliferated Lymphocytes is clonally multiplied.

1.54 "**FDA**" means the U.S. Food and Drug Administration and any successor thereto.

1.55 "**FDCA**" means the U.S. Federal Food, Drug, and Cosmetic Act, as amended, and the rules, regulations, guidelines, guidances and requirements promulgated thereunder, as may be in effect from time to time.

1.56 "**15-Day Notice Period**" shall have the meaning set forth in Section 8.3.

1.57 "**Field**" means all uses for the prevention, treatment, mitigation, palliation or diagnosis of cancer, except melanoma, in humans or animals.

1.58 "**First Approval**" means the granting by the FDA or EMA, whichever occurs first, of marketing authorization, which finalizes a process of reviewing and assessing the dossier to support a medicinal product in view of its marketing (also called licensing, registration, approval, etc.).

1.59 "**First Approval Expansion Milestone Payment**" shall have the meaning set forth in Section 5.4.4.

1.60 "**First Successful Completion of a Phase II Trial**" means, with respect to the specified construct, formulation, and dose of a specified Covered Product or Covered GE Product, the statistical demonstration in a Phase II Trial of safety and efficacy, sponsored by Lion, its Representatives, or a sublicensee of Lion, using such Covered Product or Covered GE Product Manufactured by Lion, its Representatives, or a sublicensee of Lion; provided, however, that the statistical demonstration in such Phase II Trial is sufficient to support a Phase III Trial acceptable to the FDA or EMA, for the construct, formulation and dose of the same Covered Product or Covered GE Product.

1.61 "**GAAP**" means the U.S. Generally Accepted Accounting Principles.

1.62 "[* * *] **Agreement**" means the Exclusive License Agreement among PolyBioCept AB, Markus Maeurer, Ernest Dodoo, Jakob Geyer, Per Batelson, and [* * *] [* * *], executed on October 1, 2015, and effective as of April 28, 2015.

1.63 "**[* * *]-Maintained Licensed Patent**" means a Licensed Patent that (i) is identified as "[* * *]-Maintained" in **Schedule 1** attached hereto and all subsequently filed Patents claiming priority thereto that are Controlled by Licensor or (ii) constitutes or becomes a [* * *]-Maintained Licensed Patent under the [* * *] Agreement and all subsequently filed Patents claiming priority thereto that are Controlled by Licensor.

1.64 "[* * *] **Notice**" has the meaning set forth in Section 6.3.3(b).

1.65 "**Genetically Engineer**" / "**Genetic Engineering**" / "**Genetically Engineered**" means modification of the genome and/or the transcriptome of a cell, in particular a Lymphocyte. Genetic Engineering may be performed on the level of DNA or RNA. Genetic Engineering includes, without limitation, genome editing by insertion, replacement, or removal of DNA from the genome, *e.g.*, by using artificially engineered nucleases; post-transcriptional gene modification, such as RNA interference; or employing DNA or RNA delivery systems, not excluding different vector system or genetic material coupled to lipids or proteins.

1.66 "**GE Product**" means Genetically Engineered TIL, including Genetically Engineered tumor-infiltrating T Cells, isolated from Tumor samples, which Genetically Engineered TIL are produced by Expansion, Selection, and/or Enrichment using Cytokine Cocktails; provided, however, that GE Product shall not include Genetically Engineered Antigen-Edited Lymphocytes.

1.67 "**GE Product Complaint**" means a written, oral or electronic communication that alleges deficiencies related to the identity, quality, purity, durability, reliability, safety, or effectiveness or performance of a GE Product.

1.68 "**Governmental Authority**" means any supranational (*e.g.*, the European Union ("**EU**")), national, regional, state, provincial, local or other government, or other court of competent jurisdiction, legislature, governmental, administrative or regulatory agency, department, body, bureau, council or commission or any other supranational, national, regional, state, provincial, local or other governmental authority or instrumentality, in each case having jurisdiction in any country or other jurisdiction.

1.69 "**Government Official**" or "**Public Official**" means (i) any official, officer, employee, representative, or anyone acting in an official capacity on behalf of (a) any government or any department or agency thereof; (b) any public international organization (such as the United Nations, the International Monetary Fund, the International Red Cross, or the World Health Organization), or any department, agency, or institution thereof; or (c) any government-owned or controlled company, institution, or other entity, including a government-owned hospital or university; (ii) any political party or party official; and (iii) any declared candidate for political office.

1.70 "**ICC**" shall have the meaning set forth in Section 10.4.

1.71 "**Indemnified Party**" has the meaning set forth in Section 9.1.3(a).

1.72 "**Indemnifying Party**" has the meaning set forth in Section 9.1.3(a).

1.73 "**Indemnity Claim**" has the meaning set forth in Section 9.1.3(a).

1.74 "**Insured Product Activity**" has the meaning set forth in Section 9.2.1.

1.75 "**Intellectual Property**" means Patents, Know-How, trademarks, service marks, registered designs, copyrights, database rights, design rights, applications for any of the above, and any similar right recognized in any jurisdiction, together with all rights of action in relation to the infringement or misappropriation of any of the above.

1.76 "**Initial Term**" means the period beginning on the Effective Date and expiring thirty (30) years thereafter.

1.77 "**Invalidity Claim**" has the meaning set forth in Section 6.3.3(a).

1.78 "**Issued Licensed Patent**" means a Licensed Patent that has been granted (issued) by a Governmental Authority or pursuant to which Licensor may otherwise bring a claim of infringement under or based upon.

1.79 "**KI Affiliated Hospital**" means a hospital that is affiliated with Karolinska Institutet ("**KI**"), in particular the Karolinska University Hospital ("**KH**"), for example, with locations in Stockholm, Stockholm Huddinge and Stockholm Solna, Sweden.

1.80 "**Know-How**" means any information, results and data of any type whatsoever, in any tangible or intangible form or medium whatsoever (including in print, electronic or digital form), including databases, ideas, discoveries, inventions, Trade Secrets, practices, methods, tests, assays, techniques, specifications, processes, formulations, formulae, knowledge, know-how, skill, experience, materials, including pharmaceutical, chemical and biological materials, products and compositions, scientific, technical or test data (including pharmacological, biological, chemical, biochemical, toxicological and clinical test data), analytical and quality control data, stability data, studies and procedures, drawings, plans, designs, diagrams, sketches, technology, documentation and descriptions and all other technical and business information.

1.81 "**Knowledge**" and phrases of similar import mean the actual knowledge of the Party referenced and the knowledge that such Party would reasonably be expected to possess after a diligent investigation of the subject matter in question. In the case of Licensor, "Knowledge" shall include the actual knowledge of the Named Professors and the knowledge that such Named Professors would reasonably be expected to possess after a diligent investigation of the subject matter in question.

1.82 "**Labeling**" has the meaning set forth in Section 201(m) of the FDCA (21 U.S.C. § 321(m)) (or any successor or applicable foreign equivalent thereto), including the applicable product's label, packaging and package inserts accompanying such product, and any other written, printed, or graphic materials accompanying such product, including patient instructions or patient indication guides.

1.83 "**Liabilities**" means any and all awards, commitments, costs, damages, decrees, expenses, fines, judgments, levies, liabilities, losses, obligations, orders, and penalties of any nature, whether accrued or unaccrued, fixed, absolute, contingent or otherwise.

1.84 "**License Agreements**" mean all agreements executed by Licensor prior to the Effective Date of this Agreement that establish rights in any Licensed Patent or Licensed Know-How to any Third Party, a list of which is provided in **Schedule 3** attached hereto.

1.85 "**Licensed Intellectual Property**" means the Licensed Know-How and Licensed Patents.

1.86 "**Licensed Know-How**" means all Know-How Controlled by Licensor as of the Effective Date of this Agreement that is necessary or useful to Develop, Manufacture, or Commercialize Products or Develop, Manufacture, or Commercialize GE Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory under Section 2.1.1; provided, however, that Licensed Know-How shall not include any Know How subject to the Exclusions.

1.87 "**Licensed Patents**" means Patents Controlled by Licensor as of the Effective Date, being listed in **Schedule 1** attached hereto; provided, however, that Licensed Patents shall not include any Patents subject to the Exclusions. For avoidance of doubt, Licensed Patents includes any and all Patents that claim priority to one or more of the patent applications listed in **Schedule 1**, whether currently pending or subsequently filed and/or granted (issued).

1.88 "**Licensor Indemnified Party**" has the meaning set forth in Section 9.1.1.

1.89 "**Licensor Sole Inventions**" has the meaning set forth in Section 6.1.1(b).

1.90 "**Lion Claim**" has the meaning set forth in Section 9.1.1(a)(vi).

1.91 "**Lion Confidential Information**" means Lion Sole Inventions (as defined in Section 6.1.1) and any Intellectual Property Controlled by Lion relating to any of the foregoing and any and all tangible or intangible information (whether written, oral or in any electronic, visual or other medium) that concerns Lion or its Representatives that is disclosed or provided to PolyBioCept or its Representatives before or after the Effective Date in connection with the evaluation, negotiation, consideration, or consummation of, or pursuant to, this Agreement or through any visits by PolyBioCept or its Representatives to Lion's facilities (including any analyses, materials, products or conclusions drawn or derived therefrom).

1.92 "**Lion Indemnified Party**" has the meaning set forth in Section 9.1.2.

1.93 "**Lion Insurance**" has the meaning set forth in Section 9.2.1.

1.94 "**Lion-Maintained Licensed Patents**" means a Licensed Patent that becomes a Lion-Maintained Licensed Patent pursuant to Section 6.2.3 herein.

1.95 "**Lion-Owned Patents**" mean Patents that claim Lion Sole Inventions (as defined in Section 6.1.1).

1.96 "**Lion Sole Inventions**" has the meaning set forth in Section 6.1.1(a).

1.97 "**Lymphocytes**" means natural killer cells, B Cells, and T Cells.

1.98 "**Manufacture**"/ "**Manufacturing**"/ "**Manufactured**" means making and having made, including all operations in the acquisition of materials and the production, testing, warehousing, packaging, Labeling and, as applicable, release to the market, importing and having imported.

1.99 "**MPA**" means the Medical Product Agency and any successor thereto.

1.100 "**Named Professors**" means Professors Markus Maeurer and Ernest Dodoo.

1.101 "**Notice of Acceptance**" has the meaning set forth in Section 2.2.2(b).

1.102 "**Notice of Nonconformity**" has the meaning set forth in Section 2.2.2(b).

1.103 "**Notice of Provisioned Facility**" has the meaning set forth in Section 3 of **Schedule 2.1** attached hereto.

1.104 "**Notice of True-up Amount**" has the meaning set forth in Section 4(b) of **Schedule 2.1** attached hereto.

1.105 "**Original Indications**" means pancreatic cancer and glioblastoma.

1.106 "**Party-Specific Regulations**" mean all judgments, decrees, orders or similar decisions issued by any Governmental Authority specific to a Party, and all consent decrees, corporate integrity agreements, or other agreements or undertakings of any kind by a Party with any Governmental Authority, in each case as the same may be in effect from time to time and applicable to a Party's activities contemplated by this Agreement.

1.107 "**Patent Fees**" means the out-of-pocket costs incurred for the filing, prosecution and maintenance of Patents and other Third Party fees related thereto, including any patent attorney fees and fees to Governmental Authorities associated therewith.

1.108 "**Patents**" means the rights and interests in and to any and all issued patents and pending patent applications (including inventors certificates and utility models) in any country or jurisdiction, including any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals and letters patent on any of the foregoing, and any and all reissues, reexaminations, extensions, confirmations, registrations and patents of addition.

1.109 "**PBC Genetic Engineering Technology**" means (a) Know-How comprising PolyBioCept Confidential Information to the extent comprising any invention, apparatus, composition, method, process, or technique used for or useful in Genetic Engineering, and/or (b) Patents Controlled by PolyBioCept to the extent disclosing any invention, apparatus, composition, method, process, or technique used for or useful in Genetic Engineering. Notwithstanding the foregoing, to the extent any PBC Genetic Engineering Technology may be used for or useful in exploiting the licenses granted in Sections 2.1.1 and/or 2.1.2 for purposes other than Genetic Engineering, such use for purposes other than Genetic Engineering are deemed included in the licenses granted in Sections 2.1.1 and 2.1.2.

1.110 "**Permitted Lion Assignee**" shall have the meaning set forth in Section 10.5

1.111 "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or any other legal entity.

1.112 "**Phase I Trial**" means a human clinical trial of an investigational new drug in the U.S. or EU that would satisfy the requirements of 21 C.F.R. § 312.21(a), or its foreign equivalent.

1.113 "**Phase II Period**" has the meaning set forth in Section 8.4.2(d)(ii).

1.114 "**Phase II Trial**" means a human clinical trial of an investigational new drug in the U.S. or EU that would satisfy the requirements of 21 C.F.R. § 312.21(b), or its foreign equivalent.

1.115 "**Phase III Period**" has the meaning set forth in Section 8.4.2(d)(iii).

1.116 "**Phase III Trial**" means a human clinical trial of an investigational new drug in the U.S. or EU that would satisfy the requirements of 21 C.F.R. § 312.21(c), or its foreign equivalent.

1.117 "**Phase IV Period**" has the meaning set forth in Section 8.4.2(d)(iv).

1.118 "**PolyBioCept Claim**" has the meaning set forth in Section 9.1.2(a)(vi).

1.119 "**PolyBioCept Confidential Information**" means the Background Patents, Licensed Intellectual Property (including Licensed Patents and Licensed Know-How), Licensor Sole Inventions, any Intellectual Property Controlled by Licensor relating to any of the foregoing, and any and all tangible or intangible information (whether written, oral or in any electronic, visual or other medium) that concerns PolyBioCept or its Representatives that is disclosed or provided to Lion or its Representatives before or after the Effective Date in connection with the evaluation, negotiation, consideration, or consummation of, or pursuant to, this Agreement or through any visits by Lion or its Representatives to PolyBioCept's facilities (including any analyses, materials, products or conclusions drawn or derived therefrom).

1.120 "**PolyBioCept Insurance**" has the meaning set forth in Section 9.2.3.

1.121 "**PolyBioCept-Maintained Licensed Patent**" means (i) a Licensed Patent that is identified as "PolyBioCept-Maintained" in **Schedule 1** attached hereto and all subsequently filed Patents claiming priority thereto that are Controlled by Licensor, (ii) a Licensed Patent that constitutes or becomes a PolyBioCept-Maintained Licensed Patent under the [* * *] Agreement and all subsequently filed Patents claiming priority thereto that are Controlled by Licensor, or (iii) a Licensed Patent that PolyBioCept Elects To Pursue pursuant to its step-in rights under the [* * *] Agreement and all subsequently filed Patents claiming priority thereto that are Controlled by Licensor.

1.122 "**PolyBioCept Personnel**" means PolyBioCept Representatives and Third-Party contractors selected by PolyBioCept to perform the Demonstration of Concept.

1.123 "**Proceeding**" means any claim (including any product liability claim), action, suit, arbitration, inquiry, audit, proceeding or investigation by or before or otherwise involving, any Governmental Authority.

1.124 "**Product**" means TIL, including tumor-infiltrating T Cells, isolated from Tumor samples, which TIL are produced by Expansion, Selection, and/or Enrichment using Cytokine Cocktails; provided, however, that Product shall not include Antigen-Edited Lymphocytes.

1.125 "**Product Complaint**" means a customer's written, oral or electronic communication that alleges deficiencies related to the identity, quality, purity, durability, reliability, safety, or effectiveness or performance of a Product.

1.126 "**Product Expansion Milestone Payment**" shall have the meaning set forth in Section 5.4.1.

1.127 **"Product Selection/Enrichment Milestone Payment"** shall have the meaning set forth in Section 5.4.2.

1.128 "**Professional Third Party**" has the meaning set forth in Section 7.5.3(c).

1.129 "**Recipient**" shall have the meaning set forth in Section 7.5.3(b).

1.130 "**Regulatory Approval**" means all approvals (including marketing authorization, application approvals, and supplements and amendments thereto and any required pricing approval), licenses, registrations or authorizations of any Governmental Authority necessary to develop or commercialize goods.

1.131 "**Regulatory Authority**" means, in a particular country or jurisdiction, any applicable Governmental Authority involved in granting Regulatory Approval in such country or jurisdiction.

1.132 "**Regulatory Filings**" means regulatory applications, submissions, notifications, communications, correspondence, registrations, marketing authorization applications, and/or other filings made to, received from, or otherwise conducted with a Regulatory Authority in connection with the development or commercialization of goods in a particular country or jurisdiction.

1.133 "**Renewal Term**" has the meaning ascribed to that term in Section 8.1 of this Agreement.

1.134 "**REP**" means the rapid Expansion process set forth in Data and Documentation No. 1.

1.135 "**Representatives**" means, with respect to a Party, such Party's Affiliates and each of that Party's and its Affiliates' respective directors, officers, employees and agents. In the case of Licensor, "Representatives" shall include the Named Professors.

1.136 "**Research Program**" has the meaning ascribed to that term in the Sponsored Research Agreement.

1.137 "**Restricted Field**" means all uses for the prevention, treatment, mitigation, palliation or diagnosis of melanoma in humans or animals.

1.138 "**Restricted Territory**" means worldwide, except for Russia, Ukraine, Belarus, Moldova, Estonia, Latvia, Lithuania, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Armenia, Azerbaijan, and Georgia.

1.139 "**Share**" means the unregistered common stock, par value of $0.000041666 per share, of Lion or the equivalent shares of a Permitted Lion Assignee.

1.140 "**Select**" / "**Selection**" / "**Selecting**" / "**Selected**" means determining the presence of specific Lymphocytes, in particular specific TILs, within a composition of Lymphocytes, *e.g.*, based on the presence of specific cell surface markers or epigenetic profiles. Selection may additionally include isolation of specific Lymphocytes, in particular specific TILs from the composition.

1.141 "**60-Day Notice Period**" shall have the meaning set forth in Section 8.3.

1.142 "**Sponsored Research Agreement**" means that certain Sponsored Research Agreement to be executed by and between Lion and KI and attached hereto at **Schedule 6** upon execution, as the same may be amended from time to time.

1.143 "**Taxes**" means all taxes of any kind, and all charges, fees, customs, levies, duties, imposts, required deposits or other assessments, including all federal, state, local or foreign net income, capital gains, gross income, gross receipt, property, franchise, sales, use, excise, withholding, payroll, employment, social security, workers' compensation, unemployment, occupation, capital stock, ad valorem, value added, transfer, gains, windfall profits, net worth, asset, transaction, and other taxes, and any interest, penalties or additions to tax with respect thereto, imposed upon any Person by any taxing authority or other Governmental Authority under the laws of the United States or any foreign Applicable Law.

1.144 "**Term**" means the Initial Term and the Renewal Term(s), if any.

1.145 "**Term Sheet**" has the meaning set forth in the recitals.

1.146 "**Term Sheet Fee(s)**" has the meaning set forth in Section 5.1.

1.147 "**TIL**" means tumor-infiltrating Lymphocytes.

1.148 "**Third Party**" means any Person other than Lion, on the one hand, or PolyBioCept, on the other hand, or their respective Representatives.

1.149 "**Trade Secrets**" mean all tangible or intangible information that meets the definition of "trade secrets" under the Delaware Uniform Trade Secrets Act ("**DEUTSA**").

1.150 "**Transfer of Know-How**" has the meaning set forth in Section 2.2.1.

1.151 "**True-up Amount**" means the lesser of (i) the total cost and expenditures in performing the Transfer of Know-How, consistent with the Budget, less one hundred fifty thousand dollars (US$150,000) or (ii) fifty thousand dollars (US$50,000).

1.152 "**Tumors**" means all malignant tumors, including, in particular, malignant tumors containing TIL.

1.153 "**Unrestricted Territory**" means worldwide.

1.154 "**USPTO**" means the U.S. Patent and Trademark Office and any successor thereto.

1.155 "**Valid Claim**" shall mean a claim of a granted (issued) and unexpired Licensed Patent in a jurisdiction where that claim (i) has not been held unenforceable, unpatentable, or invalid by a Governmental Authority of competent jurisdiction in a final, unappealable decision or judgment, or one for which the time for appeal has passed, and (ii) has not been admitted to be invalid or unenforceable through disclaimer, surrender or otherwise; provided, however, that no admission of invalidity or unenforceability in a reissue application shall constitute an admission of invalidity or unenforceability to the extent any claims are allowed and issue in a subsequent Issued Licensed Patent from such reissue application.

1.156 Interpretation. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The word "or" is not exclusive and the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." This Agreement has been prepared jointly with the assistance of counsel and shall not be strictly construed against any Party. The captions or headings of the Articles, Sections or other subdivisions hereof are inserted only as a matter of convenience or for reference and shall have no effect on the meaning of the provisions hereof. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument, or other document herein shall be construed as referring to such agreement, instrument, or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications set forth herein or therein), (b) any reference to any Applicable Laws herein shall be construed as referring to any law, statute, rule, regulation, ordinance, or other pronouncement having the effect of law of any federal, national, multinational, state, provincial, county, city, or other political subdivision, domestic or foreign, as they from time to time may be enacted, repealed, or amended, (c) any reference herein to any Person shall be construed to include the Person's successors and assigns, (d) the words "herein," "hereof," and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) any reference herein to the words "mutually agree" or "mutual written agreement" shall not impose any obligation on either Party to agree to any terms relating thereto or to engage in discussions relating to such terms except as such Party may determine in such Party's sole discretion, and (f) all references herein to Articles, Sections, Exhibits, or Schedules shall be construed to refer to Articles, Sections, Exhibits, and Schedules of this Agreement, unless otherwise specified herein.

2 LICENSES

2.1 License.

2.1.1 Exclusive License Grant. Subject to the conditions, obligations, and terms hereof, Licensor hereby grants to Lion during the Term, an exclusive license, with the right to grant and authorize sublicenses, under the Licensed Intellectual Property to (a) Develop, Manufacture, Commercialize, and, subject to the restrictions in this Section and elsewhere in this Agreement, Genetically Engineer Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory and (b) Develop, Manufacture, and Commercialize GE Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory; provided, however, that (i) PolyBioCept reserves (1) the right under the Licensed Intellectual Property to Develop and Manufacture (but not Commercialize) Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory for the sole purpose of Genetic Engineering said Products, (2) the right under the Licensed Intellectual Property to Genetically Engineer Products and to Develop, Manufacture, and Commercialize GE Products, and (3) the right to engage its Representatives and Third-Party contractors in exercising such rights retained under clauses (1) and (2) of this Section 2.1.1, and (ii) the licenses granted to Lion in this Section 2.1.1 expressly exclude the right to use or otherwise exploit any PBC Genetic Engineering Technology for Genetic Engineering.

2.1.2 Non-Exclusive License Grant. Subject to the conditions, obligations, and terms hereof, Licensor hereby grants to Lion during the Term a non-exclusive license, with the right to grant and authorize sublicenses, under the Background Patents to the extent necessary or useful to (a) Develop, Manufacture, Commercialize, or, subject to the restrictions in this Section and elsewhere in this Agreement, Genetically Engineer Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory or (b) Develop, Manufacture, or Commercialize GE Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory; provided, however, that the licenses granted to Lion in this Section 2.1.2 expressly exclude the right to use or otherwise exploit any PBC Genetic Engineering Technology for Genetic Engineering.

2.1.3 Research Rights. Notwithstanding the license rights granted under Section 2.1.1, PolyBioCept shall have the right to grant sublicenses under the Licensed Intellectual Property to KI and/or a KI Affiliated Hospital, their Representatives and their Third-Party contractors to Develop and Manufacture Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory solely for KI's and a KI Affiliated Hospital's internal research and academic purposes, including use in the treatment of patients in KI Affiliated Hospitals, provided that PolyBioCept shall not have the right to authorize KI and/or a KI Affiliated Hospital, their Representatives and their Third-Party contractors to Commercialize the Products in the Field in the Unrestricted Territory and/or in the Restricted Field in the Restricted Territory. For the avoidance of doubt, solely for purposes of this Section 2.1.3, "treatment of patients" for internal research and academic purposes will not constitute "Commercialization," even if a patient or a Third Party compensates KI and/or a KI Affiliated Hospital for such treatment.

2.1.4 Other Licenses. Lion acknowledges that all rights granted by PolyBioCept to Lion hereunder are subject to the rights granted to [* * *] ("[* * *]") under the [* * *] Agreement and agrees that no rights granted hereunder shall conflict with any of such rights granted under the [* * *] Agreement.

2.1.5 Sublicensing and Sub-distributing. The licenses granted under Sections 2.1.1 and 2.1.2 include the right of Lion to engage its Representatives and Third-Party contractors in exercising such rights and in carrying out its activities and obligations under this Agreement during the Term. Lion may sublicense its rights hereunder during the Term, provided, however, that, notwithstanding anything to the contrary herein, Licensor's obligations to assist with and provide technology transfer to any contract manufacturer shall be subject to the provisions of Section 2.2. Further, Lion shall enter into an agreement with each permitted sublicensee or distributor under terms no less stringent than those hereof with respect to the obligations or rights that are being sublicensed and/or subcontracted and with respect to the permitted uses and permitted disclosure of Background Patents, Licensed Intellectual Property, and other Intellectual Property and Confidential Information of Licensor, and Lion shall be fully responsible for any breach of this Agreement by any sublicensee or Third-Party contractors.

2.1.6 Exclusions. Except as expressly stated herein, PolyBioCept grants no other rights in, or license under, the Intellectual Property Controlled by PolyBioCept. The following is a non-exhaustive list of exclusions from the license rights granted to Lion under this Agreement:

(a) offering to sell and/or selling the Cytokine Cocktail under the Licensed Intellectual Property;

(b) using the Cytokine Cocktail under the Licensed Intellectual Property other than to (i) Develop, Manufacture, Commercialize, or, subject to the restrictions in this Section and elsewhere in this Agreement, Genetically Engineer Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory or (ii) Develop, Manufacture, or Commercialize GE Products in the Field in the Unrestricted Territory or in the Restricted Field in the Restricted Territory under Section 2.1.1, including, but not limited to, using the Cytokine Cocktail under the Licensed Intellectual Property to identify Antigens, neo-antigens, shared Antigens, Antigens for chimeric Antigen receptors ("CARs"), B-Cell or T-Cell epitopes, T-Cell receptors ("TCRs"), and/or recombinant antibodies;

(c) Developing, Manufacturing, Commercializing, and/or Genetically Engineering Products and/or Developing, Manufacturing, and/or Commercializing GE Products under the Licensed Intellectual Property outside the Field in the Unrestricted Territory and/or outside the Restricted Field in the Restricted Territory;

(d) any rights to or under European Patent Application No. EP 16 162 435.8 (and any and all Patents that are filed and/or issued after the Effective Date and claim priority to said application), including, without limitation, determining the clinical/biological relevance of a Product or GE Product according to a method described in the "platform;" identifying a TCR sequence according to a method described in said application; or using, making, importing, having made, offering to sell, and/or selling any other invention, product, apparatus, method, process, or technique described in said application, if and to the extent covered by claims in said patent application;

(e) any rights to or under Patent Application No. PCT/EP 2015/062992 (and any and all Patents that are filed and/or issued after the Effective Date and claim priority to said application), including, without limitation, using, making, importing, having made, offering to sell, and/or selling the cell culture medium or any invention, product, apparatus, method, process, or technique described in Patent Application No. PCT/EP 2015/062992 (and any and all Patents that are filed and/or issued after the Effective Date and claim priority to said application), if and to the extent covered by claims in said patent application;

(f) any rights to or under Patents and/or Know-How Controlled by Licensor (or the portions thereof) claiming and/or pertaining to the GMP cell reactor module (*i.e.*, a device for the partial automation of cell Expansion with the Cytokine Cocktail under the Licensed Intellectual Property, which is described in European Patent Publication No. EP2543719A1); or

(g) any rights to or under any PBC Genetic Engineering Technology, except as stated in the definition of "PBC Genetic Engineering Technology."

Section 2.1.6(a)-(g) above shall be known as the "**Exclusions**." Licensor acknowledges that Licensor's Intellectual Property does not include (and PolyBioCept has no basis in prohibiting Lion from using apart from) any apparatus, composition, method, process, or technique (i) in the public domain now or in the future, (ii) that is disclosed but not claimed in a Patent granted (issued), except to the extent subsequently claimed during the patent prosecution process and allowed and granted (issued), or (iii) that is Intellectual Property Controlled by Lion or a Third Party and developed independently of Licensor's Intellectual Property.

2.2 Transfer of Know-How.

2.2.1 Licensed Know-How. In furtherance of the licenses granted by Licensor to Lion under this Agreement, Licensor shall, or shall cause its Representatives, at Lion's expense to (a) transfer to Lion within two (2) Business Days of the Effective Date a tangible or electronic copy of the Data and Documentation and (b) commence promptly after the Licensor's receipt of a Notice of Provisioned Facility from Lion and use Commercially Reasonable Efforts to complete as soon as is reasonably practicable thereafter, the performance of the Demonstration of Concept for Lion in accordance with the Acceptance Criteria ("**Transfer of Know-How**"). The Parties acknowledge that the Transfer of Know-How under this Section 2.2 is subject to the Additional Terms. PolyBioCept will de-identify any pre-clinical or clinical trial data in the Data and Documentation and in any other Licensed Know-How to the extent necessary to permit such transfer.

2.2.2 Acceptance of Transfer of Know-How.

(a) Upon Licensor's transfer of the Data and Documentation to Lion and performance of the Demonstration of Concept for Lion in accordance with the Acceptance Criteria and Section 2.2.1 above, Licensor shall promptly provide Lion with written notice thereof ("**Completion Notice**"). Lion acknowledges that prior to the Effective Date, Lion received a tangible or electronic copy of Data and Documentation Nos. 2 and 3 and a tangible or electronic copy of a previous draft of Data and Documentation No. 1.

(b) Following Lion's receipt of a Completion Notice from Licensor under subpart (a) or (c) of this Section, if Licensor has completed the Transfer of Know-How in accordance with Section 2.2.1 above, then Lion shall promptly execute, and provide to Licensor an executed copy of the Acceptance Certificate ("**Notice of Acceptance**"). Following Lion's receipt of a Completion Notice from Licensor under subpart (a) or (c) of this Section, if Lion does not agree that the Transfer of Know-How was completed in accordance with Section 2.2.1 above, then Lion must provide to Licensor written notice specifying with as much detail as is reasonably possible what Data and Documentation was not provided to Lion and/or in what respect the Demonstration of Concept fails to comply with the Acceptance Criteria ("**Notice of Nonconformity**"). If Lion fails to provide a Notice of Acceptance or a Notice of Nonconformity to Licensor within ten (10) business days following Lion's receipt of a Completion Notice, then Lion shall be deemed to have accepted the Transfer of Know-How ("**Deemed Acceptance**"). Any disputes as to a Notice of Nonconformity will be subject to Section 10.4.

(c) Subject to Lion's right to terminate pursuant to Section 8.4.1, upon Licensor's receipt of a Notice of Nonconformity, Licensor shall promptly commence and use Commercially Reasonable Efforts to complete as soon as is reasonably practicable thereafter, curing each nonconformity identified in the Notice of Nonconformity. Once Licensor has cured each nonconformity identified in the Notice of Nonconformity, Licensor shall promptly provide Lion with a Notice of Completion.

2.3 Rights Retained by PolyBioCept. Notwithstanding anything herein to the contrary, the licenses granted by Licensor hereunder shall be subject to the right of PolyBioCept (on behalf of itself and its Affiliates and the licensees and assignees of PolyBioCept and its Affiliates) to use, reference and maintain copies of the Licensed Intellectual Property and any Intellectual Property embodied therein, in each case, subject to the terms of Section 7.5.3:

(a) pursuant to the rights retained by PolyBioCept in Section 2.1;

(b) to extent necessary for PolyBioCept to fulfill any of its obligations under this Agreement;

(c) to extent necessary for PolyBioCept to fulfill any of its obligations under any License Agreement;

(d) for internal research by PolyBioCept; and

(e) for the defense or prosecution of any Proceeding in which PolyBioCept or any of its Representatives is a party or a potential party.

3 REGULATORY MATTERS

3.1 Regulatory Matters. As between the Parties, each Party will be responsible, at its own expense, for preparing and submitting all Regulatory Filings with respect to Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property, and such Regulatory Filings shall be made in such Party's name. As between the Parties, the Parties hereto agree that each Party shall be responsible, at its expense, for preparing and submitting Regulatory Filings with respect to GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property, and such Regulatory Filings shall be made in its own name.

3.2 Safety.

3.2.1 Each Party shall maintain or cause a Third Party to maintain a global safety database (and Product Complaints database), at such Party's expense, for the purposes of reporting Adverse Events and other reportable occurrences and inquiries regarding Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property to fulfill pharmacovigilance requirements to relevant government Agencies in accordance with Applicable Laws. Each Party shall maintain or cause a Third Party to maintain a global safety database (and GE Product Complaints database), at its expense, for the purposes of reporting Adverse Events and other reportable occurrences and inquiries regarding GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property to fulfill pharmacovigilance requirements to relevant government Agencies in accordance with Applicable Laws.

3.2.2 During the Term, each Party shall be responsible, at its expense, for recording, investigating, summarizing, notifying, reporting and reviewing (or causing a Third Party to do so) all Adverse Events and other reportable occurrences and inquiries associated with Products and GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property in accordance with Applicable Laws and shall adhere to all requirements of Applicable Laws related to the reporting and investigation of Adverse Events resulting from Products and GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property and other reportable occurrences and inquiries.

3.3 Compliance.

3.3.1 Compliance with Applicable Laws. Each of the Parties shall, and shall cause their respective Representatives to, conduct all activities under this Agreement in such a manner as to comply with all Applicable Laws.

3.3.2 Compliance with Party-Specific Regulations. The Parties agree to cooperate with each other as may reasonably be required to ensure that each is able to fully meet its obligations with respect to the Party-Specific Regulations applicable to it. Neither Party shall be obligated to pursue any course of conduct that would result in such Party breaching or violating any Party-Specific Regulation applicable to it. All Party-Specific Regulations are binding only in accordance with their terms and only upon the Party to which they relate.

3.4 Exclusions. Notwithstanding anything herein to the contrary, nothing in this Section 3 shall create any obligations on Lion's part for any Products or GE Products not Manufactured and/or Commercialized by Lion, a Lion Representative, a Lion sublicensee or otherwise on behalf of Lion.

4 DEVELOPMENT AND COMMERCIALIZATION

4.1 Development Efforts. During the Term, Lion shall use Commercially Reasonable Efforts to Develop under the Licensed Intellectual Property one or more Products and one or more GE Products for use in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory, provided that the foregoing does not require Lion to Develop under the Licensed Intellectual Property one or more Products and one or more GE Products for use in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory simultaneously.

4.2 Manufacturing and Commercialization Efforts. During the Term, Lion shall use Commercially Reasonable Efforts to Manufacture, Genetically Engineer (if applicable) and Commercialize under the Licensed Intellectual Property one or more Products and one or more GE Products for use in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory, provided that the foregoing does not require Lion to Manufacture, Genetically Engineer (if applicable) and Commercialize under the Licensed Intellectual Property one or more Products and one or more GE Products for use in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory simultaneously.

4.3 Principles of Commercialization. During the Term, as between Licensor and Lion, each Party shall bear one hundred percent (100%) of the expenses (including pre-marketing, marketing and detailing expenses) it has incurred or will incur in connection with its Development, Manufacturing, Commercialization, and Genetic Engineering of Products and GE Products, as applicable, under the Licensed Intellectual Property.

4.4 No Obligation to Provide Further Assistance. No Party shall have any obligation to assist the other Party with respect to the Development, Manufacturing, Commercialization, and/or Genetic Engineering activities of the other Party, except as expressly provided herein, unless the Parties agree otherwise in writing.

4.5 Obligations of the Parties with Respect to Inquiries. During the Term, each Party shall: (a) assume responsibility for all correspondence and communication with health care professionals and customers relating to Products and GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property; (b) provide, at its expense, responses to inquiries from health care professionals and customers, and respond to emergency questions relating to Products and GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property; and (c) keep such records and make such reports relating to Products and GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property, as is reasonably necessary to document such communications in compliance with all Applicable Laws.

4.6 Complaints. During the Term, Lion shall be responsible, at its expense, for handling all Product Complaints with respect to Products Manufactured and/or Commercialized by Lion, its Representatives, its sublicensees or otherwise on Lion's behalf under the Licensed Intellectual Property. During the Term, each Party shall be responsible, at its expense, for handling GE Product Complaints with respect to GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property, subject to any other contractual obligations that such Party may have.

4.7 Recalls.

4.7.1 Voluntary Determination. Subject to Applicable Laws, as between Lion and Licensor, each Party shall be responsible for determining whether and upon what terms and conditions the Products and GE Products Manufactured and/or Commercialized by such Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property shall be Recalled or otherwise withdrawn from sale to Third Parties, and such Party shall be responsible for discussions with Agencies regarding all aspects of the Recall decision and the execution thereof, at its sole expense.

4.7.2 Government Directive. During the Term, if (a) any Agency issues a request, directive or order for a Recall of any Product or GE Product Manufactured and/or Commercialized by a Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property or (b) a court of competent jurisdiction orders a Recall of any Product or GE Product Manufactured and/or Commercialized by a Party, its Representatives, its sublicensees or otherwise on such Party's behalf under the Licensed Intellectual Property, then (as between Lion and Licensor) such Party shall be responsible for implementing a Recall described in Section 4.7.1, at its sole expense.

5 FINANCIAL TERMS

5 . 1 Term Sheet Fee(s). Licensor acknowledges that Lion made a non-refundable payment to PolyBioCept of one hundred thousand dollars ($100,000) within five (5) days of execution of the Term Sheet (collectively, the "**Term Sheet Fee**").

5 . 2 Exclusive License Payment. Upon the Effective Date, in partial consideration for the Transfer of Know-How under Section 2.2.1 and licenses granted to Lion in Sections 2.1.1 and 2.1.2, Lion shall pay to PolyBioCept two million five hundred thousand dollars ($2,500,000) in cash, less the Term Sheet Fee already paid by Lion to PolyBioCept (the "**Exclusive License Payment**"). Except as provided in Sections 8.4.1 and 8.4.3, the Exclusive License Payment is non-refundable.

5.3 Milestone Payments. For avoidance of doubt, each of the milestones fees and Share issuances set forth in Sections 5.4 and 5.5 shall only be made once, if at all, whether paid/issued pursuant to this Section 5, pursuant to Section 8.4.2(d) or otherwise. Any subsequent Achievement of the same milestone will not trigger another payment of milestone fees and issuances of Shares under Sections 5.4 and 5.5. Each event (trial, approval, etc.) can only trigger one (1) milestone fee and Share issuance; the same event cannot be used to trigger more than one (1) milestone payment and Share issuance under Sections 5.4 and 5.5. All Share numbers set forth in Sections 5.4 and 5.5 shall be adjusted for stock splits, stock dividends, recapitalizations and like events affecting the common stock of Lion after the Effective Date. Lion shall provide PolyBioCept with written notice within ten (10) Business Days of Achievement of a milestone that triggers payment of a fee and/or issuance of Shares under Section 5.4 or 5.5.

5.4 Phase II Successful Completion Milestone.

5.4.1 Product Expansion. Within thirty (30) Business Days of Lion's, its Representatives', or a sublicensee of Lion's [* * *] of a Covered Product produced by Expansion using Cytokine Cocktails by Lion, its Representatives, or a sublicensee of Lion, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares ("**Product Expansion Milestone Payment**").

5.4.2 Product Selection and/or Enrichment. Within thirty (30) Business Days of Lion's, its Representatives', or a sublicensee of [* * *] of a Covered Product produced by Selection and/or Enrichment using Cytokine Cocktails by Lion, its Representatives, or a sublicensee of Lion, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares ("**Product Selection/Enrichment Milestone Payment**").

5.4.3 GE Product. Within thirty (30) Business Days of Lion's, its Representatives', or a sublicensee of Lion's [* * *] of a Covered GE Product produced by Lion, its Representatives, or a sublicensee of Lion, Lion shall (b) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares].

5.4.4 FDA and EMA Approval Fees - Product Expansion . Within thirty (30) Business Days of First Approval by the FDA or EMA of a Covered Product produced by Lion, its Representatives, or a sublicensee of Lion by Expansion using Cytokine Cocktails, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares ("**First Approval Expansion Milestone Payment**").

5.4.5 FDA and EMA Approval Fees - Product Selection and/or Enrichment . Within thirty (30) Business Days of First Approval by the FDA or EMA of a Covered Product produced by Lion, its Representatives, or a sublicensee of Lion by Selection and/or Enrichment using Cytokine Cocktails, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares.

5.4.6 FDA and EMA Approval Fees - GE Product. Within thirty (30) Business Days of First Approval by the FDA or EMA of a Covered GE Product produced by Lion, its Representatives, or a sublicensee of Lion, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares.

5.5 Aggregate Sales Fees.

5.5.1 [* * *] Million. Within thirty (30) Business Days of Achievement of [* * *] in Aggregate Sales, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares.

5.5.2 [* * *]. Within thirty (30) Business Days of Achievement of [* * *] in Aggregate Sales, Lion shall (a) pay to PolyBioCept [* * *] in cash and (b) shall issue to PolyBioCept [* * *] Shares.

5.6 Records and Audits. During the Term and for two (2) years thereafter, Lion shall keep, and shall cause each sublicensee and Affiliate to keep, books and records documenting the exploitation of the licenses granted under Sections 2.1.1 and 2.1.2, including, without limitation, the Manufacturing and Commercialization of Covered Products and Covered GE Products in such reasonable detail as is necessary to compute and confirm the calculation of Aggregate Sales. Until such time as PolyBioCept has received all of the payments and Shares (or payment in lieu thereof) specified in Sections 5.4 and 5.5, PolyBioCept shall have the right upon written notice to Lion, and during normal business hours to examine, inspect, copy and audit such books and records using a Third Party accountant selected by PolyBioCept with no competitive affiliation to the Lion. The books and records shall be considered Lion Confidential Information. In the event any examination and audit by PolyBioCept of such books and records reveals a delay in the fulfillment of any obligation of Lion under Sections 5.4 and 5.5, Lion shall pay interest, calculated at the rate of one percent (1%) per month, of the total value of cash and Shares that should have been paid and issued, respectively, from the time such amount of cash and Shares should have been paid and issued until such amount is paid and such Shares issued. The failure of Lion, a sublicensee of Lion or an Affiliate of Lion to keep books and records as required herein shall constitute a material breach by Lion.

5.7 Patent Fees. Pursuant to the terms of the [* * *] Agreement, following the effective date of the [* * *] Agreement, [* * *] shall pay all Patent Fees incurred with respect to [* * *]-Maintained Licensed Patents and PolyBioCept shall pay all Patent Fees incurred with respect to PolyBioCept-Maintained Licensed Patents.

5.8 Currency. All dollar ($) amounts specified in this Agreement are United States Dollar amounts unless otherwise specifically stated.

5.9 PolyBioCept Bank Account. All payments by Lion to PolyBioCept hereunder shall be made by wire transfer to the PolyBioCept bank account, as specified by PolyBioCept in writing.

5.10 Taxes. Each Party will be responsible for its own Taxes. PolyBioCept will be responsible for payment for any Taxes properly collectible from PolyBioCept under Applicable Law. Lion will be responsible for payment for any Taxes properly collectible from Lion under Applicable Law.

5.11 Withholding Taxes. The Parties acknowledge and agree that it is their mutual objective and intent to minimize, to the extent feasible, withholding taxes payable with respect to any payment and issuance of Shares to PolyBioCept under Section 5 herein and that they shall use their best efforts to cooperate and coordinate with each other to achieve such objective. The Parties agree in good faith to use reasonable efforts to obtain any available exemptions from withholding taxes and to assist each other in that regard. Any tax paid or required to be withheld by Lion on account of any payment and/or issuance of Shares to PolyBioCept under Section 5 herein will be deducted from the amount otherwise due. Lion will secure and send to PolyBioCept proof of any such taxes withheld and paid by Lion for the benefit of PolyBioCept. The Parties shall use commercially reasonable efforts to enable PolyBioCept to take advantage of any applicable legal provision or tax treaty with the object of minimizing withholding tax.

6 INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION

6.1 Ownership of Inventions.

6.1.1 Sole Inventions.

(a) As between the Parties, Lion shall exclusively own (i) all inventions made solely by Lion, its consultants, and its Representatives (excluding the Named Professors, unless otherwise agreed to by Lion and the Named Professors in writing) in the conduct of the activities pursuant to this Agreement and (ii) all Know-How authored, conceived, created, and developed by Lion, its consultants, and its Representatives (excluding the Named Professors, unless otherwise agreed to by Lion and the Named Professors in writing) in the conduct of the activities pursuant to this Agreement ("**Lion Sole Inventions**").

(b) As between the Parties, Licensor shall exclusively own all inventions made solely by Licensor, its employees, agents and consultants acting consistent with, and not in violation of, this Agreement ("**Licensor Sole Inventions**").

(c) Licensor's ownership of Licensor Sole Inventions and Lion's ownership of Lion Sole Inventions shall be on a worldwide basis in accordance with and bearing with it the same rights as the exclusive ownership interests of inventors named on United States patents under United States patent laws.

(d) Licensor covenants that it shall use commercially reasonable efforts (i) to ensure that any Lion Confidential Information that is created by Lion or its Representatives during the Term and disclosed or made available to Licensor and/or any of the Named Professors is not disclosed to [* * *], (ii) to ensure that [* * *]' Right of First Offer under the [* * *] Agreement does not cover any Intellectual Property outside of the Field (wherein the terms "Intellectual Property" and "Field" as used in this Subpart (ii) have the meaning ascribed to such terms in the [* * *] Agreement), and (iii) to fulfill its obligations under the [* * *] Agreement in such a way as to not limit or hinder Lion's interests more than what is necessary to comply with a strict interpretation of the [* * *] Agreement, in each case to the extent not prohibited by or in conflict with Licensor's or any of the Named Professor's obligations under the [* * *] Agreement.

6.1.2 Inventorship. For purposes of determining whether an invention is a Lion Sole Invention or a Licensor Sole Invention, questions of inventorship shall be resolved in accordance with United States patent law.

6.2 Prosecution and Maintenance of Patents.

6.2.1 PolyBioCept-Maintained Licensed Patents.

(a) In accordance with the terms of the [* * *] Agreement, PolyBioCept shall prepare, file, prosecute and maintain PolyBioCept-Maintained Licensed Patents, including any appeal, interference, opposition or other post grant proceedings (*e.g.*, inter-partes review) related thereto, at PolyBioCept's expense.

(b) PolyBioCept shall keep Lion reasonably informed as to material developments with respect to the preparation, filing, prosecution and maintenance of PolyBioCept-Maintained Licensed Patents, including, but not limited to, any action proposed by PolyBioCept or [* * *] that would result in a substantive alteration in claim scope or reduction in breadth of claim scope of any PolyBioCept-Maintained Licensed Patents with respect to any Product or GE Product (or their use or Manufacture). If Lion reasonably concludes that any action, including any argument or claim amendment, proposed by PolyBioCept or [* * *] would result in a substantive alteration in claim scope or reduction in breadth of claim scope of any PolyBioCept-Maintained Licensed Patents with respect to any Product (or its use or Manufacture), then PolyBioCept and Lion shall review the proposed argument and/or claim amendment and following such review PolyBioCept shall consider in good faith any comments with respect thereto provided by Lion; provided, however, that PolyBioCept shall retain sole discretion with respect to implementing any such proposed argument and/or claim amendment.

(c) To the extent possible, without conflicting with the terms of this Agreement or the [* * *] Agreement, and subject to Section 6.2.3, PolyBioCept shall take or authorize any actions reasonably necessary to further prosecution of the PolyBioCept-Maintained Licensed Patents and the [* * *]-Maintained Licensed Patents, including but not limited to the filing of any necessary terminal disclaimers or foreign equivalents thereof.

6.2.2 [* * *]-Maintained Licensed Patents. PolyBioCept shall keep Lion reasonably informed as to material developments, of which it has been reasonably informed by [* * *] pursuant to the [* * *] Agreement, with respect to the preparation, filing, prosecution and maintenance of [* * *]-Maintained Licensed Patents, including, but not limited to, any action proposed by [* * *] that would result in a substantive alteration in claim scope or reduction in breadth of claim scope of any [* * *]-Maintained Licensed Patents with respect to any Product or GE Product (or their use or Manufacture).

6.2.3 Lion Step-in Right.

(a) **PolyBioCept-Maintained Licensed Patents**. If PolyBioCept declines to file any national stage filings with the USPTO and/or any corresponding foreign patent offices, and/or prosecute, or otherwise elects not to take actions necessary to avoid abandonment of ("**Discontinued Maintenance**"), any PolyBioCept-Maintained Licensed Patent, then PolyBioCept shall promptly provide Lion with written notice thereof not less than sixty (60) calendar days prior to the date by which an action is required in order to avoid abandonment thereof or is required in order to avoid any statutory bar or to perfect any right of priority. If PolyBioCept receives written notice from [* * *] of its election to prepare, file and prosecute such patent application and maintain such patents in such country ("**Election To Pursue**") or its election not to prepare, file and prosecute such patent applications and maintain such patents in such country ("**Election Not To Pursue**"), then PolyBioCept shall promptly provide Lion with written notice of the same. If [* * *] provides PolyBioCept with written notice of its Election To Pursue, then such PolyBioCept-Maintained Licensed Patent shall become for all purposes a [* * *]-Maintained Licensed Patent and shall continue to be a Licensed Patent and Licensed Intellectual Property for purposes of this Agreement. If [* * *] provides PolyBioCept with written notice of its Election Not To Pursue, then Lion may, upon written notice to PolyBioCept, prepare, file and prosecute such patent application and maintain such patents in such country, at its own expense, whereupon such PolyBioCept-Maintained Licensed Patent shall become for all purposes a Lion-Maintained Licensed Patent and shall continue to be a Licensed Patent and Licensed Intellectual Property for purposes of this Agreement.

(b) **[* * *]-Maintained Licensed Patents**. If PolyBioCept receives written notice from [* * *] of its Discontinued Maintenance of any [* * *]-Maintained Licensed Patent, PolyBioCept shall promptly provide Lion with written notice of the same and of PolyBioCept's Election To Pursue or Election Not To Pursue not less than thirty (30) days prior to the date by which an action is required in order to avoid abandonment thereof or is required in order to avoid any statutory bar or to perfect any right of priority. If PolyBioCept Elects Not To Pursue, Lion may, upon written notice to PolyBioCept, prepare, file and prosecute such patent applications and maintain such patents in such country, at its own expense, whereupon such [* * *]-Maintained Licensed Patent shall become for all purposes a Lion-Maintained Licensed Patent and shall continue to be a Licensed Patent and Licensed Intellectual Property for purposes of this Agreement.

6.2.4 Cooperation Between Parties. Each Party agrees to cooperate with the other with respect to the contemplation, preparation, filing, prosecution and maintenance of the Licensed Patents and Lion-Owned Patents pursuant to this Section 6.2, including the execution of all such documents and instruments and the performance of such acts as may be reasonably necessary in order to permit the counsel of the Party that has the right or obligation under this Agreement to prepare, file, prosecute and maintain such Patents to do so; provided, however, nothing herein shall require an assignment or other change of ownership of the Patents.

6.3 Third-Party Infringement of Licensed Patents.

6.3.1 Notice. Each Party shall promptly notify the other Party in writing of any (a) infringement of any of the Licensed Patents in the Field in the Unrestricted Territory or in the Restricted Field in the Restricted Territory or (b) unauthorized use of any of the Licensed Intellectual Property, in each case that is adverse to any Product and/or GE Product, of which such Party becomes aware ("**Competitive Infringement**"), and shall provide the other Party with all available evidence supporting such infringement, suspected infringement, unauthorized use or suspected unauthorized use (except to the extent that such evidence is protected as attorney work product, attorney-client communication or other established legal privilege).

6.3.2 Licensed Intellectual Property; Enforcement Rights.

(a) As between the Parties, Lion shall have the first right at its expense, but not an obligation, to initiate a suit or take other appropriate action that Lion reasonably believes is required to abate an infringement of the Licensed Intellectual Property with respect to any Product in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory. Lion shall give PolyBioCept sufficient advance notice of its intent to file any such suit or take any such action, and the reasons therefor, and shall provide PolyBioCept with an opportunity, but not an obligation, to make suggestions and comments regarding such suit or action. Thereafter, Lion shall keep PolyBioCept informed, and shall from time to time consult with PolyBioCept regarding the status of any such suit or action; provided, however, that PolyBioCept shall have no obligation to provide advice regarding such suit or action. Lion shall promptly (*i.e.*, within five (5) business days of filing or receipt by Lion to the extent practicable, but within such period of time so as not to materially prejudice PolyBioCept) provide PolyBioCept with copies of all material documents (*e.g.*, complaints, answers, counterclaims, material motions, orders of the court, memoranda of law and legal briefs, interrogatory responses, depositions, material pre-trial filings, expert reports, affidavits filed in court, transcripts of hearings and trial testimony, trial exhibits and notices of appeal) filed in, or otherwise relating to, such suit or action. Any recovery obtained as a result of any proceeding pursuant to this Section 6.3.2(a), by settlement or otherwise, shall be applied in the following order of priority: (A) first, each Party shall be reimbursed, on a *pro rata* basis, for all costs incurred by such Party in connection with such suit and (B) second, any remainder shall be retained by or paid to Lion.

(b) If Lion chooses not to initiate a suit or take other appropriate action under Section 6.3.2(a) above within ninety (90) days of becoming aware of the infringement, then Lion will so notify PolyBioCept of its intention, in which case PolyBioCept shall have the right at its expense, but not the obligation, to initiate such suit or take such other appropriate action. PolyBioCept shall give Lion sufficient advance notice of its intent to file any such suit or take any such action. Any recovery obtained as a result of any proceeding pursuant to this Section 6.3.2(b), by settlement or otherwise, shall be applied in the following order of priority: (A) first, each Party shall be reimbursed, on a *pro rata* basis, for all costs incurred by such Party in connection with such suit and (B) second, any remainder shall be retained by or paid to PolyBioCept.

6.3.3 Patent Invalidity Claim.

(a) Each Party shall promptly notify the other Party in writing in the event that it becomes aware of any claim asserted by a Third Party that a Licensed Patent is invalid or otherwise unenforceable (an "**Invalidity Claim**"), whether as a defense in an infringement action brought by PolyBioCept or Lion pursuant to Section 6.3.2 or otherwise.

(b) If PolyBioCept elects not to contest an Invalidity Claim relating to a PolyBioCept-Maintained Licensed Patent, then PolyBioCept shall so notify Lion of its intention within forty-five (45) days of receiving notice of such Invalidity Claim relating to a PolyBioCept-Maintained Licensed Patent. PolyBioCept shall promptly notify Lion of its receipt of notice from [* * *] of [* * *]' election not to contest an Invalidity Claim ("[* * *] **Notice**") relating to a PolyBioCept-Maintained Licensed Patent, in which case Lion shall have the right to contest the Invalidity Claim relating to a PolyBioCept-Maintained Licensed Patent at its sole cost.

(c) PolyBioCept shall promptly notify Lion of its receipt of [* * *] Notice relating to a [* * *]-Maintained Licensed Patent. If PolyBioCept elects not to contest an Invalidity Claim relating to a [* * *]-Maintained Licensed Patent, then PolyBioCept shall so notify Lion of its intention within forty-five (45) days of receiving the [* * *] Notice relating to a [* * *]-Maintained Licensed Patent, in which case Lion shall have the right to contest the Invalidity Claim relating to a [* * *]-Maintained Licensed Patent at its sole cost.

(d) Notwithstanding anything herein to the contrary, no Party hereto will admit or otherwise agree in any settlement or other proceedings that a Licensed Patent is invalid or unenforceable without the prior written consent of the other Party hereto.

7 REPRESENTATIONS, WARRANTIES, AND COVENANTS

7.1 Representations and Warranties of Licensor. Licensor hereby represents and warrants to Lion that:

7.1.1 Corporate Status. PolyBioCept is duly organized and validly existing and in good standing under the laws of Sweden, subject to the transferability rights under Section 10.5 herein.

7.1.2 Authority and Binding Effect. Licensor has the full power and authority to consummate the transactions contemplated hereby and enter into this Agreement and any other documents contemplated hereby to which it is a party. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the necessary corporate actions of Licensor. This Agreement constitutes valid and legally binding obligations of Licensor enforceable against it in accordance with its terms, except that such enforcement may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws (whether statutory, regulatory or decisional), now or hereafter in effect, relating to or affecting the rights of creditors generally or by equitable principles (regardless of whether considered in a proceeding at law or in equity).

7.1.3 Non-Contravention. The execution, delivery and performance by Licensor of this Agreement, and the transactions contemplated hereby do not (a) violate any Applicable Law as of the Effective Date, (b) conflict with, violate or result in a breach of any provision of the corporate charter, by-laws or other organizational documents of Licensor, (c) constitute a material violation or breach by Licensor of any provision of any material contract, agreement or instrument to which Licensor is a party or to which Licensor may be subject although not a party, or (d) require Licensor to obtain any consents, approvals or authorizations of any Governmental Authority (other than approval of the transfer of the Regulatory Approvals) as of the Effective Date.

7.1.4 Intellectual Property.

(a) As of the Effective Date, the Named Professors are shareholders of Licensor.

(b) As of the Effective Date and to the Knowledge of Licensor, none of the Licensed Intellectual Property or Background Patents is invalid or unenforceable. Markus Maeurer is the sole inventor of the Licensed Patents.

(c) Licensor Controls all right, title and interest in and to the (i) Patents listed on Schedule 1, (ii) the Data and Documentation listed in Section I on Schedule 2, (iii) the Know-How encompassed in the Demonstration of Concept listed in Section II on Schedule 2, (iv) Licensed Intellectual Property and (v) Background Patents, and Licensor has the right to grant to Lion the licenses granted under Sections 2.1.1 and 2.1.2, and has no reason to believe that that any prior assignment of such Patents listed on Schedule 1, the Data and Documentation listed in Section I on Schedule 2, the Know-How encompassed in the Demonstration of Concept listed in Section II on Schedule 2, Licensed Intellectual Property and Background Patents to Licensor is unenforceable or invalid.

(d) Excluding the License Agreements, as of the Effective Date and to the Knowledge of Licensor, Licensor has not previously assigned, transferred, conveyed, licensed or otherwise encumbered its right, title or interest in or to the (i) Patents listed on Schedule 1, (ii) the Data and Documentation, (iii) the Know-How encompassed in the Demonstration of Concept, (iv) Licensed Intellectual Property, (v) Background Patents, nor (vi) Products or GE Products in the Field or Restricted Field that would conflict with the licenses granted under Sections 2.1.1 and 2.1.2.

(e) As of the Effective Date, Licensor has not received written notice from any Third Party claiming that the practice of the Licensed Intellectual Property or Background Patents infringes or misappropriates any Patent or other Intellectual Property rights of any Third Party. As of the Effective Date and to the Knowledge of Licensor, the practice of the Licensed Intellectual Property and Background Patents to Develop, Manufacture, Commercialize, and Genetically Engineer Products in the Field in the Unrestricted Territory and in the Restricted Field in the Restricted Territory does not infringe or misappropriate Patent or other Intellectual Property rights of any Third Party. As of the Effective Date and to the Knowledge of Licensor, the Licensed Patents and Background Patents are not the subject of any interference proceeding and there is no pending or threatened action, suit, proceeding or claim by a Third Party challenging Licensor's ownership rights in, or the validity or scope of, the Licensed Patents or Background Patents.

7.1.5 Products. Licensor has not withheld any information related to the Licensed Intellectual Property, Background Patents, Products or GE Products in the Field or Restricted Field, including clinical data and Regulatory Filings, that would be reasonably determined to be material to Lion's decision to enter into this Agreement.

7.1.6 License Agreements. All License Agreements are listed in **Schedule 3** attached hereto.

7.1.7 Regulatory. As of the Effective Date and to the Knowledge of Licensor, there are no FDA (or equivalent) "field alerts" (or the equivalent in countries outside the United States) pending with respect to any Products or GE Products in the Field or Restricted Field.

7.1.8 Clinical Trials. All pre-clinical and clinical trials of Products and of GE Products in the Field or Restricted Field conducted by or on behalf of Licensor were conducted in accordance with Applicable Laws.

7.1.9 Litigation. As of the Effective Date, there is no Proceeding pending or, to the Knowledge of Licensor, threatened (i) that could reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement or (ii) that is related to the Licensed Intellectual Property or any Product or GE Product in the Field or Restricted Field.

7.1.10 Shares.

(a) **Investment Experience**. Licensor agrees that it has received all the information it considers necessary or appropriate to enable it to decide whether to acquire Shares hereunder. Licensor has had an opportunity to become aware of Lion's business affairs and financial condition, ask questions and receive answers, and review documents and gather information about Lion. Licensor has acquired sufficient information about Lion to reach an informed and knowledgeable decision to acquire Shares hereunder. Licensor has such business and financial experience as is required to give it the capacity to protect its own interests in connection with the acquisition Shares hereunder and can bear the economic risk of its investment.

(b) **Investment Intent**. Licensor is acquiring the Shares for investment for its own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the 1933 Act. Licensor has no present intention of selling, granting any participation in, or otherwise distributing the Shares, except in compliance with the 1933 Act or pursuant to an available exemption thereunder.

(c) **Restricted Securities**. Licensor understands that as of the date of each issuance, the Shares have not been registered under the 1933 Act, or registered or qualified under any other securities law, in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of Licensor's investment intent as expressed herein. Licensor is familiar with Rule 144 under the 1933 Act, as in effect on the date of each issuance, and understands the resale limitations imposed thereby and by the 1933 Act.

(d) **No Legal, Tax or Investment Advice**. Licensor understands that nothing in this Agreement or any other materials presented to Licensor in connection with the acquisition of Shares hereunder constitutes legal, tax or investment advice. Licensor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its acquisition of Shares hereunder.

7.1.11 Limitations of Certain Representations and Warranties of Licensor . The representations and warranties of Licensor in Sections 7.1.4(c) and 7.1.5 shall expire twelve (12) months following the Effective Date. Further, the following shall not constitute a breach of any representation or warranty under Section 7.1: (a) a determination or rejection by the USPTO or a foreign equivalent thereof during the prosecution of any Licensed Patent; (b) if made more than twelve (12) months after the Effective Date, a Claim by a Third Party or a determination by a Governmental Authority that Licensor does not Control any Licensed Intellectual Property; or (c) except for the representation and warranty in Section 7.1.4(b), a Claim by a Third Party or a determination by a Governmental Authority that any Licensed Intellectual Property is invalid or unenforceable.

7.2 Representations and Warranties of Lion. Lion hereby represents and warrants to Licensor that:

7.2.1 Corporate Status. Lion is a corporation duly organized and validly existing and in good standing under the laws of the state of Nevada and is duly qualified to conduct business in any other jurisdiction where the failure to so qualify would cause a material adverse effect on the business, operations, assets, financial condition, or prospects of Lion, subject to subject to the transferability rights under Section 10.5 herein.

7.2.2 Authority and Binding Effect. Lion has the full power and authority, and has taken or obtained all requisite internal corporate or other actions and approvals, to enter into, execute and deliver this Agreement and any other documents contemplated hereby or thereby to which it is or will be a party and to consummate the transactions contemplated hereby and thereby to which it is a party. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the necessary corporate actions of Lion. This Agreement and any other documents contemplated hereby or thereby constitute valid and legally binding obligations of Lion and its Affiliates enforceable against them in accordance with their respective terms and conditions, except that such enforcement may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws (whether statutory, regulatory or decisional), now or hereafter in effect, relating to or affecting the rights of creditors generally or by equitable principles (regardless of whether considered in a proceeding at law or in equity).

7.2.3 Non-Contravention. The execution, delivery and performance by Lion of this Agreement, and any other agreements contemplated hereunder, and the transactions contemplated hereby and thereby do not (a) violate any Applicable Law as of the Effective Date, (b) conflict with, violate or result in a breach of any provision of the corporate charter, by-laws or other organizational documents of Lion, (c) constitute a material violation or breach by Lion of any provision of any material contract, agreement or instrument to which Lion is a party or to which Lion may be subject although not a party, or (d) require Lion to obtain any consents, approvals or authorizations of any Governmental Authority (other than approval of the transfer of the Regulatory Approvals) as of the Effective Date.

7.2.4 Litigation. As of the Effective Date, there is no Proceeding pending or, to the Knowledge of Lion, threatened which could reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement

7.2.5 Debarred Personnel. As of the Effective Date, Lion has not been debarred and is not subject to debarment pursuant to Section 306 of the FDCA, as amended, or any foreign equivalent thereof, nor is it the subject of a conviction described in such Section and no such Proceeding is pending.

7 . 3 Disclaimers. EXCEPT AS EXPLICITLY SET FORTH IN SECTIONS 7.1, 7.2, AND 7.5.3(d), THE PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES TO EACH OTHER, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY, TITLE, VALIDITY, FITNESS FOR A PARTICULAR PURPOSE, COMMERCIAL UTILITY, OR ADEQUACY, AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE. UNLESS EXPLICITLY SET FORTH IN SECTIONS 7.1, 7.2, AND 7.5.3(d), THE PARTIES SPECIFICALLY DISCLAIM ANY WARRANTY: (I) CONCERNING THE EFFICACY, EFFICIENCY, ADEQUACY OR PATENTABILITY OF THE LICENSED INTELLECTUAL PROPERTY FOR THE PURPOSE OF DEVELOPING, MANUFACTURING, COMMERCIALIZING, OR GENETICALLY ENGINEERING PRODUCTS OR DEVELOPING, MANUFACTURING, OR COMMERCIALIZING GE PRODUCTS; (II) CONCERNING THE EFFICACY OR SAFETY FOR HUMAN USE OF ANY PRODUCT OR GE PRODUCT OR (III) CONCERNING LEGAL AND REGULATORY REQUIREMENTS THAT MUST BE SATISFIED BY LION BEFORE LION WILL BE ABLE LAWFULLY TO DEVELOP, MANUFACTURE, COMMERCIALIZE, AND GENETICALLY ENGINEER PRODUCTS AND TO DEVELOP, MANUFACTURE, AND COMMERCIALIZE GE PRODUCTS IN THE FIELD WITHIN THE UNRESTRICTED TERRITORY AND IN THE RESTRICTED FIELD WITHIN THE RESTRICTED TERRITORY.

7.4 Covenants of Lion. Lion hereby covenants and agrees that during the Term:

7.4.1 Insurance. Lion shall maintain in force the insurance required to be maintained thereby pursuant to Sections 9.2.1 and 9.2.2.

7.4.2 Taxes. Lion shall bear and be responsible for and pay all applicable Taxes attributed to it related to the (a) licensing of Licensed Intellectual Property and (b) Commercialization by Lion or its Representatives of Products and GE Products under the Licensed Intellectual Property after the Effective Date, during the Term, and shall indemnify and hold Licensor and its Representatives harmless from any liability relating to such Taxes.

7.4.3 Liability for Sublicensees and Subcontractors. Lion shall be liable for the acts and omissions of its sublicensees or subcontractors (including any of its Representatives) in performing or failing to perform Lion's obligations hereunder to the same extent as Lion would have been liable hereunder had Lion performed or failed to perform such obligations itself, and any sublicense or subcontract shall not excuse Lion's performance of or failure to perform its obligations hereunder.

7.5 Mutual Covenants. The Parties covenant and agree that:

7.5.1 Publicity. The Parties agree that any publication, news release or other public announcement relating to this Agreement or to the performance hereunder shall first be reviewed and approved by Lion in its sole discretion. To the extent practicable, each Party shall give at least ten (10) Business Days advance notice to the other Party of any such intended disclosure, and each Party may provide any comments on the proposed disclosure during such period, for which the other Party shall give due consideration; provided, however, that a Party may, without the prior consent of the other Party, issue such press release or make such public statement as may be required by Applicable Laws or the applicable rules of any stock exchange or quotation system if the Party issuing such press release or making such public statement has used its reasonable best efforts to consult with the other Party and to obtain such other Party's consent but has been unable to do so in a timely manner. In this regard, the Parties shall make a joint public announcement of the execution of this Agreement and the transaction contemplated hereby no later than the opening of trading on the Nasdaq Stock Market on the Business Day following the date on which this Agreement is signed. In the event that either Party is required to file or register this Agreement or a notification thereof with any Governmental Authority, the filing Party shall promptly, to the extent practicable and legally permissible, inform the other Party thereof, and prior to making any such filing, registration or notification obtain the prior written consent from the other Party, which such consent shall not be unreasonably withheld. If requested by the other Party, the filing Party shall, to the maximum extent permissible under Applicable Laws and the Governmental Authority, seek confidential treatment of the Agreement and, if not permissible under Applicable Laws, seek confidential treatment for one or more of provisions of the Agreement and the information that is required to be disclosed. The Parties shall cooperate, in such filing, registration or notification, including such confidential treatment request, which shall be sought at the expense of the Party required to disclose the Agreement, and shall execute all documents reasonably required in connection therewith. The Parties acknowledge that Lion will be required to file this Agreement with the United States Securities and Exchange Commission, and PolyBioCept hereby consents to such filing. PolyBioCept requests that Lion seek confidential treatment of this Agreement to the extent mutually agreed upon, provided that the Parties agree to seek confidential treatment of all financial terms under the Agreement.

7.5.2 Cooperation. During the Term, each Party shall use its respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things, in each case necessary or advisable to permit the consummation of the transactions contemplated hereby, including obtaining any consents, authorizations, approvals, permits, licenses, or governmental authorizations, estoppel certificates and filings under any Applicable Law required to be obtained or made by either of them which may be necessary or appropriate to permit the consummation of the transactions contemplated hereby.

7.5.3 Confidentiality.

(a) The conditions, obligations and terms of the Confidentiality Agreement are hereby incorporated herein by reference; provided, however, that (i) Section 6 of the Confidentiality Agreement is deleted and the term of the Confidentiality Agreement shall be coextensive with the Term of this Agreement, (ii) Section 7 of the Confidentiality Agreement is deleted, and (iii) Section 15 of the Confidentiality Agreement is deleted and the Confidentiality Agreement shall be subject to the laws of the state of Delaware, without giving effect to the principles of conflict of laws. To the extent the Confidentiality Agreement conflicts with the conditions, obligations or terms of this Agreement, this Agreement shall control.

(b) All Confidential Information of a Party (the "**Discloser**") received by the other Party or its Representatives (the "**Recipient**") shall be maintained in confidence by the Recipient and shall not be disclosed to any Third Party or used for any purpose during the Term and for five (5) years after the expiration or termination of this Agreement (with the exception of Know-How constituting a Trade Secret, which shall be maintained in confidence and not disclosed by the Recipient to any Third Party or used for any purpose until and to the extent it ceases to be a Trade Secret under the DEUTSA), except as reasonably necessary for the Recipient to perform its obligations or exercise its rights granted or retained pursuant to this Agreement; provided, however, that the Recipient shall remain responsible and liable for any breach by such a Third Party of the confidentiality and non-use obligations contained in this Agreement.

(c) Notwithstanding anything to the contrary contained in this Section 7.5.3, the Recipient may disclose Confidential Information of the Discloser to its attorneys, accountants, consultants, agents, independent contractors or professional advisors who have a business need to know such information in connection with the evaluation, negotiation, consideration, or consummation of this Agreement on behalf of Recipient (a "**Professional Third Party**"); provided, however, that the Recipient shall remain responsible and liable for any breach by such a Professional Third Party of the confidentiality and non-use obligations contained in this Agreement.

(d) The Recipient represents and warrants to the Discloser that any Third Party or Professional Third Party to whom it discloses Discloser's Confidential Information has agreed to be bound by confidentiality and non-use obligations at least as strict as those contained in this Agreement, and/or is under a professional, fiduciary, or written obligation of confidentiality and non-use at least as strict as those contained in this Agreement, prior to the disclosure of the Discloser's Confidential Information to any Third Party or Professional Third Party.

(e) Any use or disclosure of the Discloser's Confidential Information by the Recipient for any purpose other than as provided in Sections 7.5.3(b) and (c) shall be a material breach of this Agreement. Notwithstanding anything herein to the contrary, except as provided in Section 6.1.1(d), PolyBioCept will not knowingly disclose Lion Confidential Information to any cell therapy company, without Lion's prior written consent.

7.5.4 Performance. Each Party shall perform and cause its Representatives to perform their respective obligations under this Agreement in accordance with the terms and conditions hereof and thereof and all Applicable Laws. Each Party shall disclose all information required to be disclosed under Applicable Laws requiring pharmaceutical companies to disclose to Governmental Authorities payments or transfers of value that they made to covered recipients ("**Sunshine Laws**"). Each Party shall, and shall cause its Representatives to, cooperate with the other Party in a timely manner following request therefor (which in any event shall be sufficient time to reasonably permit the other Party to comply with Applicable Law) to provide any information which the other Party requests in connection with Products or GE Products in the Field or Restricted Field in order to comply with applicable Sunshine Laws or other Applicable Laws.

8 TERM AND TERMINATION

8.1 Term. Immediately following the Initial Term, this Agreement will automatically renew for consecutive periods of five (5) years, provided that Lion does not provide Licensor with written notice of its election not to renew the Agreement (each, a "**Renewal Term**").

8.2 Automatic Termination. Subject to Applicable Law, if Lion (a) files a petition for reorganization, a petition for an arrangement or appointment of a receiver or trustee of such Party or of its assets, or a petition in bankruptcy or insolvency in any state, country, or jurisdiction; (b) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within sixty (60) days after the filing thereof; (c) is a party to any dissolution or liquidation or adjudicated bankrupt by any court or agency pursuant to any statute or regulation of any state, country, or jurisdiction; (d) becomes insolvent or discontinues business; or (e) makes an assignment for the benefit of creditors or any similar arrangement under any bankruptcy law, then this Agreement will terminate immediately and automatically, without notice.

8.3 Termination for Material Breach. In the event that either Party material breaches this Agreement and such material breach, the non-breaching Party may terminate this Agreement by providing sixty (60) days' written notice to the breaching Party, specifying its material breach (the "**60-Day Notice Period**"). The termination shall become effective at the end of the 60-Day Notice Period, unless the breaching Party cures such material breach during the 60-Day Notice Period. Notwithstanding anything to the contrary, if Lion materially breaches Sections 4.1 and/or 4.2 and fails to cure such material breach during the 60-Day Notice Period, Licensor agrees to only terminate the specific scope of the license rights related to such breach (by way of example, (a) if Lion fails to Develop a GE Product as required under Section 4.1, this Agreement would only be terminated with regard to the license rights to GE Products, not Products or (b) if Lion fails to Manufacture a Product as required under Section 4.2, this Agreement would only be terminated with regard to the license rights to Products, not GE Products). In the event that Lion fails to timely deliver any payment to PolyBioCept pursuant Section 5 herein, PolyBioCept may terminate this Agreement by providing fifteen (15) days' written notice to Lion, specifying the failure (the "**15-Day Notice Period**"). The termination shall become effective at the end of the 15-Day Notice Period, unless Lion cures such failure during the 15-Day Notice Period. Except for payment and Share-issuance obligations under Sections 5.2, 5.4.4, 5.4.5, and 5.4.6, the Notice Periods shall be tolled during the pendency of any arbitration or dispute resolution procedure pertaining to the alleged breach pursuant to Section 10.4, provided, however, if PolyBioCept is awarded any amounts or Shares under this Agreement pursuant to any arbitration, then Lion shall pay interest, calculated at the rate of one percent (1%) per month, of the total value of cash and Shares that should have been paid and issued, respectively, from the time such amount of cash and Shares should have been paid and issued until such amount is paid and such Shares issued.

8.4 Unilateral Rights To Terminate.

8.4.1 Lion's Unilateral Right To Terminate. Lion may terminate this Agreement immediately upon written notice to Licensor if Licensor fails to receive a Notice of Acceptance from Lion or Deemed Acceptance in accordance with Section 2.2.1 above within twelve (12) months following Licensor's receipt of a Notice of Provisioned Facility from Lion. Within five (5) days following Licensor's receipt of written notice of termination under this Section 8.4.1, Licensor shall refund to Lion the Exclusive License Payment.

8.4.2 Licensor's Unilateral Rights To Terminate.

(a) Licensor may terminate this Agreement immediately upon written notice to Lion in the event that Lion, its Representatives, or a sublicensee of Lion engages in any activity outside the scope of the license rights granted to Lion hereunder that constitutes (i) an infringement of any issued and unexpired Patent Controlled by Licensor or (ii) a breach of any confidentiality obligations contained in this Agreement specific to a Trade Secret Controlled by Licensor.

(b) Subject to Applicable Laws, Licensor may terminate this Agreement immediately upon written notice to Lion in the event that Lion or any of its Representatives Challenges (as defined below) any Licensed Patent. As used in this Section 8.4.2(b), "**Challenge**" means to Contest the validity or enforceability of any Licensed Patent in whole or in part, in any court, arbitration proceeding, or other tribunal, including the USPTO, the United States International Trade Commission, or any foreign equivalent thereof. For the avoidance of doubt, the term "**Contest**" includes: (a) commencing, filing, joining in, or assisting a Third Party in filing an action under 28 U.S.C. §§ 2201-2202, seeking a declaration of invalidity or unenforceability of any Licensed Patent or any portion thereof; (b) citation to the USPTO pursuant to 35 U.S.C. § 301 of prior art patents or printed publications or statements of the patent owner concerning the scope of any Licensed Patent; (c) commencing, filing, joining in, or assisting a Third Party in filing a request under 35 U.S.C. § 302 for reexamination of any Licensed Patent or any portion thereof; (d) commencing, filing, joining in, or assisting a Third Party in filing a petition under 35 U.S.C. § 311 to institute inter-partes review of any Licensed Patent or any portion thereof; (e) commencing, filing, joining in, or assisting a Third Party in filing a petition under 35 U.S.C. § 321 to institute post-grant review of any Licensed Patent or any portion thereof; (f) provoking or becoming a party to an interference with an application for any Licensed Patent or any portion thereof pursuant to 35 U.S.C. § 135; (g) commencing, filing, joining in, or assisting a Third Party in filing any reexamination, opposition, cancellation, nullity or similar proceedings against any Licensed Patent in any country; or (h) any foreign equivalents of subsection (a) through (g) applicable in any country. As used herein, the term "**Contest**" does not include any action taken by Lion or any of its Representatives for the sole purpose of complying with the duty to disclose information material to patentability as set forth in 37 CFR 1.56 or any foreign equivalent thereof.

(c) Licensor may terminate this Agreement immediately upon written notice to Lion in the event that Lion materially breaches this Agreement three (3) or more times in any consecutive six-month period of time.

(d) Provided that Lion has provided a Notice of Acceptance to PolyBioCept or there is a Deemed Acceptance in accordance with Section 2.2.1 above, Licensor may terminate this Agreement immediately upon written notice to Lion in the event that Lion or one of its Affiliates or sublicensees fails to (i) [* * *] after such Notice of Acceptance or Deemed Acceptance, whichever occurs first; (ii) [* * *] after Completion of Clinical Studies or the Notice of Acceptance or Deemed Acceptance, whichever occurs first (" **Phase II Period**"), unless Lion alternatively pays to PolyBioCept the Product Expansion Milestone Payment prior to the expiration of the Phase II Period; (iii) [* * *] after First Successful Completion of Phase II Trial or [* * *], whichever occurs first ("**Phase III Period**"), unless Lion alternatively pays to PolyBioCept the Product Selection/Enrichment Milestone Payment prior to the expiration of the Phase III Period; or (iv) [* * *] after Completion of Clinical Studies or the Notice of Acceptance or Deemed Acceptance, whichever occurs first ("**Phase IV Period**"), unless Lion alternatively paid to PolyBioCept the First Approval Expansion Milestone Payment prior to the expiration of the Phase IV Period. For avoidance of doubt, investigator-sponsored clinical trials, including the Clinical Studies as defined under the Clinical Trials Agreement, that are funded by Lion or one of its Affiliates or sublicensees shall be considered clinical trials commenced by Lion or one of its Affiliates or sublicensees.

(e) Licensor may terminate this Agreement immediately upon written notice to Lion in the event that (i) KI rightfully terminates the Sponsored Research Agreement between Lion and KI due to Lion failing to pay to KI, in accordance with the Sponsored Research Agreement, a total of one million dollars (US$1,000,000) in cash, which is to be paid in four (4) quarterly payments of two hundred fifty thousand dollars (US$250,000) following the effective date of the Sponsored Research Agreement or (ii) KH rightfully terminates the Clinical Trials Agreement between Lion and KH due to Lion failing to pay to (1) KH a total of one million six hundred thousand dollars (US$1,600,000) in cash in accordance with the Clinical Trials Agreement, and (2) to PolyBioCept one hundred thousand dollars (US$100,000) in accordance with the Clinical Trials Agreement. For avoidance of doubt, if Lion fails to pay KI or KH due to KI or KH's material breach of the Sponsored Research Agreement or Clinical Trials Agreement, respectively, such failure will not be cause for termination under this Section 8.4.2(e).

(f) Licensor may terminate this Agreement immediately upon written notice to Lion in the event that Lion, its Representatives, or a sublicensee of Lion breaches Section 6.3.3(d).

8.4.3 Termination Due to Non-Occurrence of Condition Subsequent. If the Parties do not execute the Sponsored Research Agreement within ninety (90) days of the Effective Date, then this Agreement will automatically terminate and PolyBioCept will promptly return to Lion two million two hundred thousand dollars ($2,200,000.00).

8.5 Effects of Termination. In the event of termination of this Agreement, the following provisions shall apply:

8.5.1 In the event of termination, all licenses and rights granted by PolyBioCept to Lion, including all license and sublicense rights granted to Lion pursuant to Sections 2.1.1 and 2.1.2, shall immediately terminate, except and only for so long as needed to ensure the continuing safety and welfare of any patient or subject under treatment by Lion, its sublicensees or its Representatives. In the event Lion continues to use the Licensed Intellectual Property for continuing safety and welfare of any patient or subject under treatment by Lion, its sublicensees or its Representatives, then all conditions, obligations and terms of this Agreement application to Lion shall survive and remain enforce for so long as Lion uses the Licensed Intellectual Property for such purpose.

8.5.2 Lion, its sublicensees and its Representatives shall cease to conduct any activity under Licensor's Intellectual Property, including any activity under Licensor's Intellectual Property related to the Development, Manufacture, Commercialization, and Genetic Engineering of Products and/or the Development, Manufacture, and/or Commercialization of GE Products, except and only for so long as needed to ensure the continuing safety and welfare of any patient or subject under treatment by Lion or its Representatives. In the event Lion continues to use the Licensed Intellectual Property for continuing safety and welfare of any patient or subject under treatment by Lion, its sublicensees or its Representatives, then all conditions, obligations and terms of this Agreement applicable to Lion shall survive and remain in force for so long as Lion uses the Licensed Intellectual Property for such purpose.

8.5.3 Lion will tender to PolyBioCept responsibility for prosecuting and maintaining any Lion-Maintained Licensed Patents.

8.5.4 Upon Licensor's request, and to the extent legally and contractually permitted, Lion shall promptly provide Licensor with a copy of all sublicense agreements that sublicense the rights granted to Lion under this Agreement, contracts entered into by Lion that cover any Product or GE Product under the Licensed Intellectual Property, and Regulatory Filings and Regulatory Approvals that cover Products or GE Products under the Licensed Intellectual Property. For avoidance of doubt, Lion shall have the right to redact from such documents prior to providing such documents to Licensor any Lion Confidential Information, and information that if disclosed by Lion would breach Lion's obligations of confidentiality to a Third Party, but in each case only to the extent that it is not related to Products or GE Products under the Licensed Intellectual Property. Lion hereby grants to Licensor a non-exclusive, irrevocable, transferable, and worldwide right and license to use such Regulatory Filings and, subject to Applicable Laws, such Regulatory Approvals, solely to the extent necessary for Licensor to continue Development, Manufacture and, if applicable, Commercialization of such Product and GE Product under the Licensed Intellectual Property.

8.5.5 Upon Licensor's request, Lion shall promptly return, at Lion's sole expense, all tangible property owned by Licensor and all tangible Confidential Information of Licensor (including all Data and Documentation), and all copies thereof, in accordance with the reasonable instructions provided by Licensor; provided, however, that Lion may retain one (1) copy of such information in its archives solely for the purpose of complying with any surviving rights of Lion under the terms and conditions of this Agreement.

8.6 Survival. All financial obligations under this Agreement accrued or otherwise owed as of the effective date of expiration or termination shall remain in effect. Any obligations of the Parties with respect to any breach of this Agreement occurring prior to expiration or termination shall survive expiration or termination. The provisions set forth in Sections 1, 3.1, 3.2, 4.6, 4.7, 5.1-5.5 (but only to the extent a payment or Share-issuance obligation accrues or is owed prior to expiration or termination of the Agreement), 5.6 (for two (2) years following expiration or termination), 5.8-5.11, 6.1, 7.3, 7.4.2, 7.5.3, 8.5, 8.6, 9.1, 9.3 and 10 shall survive expiration or termination.

8.7 Effect of Licensor Bankruptcy. All rights and licenses granted by Licensor under this Agreement are and shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this Agreement, including the Data and Documentation and Demonstration of Concept, is and shall be deemed to be "embodiment[s]" of "intellectual property" for purposes of and as such terms are used in and interpreted under Section 365(n) of the United States Bankruptcy Code (the "**Code**") (11 U.S.C. § 365(n)). Lion shall have the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Agreement and the subject matter hereof and thereof. Without limiting the generality of the foregoing, if Licensor or its estate becomes subject to any bankruptcy or similar proceeding: subject to Lion's rights of election, all rights and licenses granted to Lion under this Agreement will continue subject to the respective terms and conditions hereof and thereof, and will not be affected, even by Licensor's rejection of this Agreement.

9 INDEMNIFICATION, INSURANCE AND DAMAGES

9.1 Indemnification.

9.1.1 By Lion. From and after the Effective Date, Lion shall defend Licensor, its Representatives and their respective directors, managers, officers, employees, agents, successors and assigns (each, a "**Licensor Indemnified Party**") at Lion's cost and expense, and shall indemnify and hold harmless the Licensor Indemnified Parties from and against:

(a) any Third Party Claims to the extent arising from, relating to, or resulting from:

(i) any material breach of any representation or warranty of Lion or its Representatives contained in this Agreement;

(ii) any material breach or failure to perform any covenant or agreement of Lion or its Representatives contained in this Agreement;

(iii) Products Developed, Manufactured, Commercialized, or Genetically Engineered or GE Products Developed, Manufactured, or Commercialized by or on behalf of Lion, including, without limitation, any Lion sublicensees;

(iv) any activity by Lion, its Representatives, or any sublicensee of Lion under the Licensed Intellectual Property that is outside the scope of the license rights granted to Lion hereunder;

(v) any tortious acts or omissions by Lion, its Representatives, its sublicensees, or their respective directors, managers, officers, employees, agents, Third-Party contractors, successors or assigns; and

(vi) any failure by Lion or a Lion sublicensee to Recall or otherwise withdraw from sale a Product or GE Product Developed, Manufactured, or Commercialized by or on behalf of Lion, including, without limitation, any Lion Affiliate or sublicensee, where required pursuant to Applicable Law (each, a "**Lion Claim**");

(b) all Liabilities awarded or levied against a Licensor Indemnified Party as a result of a Lion Claim; and

(c) if Lion does not timely assume the defense of any Lion Claim, (i) reasonable attorneys' fees and expenses incurred by a Licensor Indemnified Party in defending any Lion Claim and (ii) reasonable settlement amounts paid by a Licensor Indemnified Party to settle any Lion Claim.

9.1.2 By PolyBioCept. From and after the Effective Date, PolyBioCept shall defend Lion, its Representatives and their respective directors, managers, officers, employees, agents, successors and assigns (each, a "**Lion Indemnified Party**") at PolyBioCept's cost and expense, and shall indemnify and hold harmless the Lion Indemnified Parties from and against:

(a) any Third Party Claims to the extent arising from, relating to, or resulting from:

(i) any material breach of any representation or warranty of Licensor or its Representatives contained in this Agreement;

(ii) any material breach or failure to perform any covenant or agreement of Licensor or its Representatives contained in this Agreement;

(iii) Products Manufactured, Developed, or Genetically Engineered, or GE Products Developed, Manufactured, or Commercialized by PolyBioCept or by a Third Party on behalf of PolyBioCept; provided, however, that the foregoing shall not include any Products or GE Products Developed by a Named Professor pursuant to a separate written agreement between Lion and such Named Professor);

(iv) any tortious acts or omissions by PolyBioCept, its Representatives, or their respective directors, managers, officers, employees, agents, Third-Party contractors, successors or assigns; provided, however, that the foregoing shall not include any tortious acts or omissions by a Named Professor arising from, relating to, or resulting from a separate written agreement between Lion and such Named Professor);

(v) any failure by PolyBioCept to comply with the [* * *] Agreement and/or License Agreements; and

(vi) any failure by PolyBioCept to Recall or otherwise withdraw from sale a Product or GE Product Manufactured and/or Commercialized by Licensor where required pursuant to Applicable Law (each, a "**PolyBioCept Claim**");

(b) all Liabilities awarded or levied against a Lion Indemnified Party as a result of a PolyBioCept Claim; and

(c) if PolyBioCept does not timely assume the defense of any PolyBioCept Claim, (i) reasonable attorneys' fees and expenses incurred by a Lion Indemnified Party in defending any Lion Claim and (ii) reasonable settlement amounts paid by a Lion Indemnified Party to settle any PolyBioCept Claim.

9.1.3 Claims for Indemnification.

(a) A Person entitled to indemnification under Section 9.1 (an "**Indemnified Party**") shall give prompt written notification to the Party from whom indemnification is sought (the "**Indemnifying Party**") upon suffering or incurring, or if it reasonably anticipates that it will suffer or incur, a Lion Claim or a PolyBioCept Claim, respectively (each referred to in this Section 9.1.3 as "**Indemnity Claim**") for which indemnification is or may be sought (but in any event within such period of time so as not to materially prejudice the Indemnifying Party's defense of the Indemnity Claim), and such notice shall reasonably describe the nature of the Indemnity Claim for which indemnification is being sought.

(b) With respect to Indemnity Claims for which indemnification is claimed hereunder, the Indemnifying Party shall be entitled (i) to control the defense of any such Indemnity Claim and (ii) to participate in the defense of any such Indemnity Claim, at its cost and expense. The Indemnifying Party must obtain the prior written consent of the Indemnified Party, such consent not to be unreasonably withheld, to settle or compromise an Indemnity Claim if such settlement or compromise (x) does not include an unconditional release of the Indemnified Party for any liability arising out of such Indemnity Claim, (y) requires the Indemnified Party to take or refrain from taking any action or otherwise adversely affects the Indemnified Party's rights under this Agreement, or (z) requires the Indemnified Party to admit any liability. After notice from the Indemnifying Party to the Indemnified Party of the Indemnifying Party's acceptance of its obligation to assume the defense of such Indemnity Claim, and for so long as the Indemnifying Party uses reasonable efforts to defend the Indemnity Claim, the Indemnifying Party shall not be liable to the Indemnified Party under this Section 9.1.3 for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than reasonable costs of investigation or of assistance as contemplated by this Section 9.1.3. The Indemnified Party and the Indemnifying Party shall each render to each other such assistance as may reasonably be requested in order to ensure the proper and adequate defense of any such Proceeding.

(c) The Parties acknowledge that there could potentially be circumstances in which an Indemnity Claim is made and such Indemnity Claim creates indemnity obligations for each Party under Sections 9.1.1 and 9.1.2. In such instances, the Parties agree to allocate the responsibility as follows: (i) in the event that one Party bears greater responsibility than the other Party for the circumstances giving rise to the Indemnity Claim, the Party that bears the greater responsibility shall be required to indemnify, in full, the other Party, and (ii) where the Parties share materially equal responsibility for the circumstances giving rise to the Indemnity Claim, then neither Party will have an indemnify responsibility under Sections 9.1.1 and 9.1.2.

9.2 Insurance.

9.2.1 Lion Insurance. Lion shall at all times from the Effective Date maintain standard products liability/completed operations insurance, at its own expense, covering all claims against Lion whatsoever and howsoever arising from the Development, Manufacture, Commercialization, and/or Genetic Engineering of Products or the Development, Manufacture, or Commercialization of GE Products (collectively, the "**Insured Product Activity**") by Lion, its Representatives, sublicensees or their assigns. The coverage limits shall be in amounts calculated by Lion to be commercially reasonable, which amounts shall include, at a minimum, commercial general liability insurance on a per occurrence basis, with minimum limits of liability of one million dollars ($1,000,000) combined single limit for each occurrence and excess (umbrella) liability insurance for the foregoing in a minimum amount of five million dollars ($5,000,000) (the "**Lion Insurance**"). Such Lion Insurance shall remain in force where there is Insured Product Activity by Lion until twelve (12) months after such time that no Product or GE Product is being Commercialized by Lion, its Representatives, its sublicensees or their assigns.

9.2.2 Certificate. Upon request, Lion shall deliver to PolyBioCept Certificates of Insurance as evidence that Lion Insurance (as defined in Section 9.2.1) is in full force and effect and with insurers acceptable to PolyBioCept, having an AM Best (A-) or higher rating. These Certificates of Insurance shall provide that not less than thirty (30) calendar days advance notice will be given in writing to the owner of any cancellation, termination, or material alteration of Lion Insurance. PolyBioCept, its Representatives, and their officers, directors and employees shall be added as additional insureds on such Lion Insurance. Lion Insurance shall be primary with no contribution by PolyBioCept's insurance.

9.2.3 PolyBioCept Insurance. Prior to Licensor (i) sponsoring any human clinical trials for Products or GE Products, (ii) Manufacturing Products or GE Products for use in humans, and/or (iii) commencing Commercialize any Products in the Restricted Field outside of the Restricted Territory or any GE Products, then Licensor shall obtain and maintain insurance, at its own expense, covering all claims against PolyBioCept whatsoever and howsoever arising from the applicable activities related to Products and GE Products by PolyBioCept, its Representatives, its sublicensees (other than Lion) or their assigns. The coverage limits shall be in amounts calculated by Licensor to be commercially reasonable, which amounts shall include, at a minimum, commercial general liability insurance on a per occurrence basis, with minimum limits of liability of one million dollars ($1,000,000) combined single limit for each occurrence and excess (umbrella) liability insurance for the foregoing in a minimum amount of five million dollars ($5,000,000) (the "**PolyBioCept Insurance**"). Licensor shall maintain the PolyBioCept insurance for so long as Licensor is (i) sponsoring any human clinical trials for Products and GE Products, (ii) Manufacturing Products or GE Products for use in humans, and/or (iii) Commercializing any Products outside the Field or in the Restricted Field outside of the Restricted Territory and/or any GE Products. Upon request by Lion, Licensor shall deliver to Lion Certificates of Insurance, as evidence that PolyBioCept Insurance to extent required herein is in full force and effect and with insurers having an AM Best (A-) or higher rating. These Certificates of Insurance shall provide that not less than thirty (30) calendar days advance notice will be given in writing to the owner of any cancellation, termination, or material alteration of PolyBioCept Insurance. In the event Licensor exercises the license in the last sentence in Section 8.5.4, Lion and its Representatives shall be added as additional insureds on such PolyBioCept Insurance and the PolyBioCept Insurance shall be primary with no contribution by Lion's insurance.

9.3 Damages. EXCEPT FOR CLAIMS FOR INDEMNIFICATION, BREACH OF CONFIDENTIALITY, FRAUD, GROSS NEGLIGENCE, AND WILLFUL MISCONDUCT, IN NO EVENT SHALL EITHER PARTY OR ITS REPRESENTATIVES BE LIABLE TO THE OTHER PARTY, ITS REPRESENTATIVES, OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORMATION AND THE LIKE, ARISING OUT OF ITS PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATIONS SHALL NOT LIMIT A PARTY'S RIGHT TO SEEK AND OBTAIN INJUNCTIVE RELIEF.

10 MISCELLANEOUS

10.1 Notices. Any notices or other communications required or permitted hereunder shall be in writing in the English language, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given (i) when received, if personally delivered or sent by express or international courier (signature required) and (ii) or five (5) Business Days after it was sent by registered mail, return receipt requested (or its equivalent), postage prepaid. Unless otherwise specified in writing, the mailing addresses of the Parties shall be as described below:

If to Lion:

Lion Biotechnology, Inc.
Attn: Chief Executive Officer
112 West 34th Street, 17th Floor
New York, New York 10120
USA

If to PolyBioCept:

PolyBioCept AB
Attn: Jakob Geyer and Ernest Dodoo, Directors
Sankt Eriksgatan 43a
11234 Stockholm
Sweden

10.2 Entire Agreement. This Agreement, together with the Schedules and any appendices attached hereto and the Confidentiality Agreement, represents the entire understanding and agreement of the Parties and supersedes all prior agreements, understandings or arrangements between the Parties with respect to the subject matter hereof, including, but not limited to, the Term Sheet (but not the Confidentiality Agreement), and can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument, making specific reference to this Agreement, signed by both Parties.

10.3 Applicable Law. This Agreement shall be governed by, interpreted, and construed, and all claims and disputes whether in tort, contract, or otherwise be resolved, in accordance with the laws of the state of Delaware, without giving effect to the principles of conflict of laws.

10.4 Dispute Resolution. The Parties shall negotiate in good faith and use commercially reasonable efforts to resolve any dispute, controversy or claim arising from or related to this Agreement or the breach thereof (a "**Dispute**"). In the event that the Parties are unable to resolve a Dispute within fifteen (15) calendar days, the Dispute shall be referred to Jakob Geyer and Ernest Dodoo, Directors of PolyBioCept, and to the Chief Executive Officer of Lion (the "**Designated Senior Officers**") for resolution. In the event that the Designated Senior Officers are unable to resolve the Dispute and a Party wishes to pursue the matter, each such Dispute that is not an Excluded Claim (as defined below), or a Dispute with respect to which an alternative method of resolution is specified in other sections of this Agreement, shall be resolved by final and binding arbitration conducted in accordance with the terms of this Section 10.4. The arbitration will be held in The Hague, The Netherlands according to the Rules of Arbitration of the International Chamber of Commerce ("**ICC**"). The arbitration will be conducted in English and will be conducted by a single arbitrator with significant experience in the pharmaceutical industry, unless otherwise agreed to by the Parties. The ICC will appoint the arbitrator within fifteen (15) days after commencement of the arbitration in accordance with applicable ICC rules. The arbitrator will be instructed not to award any indirect, special, punitive, consequential or incidental damages, except for claims for indemnification, breach of confidentiality, fraud, or willful misconduct, and will render a written decision no later than six (6) months following the selection of the arbitrator, including a basis for any damages awarded and a statement of how the damages were calculated. Any award will be promptly paid in U.S. Dollars free of any tax, deduction, or offset. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Section 10.4. With respect to money damages, nothing contained herein will be construed to permit the arbitrator or any court or any other forum to award indirect, special, punitive, consequential or incidental damages, except for claims for indemnification, breach of confidentiality, fraud, or willful misconduct. Each Party will pay its legal fees and costs related to the arbitration (including witness and expert fees); provided, however, that the arbitrator shall be authorized to determine whether a Party is the prevailing Party, and if so, to award to that prevailing Party reimbursement for its reasonable attorneys' fees, costs and disbursements. All proceedings and decisions of the arbitrator shall, to the extent permitted by Applicable Laws and Rules of Arbitration of the ICC, be deemed Confidential Information of each of the Parties, and shall be subject to Section 7.5.3. From the date of submission of the dispute to the Designated Senior Officers in this Section 10.4, until such time as the dispute has become finally settled, the running of the time period as to which a Party alleged to have breached the Agreement becomes suspended as to any breach that is the subject matter of the dispute. Judgment on the award so rendered will be final and may be entered in any court having jurisdiction thereof. As used in this Section 10.4, "**Excluded Claim**" means a dispute, controversy or claim that concerns (a) the validity or infringement of a patent, trademark or copyright; (b) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory; or (c) violation of Section 7.5.3 of this Agreement. Nothing in this Section 10.4 will preclude any Party from seeking interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim relief, concerning a dispute prior to any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding.

10.5 Successors and Assigns. The rights of either Party under this Agreement may not be assigned, and the duties of either Party under this Agreement may not be delegated, without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign this Agreement without prior written consent to an Affiliate of such Party or to a party which acquires all or substantially all of that Party's business, whether by merger, sale of assets or otherwise; provided, however, that Lion may not exercise this right unless and until the purchaser and/or surviving entity (i) executes a written acknowledgement and agreement accepting and agreeing to be bound by the terms of this Agreement and (ii) has a net value or worth that is equal to or greater than Lion's ("**Permitted Lion Assignee**"). Any attempted assignment in violation of this Section 10.5 shall be void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

10.6 No Waiver. Any failure to enforce any provision of this Agreement shall not constitute a waiver thereof or of any other provision.

10.7 Severability. If at any time subsequent to the Effective Date, any provision of this Agreement is held by any court of competent jurisdiction to be illegal, void or unenforceable, which no appeal can be or is taken, such provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to substitute or replace the illegal, void or unenforceable provision with a valid, enforceable, and commercially reasonable substitute or replacement, such that the objectives contemplated by the Parties when entering this Agreement may be realized.

10.8 Independent Contractors. It is expressly agreed that the Parties shall be independent contractors and that the relationship between the Parties hereto shall not constitute a partnership, joint venture or agency. No Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

10.9 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any Third Party (other than a permitted successor or assign of a Party hereto) any rights, remedies, obligations or liabilities.

10.10 Representatives. During the Term, PolyBioCept has the right to engage its Representatives in exercising any of its rights and in carrying out any of its activities and obligations under this Agreement.

10.11 Force Majeure. The Parties shall not be liable for the failure or delay in performing any obligation under this Agreement if and to the extent such failure or delay is due to: (a) acts of God; (b) unusually severe weather condition, fire or explosion; (c) war, terrorism, invasion, riot or other civil unrest; (d) the issuance, adoption or enactment of any governmental laws, orders, restrictions, actions, embargoes or blockades; or (e) any other event which is beyond the reasonable control of the affected Party and could not have been avoided by using commercially reasonable efforts (each such event, a "**Force Majeure**"); provided, however, that the Party affected shall promptly notify the other Party of the Force Majeure condition; shall provide the other Party, from time to time, with its best estimate of the duration of such Force Majeure event; and shall exert all commercially reasonable efforts, at its cost, to eliminate, cure or overcome any such causes and to resume performance of its obligations as soon as possible. Force Majeure does not apply to any obligations for the timely payment by the Parties of amounts due or issuance of Shares due. If a Force Majeure persists for more than ninety (90) days, then the Parties will discuss in good faith the modification of the Parties' obligations under this Agreement in order to mitigate the delays caused by such Force Majeure.

10.12 Counterparts. This Agreement may be executed in two (2) or more counterparts (which may be transmitted in the form of a facsimile or pdf), by original, each of which shall be deemed an original, but all together shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement, as of the day and year first above written.

LION BIOTECHNOLOGIES, INC.

By: /s/ MARIA FARDIS
Name: Maria Fardis
Title: President and CEO

POLYBIOCEPT AB

By: /s/ JAKOB GEYER
Name: Jakob Geyer
Title: Director

SCHEDULE 1

Licensed Patents

Jurisdiction	Patent # / Application #	Filing Date	Status	Party Responsible for Maintenance
PCT	[* * *]	June 11, 2015	Pending	[* * *]-Maintained
PCT	[* * *]	June 11, 2015	Pending	PolyBioCept-Maintained

SCHEDULE 2

Licensed Know-How

I. **Data and Documentation**

1. Overview flow chart, complete batch records, and standard operating procedures for Expanding TIL derived from Tumors in the Original Indications using the Cytokine Cocktails under the Licensed Intellectual Property ("**Data and Documentation No. 1**").

2. Clinical Study Protocols (as such term is defined in the Clinical Trials Agreement) ("**Data and Documentation No. 2**").

3. Regulatory Filings for the Clinical Studies (as such term is defined in the Clinical Trials Agreement) ("**Data and Documentation No. 3**").

II. **Demonstration of Concept**

[* * *]

III. **Acceptance Criteria**

[* * *].

SCHEDULE 2.1

Additional Terms

The Transfer of Know-How under Section 2.2 is subject to the following additional conditions, obligations, and terms:

1. For the avoidance of doubt, any use of the Data and Documentation by Lion, its Affiliates, or sublicensees of Lion is subject to the conditions, obligations, and terms of the Agreement.

2. The selection of PolyBioCept Personnel shall be at the sole discretion of PolyBioCept.

3. Within four (4) months following the Effective Date, Lion, at its sole expense, shall provision Lion's facility at the University of South Florida Research Park in Tampa, Florida, with the Equipment and Materials, all equipment being in good working order and all materials being in a usable condition, as appropriate for their intended purpose, and shall promptly provide PolyBioCept with written notice of its Achievement of the same ("**Notice of Provisioned Facility**"). Lion shall provide PolyBioCept Personnel with access to and use of such Equipment and Materials for and during performance of the Demonstration of Concept.

4. Lion shall reimburse PolyBioCept for its total costs and expenditures in performing the Transfer of Know-How, consistent with the Budget, in amount not to exceed two hundred thousand dollars (US$200,000) in cash, which shall be paid according to the following payment schedule:

(a) one hundred and fifty thousand dollars (US$150,000) in cash concurrently with Lion providing PolyBioCept with a Notice of Provisioned Facility; and

(b) the True-up Amount within fifteen (15) days after Lion's receipt of a Notice of True-up Amount from PolyBioCept. Following PolyBioCept's delivery of the Completion Notice to Lion, PolyBioCept shall provide to Lion an accounting detailing the amount of PolyBioCept's total costs and expenditures in performing the Transfer of Know-How along with written notice of the True-Up Amount ("**Notice of True-up Amount**").

5. Following the Effective Date until PolyBioCept provides to Lion a Notice of True-up Amount, PolyBioCept shall provide to Lion on a monthly basis an accounting detailing the amount of PolyBioCept's costs and expenditures in performing the Transfer of Know-How for the immediately prior month.

6. Upon Lion's written request, PolyBioCept shall provide to Lion reasonable back-up documentary evidence, such as receipts and employee time sheets, for PolyBioCept's total costs and expenditures in performing the Transfer of Know-How. All expenses for travel, lodging, transportation and other per diem costs and expenses incurred by PolyBioCept Personnel in performing the Transfer of Know-How must be reasonable. To the extent travel PolyBioCept Personnel is set forth in the Budget, all reasonable travel, lodging, transportation and other per diem costs and expenses incurred by PolyBioCept Personnel in connection therewith shall be deemed approved by Lion.

SCHEDULE 2.2

Equipment and Materials

I. **Equipment**

1. 1 biosafety cabinet(s)
2. 1 refrigerator(s)
3. 1 Freezer -80 C, 1 Freezer -20 C
3. 1 incubator(s) with 37.0˚C and 5.0% CO2 settings
4. 1 centrifuge(s) for plates and tubes with a capacity of least fifty (50) 15 mL centrifuge tubes
5. 1 inverted microscope(s) with different magnifications to detect and monitor TIL cultures
6. 1 microplate reader(s) with an absorbance reader for ELISAs
7. 1 microplate washer(s) for ELISAs with at least twelve (12) wells and a capacity of 200 µl per well, if available
8. 1 cell counter(s) for assessing cell viability and 1 standard trypan blue exclusion cell counter chamber
9. 1 Equipment to supply a radiation therapy dose of 55 Gy (x-ray or ceasium)
10. 1 Flow-Cytometer
11. 3 pipette(s) with a capacity of 1 mL
11. 3 pipette(s) with a capacity of 200 µl
12. 3 pipette(s) with a capacity of 20 µl
13. 2 pipetboy(s)

II. **Materials**

1. 50 sterile petri dishes
2. 50 sterile disposable scalpels
3. 50 sterile disposable tweezers and forceps
4. 50 sterile 96-well microplates
5. 80 sterile 24-well microplates
6. 60 sterile 6-well microplates
7. 100 cyrovials (and caps) 2mL
8. At least 10*500mL per expansion CellGro® GMP Serum-free Dendritic Cell (DC) Medium
9. At least 1*500mL per expansion pooled normal male human AB serum
10. At least 5*100mL dimethyl sulfoxide (DMSO)
12. At least 10*50mL of each of Penicillin and Streptomycin
14. 20*500mL 0.01 M phosphate-buffered saline (PBS) solution
15. 3 serological pipette(s) with a capacity of 10 mL
16. 3 serological pipette(s) with a capacity of 50 mL
17. 2000 tips for pipettes with a capacity of 1 mL
18. 2000 tips for pipettes with a capacity of 200 µl
19. 2000 tips for pipettes with a capacity of 20 µl
20. 200 Falcon™ sterile centrifuge tubes with a capacity of 50 mL

21. 300 Falcon™ sterile centrifuge tubes with a capacity of 15 mL
21. 30 G-Rex10
22. 1,000 IU per mL, per expansion recombinant human IL-2
23. 10ng per mL, per expansion recombinant human IL-15 (according to cGMP data sheet Miltenyi)
24. 10ng per mL, per expansion recombinant human IL-21 (according to cGMP data sheet Miltenyi)
25. 30ng per mL, per expansion Anti-CD3 antibody (OKT3) GMP grade

SCHEDULE 2.3

Budget

1. The daily equivalent of five (5) PolyBioCept Personnel's annual base salary for such PolyBioCept Personnel's services in performing the Transfer of Know-How, which is estimated to be approximately sixty-six thousand seven hundred eighty dollars (US$66,780).

2. All reasonable out-of-pocket expenses incurred by PolyBioCept Personnel in performing the Transfer of Know-How, which is estimated to be approximately one hundred nine thousand seven hundred dollars (US$109,700).

3. The cost of materials provided by PolyBioCept for performing the Transfer of Know-How, and the cost and expenses incurred by PolyBioCept in transporting the same, which is estimated to be approximately twenty-three thousand five hundred twenty dollars (US$23,520).

SCHEDULE 3

License Agreements

1. [* * *] Agreement.

SCHEDULE 4

Clinical Trials Agreement

Upon its execution, a copy of the executed Clinical Trials Agreement by and between Lion and KH will be attached hereto.

SCHEDULE 5

Consulting Agreement

Upon execution, a copy of the executed Consulting Agreement by and between Lion and PolyBioCept will be attached hereto.

SCHEDULE 6

Sponsored Research Agreement

Upon its execution, a copy of the executed Sponsored Research Agreement by and between Lion and KI will be attached hereto.

SCHEDULE 7

Acceptance Certificate

This Acceptance Certificate is to certify to PolyBioCept AB (" **PolyBioCept**") that as of _____, 20__, Lion Biotechnologies, Inc. ("**Lion**") agrees that the Transfer of Know-How was materially completed by PolyBioCept in accordance with Section 2.2.1 of the Exclusive License Agreement by and between PolyBioCept and Lion dated _____.

LION BIOTECHNOLOGIES, INC.

By: _____
Name:
Title:

Exhibit 10.5

INDEMNIFICATION AGREEMENT

This Agreement is made as of [DATE], by and between Lion Biotechnologies, Inc., a Nevada corporation (the "Corporation"), and [NAME] ("Indemnitee"), a [TITLE] of the Corporation.

RECITALS

WHEREAS, it is essential to the Corporation to retain and attract as directors and officers the most capable persons available;

WHEREAS, it is the express policy of the Corporation to indemnify its directors and officers so as to provide them with the maximum possible protection permitted by law;

WHEREAS, Indemnitee does not regard the protection available under the Corporation's Articles of Incorporation and Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve or remain as director and/or officer without adequate protection; and

WHEREAS, the Corporation desires Indemnitee to serve, or continue to serve, as a director and/or officer of the Corporation.

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and Indemnitee hereby agree as follows:

1. Indemnitee's Agreement to Serve. Indemnitee agrees to serve, or to continue to serve, as an officer of the Corporation for so long as she is duly appointed or until such time as she tenders her resignation in writing or is removed from such position.

2. Definitions. As used in this Agreement:

(a) The term "Proceeding" shall include any threatened, pending or completed action, suit or proceeding, whether brought by or in the right of the Corporation or otherwise and whether of a civil, criminal, administrative or investigative nature, and any appeal therefrom.

(b) The term "Corporate Status" shall mean the status of a person who is or was a director and/or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise.

(c) The term "Expenses" shall include, without limitation, attorneys' fees, retainers, court costs, transcript costs, fees of experts, reasonable travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with investigations, judicial or administrative proceedings or appeals, but shall not include the amount of judgments, fines or penalties against Indemnitee or amounts paid in settlement in connection with such matters.

(d) References to an "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner she reasonably believed to be in the interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Agreement.

3. Indemnification in Third-Party Proceedings. The Corporation shall indemnify Indemnitee in accordance with the provisions of this Paragraph 3 if Indemnitee was or is a party to, or is threatened to be made a party to or otherwise involved in, any Proceeding (other than a Proceeding by or in the right of the Corporation to procure a judgment in its favor) by reason of Indemnitee's Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith, against all Expenses, judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal Proceeding, had no reasonable cause to believe that Indemnitee's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal Proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful.

4. Indemnification in Proceedings by or in the Right of the Corporation. The Corporation shall indemnify Indemnitee in accordance with the provisions of this Paragraph 4 if Indemnitee was or is a party to, or is threatened to be made a party to or otherwise involved in, any Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of Indemnitee's Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith, against all Expenses and, to the extent permitted by law, judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests or the Corporation, except that no indemnification shall be made under this Paragraph 4 in respect to any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction, after the exhaustion of all appeals therefrom, to be liable to the Corporation or for amounts paid in settlement to the Corporation, unless and only to the extent that the court before which the Proceeding was brought or other court of competent jurisdiction shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses and other amounts as such court shall deem proper.

5. Exceptions to Right of Indemnification. Notwithstanding anything to the contrary in this Agreement: (a) except as set forth in Paragraph 10, the Corporation shall not indemnify Indemnitee in connection with a Proceeding (or part thereof) initiated by Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation; (b) the Corporation shall not indemnify Indemnitee to the extent Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to Indemnitee and Indemnitee is subsequently reimbursed from the proceeds of insurance, Indemnitee shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement; and (c) unless otherwise ordered by a court of competent jurisdiction, the Corporation shall not indemnify Indemnitee if a court of competent jurisdiction in a final adjudication determines that Indemnitee's acts or omissions involved intentional misconduct, fraud or a knowing violation of law which was material to the Proceeding.

6. Indemnification of Expenses. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding or in defense of any claim, issue or matter therein, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. Without limiting the foregoing, if any Proceeding or any claim, issue or matter therein is disposed of, on the merits or otherwise (including a disposition without prejudice), without (a) the disposition being adverse to Indemnitee, (b) an adjudication that Indemnitee was liable to the Corporation, (c) a plea of guilty or nolo contendere by Indemnitee, (d) an adjudication that Indemnitee did not act in good faith and in a manner she reasonably believed to be in or not opposed to the best interests of the Corporation, and (e) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe her conduct was unlawful, Indemnitee shall be considered for the purposes of this Agreement to have been wholly successful with respect thereto. In addition, notwithstanding any other provision contained in this Agreement, to the extent that Indemnitee is, by reason of her Corporate Status, a witness to any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified and held harmless from all Expenses actually and reasonably incurred by Indemnitee in connection therewith.

7. Notification and Defense of Claims. As a condition precedent to Indemnitee's right to be indemnified, Indemnitee agrees to notify the Corporation in writing as soon as reasonably practicable of any Proceeding for which indemnity will or could be sought by Indemnitee and provide the Corporation with a copy of any summons, citation, subpoena, complaint, indictment, information or other document relating to such Proceeding with which Indemnitee is served; provided, however, that the failure to give such notice shall not relieve the Corporation of its obligations to Indemnitee under this Agreement, except to the extent, if any, that the Corporation is actually and materially prejudiced by the failure to give such notice. With respect to any Proceeding of which the Corporation is so notified, the Corporation shall be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to Indemnitee. After notice from the Corporation to Indemnitee of its election so to assume such defense, the Corporation shall not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with such Proceeding, other than as provided below in this Paragraph 7. Indemnitee shall have the right to employ Indemnitee's own counsel in connection with such Proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by Indemnitee has been authorized by the Corporation, (b) counsel to Indemnitee shall have reasonably concluded and advised the Corporation in writing that there is a conflict of interest on any significant issue between the Corporation and Indemnitee in the conduct of the defense of such Proceeding, or (c) the Corporation shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the fees and expenses of counsel for Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Agreement. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for Indemnitee shall have reasonably made the conclusion and given the notice provided for in clause (b) above. The Corporation shall not be required to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its written consent. The Corporation shall not settle any Proceeding in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee will unreasonably withhold its consent to any proposed settlement.

8. Advancement of Expenses. Any Expenses incurred by Indemnitee in connection with any such Proceeding to which Indemnitee was or is a witness or a party or is threatened to be a party by reason of her Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith shall be paid by the Corporation in advance of the final disposition of such matter; provided, however, that the payment of such Expenses incurred by Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Agreement; and further provided that no such advancement of Expenses shall be made if it is determined in accordance with the terms of this Agreement that (a) Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (b) with respect to any criminal action or proceeding, Indemnitee had reasonable cause to believe Indemnitee's conduct was unlawful. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment. If, pursuant to the terms of this Agreement, Indemnitee is not entitled to be indemnified with respect to such Proceeding, then such Expenses shall be repaid by Indemnitee within sixty days after the receipt by Indemnitee of the written request by the Corporation for Indemnitee to make payments to the Corporation.

9. Procedure for Indemnification. In order to obtain indemnification pursuant to Paragraph 3, 4, 6 or 8 of this Agreement, Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification or advancement of Expenses. Any such indemnification or advancement of Expenses shall be made promptly by the Corporation and in any event within sixty days after receipt by the Corporation of the written request of Indemnitee, unless with respect to requests under Paragraph 3 or 4 the Corporation determines within such sixty-day period that Indemnitee did not meet the applicable standard of conduct set forth in Paragraph 3 or 4, as the case may be. Such determination, and any determination pursuant to Paragraph 8 that advanced Expenses must be repaid to the Corporation, shall be made in each instance (a) by the Corporation's Board of Directors by majority vote of a quorum consisting of directors who are not, and were not, parties to the Proceeding ("Disinterested Directors"), (b) if a majority vote of a quorum consisting of Disinterested Directors so orders, by independent legal counsel (selected by the Disinterested Directors) in a written opinion, (c) if a majority vote of a quorum of Disinterested Directors cannot be obtained, by independent legal counsel (selected by the Disinterested Directors) in a written opinion, or (d) by the stockholders of the Corporation, if that option is selected by the Disinterested Directors. To the extent permitted by applicable law, such counsel may be regular legal counsel to the Corporation. If there are no Disinterested Directors, independent legal counsel shall be selected by a majority vote of the directors then in office.

10. Remedies. The right to indemnification and advancement of Expenses as provided by this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction. Unless otherwise required by law, the burden of proving that indemnification is not appropriate shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Paragraph 9 that Indemnitee has not met such applicable standard of conduct shall create a presumption that Indemnitee has not met the applicable standard of conduct. Indemnitee's expenses, of the type described in the definition of "Expenses" in Paragraph 2(c), actually and reasonably incurred in connection with successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such Proceeding also shall be reimbursed by the Corporation.

11. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the Expenses, judgments, fines, penalties or amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any Proceeding but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such Expenses, judgments, fines, penalties or amounts paid in settlement to which Indemnitee is entitled.

12. Subrogation. In the event of any payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action reasonably necessary to secure such rights, including execution of such documents as are reasonably necessary to enable the Corporation to bring suit to enforce such rights.

13. Term of Agreement. This Agreement shall continue until and terminate upon the latest of (a) six years after the date that Indemnitee shall have ceased to serve as a director and/or officer of the Corporation or, at the request of the Corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; (b) the expiration of all applicable statute of limitations periods for any claim which may be brought against Indemnitee in a Proceeding as a result of her Corporate Status; or (c) the final termination of all Proceedings pending on the date set forth in clauses (a) or (b) in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Paragraph 10 of this Agreement relating thereto.

14. Indemnification Hereunder Not Exclusive. The indemnification and advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under the Corporation's Articles of Incorporation or Bylaws, any agreement, any vote of stockholders or Disinterested Directors, the applicable law of the State of Nevada, and any other law (common or statutory) or otherwise, both as to action in Indemnitee's official corporate capacity and as to action in another capacity while holding office for the Corporation. Nothing contained in this Agreement shall be deemed to prohibit the Corporation from purchasing and maintaining insurance, at its expense, to protect itself or Indemnitee against any expense, liability or loss incurred by it or Indemnitee in any such capacity, or arising out of Indemnitee's status as such, whether or not Indemnitee would be indemnified against such expense, liability or loss under this Agreement; provided that the Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise, including as provided in Paragraph 5 of this Agreement.

15. No Special Rights. Nothing in this Agreement shall confer upon Indemnitee any right to continue to serve as a director or officer of the Corporation for any period of time or at any particular rate of compensation.

16. Savings Clause. If this Agreement or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify Indemnitee as to Expenses, judgments, fines, penalties and amounts paid in settlement with respect to any Proceeding to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the fullest extent permitted by applicable law.

17. Counterparts; Signatures. This Agreement may be executed in two counterparts, both of which together shall constitute the original instrument. This Agreement may be executed by facsimile signatures or by signatures e-mailed in PDF format.

18. Successors and Assigns. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of the estate, heirs, executors, administrators and personal representatives of Indemnitee.

19. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Amendment and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties to this Agreement. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement nor shall any such waiver constitute a continuing waiver.

21. Notices. Each notice, demand and other communication hereunder shall be in writing and shall be deemed to have been given (1) when delivered by hand, (2) if mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, or (3) on the first business day after having been delivered to a reputable overnight delivery service:

(a) if to Indemnitee, to Indemnitee's address set forth on the signature page of this Agreement;

(b) if to the Corporation, to:

Lion Biotechnologies, Inc.
112 W. 34th Street, 17th floor,
New York, New York 10120
Attention: Board of Directors

or to such other address as may have been furnished to Indemnitee by the Corporation or to the Corporation by Indemnitee, as the case may be.

22. Applicable Law. This Agreement is governed by and is to be construed in accordance with the laws of the State of Nevada without giving effect to any provisions thereof relating to conflict of laws.

23. Enforcement. The Corporation expressly confirms and agrees that it has entered into this Agreement in order to induce Indemnitee to continue to serve as a director and/or officer of the Corporation and acknowledges that Indemnitee is relying upon this Agreement in continuing in such capacity.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above.

LION BIOTECHNOLOGIES, INC.

By: _____
Print Name: _____
Title: _____

_____
Signature of Indemnitee

Print Name: _____

Address: _____

_____

Exhibit 31.1

CERTIFICATION

I, Maria Fardis, Chief Executive Officer of Lion Biotechnologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lion Biotechnologies, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my 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

   d) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my 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.

Dated: November 4, 2016

By: /s/ Maria Fardis
Maria Fardis
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Greg Schiffman, Chief Financial Officer of Lion Biotechnologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lion Biotechnologies, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, 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;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my 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

    d) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my 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.

Dated: November 4, 2016

By: /s/ Greg Schiffman
Greg Schiffman
Chief Financial Officer

Exhibit 32.1

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 Lion Biotechnologies, Inc. (the "Company") for the quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Maria Fardis, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2016

By: /s/ Maria Fardis
Maria Fardis
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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 Lion Biotechnologies, Inc. (the "Company") for the quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Greg Schiffman, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2016

By: /s/ Greg Schiffman
Greg Schiffman
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.