

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 10-K/A  
Amendment No. 1

(Mark  
One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.  
For the fiscal year ended December 31, 2013

TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 333-178082

**XENETIC BIOSCIENCES, INC.**

(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

45-2952962  
(IRS Employer  
Identification No.)

99 Hayden Ave, Suite 230  
Lexington, Massachusetts 02421  
(Address of principal executive offices and zip code)  
781-778-7720  
(Registrant's telephone number, including area code)

Title of Each Class  
None

Name of Each Exchange  
on Which Registered  
None

Securities registered pursuant to Section 12(b) of the Act:  
None

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes  No

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 (§ 232.405 of this chapter) 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: 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. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

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

The approximate aggregate market value of voting common stock held by non-affiliates of the registrant, based upon the last sale price of the registrant's common stock on the last business day of the registrant's most recently completed second fiscal quarter June 30, 2013 (based upon the shares of common stock at the closing sale price of the registrant's common stock listed as reported on the OTC Bulletin Board), was approximately \$700,000. Note, however, that this was prior to the Acquisition described herein.

As of April 15, 2015 the number of outstanding shares of the registrant's common stock was 146,740,692.

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**DOCUMENTS INCORPORATED BY REFERENCE**

None.

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## EXPLANATORY NOTE

The Registrant is filing this Amendment No. 1 on Form 10-K/A ("Form 10-K/A") to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 ("Form 10-K") to include all of the Part III information required by applicable rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, the Registrant hereby amends and replaces in their entirety Items 10, 11, 12, 13 and 14 in the Form 10-K. The Registrant has also included Exhibit 101 on this Form 10-K/A.

Except as described above, there have been no other changes to the Annual Report filed on Form 10-K filed with the SEC on April 15, 2014. This Form 10-K/A does not purport to reflect any information or events subsequent to the filing thereof. As such, this Form 10-K/A speaks only as of the date the Form 10-K was filed, and the Registrant has not undertaken herein to amend, supplement or update any information contained in the Form 10-K to give effect to any subsequent events. Accordingly, this Form 10-K/A should be read in conjunction with the Form 10-K.

Unless otherwise noted, all historical information presented in this Form 10-K/A reflects the operations of Xenetic Biosciences plc ("Xenetic UK"), the accounting acquirer of Xenetic Biosciences, Inc. (the "Company") in a reverse acquisition transaction that was completed on January 23, 2014 (the "Acquisition").

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**PART III**

**ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

**Directors and Executive Officers**

Set forth below is the name, age, position and brief account of the business experience of each of our executive officers and directors as of April 15, 2014. Each of our directors will hold office until our next annual meeting of shareholders or until his or her successor has been duly elected and qualified.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Michael Scott Maguire	50	President, Chief Executive Officer and Director
Colin W. Hill	68	Secretary, Treasurer, Chief Financial Officer and Director
Firdaus Jal Dastoor, FCS	61	Director
Artur Isaev	43	Director
Sir Brian Richards	81	Director
Dr. Timothy R. Coté	53	Director
Darlene Deptula-Hicks	56	Director

***Michael Scott Maguire***

Mr. Maguire has been President, Chief Executive Officer and Director of the Company since January 2014 having been appointed pursuant to terms included in the Company's acquisition of Xenetic UK. Mr. Maguire served with Xenetic UK as its Chief Executive Officer from April 2004 to the present. His background is in life science and healthcare investment banking and he has advised many US and European companies on capital raisings and commercial development over his 26 year career. Mr. Maguire began his banking career with Merrill Lynch in 1987 in New York, and after receiving his MBA from the Babson Graduate School in 1993, he joined the healthcare division of W.R. Grace National Medical Care ("NMC") where he helped develop the international healthcare division. During his time in charge of international business development, he helped double NMC's international revenues through Mergers and Acquisitions. In 1996 he co-founded the Arthur Andersen global healthcare corporate finance practice based in London, a practice that he built to include a staff of 36 across the US and Europe, elevating to the role of managing director. Mr. Maguire is currently a director of Healthcare Capital Partners Limited, a healthcare corporate finance and proprietary investment boutique he co-founded in 2002 and a non-executive director of Renal Services (UK) Limited, a company focused on dialysis service provision in the UK. Based on Mr. Maguire's experience within the biotechnology sector and his executive experience, specifically his experience as an executive officer at other companies, as well as his service on other boards of directors, the Board believes Mr. Maguire has the appropriate set of skills to serve as a member of our Board.

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**Colin W. Hill**

Mr. Hill has been Secretary, Treasurer, Chief Financial Officer and Director of the Company since January 2014 having been appointed pursuant to terms included in the Company's acquisition of Xenetic UK. Mr. Hill served as Chief Financial Officer of Xenetic UK from June 2007 to the present. Prior to joining Xenetic UK, he was Finance Director from 2001 to 2003 and non-executive Chairman from 2003 to 2006 of Greenchip Investments plc. Mr. Hill has been a member of the Chartered Institute of Management Accountants since 1968 and spent 15 years in industry specializing in corporate turnaround and development work before becoming a freelance consultant in 1981. Since that time, he has focused on due diligence relating to corporate finance assignments in small and medium enterprises and public companies with small market capitalizations in the UK, US, and overseas. Between 1998 and 2008 Mr. Hill was Group Finance Director of Arlington Group plc, a company listed on the London Alternative Investments Market ("AIM") stock exchange. Based upon Mr. Hill's extensive financial experience, including his experience working with quoted companies on AIM and participation on other boards of directors, the Board believes that Mr. Hill has the appropriate set of skills to serve as a member of our Board.

**Firdaus Jal Dastoor, FCS**

Mr. Dastoor was appointed as a Director of the Company in January 2014 pursuant to terms included in the Company's acquisition of Xenetic UK. Mr. Dastoor was appointed non-executive Director of Xenetic UK in July 2007. He has been a Fellow Member of The Institute of Company Secretaries of India since 2008 and began his career as a company secretary. He was Company Secretary of the Poonawalla Group until 1994. He then took on assignments involved in business development strategies and operations. Mr. Dastoor is on the board of several companies operating in the field of engineering products, life sciences and biotech, international trade, financial services and quality standards certifications. Currently, he is a Group Director of the Poonawalla Group of Companies in charge of Finance and Corporate Affairs. Based on Mr. Dastoor's experience in the field of life sciences and biotechnology, finance and business development, the Board believes Mr. Dastoor has the appropriate set of skills to serve as a member of our Board.

**Artur Isaev**

Mr. Isaev was appointed as a Director of the Company in January 2014 pursuant to terms included in the Company's acquisition of Xenetic UK. Mr. Isaev has been a General Director and a majority shareholder of Human Stem Cells Institute OJSC Russia's public biotech company, headquartered in Moscow. Mr. Isaev has a degree in Medicine and an MBA. He started his business career as a top manager in brokerage, investment and auditing companies. In 2003 he founded Human Stem Cells Institute and from the very beginning has occupied the post of its General Director. Mr. Isaev is a vice president of a non-governmental organization of experts in cell technologies and regenerative medicine. Based on Mr. Isaev's medical education and his experience in clinical stage biotechnology companies, the Board believes Mr. Isaev has the appropriate set of skills to serve as a member of our Board.

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***Sir Brian Richards, CBE, BSc, PhD, DSc***

Sir Brian Richards was appointed to the Board of Directors of the Company in February 2014. Sir Brian was appointed to the Board of Directors of Xenetic UK and became its non-executive Chairman in June 2005 and has been principally occupied in that capacity since 2005. He has extensive experience of chairing boards of public companies including Alizyme plc, Cozart plc, Summit Corporation plc and MAN Mali (Guernsey) Limited. Sir Brian previously served as executive Chairman of British Biotechnology Limited, a company he co-founded, and has had non-executive chairmanships or directorships of several biopharmaceutical companies including Peptide Therapeutics (later Acambis plc), Oxford Biomedica plc and CeNeS Pharmaceuticals plc. Based upon his extensive past and present experience in chairing boards of public companies including companies in the biotechnology sector, the Board believes that Sir Brian has the appropriate set of skills to serve as a member of our Board.

***Dr. Timothy R. Coté***

Dr. Coté was appointed to the Board of Directors of the Company in February 2014. Dr. Coté is a leading national regulatory expert in orphan drug development. Mr. Coté has 22 years of federal service at the FDA, the National Institute of Health, and the Center for Disease Control. Most recently, Dr. Coté served as the Director of the FDA Office of Orphan Products Development from 2007 to 2011. Dr. Coté was instrumental in implementing the Orphan Drug Act and personally signed more than 800 orphan drug designations. Since leaving his position with the FDA in 2011 to the present, Dr. Coté has been engaged as Chief Executive Officer and Principal of Coté Orphan Consulting, LLC, a regulatory affairs advisory firm based in Silver Spring, Maryland, that provides valuable strategic planning and execution services to companies developing or seeking to develop orphan products. Based on his extensive experience in FDA matters, including with the FDA's Orphan Products Development Program, the Board believes that Dr. Coté has the appropriate set of skills to serve as a member of our Board.

***Darlene Deptula-Hicks***

Ms. Deptula-Hicks was appointed to the Board of Directors of the Company in April 2014. Ms. Deptula-Hicks is a strategic senior financial executive with extensive experience in both public and private companies, including experience in fund raising, mergers and acquisitions, public and private offerings and with operational management focused in life sciences. Since June 2012, Ms. Deptula-Hicks has served as Vice President and Chief Financial Officer of Microline Surgical, Inc. From 2006 to 2011, Ms. Deptula-Hicks was the Vice President, Chief Financial Officer, Treasurer and Secretary of ICAD, Inc. She received her Bachelor of Science in Accounting from Southern New Hampshire University and her MBA from Rivier College. Based upon her extensive financial experience including experience in fund raising, mergers, public companies and life sciences, the Board believes Ms. Deptula-Hicks has the appropriate set of skills to serve as a member of our Board.

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## **Board of Directors' Role in Risk Oversight**

Our Board of Directors is responsible for consideration and oversight of risks facing the Company, and is responsible for ensuring that material risks are identified and managed appropriately, including the evaluation of risk assessment and the Company's risk management policies. In fulfilling this role, the Board of Directors receives reports directly from the Company's management. In addition, the Board of Directors reviews areas of material risk to the Company, including operational, financial, legal, regulatory and strategic risks. The Board of Directors also considers the risks associated with our compensation policies and practices, oversees risks associated with our governance structure and processes and annually reviews our organizational documents and other policies. The Board of Directors also considers specific risk topics in connection with strategic planning and other matters.

### **The Board of Directors**

The Board of Directors held four meetings during the fiscal year ended December 31, 2013. During the 2013 fiscal year, seven Board members attended 100% of the total number of Board meetings held during the period he or she was a director, and one Board member attended less than 75% of the total number of Board meetings held during the period he was a director. Currently, the Board consists of seven members: Michael Scott Maguire, Colin W. Hill, Firdaus Jal Dastoor, Artur Isaev, Sir Brian Richards, Dr. Timothy R. Coté and Darlene Deptula-Hicks. Sir Brian Richards is the Chairman of the Board. Once elected or otherwise appointed to our Board, directors hold office until the next annual meeting or until his or her successor has been duly elected and qualified. Directors are elected by a simple majority of votes cast by shareholders.

### **Committees of the Board**

Currently, the Board of Directors has not designated any standing committees.

The audit committee function is performed as a committee of the Board as a whole. The audit committee function includes the selection and engagement of independent accountants and for reviewing the scope of the annual audit, audit fees, results of the audit and auditor independence. The audit committee function also includes review and discussion with management such matters as accounting policies, internal accounting controls for preparation of financial statements. Currently, the Board has not adopted a written charter governing the audit committee function. During March 2014, the Board of Directors determined that Ms. Deptula-Hicks is a "financial expert" within the meaning of applicable regulations adopted by the SEC.

The compensation committee function is performed as a committee of the Board as a whole. The compensation committee function includes overseeing the Company's overall compensation structure, policies and programs and review of the Company's process and procedures for the determination of director and executive compensation with an overall objective to develop and implement such compensation policies and plans that ensure the attraction and retention of key management personnel and the alignment of the interests of management with the long-term interests of the Company's stockholders. Currently, the Board has not adopted a written charter for the governance of the compensation committee function.

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**Code of Business Conduct and Ethics**

We plan to adopt a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We recently became a US public company as a result of the Acquisition and are still in the process of finalizing our corporate governance policies.

**ITEM 11 – EXECUTIVE COMPENSATION**

This item sets forth the compensation information for Michael Scott Maguire, our Chief Executive Officer, Colin W. Hill, our Chief Financial Officer, Gregory Gregoriadis, former Chief Scientific Officer of our wholly owned subsidiary, Lipoxen Technologies Limited, Dr. Henry Hoppe IV, Vice President of Drug Development, and Ari Nagler, President, Chief Executive Officer, Chief Financial Officer and Director of General Sales and Leasing, Inc. (each a “named executive officer” and collectively the “named executive officers” or most highly compensated employees).



## Summary Compensation Table

Our compensation programs for our executives have historically consisted primarily of a combination of a competitive base salary, cash bonus combined with equity incentive awards.

The following table sets forth information concerning the compensation of our named executive officers and each of our most highly compensated employees for the years ended December 31, 2013 and 2012:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option/ JSOP Awards (\$)(1)	Non- Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Michael Scott Maguire Chief Executive Officer ("CEO")	2013	\$ 524,995	\$ 352,035	\$ -	\$ -	\$ -	\$ 61,958	\$ 938,988
	2012	530,759	-	-	710,932 (2)	-	62,762	1,304,453
Colin W. Hill Chief Financial Officer ("CFO")	2013	247,833	-	-	-	-	28,839	276,672
	2012	251,048	-	-	142,957 (2)	-	29,213	423,218
Gregory Gregoriadis (former) Chief Scientific Officer	2013	160,947	-	-	-	-	-	160,947
	2012	162,062	-	-	-	-	-	162,062
Dr. Henry Hoppe IV Vice President of Drug Development	2013	200,000	-	-	-	-	-	200,000
	2012	133,333	-	-	111,237	-	-	244,570
Ari Nagler (3) (former) President, CEO, CFO and Director	2013	15,000	-	-	-	-	-	15,000
	2012	-	-	-	-	-	-	-

(1) The amounts represent the aggregate grant date fair value of stock options, including Joint Stock Ownership Plan ("JSOP") awards, granted during each fiscal year. The valuation of stock options is based on the assumptions and methodology set forth in Note 12 to our audited consolidated financial statements included in our Annual Report on Form 10-K filed with the SEC on April 15, 2014.

(2) JSOP awards.

(3) Ari Nagler resigned all positions with the Company in January 2014 upon consummation of the Acquisition. The \$15,000 reflected in this table was paid prior to the consummation of the Acquisition.

## Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information with respect to outstanding equity awards held by our named executive officers at December 31, 2013.

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	JSOP Awards (#) Exercisable	JSOP Awards (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option/JSOP Expiration Date
Michael Scott Maguire	1/17/06	1,864,117 (1)	-			-	\$ 0.06	1/15/16
	1/17/06	119,963 (1)	-			-	\$ 0.06	1/15/16
	6/10/10	247,535	-			-	\$ 0.50	6/9/20
	6/10/10	247,535	-			-	\$ 0.50	6/9/20
	6/10/10			1,234,267	-	-	\$ 0.35	None (3)
	3/2/12			-	7,481,815 (2)	-	\$ 0.53	None (3)
Colin W. Hill	6/10/10	359,487	-			-	\$ 0.50	6/9/20
	6/10/10	64,000	-			-	\$ 0.50	6/9/20
	6/10/10	-	23,861 (2)			-	\$ 0.50	6/9/20
	6/10/10	-	23,861 (2)			-	\$ 0.50	6/9/20
	6/10/10	-	23,862 (2)			-	\$ 0.50	6/9/20
	6/10/10			467,646	-	-	\$ 0.35	None (3)
	3/2/12			-	1,504,466 (2)	-	\$ 0.53	None (3)
Dr. Henry Hoppe IV	5/1/12	320,000	-			-	\$ 0.56	4/30/20
	5/1/12	-	320,000			-	\$ 0.91	4/30/21
	5/1/12	-	320,000			-	\$ 1.27	4/30/22
Gregory Gregoriadis	5/26/04	130,232	-			-	\$ 0.04	5/25/14

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- (1) These options were all exercised in January 2014.
  - (2) These common stock options and JSOP awards became exercisable in January 2014.
  - (3) The JSOP awards do not carry an expiration date once vested. Please refer to Note 12 to our audited consolidated financial statements included in our Annual Report on Form 10-K filed with the SEC on April 15, 2014 for further description of the JSOP awards.

## **Employment Agreements with our Named Executive Officers**

### ***Employment Agreement with Michael Scott Maguire***

The Company entered into a written employment agreement with Michael Scott Maguire on November 3, 2009 for a term then commencing and continuing thereafter unless and until terminated by either Mr. Maguire or the Company in writing with not less than twelve months' notice. Mr. Maguire's present annual salary under his employment agreement is \$524,995. The salary under this agreement is subject to periodic review by the Company without any obligation on the part of the Company to increase. The Company is required to make contributions to its Defined Contribution Pension Scheme, currently being made at a rate of 12% of basic salary. Additionally, Mr. Maguire is provided with life insurance coverage equal to four times basic salary and is entitled to participate in the Company's Permanent Health and Private Medical Schemes. He is also eligible to participate in the Company's bonus and share option/equity incentive schemes in force from time to time. The agreement may be terminated by the Company for good cause without notice or payment in lieu of notice to Mr. Maguire. Please refer to "Employment Agreement, dated November 3, 2009, between Lipoxen plc and Michael Scott Maguire" which is filed as Exhibit 10.1 in the Annual Report on Form 10-K filed on April 15, 2014, herein incorporated by reference.

### ***Employment Agreement with Colin W. Hill***

The Company entered into a written employment agreement with Colin W. Hill in June 2007 for a term commencing June 11, 2007 and continuing thereafter, indefinitely, unless terminated by either Mr. Hill or the Company in writing with not less than twelve months' notice. Mr. Hill's present annual salary under his employment agreement is \$247,833 and is subject to annual review by the Company without any obligation on the part of the Company to increase. The Company is required to make contributions to a Defined Contribution Personal Pension Scheme, currently being made at a rate of 12% of basic salary. Additionally, Mr. Hill is provided with life insurance coverage equal to approximately \$125,000 and is entitled to participate in the Company's Permanent Health and Private Medical Schemes. He is also eligible to participate in the Company's share option/equity incentive schemes in force from time to time but has no contractual entitlement to participate in the Company's bonus scheme. The agreement may be terminated by the Company for good cause without notice or payment in lieu of notice to Mr. Hill. Please refer to "Employment Agreement, dated July 2, 2007, between Lipoxen plc and Colin W. Hill" which is filed as Exhibit 10.2 in the Annual Report on Form 10-K filed on April 15, 2014, herein incorporated by reference.

### ***Employment Agreement with Henry Hoppe***

The Company entered into a written employment agreement with Dr. Henry Hoppe in April 2012. Dr. Hoppe's current annual salary under his employment agreement is \$200,000. Dr. Hoppe's annual base salary shall be re-determined annually by the Chief Executive Officer and or by the Board of Directors and he is eligible for a performance bonus of up to 25% of his then current annual base salary as provided in the agreement. If the Company terminates his agreement without cause or if he terminates his employment agreement with cause, then Dr. Hoppe shall be entitled to a severance payment equal to six months of his annual base salary, plus one month additional salary for each complete year of employment starting with the first anniversary of the effective date of the employment agreement which employment agreement was effective April 2012. The agreement may be terminated by the Company for good cause without notice or payment in lieu of notice to Dr. Hoppe. Please refer to "Form of Employment Agreement, dated April 30, 2012, between Xenetic Bioscience, Incorporated and Dr. Henry Hoppe IV" which is filed as Exhibit 10.23 to this Form 10-K/A.

## Compensation of Directors

During 2006, the Board of Directors established non-employee directors' compensation in the amount of \$4,694 per annum. The annual fee for non-employee directors has remained unchanged since then.

### Director Compensation Table

The following table sets forth certain information with respect to non-employee director compensation during 2013.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Sir Brian Richards	\$ 4,694	\$ -	\$ -	\$ 112,651**	\$ 117,345
Firdaus J. Dastoor	4,694	-	-	-	4,694
Artur Isaev	4,694	-	-	-	4,694
Dr. Timothy Coté	*	-	-	-	-
Darlene Deptula-Hicks	*	-	-	-	-

\* These non-employee directors were not elected until 2014.

\*\* Represents all other compensation for consulting services provided to the Company apart from the role of director.

## ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of the Company's common stock as of April 15, 2014 by (i) each director of the Company; (ii) each named executive officer of the Company; (iii) all executive officers and directors of the Company as a group; and (iv) each stockholder known by the Company to be the beneficial owner of more than 5% of the shares of its common stock. In compiling the table, the Company has relied upon information supplied by such persons and upon information contained in SEC filings.

Under applicable rules of the Securities Exchange Act of 1934 (the "Exchange Act"), a person is deemed to beneficially own shares of common stock if that person directly or indirectly has or shares voting power or investment power with respect to those shares. Except as indicated in the footnotes to the table, the individuals and entities named in the table have sole voting and investment power with respect to all shares of common stock that they respectively own beneficially.

Under applicable Exchange Act rules, a person is also deemed to beneficially own shares which the person has the right to acquire within sixty days. For example, on April 15, 2014, if an individual owns options to acquire 1,000 shares of common stock and those options would be exercisable on or before June 14, 2014, that individual will also be deemed to own those 1,000 shares of common stock on April 15, 2014.

The percentage of shares beneficially owned is based on 146,740,692 shares of common stock outstanding as of April 15, 2014. Unless otherwise indicated, the address for each listed stockholder is c/o Xenetic Biosciences, Inc., 99 Hayden Ave, Suite 230, Lexington, MA 02421.

Name of Beneficial Owner	Number of Shares	Percent of Beneficial Ownership of Common Stock
<b>Named Executive Officers and Directors:</b>		
Michael Scott Maguire	11,651,576 (1)	7.9%
Colin W. Hill	3,067,167 (2)	2.1%
Sir Brian Richards	789,084 (3)	*
Firdaus J. Dastoor	359,968 (4)	*
Gregory Gregoriadis	130,232 (5)	*
Artur Isaev	-	*
Darlene Deptula-Hicks	-	*
Dr. Timothy Coté	-	*
Ari Nagler	- (6)	*
All executive officers and directors as a group (9 members)	15,998,027 (7)	10.8%
<b>5% Stockholders</b>		
SynBio LLC	62,667,264 (8)	41.7%
Baxter Healthcare SA	17,627,589 (9)	11.6%
Serum Institute of India	13,843,984 (10)	9.4%

\* Represents beneficial ownership of less than one percent.

- (1) The total beneficial ownership consists of 2,440,424 shares of common stock owned directly or through nominee trusts, 8,716,082 JSOP award shares and 495,070 shares issuable upon exercise of options.
- (2) The total beneficial ownership consists of 599,984 shares of common stock owned directly or through nominee trusts, 1,972,112 JSOP award shares and 495,071 shares issuable upon exercise of options.
- (3) The total beneficial ownership consists of 723,968 shares of common stock owned directly or through nominee trusts and 65,116 shares issuable upon exercise of options.
- (4) The total beneficial ownership consists of 359,968 shares of common stock owned directly or through nominee trusts.
- (5) The total beneficial ownership consists of 130,232 shares issuable upon exercise of options. Mr. Gregoriadis resigned his position as Chief Scientific Officer of the wholly owned subsidiary, Lipoxen Technologies Limited, in January 2014. Mr. Gregoriadis remains affiliated with the Company as a member of its Scientific Advisory Board.
- (6) Ari Nagler resigned all positions with the Company in January 2014 upon consummation of the Acquisition.
- (7) The total beneficial ownership consists of 4,124,344 shares of common stock owned directly or through nominee trusts, 10,688,194 JSOP award shares and 1,185,489 shares issuable upon exercise of options.
- (8) The total beneficial ownership consists of 59,121,664 shares of common stock owned directly, including 4,800,000 held in escrow, and 3,545,600 shares issuable upon exercise of warrants. The address of SynBio LLC is Building 2, 55/1, Leninsky Prospekt, Moscow, Russian Federation.
- (9) The total beneficial ownership consists of 13,039,291 shares of common stock owned directly and 4,588,298 shares issuable upon exercise of warrants. The address of Baxter Healthcare SA is Postfach, 8010, Zurich, Switzerland.
- (10) The total beneficial ownership consists of 7,582,400 shares of common stock owned directly and 6,261,584 shares of common stock owned by related affiliates of Serum Institute of India. The address of Serum Institute of India is S. No. 212/2, Off Soli Poonawalla Road, Hadapsar, Pune, 411028, Maharashtra, India.

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## **Stock-Based Compensation Plans**

### ***2000 Stock Plan***

In July 2000, the Company's Board of Directors and stockholders adopted the Lipoxen plc Unapproved Share Option Plan (the "2000 Stock Plan"), under which stock options may be granted to employees, consultants and non-employee directors. The 2000 Stock Plan was amended by resolution of the Board of Directors in March 2006.

Options granted under the 2000 Stock Plan expire no later than ten years from the date of grant and have limited transferability. Options are granted with an exercise price determined by the Board of Directors. Options may be granted with different vesting terms from time to time but not more than 50% on or after the first anniversary, 25% on or after the second anniversary, and 25% on or after the third anniversary.

The number of options available to grant under the 2000 Stock Plan is limited to 15% of the issued ordinary share capital of the Company.

Subsequent to the Acquisition, the 2000 Stock Plan was converted to reflect the new shares issued by the Company under the Scheme related to the Acquisition. As part of the conversion, option holders under the 2000 Stock Plan have the right to subscribe for a number of shares of common stock in the Company (the "Replacement Option Shares") in exchange for the cancellation and surrender by the option holder of the original options granted by the 2000 Stock Plan. The number of Replacement Option Shares is determined in the same manner in which the shareholders of Xenetic UK were given the right to acquire shares of common stock in the Company according to the Acquisition. The aggregate exercise price payable in US dollars for Replacement Option Shares is the same as the aggregate exercise price in pounds sterling of the original options, using a foreign currency exchange rate for pounds sterling into US dollars quoted by Barclays Bank plc at 12 noon Greenwich Mean Time ("GMT") on January 23, 2014, the date of the Acquisition.

### ***2007 Stock Plan***

In August 2007, the Company's Board of Directors and stockholders adopted the Xenetic Biosciences plc 2007 Share Option Scheme (the "2007 Stock Plan"), under which Enterprise Management Incentives may be granted to employees and non-employee directors. The 2007 Stock Plan was amended by resolution of the Board of Directors and shareholders in June 2010 to include the US Share Option Addendum for the purposes of granting incentive stock options and non-statutory stock within the meaning of Section 422 of the Internal Revenue Code.

Options granted under the 2007 Stock Plan expire no later than ten years from the date of grant and have limited transferability. Options may be granted with different vesting terms from time to time or no vesting conditions. The option price of an incentive stock option granted to an employee or of a non-statutory stock option granted to any person who owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company (or any parent or subsidiary) shall be no less than 110% of the fair market value per share on the date of grant. The option price of an incentive stock option granted to any other employee shall be no less than 100% of the fair market value per share on the date of grant.

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The number of options available to grant under the 2007 Stock Plan is limited to 15% of the issued ordinary share capital of the Company.

Subsequent to the Acquisition, the 2007 Stock Plan was converted to reflect the new shares issued by the Company under the Scheme related to the Acquisition. As part of the conversion, option holders under the 2007 Stock Plan have the right to subscribe for a number of shares of common stock in the Company in exchange for the cancellation and surrender by the option holder of the original options granted by the 2007 Stock Plan. The number of Replacement Option Shares is determined in the same manner in which the shareholders of Xenetic UK were given the right to acquire shares of common stock in the Company according to the Acquisition. The aggregate exercise price payable in US dollars for Replacement Option Shares is the same as the aggregate exercise price in pounds sterling of the original options, using a foreign currency exchange rate for pounds sterling into US dollars quoted by Barclays Bank plc at 12 noon GMT on January 23, 2014, the date of the Acquisition.

### ***The Equity Incentive Plan***

The Equity Incentive Plan (the "2014 Plan") was adopted and became effective January 23, 2014. The purpose of the 2014 Plan is to enhance the profitability and value of the Company for the benefit of its stockholders by enabling the Company to offer all eligible present and future employees, consultants and non-employee directors stock-based incentives in the Company in order to attract, retain and reward such individuals and strengthen the mutual interests between such individuals and the Company's stockholders.

The 2014 Plan provides for the grant of any or a combination of incentive stock options, nonqualified stock options, restricted stock awards, or any other stock based award, including any restricted stock unit to all eligible present and future employees, consultants and non-employee directors. The Company has broad authority to determine whether and to what extent awards are to be granted under the 2014 Plan.

The aggregate number of shares of common stock that may be issued under the 2014 Plan shall not exceed 15% of the issued and outstanding shares of common stock of the Company.

Subsequent to the Acquisition, holders of awards under the 2000 Stock Plan and 2007 Stock Plan either forfeited those awards or consented in writing to convert those awards into the 2014 Plan, pursuant to a rollover deed.

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**Stock-Based Compensation Plan Information**

The following table sets forth information as of December 31, 2013 with respect to compensation plans (including individual compensation arrangements) under which equity securities are authorized for issuance:

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<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
Equity compensation plans approved by security holders	5,638,430	\$ 0.47	14,355,591
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>5,638,430</b>	<b>\$ 0.47</b>	<b>14,355,591</b>



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## ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

### Policy Regarding Related Party Transactions

Any transaction between the Company and its officers, directors, principal stockholders or affiliates are required to be on terms no less favorable to us than could be reasonably obtained in arms-length transactions with independent third parties, and any such material related party transactions must also be approved by a majority of the Board of Directors.

### Relationship with SynBio LLC Generally

SynBio LLC (“SynBio”) is the Company’s largest single shareholder and currently owns approximately 41.7% of the Company’s common stock. In August 2011, the Company entered into a Co-Development Agreement with SynBio, which is still in effect, pursuant to which the Company granted an exclusive license to SynBio to develop pharmaceutical products within Russia and the Commonwealth of Independent States using certain molecule(s) based on SynBio’s technology and the Company’s proprietary technologies: PolyXen®, OncoHist™ and ImuXen®. In return, SynBio granted an exclusive license to the Company to use the pre-clinical and clinical data generated by SynBio in certain agreed upon products and engage in the development of commercial drug candidates.

The Co-Development Agreement provides for the sale of certain research supplies between each company. For the years ended December 31, 2013 and 2012, the Company recognized \$0 and \$100,000 in supply service revenues, respectively, from sales to SynBio in connection with the Co-Development Agreement.

### Loan from SynBio LLC

In May 2011, the Company entered into a short term unsecured loan facility of up to \$1.7 million from SynBio. The loan carried an initial stated interest rate of 8.04% payable upon repayment of the loan. The initial due date of the SynBio loan was December 2011. By written agreement, the initial due date was extended to June 2012. The loan matured in June 2012, but remains unpaid to date. The parties have an unwritten agreement that no further interest on the outstanding loan will be accrued and that the loan may be called due in full by SynBio at any time. As of December 31, 2013, the loan amount outstanding was \$681,124.

### Relationship with Serum Institute of India Generally

Serum Institute of India (“Serum Institute”) currently owns approximately 9.4% of the Company’s common stock. In the period from 2004 through 2011, the Company entered into and amended certain license and supply agreements with Serum Institute. The original license agreement with Serum Institute was a collaborative Development and Manufacturing Arrangement (“DMA”) to develop agreed upon potential commercial product candidates using the Company’s PolyXen® technology. Following the 2011 amendment, which is still in effect, Serum Institute retained an exclusive license to use the Company’s PolyXen® technology to research and develop one potential commercial product, Polysialylated Erythropoietin (“PSA-EPO”) in certain territories. Serum Institute will be responsible for conducting all pre-clinical and clinical trials required to achieve regulatory approvals within the certain predetermined territories at Serum Institute’s own expense.

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## **Manufacturing Agreement with Serum Institute of India**

The 2011 amendment also provides for the supply of PSA by Serum Institute to the Company and its collaborative partners. Serum Institute has the non-exclusive right to supply PSA to the Company and the Company's collaborative partners and customers on a cost-plus basis. On an individual basis, Serum Institute may enter into separate supply agreements with the Company and/or its collaborative partners for the purpose of providing a supply of PSA directly to the collaborative partners. Further, any agreement between Serum Institute and a collaborative partner shall not create any obligation or liability for the Company.

During 2012, the Company paid Serum Institute \$45,000 in respect of the supply of PSA. During 2013, the Company paid Serum Institute \$14,938 in respect of the supply of PSA and \$154,500 for the supply of PSA-EPO in respect of and for use in the Company's ErepoXen® human clinical trials being conducted in Australia.

## **Relationship with Baxter Healthcare SA Generally**

Baxter Healthcare SA ("Baxter SA") currently owns approximately 11.6% of the Company's common stock. The Company has entered into an exclusive research, development, license and supply agreement with Baxter SA and Baxter Healthcare Corporation (together referred to as "Baxter") to develop products using the Company's and Baxter's proprietary technologies. The agreement with Baxter was originally entered into in August 2005 and has been amended several times, most recently in January 2014. The 2014 amendment resulted in increased development, regulatory, sales and deadline extension receipts, restructured target deadlines and royalty receipts on potential net sales.

## **Baxter SA \$10 Million Equity Investment in the Company**

In connection with the January 2014 amendment, the Company entered into a stock purchase agreement with Baxter SA, pursuant to which the Company sold to Baxter SA 10,695,187 shares of the Company's common stock, par value \$0.01 per share (the "Shares") for \$10 million. Pursuant to the stock purchase agreement, Baxter SA agreed that until the earlier of (i) three months after the effective date of a listing of the Company's common stock on the NASDAQ Stock Market or (ii) January 29, 2015 (such earlier date, the "Lock-Up Expiration Date"), Baxter SA would not assign, transfer, sell or dispose of the Shares to any party other than a wholly owned subsidiary. In addition, Baxter SA agreed that until the 12 month anniversary of the Lock-Up Expiration Date, it would not sell or offer to sell any shares of the Company's common stock in an amount that would exceed 15% of the daily trading volume of Company's common stock on the principal market or exchange on which the shares of Company's common stock are traded, and in no event would Baxter SA sell or offer to sell more than 15% of the Shares in any one month period.

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### **Consulting Services Agreement with Dr. Timothy Coté**

Dr. Coté is party to a letter agreement with the Company under which he is entitled to an annual fee of \$25,000 paid in quarterly installments for his services as Director of the Company. Dr. Coté was appointed to the Board of Directors of the Company on February 7, 2014. In addition his agreement provides for payment of an additional annual fee of between \$3,000 and \$10,000 as compensation for attendance at up to four board meetings per year plus issuance of options to purchase up to 50,000 shares of our common stock, subject to certain vesting requirements.

Under his agreement, Dr. Coté's consulting firm, Coté Orphan Drug Consulting, LLC ("CODC"), shall have the exclusive right to advise the Company on all orphan drug filings with the U.S. Food and Drug Administration for so long as Dr. Coté remains a member of the Board of Directors. As of April 15, 2014, Dr. Coté has charged the Company \$4,591 in respect of director services provided during the first quarter of 2014. In March 2014, the Company paid CODC \$22,819 for advisory services related to certain orphan drug filings. In addition, CODC charged the Company \$43,000 in advisory fees in fiscal year 2013, prior to Dr. Coté's appointment to the Board of Directors.

### **Director Independence**

Presently, we are not required to comply with the director independence requirements of any securities exchange, have not adopted any independence standards and have not made determination as to the independence status of our directors. We intend to adopt the independence standards under the applicable marketplace rules of the NASDAQ Stock Market.

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**ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table sets forth the Company's fees billed for services rendered by Ernst & Young LLP, United Kingdom in 2013 and 2012. All fees described below were approved by our Board of Directors.

	2013	2012
Audit Fees	\$ 554,000	\$ 126,000
Audit-Related Fees	155,000	-
Tax Fees	25,000	61,000
Other Fees	-	-
	\$ 734,000	\$ 187,000

**Audit Fees**

Audit fees include the total fees incurred in connection with the audit of our annual consolidated financial statements for each of the years ended December 31, 2013 and 2012.

**Audit-Related Fees**

Audit-related fees include the total fees incurred in connection with consulting services concerning financial accounting and reporting requirements in contemplation of the Company's transition to a US Securities Exchange Commission registrant during the year ended December 31, 2013.

**Tax Fees**

Tax fees include the total fees incurred in connection with tax compliance and general advisory services provided during each of the years ended December 31, 2013 and 2012.

**Audit and Non-Audit Services Pre-Approval Policy**

The Board of Directors acts as the audit committee of the Company, and accordingly, all services are approved by the Board of Directors.

Pursuant to the Board of Directors' policy, to help ensure the independence of our independent registered public accounting firm, all auditing services and permitted non-audit services (including the terms thereof) to be performed for us by our independent registered public accounting firm must be pre-approved by the Board of Directors, subject to the de-minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, which are approved by the Board of Directors prior to the commencement of services.

Our Board of Directors approved and retained Ernst & Young LLP, United Kingdom to audit our consolidated financial statements for 2013 and 2012 and provide audit-related and tax services in 2013 and 2012. Our Board of Directors reviewed all services provided by Ernst & Young LLP, United Kingdom in 2013 and 2012 and concluded that the services provided were compatible with maintaining its independence.

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**PART IV**

**ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

- (b) **Exhibits:** The attached list of exhibits in the “Exhibit Index” immediately preceding the exhibits to this Form 10-K/A is incorporated herein by reference in response to this item.



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**EXHIBIT INDEX**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
10.23	Form of Employment Agreement, dated April 30, 2012, between Xenetic Bioscience, Incorporated and Dr. Henry Hoppe IV.**
31.3	Certification of Michael Scott Maguire, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	Certification of Colin W. Hill, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.2	Certifications of Michael Scott Maguire, Chief Executive Officer, and Colin William Hill, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	XBRL (eXtensible Business Reporting Language). The following materials from Xenetic Biosciences, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Comprehensive Loss, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Changes in Stockholders' Equity, and (v) Notes to Consolidated Financial Statements.

\*\* Management contract or compensatory plan

## XENETIC BIOSCIENCE INC.

## EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is entered into as of this 30th day of April 2012 (the “Effective Date”) by and between Xenetic Bioscience, Inc, a Delaware corporation, having its principal Executive office at \*\*\*\*\* (the “Company”), and Henry Hoppe IV, an individual residing at \*\*\*\*\* (the “Executive”).

WHEREAS, the Company and the Executive wish to set forth the terms and conditions for the employment of the Executive by the Company;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the parties mutually agree as follows:

**Section 1. Term and Scope of Employment.**

Subject to the terms and conditions of this Agreement, the Company will employ Executive, and Executive will be employed by the Company, as Vice President, Drug Development, reporting to the Chief Executive Officer. Executive will have the responsibilities, duties and authority commensurate with said position. Executive will also perform such other services of an executive nature for the Company as may be reasonably assigned to Executive from time to time by the Chief Executive Officer or the Board of Directors of the Company (the “Board”).

**Section 2. Duties.**

During the Period of Employment, Executive shall have supervision and control over and responsibility for the day-to-day research and development of the Company and affairs of those functions and shall have such other powers and duties as may from time to time be prescribed by the Board or the Chief Executive Officer, or other authorized executives, provided that such duties are consistent with Executive’s position or other positions that he may hold with the Company from time to time. Executive shall devote his full working time and efforts to the business and affairs of the Company.

**Section 3. Compensation.**

(a) Salary. In consideration of all of the services rendered by the Executive under the terms of this Agreement, the Company shall pay to the Executive a base salary (“Base Salary”) at the annualized rate of \*\*\*\*\* per annum. Executive’s base salary shall be redetermined annually by the Chief Executive Officer and/or the Board on the anniversary of the Effective Date of this Agreement. The Base Salary shall be payable in substantially equal monthly installments.

(b) Annual Bonus. Executive may be eligible to earn an Annual Bonus relating to work conducted during the year prior to the anniversary of the Effective Date, based on the achievement of individual and Company written goals established on an annual basis by the



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Chief Executive Officer in conjunction with the Executive. If the Executive meets the applicable goals, is employed by the Company on the annual anniversary of the Effective Date, then the Executive shall be entitled to an Annual Bonus for that year equal to \*\*\*\*\* of his then-current Base Salary multiplied by the performance of the company and the Executive's individual performance as set forth in the written goals, (both set forth as a percentage of the performance with 100% set as the baseline with performance exceeding baseline set forth as greater than 100% and with performance falling below baseline set forth as less than 100%) for the year prior to the anniversary of the Effective Date such Annual Bonus is to be awarded. Any awarded Annual Bonus shall be paid within six (6) weeks following the anniversary of the Effective Date.

(c) Reimbursement of Expenses. The Company will promptly reimburse Executive for all ordinary and reasonable out-of-pocket business expenses that are incurred by Executive in furtherance of the Company's business in accordance with the Company's policies with respect thereto as in effect from time to time.

(d) Fringe Benefits. In addition to any benefits provided by this Agreement, Executive shall be entitled to participate generally in all employee benefit, welfare and other plans, practices, policies and programs and fringe benefits maintained by the Company from time to time on a basis no less favorable than those provided to other similarly-situated executives of the Company other than health benefits, which the Executive has agreed to procure on his own as part of this Agreement. Executive understands that, except when prohibited by applicable law, the Company's benefit plans and fringe benefits may be amended, enlarged, diminished or terminated prospectively by the Company from time to time, in its sole discretion, and that such shall not be deemed to be a breach of this Agreement.

(e) Vacation. Executive shall be entitled to accrue four (4) weeks of paid vacation days per year in accordance with and subject to the terms of the Company's vacation policy applicable to other executive officers of the Company, as it may be amended prospectively from time to time, \*\*\*\*\*.

#### **Section 4.**

(a) During Executive's employment with the Company, the Company shall maintain the insurance it currently has with respect to (i) directors' and officers' liability, (ii) errors and omissions and (iii) general liability insurance providing coverage to Executive to the same extent as other senior executives and directors of the Company. Executive's coverage under such insurance shall terminate upon Executive's leaving of the Company's employ for any reason.

(b) Other than as specifically provided for herein, all benefits shall cease upon Executive's termination from employment with the Company for any reason.

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### **Section 5. Stock Options.**

As incentive to enter into and undertake employment pursuant to this Agreement:

(a) **Initial Grant.** Upon approval by the Board of the grant (the "Grant Date"), Executive shall receive non-qualified stock options (the "Options"), which shall vest over a three year period starting on the first anniversary of the Effective Date, with the Options exercisable for a term of seven (7) years following the date Options vest. The grant of Options shall provide the Executive a right to purchase shares of the Company's common stock at an exercise price of \*\*\*\*\*. Executive shall vest Year One Options, Year Two Options and Year Three Options, provided that the continuous service of the Executive continues through and on the applicable vesting date. Additionally, on each anniversary of the Effective Date as part of Executive's compensation package, Executive may be awarded additional Options and to the extent such Options are awarded, they shall vest only if the Executive continues to serve through and on the applicable vesting date.

(b) **Registration.** The Company agrees, at its expense, to register the shares of common stock into which the options granted under Section 5(a) above are exercisable under the Securities Act of 1933, to the extent the Company is eligible and required to do so on Form S-8.

(c) **Sale of Shares.** Executive agrees that he will not loan or pledge any securities of the Company owned by him or which he may accrue in the future through Options as collateral for any indebtedness.

### **Section 6. Compliance with Company Policy.**

During Executive's employment with the Company, Executive shall observe all Company rules, regulations, policies, procedures and practices in effect from time to time, including, without limitation, such policies and procedures as are contained in the Company policy and procedures manual, as may be amended or superseded from time to time.

### **Section 7. Termination of Employment.**

Executive's employment with the Company may be terminated during Term of this Agreement for any of the following reasons:

(a) **By The Company For Cause.**

At any time during the Period of Employment, the Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) conduct by Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) the commission by Executive of a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or conduct by Executive that would reasonably be expected to result in material injury to the Company if he were retained in his position; (iii) continued, willful and deliberate non-performance by Executive of his duties

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hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than thirty (30) days following written notice of such non-performance from the Company; (iv) a breach by Executive of any of the provisions contained in Paragraph 7 of this Agreement; (v) a violation by Executive of the Company's employment policies which has continued following written notice of such violation from the Company; or (vi) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials. If the Company terminates the Executive for Cause, Executive shall have no right to severance payments by Company and any Options vested by Executive that have not been exercised as of the termination date and any Options not vested by Executive as of the termination date shall be forfeited.

(b) By The Company Without Cause.

At any time during the Period of Employment, the Company may terminate Executive's employment hereunder without Cause.

(c) By The Executive For Good Reason.

At any time during the Period of Employment, Executive may terminate his employment hereunder for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" shall mean that Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a substantial diminution or other substantive adverse change, not consented to by Executive, in the nature or scope of Executive's responsibilities, authorities, powers, functions or duties; (ii) a breach by the Company of any of its other material obligations under this Agreement, or (iii) a material change in the geographic location at which Executive must perform his services; provided that, a change in the employment of Executive to another affiliate of Company does not in and of itself constitute "Good Reason." "Good Reason Process" shall mean that (A) Executive reasonably determines in good faith that a "Good Reason" event has occurred; (B) Executive notifies the Company in writing of the occurrence of the Good Reason event within ninety (90) days of the occurrence of such event; (C) Executive cooperates in good faith with the Company's efforts, for a period not less than sixty (60) days following such notice, to modify Executive's employment situation in a manner acceptable to Executive and Company; (D) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to Executive; and (E) Executive terminates his employment no later than sixty (60) days after the end of the sixty (60) day cure period. If the Company cures the Good Reason event in a manner acceptable to Executive during the sixty (60) day period, Good Reason shall be deemed not to have occurred.

(d) Right to Severance.

In the event the Company terminates Executive's employment Without Cause or the Executive appropriately terminates this Agreement for Good Reason as provided in Section 7(c):

- (i) Three (3) months following entry into this Agreement, the Executive shall be entitled to severance pay equal to six months of Executive's Base Salary, with the severance increasing by an amount equal to one month of Executive's Base Salary pay

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for each complete year of employment starting on the first Anniversary of the Effective Date and continuing until the severance is equal to one year of Executive's Base Salary at which time the severance pay shall be capped at one year of Executive's Base Salary. For purposes of example only, if the Executive is terminated per the terms of this Section 7(d) one (1) year after the effective date, the severance shall be equal to seven (7) months of Executive's Base Salary at that time and if the Executive is terminated per the terms of this Section 7(d) ten (10) years after the Effective Date, the severance shall be equal to twelve (12) months of Executive's Base Salary at that time. Payment of the severance shall be on a monthly basis, with the severance payable in equal amounts in accordance with the Company's payroll practices in effect from time to time;

(ii) Upon Termination, Executive shall have whatever rights he may then have, if any, to continued medical insurance coverage pursuant to the provisions of COBRA;

(iii) Certain Options issued to the Executive that have not then vested shall be forfeited in accordance with Section 5(c);

(iv) Any Options that Executive has vested, but not exercised as of the date of termination shall be exercised by the Executive within forty-five (45) days following termination or the Executive shall forfeit all rights to the non-executed vested Options; and

(v) Except as provided above in this Section 7(d), the Executive shall receive no further compensation or benefits of any kind other than any salary or benefits earned or accrued but unpaid as of that date.

#### **Section 8. Survival of Obligations**

The obligations of the Executive as set forth in Sections 9 through 17 below shall survive the term of this Agreement and the termination of Executive's employment hereunder regardless of the reason(s) therefor.

#### **Section 10. Non-Competition and Conflicting Employment**

(a) During the term of this Agreement, the Executive shall not, directly or indirectly, either as an Executive, Employer, Employee, Consultant, Agent, Principal, Partner, Corporate Officer, Director, Shareholder, Member, Investor or in any other individual or representative capacity, engage or participate in any business or business related activity of any kind that is in competition in any manner whatever with the business of the Company or any business activity related to the business in which the Company is now involved or becomes involved during the Executive's employment. For these purposes, the current business of the Company is biotechnology drug development and related business. The Executive also agrees that, during his employment with the Company, he will not engage in any other activities that materially conflict with his obligations to the Company.

(b) As a material inducement to the Company to continue the employment of the Executive, and in order to protect the Company's Confidential Information and good will, the Executive agrees that:

(i) For a period of twelve (12) months following termination of the Executive's employment with the Company or its affiliates for any reason, Executive will not

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directly or indirectly solicit or divert or accept business relating in any manner to Competing Products or to products, processes or services of the Company, from any of the customers or accounts of the Company with which the Executive had any contact as a result of Executive's employment with the Company; and

(ii) For a period of twelve (12) months after termination of Executive's employment with the Company or its affiliates for any reason, Executive will not (A) render services directly or indirectly, as an Executive, consultant or otherwise, to any Competing Organization in connection with research on or the acquisition, development, production, distribution, marketing or providing of any Competing Product, or (B) own any interest in any Competing Organization.

(c) For purposes of this Section:

(i) "Competing Products" means any product, process, or service of any person or organization other than the Company, in existence or under development (a) which is identical to, substantially the same as, or an adequate substitute for any product, process or service of the Company in existence or under development, based on any patent or patent application (provisional or otherwise), or other intellectual property of the Company about which the Executive acquires Confidential Information, and (b) which is (or could reasonably be anticipated to be) marketed or distributed in such a manner and in such a geographic area as to actually compete with such product, process or service of the Company; and

(ii) "Competing Organization" means any person or organization, including the Executive, engaged in, or about to become engaged in, research on or the acquisition, development, production, distribution, marketing or providing of a Competing Product.

(d) The parties agree that the Company is entitled to protection of its interests in these areas. The parties further agree that the limitations as to time, geographical area, and scope of activity to be restrained do not impose a greater restraint upon Executive than is necessary to protect the goodwill or other business interest of the Company. The parties further agree that in the event of a violation of this Covenant Not To Compete, that the Company shall be entitled to the recovery of damages from Executive and injunctive relief against Executive for the breach or violation or continued breach or violation of this Covenant. The Executive agrees that if a court of competent jurisdiction determines that the length of time or any other restriction, or portion thereof, set forth in this Section 9 is overly restrictive and unenforceable, the court may reduce or modify such restrictions to those which it deems reasonable and enforceable under the circumstances, and as so reduced or modified, the parties hereto agree that the restrictions of this Section 9 shall remain in full force and effect. The Executive further agrees that if a court of competent jurisdiction determines that any provision of this Section 9 is invalid or against public policy, the remaining provisions of this Section 9 and the remainder of this Agreement shall not be affected thereby, and shall remain in full force and effect.

#### **Section 10. Confidentiality.**

(a) Executive recognizes and acknowledges that he will have access to certain information of members of the Company and that such information is confidential and constitutes valuable, special and unique property of such members of the Company. The parties agree that the

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Company has a legitimate interest in protecting the Confidential Information, as defined below. The parties agree that the Company is entitled to protection of its interests in the Confidential Information. The Executive shall not at any time, either during his employment and for seven (7) years after the termination of his employment with the Company for any reason, or indefinitely to the extent the Confidential Information constitutes a trade secret under applicable law, disclose to others, use, copy or permit to be copied, except in pursuance of his duties for and on behalf of the Company, its successors, assigns or nominees, any Confidential Information of any member of the Company (regardless of whether developed by the Executive) without the prior written consent of the Company. Executive acknowledges that the use or disclosure of the Confidential Information to anyone or any third party could cause monetary loss and damages to the Company as well as irreparable harm. The parties further agree that in the event of a violation of this covenant against non-use and non-disclosure of Confidential Information, that the Company shall be entitled to a recovery of damages from Executive and/or to obtain an injunction against Executive for the breach or violation, continued breach, threatened breach or violation of this covenant.

(b) As used herein, the term "Confidential Information" with respect to any person means any secret or confidential information or know-how and shall include, but shall not be limited to, plans, financial and operating information, customers, supplier arrangements, contracts, costs, prices, uses, and applications of products and services, results of investigations, studies or experiments owned or used by such person, and all apparatus, products, processes, compositions, samples, formulas, computer programs, computer hardware designs, computer firmware designs, and servicing, marketing or manufacturing methods and techniques at any time used, developed, investigated, made or sold by such person, before or during the term of this Agreement, that are not readily available to the public or that are maintained as confidential by such person. The Executive shall maintain in confidence any Confidential Information of third parties received as a result of his employment with the Company in accordance with the Company's obligations to such third parties and the policies established by the Company.

(c) As used herein, "Confidential Information" with respect to the Company means any Company proprietary information, technical data, trade secrets, know-how or other business information disclosed to the Executive by the Company either directly or indirectly in writing, orally or by drawings or inspection or unintended view of parts, equipment, data, documents or the like, including, without limitation:

- (i) Medical and drug research and testing results and information, research and development techniques, processes, methods, formulas, trade secrets, patents, patent applications, computer programs, software, electronic codes, mask works, inventions, machines, improvements, data, formats, projects and research projects;
- (ii) Information about costs, profits, markets, sales, pricing, contracts and lists of customers, distributors and/or vendors and business, marketing and/or strategic plans;
- (iii) Forecasts, unpublished financial information, budgets, projections, and customer identities, characteristics and agreements as well as all business opportunities, conceived, designed, devised, developed, perfected or made by the Executive whether alone or in conjunction with others, and related in any manner to the actual or anticipated business of the Company or to actual or anticipated areas of research and development; and

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(iv) Executive personnel files and compensation information.

(d) Notwithstanding the foregoing, Confidential Information as defined in Sections 10(b) and (c) does not include any of the foregoing items which (i) has become publicly known or made generally available to the public through no wrongful act of Executive; (ii) has been disclosed to Executive by a third party having no duty to keep Company matter confidential; (iii) has been developed by Executive independently of employment with the company; (iv) has been disclosed by the Company to a third party without restriction on disclosure; (v) has been disclosed with the Company's written consent, or (vi) the Company's investors, shareholders and other capital sources.

(e) Executive hereby acknowledges and agrees that all Confidential Information shall at all times remain the property of the Company.

(f) Executive agrees that Executive will not improperly use or disclose any Confidential Information, proprietary information or trade secrets of any former employer or other person or entity or entity with which Executive has an agreement or duty to keep in confidence information acquired by Executive and that Executive will not bring onto Company premises any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

(g) Executive recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Executive agrees to hold all such confidential or proprietary information in the strictest of confidence and not to disclose it to any person, firm or entity or to use it except as necessary in carrying out Executive's work for the Company consistent with Company's agreement with such third party.

(h) Executive represents and warrants that from the time of the Executive's first contact with the Company, Executive has held in strict confidence all Confidential Information and has not disclosed any Confidential Information directly or indirectly to anyone outside the Company, or used, copied, published or summarized any Confidential Information, except to the extent otherwise permitted under the terms of this Agreement.

(i) Executive will not disclose to the Company or use on its behalf any confidential information belonging to others and Executive will not bring onto the premises of the Company any confidential information belonging to any such party unless consented to in writing by such party.

#### **Section 11. Inventions.**

(a) Attached hereto as Exhibit A is a list describing all ideas, processes, trademarks, service marks, inventions, designs, technologies, computer hardware or software, original works of authorship, formulas, discoveries, patents, copyrights, copyrightable works, products, marketing and business ideas, and all improvements, know-how, data rights, and claims related to the foregoing, whether or not patentable, registrable or copyrightable, which were conceived, developed or created by Executive prior to Executive's employment or first contact with Company (collectively referred to herein as "Prior Inventions"), (A) which belong to Executive,

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(B) which relate to the Company's current or contemplated business, products or research and development, and (C) which are not assigned to the Company hereunder. If there is no Exhibit A or no items thereon, the Executive represents that there are no such Prior Inventions. If in the course of Executive's employment with the Company, the Executive incorporates or embodies into a Company product, service or process a Prior Invention owned by the Executive or in which the Executive has an interest, the Company is hereby granted and shall have a non-exclusive, royalty-free, irrevocable, perpetual, world-wide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, service or process.

(b) Executive agrees that Executive will promptly make full, written disclosure to the Company and will hold in trust for the sole right and benefit of the Company, and the Executive hereby assigns to the Company, or its designee, all of the Executive's right, title and interest in and to any and all ideas, process, trademarks, service marks, inventions, designs, technologies, computer hardware or software, original works of authorship, formulas, discoveries, patents, copyrights, copyrightable works, products, marketing and business ideas, and all improvements, know-how, data, rights and claims related to the foregoing, whether or not patentable, registrable or copyrightable, which Executive may, on or after the Effective Date of this Agreement, solely or jointly with others conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time the Executive is in the employ of the Company (collectively referred to herein as "Intellectual Property Items"); and the Executive further agrees that the foregoing shall also apply to Intellectual Property Items which relate to the business of the Company or to the Company's anticipated business as of the end of the Executive's employment and which are conceived, developed or reduced to practice during a period of one year after the end of such employment. Without limiting the foregoing, the Executive further acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright are works made for hire as that term is defined in the United States Copyright Act.

(c) Executive agrees to keep and maintain adequate and current written records of all Intellectual Property Items made by Executive (solely or jointly with others) during the term of Executive's employment with the Company. The records will be in the form of notes, sketches, drawings and any other format that may be specified by the Company. The records will be available to, and remain the sole property of, the Company at all times.

#### **Section 12. Return of Company Property.**

Executive agrees that, at any time upon request of the Company, and, in any event, at the time of leaving the Company's employ, Executive will deliver to the Company (and will not keep originals or copies in Executive's possession or deliver them to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, material, equipment or other documents or property, or reproduction of any of the aforementioned items, containing Confidential Information or otherwise belonging to the Company, its successors or assigns, whether prepared by the Executive or supplied to the Executive by the Company. Notwithstanding the foregoing, it is understood that names and contacts in the Executive's address book acquired both prior to and during employment, including shareholders of the Company, will remain property of the Executive who will not be restricted from doing business with them subject to the limitations Sections 10 and 14 hereof and applicable law.



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**Section 13. Non-Solicitation.**

Executive agrees that Executive shall not, during Executive's employment or other involvement with the Company and for a period of twelve (12) months immediately following the termination of the Executive's employment with the Company, for any reason, whether with or without cause, (i) either directly or indirectly solicit or take away, or attempt to solicit or take away executives of the Company, either for the Executive's own business or for any other person or entity and/or (ii) either directly or indirectly recruit, solicit or otherwise induce or influence any investor, lessor, supplier, customer, agent, representative or any other person which has a business relationship with the Company to discontinue, reduce or modify such employment, agency or business relationship with the Company.

**Section 14. Publications.**

Executive agrees that Executive will, in advance of publication, provide the Company with copies of all writings and materials which Executive proposes to publish during the term of Executive's employment and for twenty-four (24) months thereafter. Executive also agrees that Executive will, at the Company's request and sole discretion, cause to be deleted from such writings and materials any information the Company believes discloses or will disclose Confidential Information. The Company's good faith judgment in these matters will be final. The Executive will also, at the Company's request and in its sole discretion, cause to be deleted any reference whatsoever to the Company from such writings and materials.

**Section 15. Equitable Remedies.**

Executive agrees that any damages awarded the Company for any breach of Sections 9 through 14 of this Agreement by Executive would be inadequate. Accordingly, in addition to any damages and other rights or remedies available to the Company, the Company shall be entitled to obtain injunctive relief from a court of competent jurisdiction temporarily, preliminarily and permanently restraining and enjoining any such breach or threatened breach and to specific performance of any such provision of this Agreement. In the event that either party commences litigation against the other under this Agreement the prevailing party in said litigation shall be entitled to recover from the other all costs and expenses incurred to enforce the terms of this Agreement and/or recover damages for any breaches thereof, including without limitation reasonable attorneys' fees.

**Section 16. Representations and Warranties.**

(a) Executive represents and warrants as follows that: (i) Executive has no obligations, legal or otherwise, inconsistent with the terms of this Agreement or with the Executive's undertaking a relationship with the Company; and (ii) Executive has not entered into, nor will Executive enter into, any agreement (whether oral or written) in conflict with this Agreement.

(b) The Company represents and warrants to the Executive that this Agreement and the Options grant have been duly authorized by the Company's Board of Directors and are the valid and binding obligations of the Company, enforceable in accordance with their respective terms.

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**Section 17. Miscellaneous.**

(a) Entire Agreement. This Agreement, the exhibit attached hereto, and the Options granted concurrently herewith under Section 5(a) hereof, contain the entire understanding of the parties and supersede all previous contracts, arrangements or understandings, express or implied, between the Executive and the Company with respect to the subject matter hereof or his engagement by the Company as Executive Chairman. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement or in the attached exhibit.

(b) Section Headings. The section headings herein are for the purpose of convenience only and are not intended to define or limit the contents of any section.

(c) Severability. If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, the remainder of this Agreement shall be amended to provide the parties with the equivalent of the same rights and obligations as provided in the original provisions of this Agreement.

(d) No Oral Modification, Waiver Or Discharge. No provisions of this Agreement may be modified, waived or discharged orally, but only by a waiver, modification or discharge in writing signed by the Executive and such officer as may be designated by the Board of Directors of the Company to execute such a waiver, modification or discharge. No waiver by either party hereto at any time of any breach by the other party hereto of, or failure to be in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time.

(e) Invalid Provisions. Should any portion of this Agreement be adjudged or held to be invalid, unenforceable or void, such holding shall not have the effect of invalidating or voiding the remainder of this Agreement and the parties hereby agree that the portion so held invalid, unenforceable or void shall, if possible, be deemed amended or reduced in scope, or otherwise be stricken from this Agreement to the extent required for the purposes of validity and enforcement thereof.

(f) Execution In Counterparts. The parties may sign this Agreement in counterparts, all of which shall be considered one and the same instrument. Facsimile transmissions, or electronic transmissions in .pdf format, of any executed original document and/or retransmission of any executed facsimile or .pdf transmission shall be deemed to be the same as the delivery of an executed original of this Agreement.

(g) Governing Law And Performance. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts without giving effect to its principles on conflicts of laws.

(h) Successor and Assigns. This Agreement shall be binding on and inure to the benefit of the successors in interest of the parties, including, in the case of the Executive, the Executive's heirs, executors and estate. The Executive may not assign Executive's obligations under this Agreement.

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(i) Notices. Any notices or other communications provided for hereunder may be made by hand, by certified or registered mail, postage prepaid, return receipt requested, or by nationally recognized express courier services provided that the same are addressed to the party required to be notified at its address first written above, or such other address as may hereafter be established by a party by written notice to the other party. Notice shall be considered accomplished on the date delivered, three days after being mailed or one day after deposit with the express courier, as applicable.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement under seal as of the date and year first above written.

Company:

Executive:

Xenetic Bioscience Inc.,

By: \_\_\_\_\_  
Scott Maguire  
Chief Executive Officer

\_\_\_\_\_

Henry Hoppe IV

CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Scott Maguire, certify that:

1. I have reviewed this Annual Report on Form 10-K of Xenetic Biosciences, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 our 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 our 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 our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 30, 2014

By: /s/ Michael Scott Maguire  
Michael Scott Maguire  
Chief Executive Officer, President and Director

CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Colin William Hill, certify that:

1. I have reviewed this Annual Report on Form 10-K of Xenetic Biosciences, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 our 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 our 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 our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 30, 2014

By: /s/ Colin William Hill  
Colin William Hill  
Chief Financial Officer

**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 Annual Report of Xenetic Biosciences, Inc. (the "Company") on Form 10K for the fiscal year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: April 30, 2014

By: /s/ Michael Scott Maguire  
Michael Scott Maguire  
Chief Executive Officer, President and Director

By: /s/ Colin William Hill  
Colin William Hill  
Chief Financial Officer