

# **KITE PHARMA, INC.**

Filed by  
**GILEAD SCIENCES INC**

## **FORM SC TO-T** (Tender offer statement by Third Party)

Filed 09/05/17

Address	2225 COLORADO AVENUE SANTA MONICA, CA, 90404
Telephone	(310) 824-9999
CIK	0001510580
Symbol	KITE
SIC Code	2836 - Biological Products, Except Diagnostic Substances
Industry	Biotechnology & Medical Research
Sector	Healthcare

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE TO  
TENDER OFFER STATEMENT UNDER SECTION 14(D)(1) OR 13(E)(1)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**KITE PHARMA, INC.**

(Name of Subject Company (Issuer))

**DODGERS MERGER SUB, INC.**

a wholly-owned subsidiary of

**GILEAD SCIENCES, INC.**

(Names of Filing Persons (Offeror))

**Common Stock, Par Value \$0.001 Per Share**

(Title of Class of Securities)

**49803L109**

(Cusip Number of Class of Securities)

**Brett A. Pletcher, Esq.**

**Executive Vice President, General Counsel and Chief Compliance Officer**

**Gilead Sciences, Inc.**

**333 Lakeside Drive**

**Foster City, California 94404**

**650-574-3000**

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications on Behalf of Filing Persons)

**Copies to:**

**Stephen F. Arcano**  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
**4 Times Square**  
**New York, NY 10036**  
**(212) 735-3542**

**Graham Robinson**  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
**500 Boylston Street**  
**Boston, MA 02116**  
**(617) 573-4850**

**CALCULATION OF FILING FEE**

<b>Transaction Valuation*</b>	<b>Amount of Filing Fee**</b>
\$11,225,580,130.26	\$1,301,044.74

\* Estimated for purposes of calculating the filing fee only. The transaction valuation was calculated as the sum of (i) 57,410,242 outstanding shares of common stock, par value \$0.001 per share (the "Shares"), of Kite Pharma, Inc. ("Kite") multiplied by \$180.00, (ii) 4,387,212 Shares issuable pursuant to outstanding stock options that have vested (or are anticipated to vest prior to the completion of the transaction) multiplied by \$180.00, (iii) 86,850 Shares issuable pursuant to outstanding warrants multiplied by \$180.00, (iv) 181,811 Shares issuable pursuant to outstanding unvested stock options multiplied by \$105.66 (which is \$180.00 minus the weighted average exercise price for such options of \$74.34 per share) and (v) 373,307 Shares issuable pursuant to outstanding unvested restricted stock units that are anticipated to vest prior to the completion of the transaction multiplied by \$180.00. The calculation of the filing fee is based on information provided by Kite as of August 31, 2017.

\*\* The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory No. 1 for Fiscal Year 2017, issued August 31, 2016, by multiplying the transaction value by 0.0001159.

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

None

Filing Party:

Not applicable

Form or Registration No.:

Not applicable

Date Filed:

Not applicable

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

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This Tender Offer Statement on Schedule TO (this "Schedule TO") relates to the offer by Dodgers Merger Sub, Inc., a Delaware corporation ("Purchaser"), and Gilead Sciences, Inc., a Delaware corporation ("Parent"), to purchase all outstanding shares of common stock, \$0.001 par value per share ("Shares"), of Kite Pharma, Inc., a Delaware corporation ("Kite"), at a price of \$180.00 per Share, net to the holder in cash, without interest upon the terms and subject to the conditions described in the Offer to Purchase dated September 5, 2017 (together with any amendments or supplements thereto, the "Offer to Purchase") and in the accompanying Letter of Transmittal (together with any amendments or supplements thereto and with the Offer to Purchase, the "Offer"), which are annexed to and filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. Purchaser is a wholly-owned subsidiary of Parent. This Schedule TO is being filed on behalf of Parent and Purchaser. Unless otherwise indicated, references to sections in this Schedule TO are references to sections of the Offer to Purchase. A copy of the Agreement and Plan of Merger, dated as of August 27, 2017, among Kite, Parent and Purchaser is attached as Exhibit (d)(1) hereto and incorporated herein by reference with respect to Items 4 through 11 of this Schedule TO.

**ITEM 1. SUMMARY TERM SHEET.**

The information set forth in the section of the Offer to Purchase titled "Summary Term Sheet" is incorporated herein by reference.

**ITEM 2. SUBJECT COMPANY INFORMATION.**

(a) The subject company and the issuer of the securities subject to the Offer is Kite Pharma, Inc. Its principal executive office is located at 2225 Colorado Avenue, Santa Monica, California 90404, and its telephone number is (310) 824-9999.

(b) This Schedule TO relates to Shares. According to Kite, on August 31, 2017 there were approximately 57,410,242 Shares issued and outstanding.

(c) The information concerning the principal market, if any, in which the Shares are traded and certain high and low sales prices for the Shares in the principal market in which the Shares are traded set forth in Section 6—"Price Range of Shares; Dividends" of the Offer to Purchase is incorporated herein by reference.

**ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.**

The filing companies of this Schedule TO are (i) Parent and (ii) Purchaser. Each of Purchaser's and Parent's principal executive office is located at c/o Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, California 94404, and the telephone number of each is (650) 574-3000. The information regarding Purchaser and Parent set forth in Section 9—"Certain Information Concerning Parent and Purchaser" of the Offer to Purchase and Schedule A of the Offer to Purchase is incorporated herein by reference.

**ITEM 4. TERMS OF THE TRANSACTION.**

The information set forth in the Offer to Purchase is incorporated herein by reference.

**ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.**

The information set forth in Section 8—"Certain Information Concerning Kite", Section 9—"Certain Information Concerning Parent and Purchaser", Section 10—"Background of the Offer; Contacts with Kite" and Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements" of the Offer to Purchase is incorporated herein by reference.

**ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.**

The information set forth in the sections of the Offer to Purchase titled "Summary Term Sheet" and "Introduction" and in Section 7—"Possible Effects of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration and Margin Regulations" and Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements" of the Offer to Purchase is incorporated herein by reference.

**ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.**

The information set forth in the section of the Offer to Purchase titled "Summary Term Sheet" and in Section 12—"Source and Amount of Funds" of the Offer to Purchase is incorporated herein by reference.

The Offer is not subject to a financing condition.

**ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.**

The information set forth in Section 9—"Certain Information Concerning Parent and Purchaser" and Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements" of the Offer to Purchase is incorporated herein by reference.

**ITEM 9. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.**

The information set forth in Section 3—"Procedures for Tendering Shares", Section 10—"Background of the Offer; Contacts with Kite" and Section 16—"Fees and Expenses" of the Offer to Purchase is incorporated herein by reference.

**ITEM 10. FINANCIAL STATEMENTS.**

Not Applicable. In accordance with the instructions to Item 10 of the Schedule TO, the financial statements are not considered material because:

- (a) the consideration offered consists solely of cash;
- (b) the Offer is not subject to any financing condition; and
- (c) the Offer is for all outstanding securities of the subject class.

**ITEM 11. ADDITIONAL INFORMATION.**

The information set forth in Section 10—"Background of the Offer; Contacts with Kite", Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements" and Section 15—"Certain Legal Matters; Regulatory Approvals" of the Offer to Purchase is incorporated herein by reference.

**ITEM 12. EXHIBITS.**

Index No.

- (a)(1)(A) Offer to Purchase, dated September 5, 2017
- (a)(1)(B) Form of Letter of Transmittal
- (a)(1)(C) Form of Notice of Guaranteed Delivery
- (a)(1)(D) Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees

Index No.

- (a)(1)(E) Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
- (a)(1)(F) Form of Summary Advertisement, published September 5, 2017 in The Wall Street Journal
- (a)(5)(A) Joint Press Release of Parent and Kite, dated August 28, 2017 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Parent with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(B) Investor Presentation, dated August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(C) Infographic by Parent (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(D) Email sent to Parent Operations Department and Senior Management on August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(E) Email sent to employees of Kite, dated August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(F) Tweet from Parent, August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
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- (a)(5)(I) Tweet from Parent, August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(J) Tweet from Parent, August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(K) Tweet from Parent, August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(L) Tweet from Parent, August 28, 2017 (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on August 28, 2017)
- (a)(5)(M) Q&A provided to Kite employees (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on September 1, 2017)

Index No.

- (a)(5)(N) E-mail to Kite employees from Kite management (incorporated by reference to the Tender Offer Statement on Schedule TO-C of Parent filed with the Securities and Exchange Commission on September 1, 2017)
  
- (d)(1) Agreement and Plan of Merger, dated as of August 27, 2017, among Kite, Parent and Purchaser (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Parent with the Securities and Exchange Commission on August 28, 2017)
  
- (d)(2) Mutual Confidentiality Agreement, dated as of February 10, 2017, by and between Kite and Parent (incorporated by reference to Exhibit (e)(2) to the Schedule 14D-9 filed by Kite with the Securities and Exchange Commission on September 5, 2017)
  
- (d)(3) Amendment No. 1 to Mutual Confidential Disclosure Agreement, dated as of August 20, 2017, by and between Parent and Kite (incorporated by reference to Exhibit (e)(3) to the Schedule 14D-9 filed by Kite with the Securities and Exchange Commission on September 5, 2017)

**ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.**

Not applicable.

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 5, 2017

**DODGERS MERGER SUB, INC.**

By: /s/ ROBIN L. WASHINGTON

Name: Robin L. Washington

Title: *President and Treasurer*

**GILEAD SCIENCES, INC.**

By: /s/ JOHN F. MILLIGAN, PH.D.

Name: John F. Milligan, Ph.D.

Title: *President and Chief Executive Officer*

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## EXHIBIT INDEX

Index No.

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**Offer to Purchase**  
**All Outstanding Shares of Common Stock**  
**of**  
**KITE PHARMA, INC.**  
**at**  
**\$180.00 Net Per Share in Cash**  
**by**  
**DODGERS MERGER SUB, INC.**  
**a wholly-owned subsidiary of**  
**GILEAD SCIENCES, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER**  
**11:59 P.M., EASTERN TIME, ON OCTOBER 2, 2017,**  
**UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.**

Dodgers Merger Sub, Inc., a Delaware corporation ("Purchaser"), is offering to purchase (the "Offer") all outstanding shares of common stock, par value \$0.001 per share ("Shares"), of Kite Pharma, Inc., a Delaware corporation ("Kite"), at a price per Share of \$180.00, net to the holder in cash, without interest (the "Offer Price") upon the terms and subject to the conditions described in this Offer to Purchase (together with any amendments or supplements hereto, this "Offer to Purchase") and in the related Letter of Transmittal (together with any amendments or supplements thereto, the "Letter of Transmittal"). Purchaser is a direct wholly-owned subsidiary of Gilead Sciences, Inc. ("Parent"), a Delaware corporation. The Offer is being made in connection with the Agreement and Plan of Merger, dated as of August 27, 2017 (together with any amendments or supplements thereto, the "Merger Agreement"), among Kite, Parent and Purchaser, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into Kite, without a meeting of the Kite stockholders in accordance with Section 251(h) of the General Corporation Law of the State of Delaware (the "DGCL"), and Kite will be the surviving corporation and a direct wholly-owned subsidiary of Parent (such corporation, the "Surviving Corporation" and such merger, the "Merger"). At the effective time of the Merger, all then outstanding Shares (other than (i) Shares held by Kite (or held in Kite's treasury), (ii) Shares held by Parent, Purchaser or any other direct or indirect wholly-owned subsidiary of Parent and (iii) Shares held by stockholders who have properly exercised and not effectively withdrawn their respective demand or otherwise lost their respective rights to appraisal pursuant to Section 262 of the DGCL), will be converted into the right to receive consideration equal to the Offer Price, without interest, less any applicable withholding of taxes.

**After careful consideration, the Kite board of directors has unanimously: (i) approved the Merger Agreement and declared it advisable for Kite to enter into the Merger Agreement, (ii) approved the execution, delivery and performance by Kite of the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement, including the Offer and the Merger (collectively, the "Transactions"), (iii) resolved that the Merger shall be effected under Section 251(h) of the DGCL (as defined below) and (iv) resolved to recommend that the stockholders of Kite accept the Offer and tender their Shares to Purchaser pursuant to the Offer.**

**There is no financing condition to the Offer. The Offer is subject to various conditions. See Section 13—"Conditions of the Offer." A summary of the principal terms of the Offer appears on pages 4 through 10 of this Offer to Purchase. You should read this entire document carefully before deciding whether to tender your Shares.**

September 5, 2017

## IMPORTANT

If you desire to tender all or any portion of your Shares to us pursuant to the Offer, you should either (i) if you hold your Shares directly as the registered owner, complete and sign the Letter of Transmittal for the Offer, which is enclosed with this Offer to Purchase, in accordance with the instructions contained in the Letter of Transmittal, mail or deliver the Letter of Transmittal and any other required documents to Computershare Trust Company, N.A. (the "Depository"), and either deliver the certificates for your Shares to the Depository along with the Letter of Transmittal or tender your Shares by book-entry transfer by following the procedures described in Section 3—"Procedures for Tendering Shares" of this Offer to Purchase, in each case prior to the expiration of the Offer, or (ii) if you hold your Shares in street name, request that your broker, dealer, commercial bank, trust company or other nominee effect the transaction for you. If you hold Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee you must contact that institution in order to tender your Shares to us pursuant to the Offer.

If you desire to tender your Shares to us pursuant to the Offer and the certificates representing your Shares are not immediately available, or you cannot comply in a timely manner with the procedures for tendering your Shares by book-entry transfer, or you cannot deliver all required documents to the Depository prior to the expiration of the Offer, you may tender your Shares to us pursuant to the Offer by following the procedures for guaranteed delivery described in Section 3—"Procedures for Tendering Shares" of this Offer to Purchase.

\* \* \*

Questions and requests for assistance may be directed to Innisfree M&A Incorporated (the "Information Agent") at its address and telephone number set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal, the notice of guaranteed delivery and other tender offer materials may be directed to the Information Agent. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance.

This Offer to Purchase and the Letter of Transmittal contain important information, and you should read both carefully and in their entirety before making any decision with respect to the Offer.

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## SUMMARY TERM SHEET

Dodgers Merger Sub, Inc., a recently formed Delaware corporation ("Purchaser") and a direct wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation ("Parent"), is offering to purchase all outstanding shares of common stock, par value \$0.001 per share, of Kite Pharma, Inc., a Delaware corporation ("Kite"), at a price per share of \$180.00, net to the holder in cash, without interest upon terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal. The following are some questions you, as a stockholder of Kite, may have and answers to those questions. This Summary Term Sheet highlights selected information from this Offer to Purchase, and may not contain all of the information that is important to you and is qualified in its entirety by the more detailed descriptions and explanations contained in this Offer to Purchase and the related Letter of Transmittal. To better understand the Offer and for a complete description of the legal terms of the Offer, you should read this Offer to Purchase and the related Letter of Transmittal carefully and in their entirety. Questions or requests for assistance may be directed to the Information Agent at its address and telephone numbers, as set forth on the back cover of this Offer to Purchase. Unless otherwise indicated in this Offer to Purchase or the context otherwise requires, all references in this Offer to Purchase to "we," "our," or "us" refer to Purchaser or Parent, as the context requires.

### WHO IS OFFERING TO BUY MY SECURITIES?

- The Offer is by Purchaser. Purchaser has been organized in connection with this Offer and has not carried on any activities other than entering into the Merger Agreement relating to, and activities in connection with, the Offer. See Section 9—"Certain Information Concerning Parent and Purchaser."
- Parent is an international biopharmaceutical company that discovers, develops and commercializes innovative therapeutics in areas of unmet medical need. Parent's mission is to advance the care of patients suffering from life-threatening diseases. See Section 9—"Certain Information Concerning Parent and Purchaser."
- Parent has agreed pursuant to the Merger Agreement to cause Purchaser to, upon the terms and subject to the conditions in this Offer to Purchase and the related Letter of Transmittal, accept and pay for shares tendered and not validly withdrawn in the Offer.

### WHAT ARE THE CLASSES AND AMOUNTS OF SECURITIES SOUGHT IN THE OFFER?

- Purchaser is seeking to purchase all of the issued and outstanding shares of common stock, par value \$0.001 per share (the "Shares"), of Kite. See the Introduction and Section 1—"Terms of the Offer."

### HOW MUCH ARE YOU OFFERING TO PAY AND WHAT IS THE FORM OF PAYMENT? WILL I HAVE TO PAY ANY FEES OR COMMISSIONS?

- Purchaser is offering to pay \$180.00 per Share, net to you in cash, without interest upon the terms and subject to the conditions contained in this Offer to Purchase and in the related Letter of Transmittal.
- If your Shares are registered in your name and you tender your Shares, you will not be obligated to pay brokerage fees or commissions or similar expenses. If you hold your Shares through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your Shares on your behalf, your broker, dealer, commercial bank, trust company or other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

## **WHY IS PURCHASER MAKING THE OFFER?**

- Purchaser is making the Offer because Purchaser and Parent want to acquire Kite. See Section 1—"Terms of the Offer" and Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements."

## **WHAT ARE THE MOST SIGNIFICANT CONDITIONS OF THE OFFER?**

- The Offer is subject to, among others, the following conditions:
  - there having been validly tendered and not validly withdrawn Shares that, considered together with all other Shares (if any) beneficially owned by Parent and its subsidiaries, represents one more Share than 50% of the sum of (x) the total number of Shares outstanding, plus (y) the total number of Shares that Kite would be required to issue upon conversion, settlement, exchange or exercise of all options, warrants, rights or securities outstanding (it being understood that Kite stock options and Kite restricted stock units canceled or assumed, as the case may be, pursuant to the Merger Agreement, shall not be included in such calculation) that are convertible, exchangeable or exercisable into Shares (the "Minimum Tender Condition");
  - the waiting period (or any extension thereof) applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") (including the rules and regulations promulgated thereunder) having expired or been terminated (the "HSR Condition");
  - (i) there not having been issued by any governmental body of competent jurisdiction and remaining in effect any judgment, temporary restraining order, preliminary or permanent injunction or other order, decree or ruling restraining, enjoining or otherwise preventing the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Offer or the Merger, and (ii) no legal requirement having been promulgated, enacted issued or deemed applicable to the Offer or the Merger by any governmental body which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger (the "Governmental Impediment Condition");
  - the absence of, since the date of the Merger Agreement, any change, circumstance, condition, development, effect, event occurrence or state of facts which, individually in the aggregate, has had, or would reasonably be expected to have a Material Adverse Effect (as defined below); and
  - the Merger Agreement not having been terminated in accordance with its terms (the "Termination Condition").
- Purchaser reserves the right to waive certain of the conditions to the Offer in its sole discretion; provided that Parent may not waive the Minimum Tender Condition, the Termination Condition, the HSR Condition or the Governmental Impediment Condition without the consent of Kite.
- The Offer is subject to other conditions in addition to those set forth above. A more detailed discussion of the conditions to consummation of the Offer is contained in the Introduction, Section 1—"Terms of the Offer" and Section 13—"Conditions of the Offer."

## **IS THERE AN AGREEMENT GOVERNING THE OFFER?**

- Yes. Kite, Parent and Purchaser have entered into the Merger Agreement. The Merger Agreement provides, among other things, for the terms and conditions of the Offer and, following consummation of the Offer, the Merger. See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements."



**DO YOU HAVE FINANCIAL RESOURCES TO MAKE PAYMENTS IN THE OFFER?**

- Yes. Parent is a publicly traded company with an equity market capitalization of approximately \$109.37 billion (based upon the closing price of Parent shares on the NASDAQ Global Select Market ("NASDAQ") on September 1, 2017) and has sufficient funds to purchase the Shares in the Offer. The Offer is not conditioned upon entering into any financing arrangements. See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements" and Section 12—"Source and Amount of Funds."

**SHOULD PURCHASER'S FINANCIAL CONDITION BE RELEVANT TO MY DECISION TO TENDER IN THE OFFER?**

- No. Parent has sufficient funds which will be used to provide Purchaser with the funds necessary to purchase the Shares in the Offer.
- Purchaser has been organized solely in connection with the Merger Agreement and this Offer and has not carried on any activities other than in connection with the Merger Agreement and this Offer. Because the form of payment consists solely of cash that will be provided to Purchaser by Parent and because of the lack of any relevant historical information concerning Purchaser, our financial condition is not relevant to your decision to tender in the Offer. See Section 12—"Source and Amount of Funds."

**HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER IN THE OFFER?**

- You will have until October 2, 2017, to tender your Shares in the Offer, unless Purchaser extends the Offer, in which event you will have until the expiration date of the Offer as so extended. If you cannot deliver everything that is required in order to make a valid tender by that time, you may be able to use a guaranteed delivery procedure which is described in Section 3—"Procedures for Tendering Shares." See also Section 1—"Terms of the Offer."

**CAN THE OFFER BE EXTENDED, AND UNDER WHAT CIRCUMSTANCES?**

- If on or prior to any then-scheduled expiration date of the Offer any of the conditions to the Offer (including the Minimum Tender Condition or the other conditions set forth in Section 13—"Conditions of the Offer") have not been satisfied or waived by Parent or Purchaser, Purchaser has agreed to, and Parent has agreed to cause Purchaser to, extend the Offer for additional periods of up to ten business days to permit such condition to the Offer to be satisfied, until the earlier of (i) the termination of the Merger Agreement in accordance with its terms or (ii) the End Date (defined in the Merger Agreement as December 27, 2017, or as late as March 27, 2018 in the event the End Date has been extended as provided in the Merger Agreement). In addition, Purchaser has agreed to extend the Offer for any period required by any rule, regulation, interpretation or position of the United States Securities Exchange Commission (the "SEC") applicable to the Offer until the earlier of (i) the termination of the Merger Agreement in accordance with its terms or (ii) the End Date.

**HOW WILL I BE NOTIFIED IF THE OFFER IS EXTENDED?**

- If Purchaser extends the Offer, we will inform Computershare Trust Company, N.A., the Depositary for this Offer, of that fact and will issue a press release giving the new expiration date no later than 9:00 a.m., Eastern Time, on the next business day after the day on which the Offer was previously scheduled to expire. See Section 1—"Terms of the Offer."

**HOW DO I TENDER MY SHARES?**

- If you hold your Shares directly as the registered owner, you can (i) tender your Shares in the Offer by delivering the certificates representing your Shares, together with a completed Letter of

Transmittal and any other documents required by the Letter of Transmittal, to Computershare Trust Company, N.A., the Depository for the Offer or (ii) tender your Shares by following the procedure for book-entry set forth in Section 3—"Procedures for Tendering Shares," not later than the expiration of the Offer. If you are unable to deliver any required document or instrument to the Depository by the expiration of the Offer, you may gain some extra time by having a broker, a bank or other fiduciary that is an eligible guarantor institution guarantee that the missing items will be received by the Depository by using the enclosed Notice of Guaranteed Delivery. For the tender to be valid, however, the Depository must receive the missing items within three trading days after the date of execution of such Notice of Guaranteed Delivery. See Section 3—"Procedures for Tendering Shares." The Letter of Transmittal is enclosed with this Offer to Purchase.

- If you hold your Shares in street name (i.e., through a broker, dealer, commercial bank, trust company or other nominee), you must contact the institution that holds your Shares and give instructions that your Shares be tendered. You should contact the institution that holds your Shares for more details.
- In all cases, payment for tendered Shares will be made only after timely receipt by the Depository of certificates for such Shares (or of a confirmation of a book-entry transfer of such Shares as described in Section 3—"Procedures for Tendering Shares") and a properly completed and duly executed Letter of Transmittal and any other required documents for such Shares. See also Section 2—"Acceptance for Payment and Payment for Shares."

#### **UNTIL WHAT TIME CAN I WITHDRAW PREVIOUSLY TENDERED SHARES?**

- You may withdraw previously tendered Shares any time prior to one minute after 11:59 p.m., Eastern Time, on October 2, 2017, unless Purchaser extends the Offer. See Section 4—"Withdrawal Rights." In addition, pursuant to Section 14(d)(5) of the Securities Exchange Act of 1934, as amended, Shares may be withdrawn at any time after November 4, 2017, which is the 60<sup>th</sup> day after the date of the commencement of the Offer, unless prior to that date Purchaser has accepted for payment the Shares validly tendered in the Offer.

#### **HOW DO I WITHDRAW PREVIOUSLY TENDERED SHARES?**

- To withdraw previously tendered Shares, you must deliver a written or facsimile notice of withdrawal with the required information to the Depository while you still have the right to withdraw. If you tendered Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your Shares. See Section 4—"Withdrawal Rights."

#### **WHAT DOES KITE'S BOARD OF DIRECTORS THINK OF THE OFFER?**

- Kite's board of directors (the "Kite Board") has unanimously recommended that you accept the Offer. Kite's full statement on the Offer is set forth in its Schedule 14D-9, which it has filed with the SEC concurrently with the filing of our Schedule TO dated September 5, 2017 (the "Schedule TO"). See also the Introduction.

#### **WILL THE TENDER OFFER BE FOLLOWED BY A MERGER IF ALL THE SHARES ARE NOT TENDERED?**

- If we accept Shares for payment pursuant to the Offer, we will hold a sufficient number of Shares to ensure any requisite adoption of the Merger Agreement by Kite stockholders under the DGCL to complete the Merger. If the Merger occurs, Kite will become a direct wholly-owned subsidiary of Parent and each issued and then outstanding Share (other than any Shares held by or in the treasury of Kite, or owned by Parent, Purchaser or any of Parent's other

subsidiaries and any Shares held by stockholders who have properly exercised and not effectively withdrawn their respective demand or otherwise lost their respective rights to appraisal pursuant to Section 262 of the DGCL) will be canceled and converted automatically into the right to receive \$180.00 per Share, in cash, without interest. See the Introduction.

- Because the Merger will be governed by Section 251(h) of the DGCL, no stockholder vote will be required to consummate the Merger. As required by Section 251(h) of the DGCL, the Merger Agreement provides that the Merger shall be effected as soon as practicable following the consummation of the Offer. See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements."

#### **IF THE OFFER IS COMPLETED, WILL KITE CONTINUE AS A PUBLIC COMPANY?**

- No. Immediately following consummation of the Offer and satisfaction or waiver (to the extent permitted by applicable law) of the conditions to the Merger, we expect to complete the Merger pursuant to applicable provisions of the DGCL, after which the Surviving Corporation will be a direct wholly-owned subsidiary of Parent and the Shares will no longer be publicly traded. Even if the Merger does not occur, if Purchaser purchases all Shares that have been tendered, there may be so few remaining stockholders and publicly held Shares that the Shares may no longer be eligible to be traded through NASDAQ or any other securities market, there may not be a public trading market for the Shares, and Kite may cease to make filings with the SEC or otherwise cease to be required to comply with the SEC's rules relating to publicly held companies. See Section 7—"Possible Effects of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration and Margin Regulations."

#### **IF I DECIDE NOT TO TENDER, HOW WILL THE OFFER AFFECT MY SHARES?**

- If you decide not to tender your Shares in the Offer and the Merger occurs as described above, you will receive in the Merger the right to receive the same amount of cash per Share as if you had tendered your Shares in the Offer.
- If you decide not to tender your Shares in the Offer and the Merger does not occur, and Purchaser purchases Shares which have been tendered, you will remain a stockholder of Kite, but there may be so few remaining stockholders and publicly held Shares that the Shares will no longer be eligible to be traded through NASDAQ or any other securities market, there may not be a public trading market for the Shares, and Kite may cease making filings with the SEC or otherwise cease being required to comply with the SEC rules relating to publicly held companies. Subject to limited conditions, if we purchase Shares in the Offer, we are obligated under the Merger Agreement to cause the Merger to occur. See Section 7—"Possible Effects of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration and Margin Regulations."
- Following the Offer, the Shares may no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which case your Shares may no longer be used as collateral for loans made by brokers. See Section 7—"Possible Effects of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration and Margin Regulations."

#### **WHAT IS THE MARKET VALUE OF MY SHARES AS OF A RECENT DATE?**

- On August 25, 2017, the last full trading day before we announced our intention to make an Offer for all of the outstanding Shares, the last reported closing price per Share reported on NASDAQ was \$139.10. See Section 6—"Price Range of Shares; Dividends."
- On September 1, 2017, the last full trading day before we commenced the Offer, the last reported closing price per Share reported on NASDAQ was \$177.99. See Section 6—"Price Range of Shares; Dividends."

## **IF I ACCEPT THE OFFER, WHEN AND HOW WILL I GET PAID?**

- If the conditions to the Offer as set forth in the Introduction and Section 13—"Conditions of the Offer" are satisfied or waived and Purchaser consummates the Offer and accepts your Shares for payment, we will pay you a dollar amount equal to the number of Shares you tendered multiplied by \$180.00 in cash, without interest, promptly following the Offer Acceptance Time (and in any event within three business days). See Section 1—"Terms of the Offer" and Section 2—"Acceptance for Payment and Payment for Shares."

## **IF I AM AN EMPLOYEE OF KITE, HOW WILL MY OUTSTANDING EQUITY AWARDS BE TREATED IN THE OFFER AND THE MERGER?**

- The Offer is being made for all outstanding Shares, but not for options to purchase Shares or restricted stock units granted under Kite's stock plans. If you wish to tender Shares subject to options, you must first exercise your options (to the extent then vested and exercisable) in accordance with their terms in sufficient time to tender the Shares received into the Offer. Kite restricted stock units may not be tendered unless such restricted stock units vest and become Shares in accordance with their terms in sufficient time to tender the resulting Shares into the Offer.
- Pursuant to the Merger Agreement, each vested option to purchase shares of Kite common stock that is outstanding and unexercised immediately prior to the Offer Acceptance Time (including each vested or unvested Kite option held by a non-employee director of Kite) and which has a per-share exercise price that is less than the Offer Price (each, a "Vested In the Money Option") will be canceled and converted into the right to receive a cash payment equal to (i) the excess of (x) Offer Price over (y) the per-share exercise price of such Vested In the Money Option, multiplied by (ii) the total number of shares subject to such Vested In the Money Option immediately prior to the Offer Acceptance Time.
- Immediately prior to the Offer Acceptance Time, each outstanding Kite restricted stock unit held by a non-employee director of Kite will fully vest and be canceled and converted into the right to receive a cash payment equal to the product of the Offer Price multiplied by the total number of shares subject to such restricted stock unit immediately prior to the Offer Acceptance Time.
- Immediately prior to the Offer Acceptance Time, each option to purchase shares of Kite common stock other than a Vested In the Money Option that is outstanding and unexercised, will be assumed and converted into an option to purchase a number of shares of Parent common stock equal to the product of (a) the total number of shares of Kite common stock subject to such option multiplied by (b) the "Conversion Ratio," which is a fraction, the numerator of which is the Offer Price and the denominator of which is Parent's volume weighted average stock price for fifteen trading days ending on the third business day prior to the Offer Acceptance Time. The exercise price per share of each such Parent option will be equal to the quotient of (A) the exercise price per share subject to such option immediately prior to the Offer Acceptance Time divided by (B) the Conversion Ratio. Each such Parent option will be subject to the same terms and conditions as were applicable to the related Kite option immediately prior to the Offer Acceptance Time, including the same vesting schedule.
- Immediately prior to the Offer Acceptance Time, each outstanding Kite restricted stock unit that is not held by a non-employee director of Kite will be assumed and converted into a restricted stock unit denominated in shares of Parent common stock, on the same terms and conditions as were applicable under such Kite restricted stock unit immediately prior to the Offer Acceptance Time (including applicable performance vesting conditions), and relating to a number of shares of Parent common stock equal to the product of (a) the total number of shares subject to such Kite restricted stock unit immediately prior to the Offer Acceptance Time multiplied by (b) the Conversion Ratio.

## **WHAT ARE THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE OFFER AND THE MERGER?**

- Generally, if you are a U.S. Holder (as defined in Section 5—"U.S. Federal Income Tax Consequences of the Offer and the Merger"), the receipt of cash in exchange for your Shares pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes. We urge you to consult your own tax advisor as to the particular tax consequences to you of the Offer and the Merger. See Section 5—"U.S. Federal Income Tax Consequences of the Offer and the Merger" for a more detailed discussion of the tax consequences of the Offer and the Merger.

## **WILL I HAVE THE RIGHT TO HAVE MY SHARES APPRAISED?**

- No appraisal rights are available in connection with the Offer. If the Merger is consummated, however, Kite's stockholders whose Shares have not been purchased by Purchaser pursuant to the Offer will have certain rights under Section 262 of the DGCL to demand appraisal of, and to receive payment in cash of the fair value of, their Shares. Kite's stockholders that perfect these rights by complying with the procedures set forth in Section 262 of the DGCL will have the fair value of their Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) determined by the Delaware Court of Chancery and will be entitled to receive a cash payment equal to such fair value from Kite. Any such judicial determination of the fair value of Shares could be based upon considerations other than, or in addition to, the price paid in the Offer and the market value of the Shares, including asset values and the investment value of the Shares. The value so determined could be more or less than the price paid by Purchaser pursuant to the Offer. If any stockholder of Kite who demands appraisal under Section 262 of the DGCL fails to perfect, or effectively withdraws or loses his or her right to appraisal, as provided in the DGCL, each of the Shares of such holder will be converted into the right to receive an amount equal to the Offer Price.
- The foregoing summary of the rights of dissenting stockholders under the DGCL does not purport to be a complete statement of the procedures to be followed by Kite's stockholders desiring to exercise any available appraisal rights, and is qualified in its entirety by the full text of Section 262 of the DGCL, a copy of which is included as Annex C to Kite's Schedule 14D-9. See Section 15—"Certain Legal Matters; Regulatory Approvals."

## **WITH WHOM MAY I TALK IF I HAVE QUESTIONS ABOUT THE OFFER?**

- You can call Innisfree M&A Incorporated, the Information Agent, toll-free at (888) 750-5834. See the back cover of this Offer to Purchase.

Except as otherwise set forth in this Offer to Purchase, references to "dollars" and "\$" shall be to United States dollars.

## INTRODUCTION

Dodgers Merger Sub, Inc., a Delaware corporation ("Purchaser"), is offering to purchase (the "Offer") all outstanding shares of common stock, par value \$0.001 per share (the "Shares"), of Kite Pharma, Inc., a Delaware corporation ("Kite"), at a price per Share of \$180.00, net to the holder in cash, without interest (the "Offer Price") upon the terms and subject to the conditions described in this Offer to Purchase (together with any amendments or supplements hereto, this "Offer to Purchase") and in the related Letter of Transmittal (together with any amendments or supplements thereto, the "Letter of Transmittal"). Purchaser is a direct wholly-owned subsidiary of Gilead Sciences, Inc. ("Parent").

The Offer is being made in connection with the Agreement and Plan of Merger, dated as of August 27, 2017 (together with any amendments or supplements thereto, the "Merger Agreement"), among Kite, Parent and Purchaser, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into Kite, and Kite will be the surviving corporation and a direct wholly-owned subsidiary of Parent (such corporation, the "Surviving Corporation" and such merger, the "Merger").

If your Shares are registered in your name and you tender directly to Computershare Trust Company, N.A., the depositary for the Offer (the "Depositary") you will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. If you hold your Shares through a broker, dealer, commercial bank, trust company or other nominee you should check with such institution as to whether they charge any service fees or commissions.

In addition, if you do not complete and sign the IRS Form W-9 that is provided with the Letter of Transmittal, or an IRS Form W-8BEN or other IRS Form W-8, as applicable, you may be subject to U.S. federal backup withholding tax (at a rate of 28%) on the gross proceeds payable to you pursuant to the Offer or the Merger. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be refunded or credited against your U.S. federal income tax liability. All stockholders should review the discussion in Section 3—"Procedures for Tendering Shares" and Section 5—"U.S. Federal Income Tax Consequences of the Offer and the Merger."

We will pay all charges and expenses of the Depositary and Innisfree M&A Incorporated, the information agent for the Offer (the "Information Agent").

**The Offer is not subject to any financing condition. The Offer is subject to the conditions, among others, that :**

1. there shall have been validly tendered and not validly withdrawn Shares that, considered together with all other Shares (if any) beneficially owned by Parent and its subsidiaries, represents one more Share than 50% of the sum of (x) the total number of Shares outstanding at the expiration of the Offer, plus (y) the total number of Shares that Kite would be required to issue upon conversion, settlement, exchange or exercise of all options, warrants, rights or securities outstanding (it being understood that Kite options and Kite restricted stock units canceled or assumed pursuant to the Merger Agreement shall not be included in the calculation) at the expiration of the Offer that are convertible, exchangeable or exercisable into Shares (the "Minimum Tender Condition");

2. the waiting period (or any extension thereof) applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") (including the rules and regulations promulgated thereunder) shall have expired or been terminated (the "HSR Condition");
3. (i) there shall not have been issued by any governmental body of competent jurisdiction and remain in effect any judgment, temporary restraining order, preliminary or permanent injunction or other order, decree or ruling restraining, enjoining or otherwise preventing the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Offer or the Merger, and (ii) no legal requirement shall have been promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger (the "Governmental Impediment Condition");
4. there shall not have been since the date of the Merger Agreement any change, circumstance, condition, development, effect, event occurrence or state of facts which, individually in the aggregate, has had, or would reasonably be expected to have a Material Adverse Effect; and
5. the Merger Agreement shall not have been terminated in accordance with its terms (the "Termination Condition").

**Purchaser and Parent have the right to waive certain of the conditions to the Offer in their sole discretion; provided that Parent may not waive the Minimum Tender Condition, the Termination Condition, the HSR Condition or the Governmental Impediment Condition without the consent of Kite. See Section 13—"Conditions of the Offer."**

**The Offer will expire at one minute after 11:59 p.m., Eastern Time, on October 2, 2017, unless the Offer is extended. See Section 1—"Terms of the Offer", Section 13—"Conditions of the Offer" and Section 15—"Certain Legal Matters; Regulatory Approvals."**

**After careful consideration, the Kite Board has unanimously: (i) approved the Merger Agreement and declared it advisable for Kite to enter into the Merger Agreement, (ii) approved the execution, delivery and performance by Kite of the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement, including the Offer and the Merger (collectively, the "Transactions"), (iii) resolved that the Merger shall be effected under Section 251(h) of the DGCL and (iv) resolved to recommend that the stockholders of Kite accept the Offer and tender their Shares to Purchaser pursuant to the Offer.**

For factors considered by the Kite Board, see Kite's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") filed with the SEC in connection with the Offer, a copy of which (without certain exhibits) is being furnished to stockholders concurrently herewith.

The Offer is being made in connection with the Merger Agreement, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, the Merger will be effected. The Merger shall become effective when a certificate of merger is filed with the Secretary of State of the State of Delaware (or at such subsequent date and time as may be agreed by Parent, Kite and Purchaser and specified in the certificate of merger) (the "Effective Time"). At the Effective Time, each Share issued and outstanding immediately prior to the Effective Time (other than (i) any Shares held by or in the treasury of Kite and each Share owned by Parent, Purchaser or any other direct or indirect wholly-owned subsidiary of Parent immediately prior to the Effective Time which will be canceled without any conversion thereof and no consideration will be delivered in exchange therefor and (ii) any Shares owned by Kite's stockholders who have properly exercised and not effectively withdrawn their respective demand or otherwise lost their respective appraisal rights under Section 262

of the General Corporation Law of the State of Delaware (the "DGCL")) will be canceled and will be converted automatically into the right to receive consideration equal to the Offer Price (the "Merger Consideration") payable, without any interest thereon and subject to any withholding taxes, to the holder of such Share, upon surrender of the certificate that formerly evidenced such Share or, with respect to uncertificated Shares, upon the receipt by the Depositary of an Agent's Message (as defined below) relating to such Shares. The Merger Agreement is more fully described in Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements," which also contains a discussion of the treatment of Kite stock options and restricted stock units in the Merger. Section 5—"U.S. Federal Income Tax Consequences of the Offer and the Merger" below describes the U.S. federal income tax consequences generally applicable to the U.S. Holders (as defined below) whose Shares are tendered and accepted for purchase pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger.

Because the Merger will be consummated in accordance with Section 251(h) of the DGCL, approval of the Merger will not require a vote of Kite's stockholders. Section 251(h) of the DGCL provides that stockholder approval of a merger is not required if certain requirements are met, including that (i) the acquiring company consummates a tender offer for any and all of the outstanding stock of the company to be acquired that, absent Section 251(h) of the DGCL, would be entitled to vote on the merger, (ii) following the consummation of such tender offer, the acquiring company owns at least such percentage of the stock of the company to be acquired that, absent Section 251(h) of the DGCL, would be required to adopt the merger agreement, and (iii) at the time that the board of directors of the company to be acquired approves the merger agreement, no other party to the merger agreement is an "interested stockholder" under the DGCL. If the Minimum Tender Condition is satisfied and we accept Shares for payment pursuant to the Offer, we will hold a sufficient number of Shares to ensure that Kite will not be required to submit the adoption of the Merger Agreement to a vote of its stockholders. As a result of the Merger, Kite will cease to be a publicly-traded company and will become a direct wholly-owned subsidiary of Parent. See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements."

**This Offer to Purchase and the related Letter of Transmittal contain important information and both documents should be read carefully and in their entirety before any decision is made with respect to the Offer.**



## THE TENDER OFFER

### 1. Terms of the Offer.

Upon the terms and subject to the prior satisfaction or waiver of the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), we will accept for payment, purchase and pay for all Shares validly tendered prior to the expiration of the Offer, and not properly withdrawn in accordance with the procedures set forth in Section 4—"Withdrawal Rights." The offer will expire at one minute after 11:59 p.m. Eastern Time on Monday, October 2, 2017 (the "Expiration Date"), unless we have extended the Offer in accordance with the terms of the Merger Agreement, in which event the term "Expiration Date" will mean the date to which the initial expiration date of the Offer is so extended.

**The Offer is conditioned upon the satisfaction of the Minimum Tender Condition and the other conditions described in Section 13—"Conditions of the Offer." We may terminate the Offer without purchasing any Shares if certain events described in Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements—Summary of the Merger Agreement—Termination" occur.**

To the extent permitted by applicable law and the Merger Agreement, we expressly reserve the right to increase the amount of cash constituting the Offer Price, to waive certain conditions to the Offer, to make any other changes in the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement and to terminate the Offer if the conditions to the Offer are not satisfied and the Merger Agreement is terminated. However, pursuant to the Merger Agreement, we have agreed that we will not, without the prior written consent of Kite:

- (1) decrease the Offer Price;
- (2) change the form of consideration payable in the Offer (except that we may increase the cash consideration payable in the Offer);
- (3) decrease the maximum number of Shares sought to be purchased in the Offer;
- (4) impose conditions to the Offer in addition to the conditions set forth in Section 13—"Conditions of the Offer;"
- (5) amend, modify or waive the Minimum Tender Condition, the Termination Condition, the HSR Condition or the Governmental Impediment Condition;
- (6) otherwise amend or modify any of the other terms of the Offer in any manner that adversely affects the holders of Shares in their capacity as such;
- (7) terminate the Offer or accelerate, extend or otherwise change the Expiration Date except as provided in the Merger Agreement; or
- (8) provide any "subsequent offering period" within the meaning of Rule 14d-11 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Upon the terms and subject to the satisfaction or waiver of the conditions of the Offer and the Merger Agreement, we will (i) immediately after the Expiration Date irrevocably accept for payment all Shares tendered (and not validly withdrawn) pursuant to the Offer and (ii) as promptly as practicable thereafter (and in any event within three business days) pay for all such shares. The time at which Purchaser accepts for payment Shares tendered in the Offer is referred to as the "Offer Acceptance Time."

If, on or before the Expiration Date, we increase the consideration being paid for Shares accepted for payment in the Offer, such increased consideration will be paid to all stockholders whose Shares

are purchased in the Offer, whether or not such Shares were tendered before the announcement of the increase in consideration. We also expressly reserve the right to modify the terms of the Offer, subject to compliance with the Exchange Act, the Merger Agreement and the restrictions identified in paragraphs (1) through (8) above.

The Merger Agreement provides that (i) if at any then-scheduled Expiration Date any condition to the Offer is not satisfied and has not been waived by us (to the extent waivable), Purchaser has agreed to extend the offer for additional periods of up to ten business days per extension in order to permit such condition to be satisfied, and (ii) Purchaser has agreed to extend the Offer for any period required by any applicable legal requirement, or any interpretation or position of the SEC or NASDAQ applicable to the Offer, in each case until the earlier of (x) termination of the Merger Agreement in accordance with its terms or (y) December 27, 2017 (or March 27, 2018, in the event that certain conditions to the Offer have not been satisfied as of such earlier date as provided in the Merger Agreement). See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements."

Except as set forth above, there can be no assurance that we will be required under the Merger Agreement to extend the Offer. During any extension of the initial offering period pursuant to the paragraphs above, all Shares previously tendered and not withdrawn will remain subject to the Offer and subject to withdrawal rights. See Section 4—"Withdrawal Rights."

Without Kite's consent, there will not be a subsequent offering period for the Offer.

If, subject to the terms of the Merger Agreement, we make a material change in the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-3(b)(1), 14d-4(d), 14d-6(c) and 14e-1 under the Exchange Act or otherwise. The minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or the information concerning the tender offer, other than a change in the consideration offered or a change in the percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the terms or information changes. With respect to a change in the consideration offered or a change in the percentage of securities sought, a tender offer generally must remain open for a minimum of ten business days following such change to allow for adequate disclosure to stockholders.

We expressly reserve the right, in our sole discretion, subject to the terms and upon the conditions of the Merger Agreement and the applicable rules and regulations of the SEC, to not accept for payment any Shares if, at the expiration of the Offer, any of the conditions to the Offer set forth in Section 13—"Conditions of the Offer" have not been satisfied. Under certain circumstances, Parent and Purchaser may terminate the Merger Agreement and the Offer.

Any extension, waiver or amendment of the Offer or termination of the Offer will be followed, as promptly as practicable, by public announcement thereof, such announcement in the case of an extension to be issued not later than 9:00 a.m., Eastern Time, on the next business day after the Expiration Date in accordance with the public announcement requirements of Rules 14d-3(b)(1), 14d-4(d), 14d-6(c) and 14e-1(d) under the Exchange Act. Without limiting our obligation under such rule or the manner in which we may choose to make any public announcement, we currently intend to make announcements by issuing a press release to the PR Newswire (or such other national media outlet or outlets we deem prudent) and making any appropriate filing with the SEC.

Promptly following the purchase of Shares in the Offer, we expect to complete the Merger without a vote of the stockholders of Kite pursuant to Section 251(h) of the DGCL.

Kite has agreed to provide us with its list of stockholders and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on Kite's stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

## **2. Acceptance for Payment and Payment for Shares.**

Subject to the satisfaction or waiver of all the conditions to the Offer set forth in Section 13—"Conditions of the Offer," we will immediately after the Expiration Date irrevocably accept for payment all Shares tendered (and not validly withdrawn) pursuant to the Offer and, promptly after the Offer Acceptance Time (and in any event within three (3) business days), pay for such Shares.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of (i) certificates representing such Shares or confirmation of the book-entry transfer of such Shares into the Depository's account at The Depository Trust Company ("DTC") pursuant to the procedures set forth in Section 3—"Procedures for Tendering Shares," (ii) a Letter of Transmittal, properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message (as defined below) in lieu of the Letter of Transmittal), and (iii) any other documents required by the Letter of Transmittal or any other customary documents required by Depository. See Section 3—"Procedures for Tendering Shares."

For purposes of the Offer, if and when Purchaser gives oral or written notice to the Depository of its acceptance for payment of such Shares pursuant to the Offer, then Purchaser has accepted for payment and thereby purchased Shares validly tendered and not validly withdrawn pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depository, which will act as agent for the tendering stockholders for purposes of receiving payments from us and transmitting such payments to the tendering stockholders. **Under no circumstances will interest be paid on the Offer Price for Shares, regardless of any extension of the Offer or any delay in payment for Shares.**

If any tendered Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Shares than are tendered, certificates for such unpurchased Shares will be returned (or new certificates for the Shares not tendered will be sent), without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depository's account at DTC pursuant to the procedures set forth in Section 3—"Procedures for Tendering Shares," such Shares will be credited to an account maintained with DTC) promptly following expiration or termination of the Offer.

## **3. Procedures for Tendering Shares.**

**Valid Tender of Shares.** Except as set forth below, to validly tender Shares pursuant to the Offer, (i) a properly completed and duly executed Letter of Transmittal in accordance with the instructions of the Letter of Transmittal, with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry delivery of Shares, and any other documents required by the Letter of Transmittal and any other customary documents required by the Depository, must be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase prior to the expiration of the Offer and either (a) certificates representing Shares tendered must be delivered to the Depository or (b) such Shares must be properly delivered pursuant to the procedures for book-entry transfer described below and a confirmation of such delivery received by the Depository

(which confirmation must include an Agent's Message if the tendering stockholder has not delivered a Letter of Transmittal), in each case, prior to the Expiration Date or (ii) the tendering stockholder must comply with the guaranteed delivery procedures set forth below. The term "Agent's Message" means a message, transmitted by DTC to, and received by, the Depository and forming a part of a Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against the participant.

**Book-Entry Transfer.** The Depository will take steps to establish and maintain an account with respect to the Shares at DTC for purposes of the Offer. Any financial institution that is a participant in DTC's systems may make a book-entry transfer of Shares by causing DTC to transfer such Shares into the Depository's account in accordance with DTC's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer, either the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be transmitted to and received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date or the tendering stockholder must comply with the guaranteed delivery procedures described below. The confirmation of a book-entry transfer of Shares into the Depository's account at DTC as described above is referred to herein as a "Book-Entry Confirmation."

**Delivery of documents to DTC in accordance with DTC's procedures does not constitute delivery to the Depository.**

**Signature Guarantees and Stock Powers.** Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an "Eligible Institution"). Signatures on a Letter of Transmittal need not be guaranteed (i) if the Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this section, includes any participant in any of DTC's systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered therewith and such registered owner has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (ii) if such Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal. If the certificates for Shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for Shares not tendered or not accepted for payment are to be returned to a person other than the registered owner of the certificates surrendered, then the tendered certificates must be registered or accompanied by appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear on the certificates, with the signatures on the certificates or stock powers guaranteed as described above. See Instructions 1 and 5 of the Letter of Transmittal.

If certificates representing Shares are forwarded separately to the Depository, a properly completed and duly executed Letter of Transmittal must accompany each delivery of certificates.

**Guaranteed Delivery.** A stockholder who desires to tender Shares pursuant to the Offer and whose certificates for Shares are not immediately available and cannot be delivered to the Depository prior to the expiration of the Offer, or who cannot complete the procedure for book-entry transfer prior to the expiration of the Offer, or who cannot deliver all required documents to the Depository

prior to the expiration of the Offer, may tender such Shares by satisfying all of the requirements set forth below:

- such tender is made by or through an Eligible Institution;
- a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser, is received by the Depository (as provided below) prior to the Expiration Date; and
- the certificates for all tendered Shares, in proper form for transfer (or a Book-Entry Confirmation with respect to all such Shares), together with a properly completed and duly executed Letter of Transmittal, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal), and any other required documents, are received by the Depository within three trading days after the date of execution of such Notice of Guaranteed Delivery. A "trading day" is any day on which NASDAQ is open for business.

The Notice of Guaranteed Delivery may be delivered by overnight courier to the Depository or mailed to the Depository and must include a guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery. Shares tendered by a Notice of Guaranteed Delivery will not be deemed validly tendered for purposes of satisfying the Minimum Tender Condition unless and until Shares underlying such Notice of Guaranteed Delivery are delivered to the Depository prior to the expiration of the Offer.

**THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY .**

**Other Requirements.** Notwithstanding any provision of the Merger Agreement, Purchaser will pay for Shares tendered (and not validly withdrawn) pursuant to the Offer only after timely receipt by the Depository of (i) certificates for (or a timely Book-Entry Confirmation with respect to) such Shares, (ii) a Letter of Transmittal, properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal), and (iii) any other documents required by the Letter of Transmittal or any other customary documents required by the Depository. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depository. **Under no circumstances will Purchaser pay interest on the purchase price of Shares, regardless of any extension of the Offer or any delay in making such payment .** If your Shares are held in street name (i.e., through a broker, dealer, commercial bank, trust company or other nominee), your Shares can be tendered by your nominee by book-entry transfer through the Depository. If you are unable to deliver any required document or instrument to the Depository by the expiration of the Offer, you may gain some extra time by having a broker, a bank or other fiduciary that is an eligible guarantor institution guarantee that the missing items will be received by the Depository by using the enclosed Notice of Guaranteed Delivery. For the tender to be valid, however, the Depository must receive the missing items together with the Shares within three NASDAQ trading days after the date of execution of the Notice of Guaranteed Delivery.

**Binding Agreement.** Our acceptance for payment of Shares tendered pursuant to one of the procedures described above will constitute a binding agreement between the tendering stockholder and us upon the terms and subject to the conditions of the Offer.

**Appointment as Proxy.** By executing and delivering a Letter of Transmittal as set forth above (or, in the case of a book-entry transfer, by delivery of an Agent's Message in lieu of a Letter of Transmittal), the tendering stockholder irrevocably appoints Purchaser's designees as such stockholder's proxies, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by us and with respect to any and all other Shares or other securities issued or issuable in respect of such Shares on or after the date of the Merger Agreement. All such proxies and powers of attorney will be considered coupled with an interest in the tendered Shares. Such appointment is effective when, and only to the extent that, we accept for payment Shares tendered by such stockholder as provided herein. Upon the effectiveness of such appointment, all prior powers of attorney, proxies and consents given by such stockholder will be revoked, and no subsequent powers of attorney, proxies and consents may be given (and, if given, will not be deemed effective). Our designees will, with respect to the Shares or other securities and rights for which the appointment is effective, be empowered to exercise all voting and other rights of such stockholder as they, in their sole discretion, may deem proper at any annual, special, adjourned or postponed meeting of the stockholders of Kite, by written consent in lieu of any such meeting or otherwise. We reserve the right to require that, in order for Shares to be deemed validly tendered, immediately upon our payment for such Shares we must be able to exercise full voting, consent and other rights to the extent permitted under applicable law with respect to such Shares and other securities, including voting at any meeting of stockholders or executing a written consent concerning any matter.

**Determination of Validity.** All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by us in our sole and absolute discretion, which determination will be final and binding, subject to the rights of the tendering holders of Shares to challenge our determination in a court of competent jurisdiction. Purchaser reserves the absolute right to reject any and all tenders determined by us not to be in proper form or the acceptance for payment of or payment for which may, in our opinion, be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in the tender of any Shares of any particular stockholder whether or not similar defects or irregularities are waived in the case of any other stockholder. No tender of Shares will be deemed to have been validly made until all defects and irregularities relating thereto have been cured or waived. None of Parent, Purchaser or any of their respective affiliates or assigns, the Depositary, the Information Agent, or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Instructions thereto and any other documents related to the Offer) will be final and binding, subject to the rights of the tendering holders of Shares to challenge our determination in a court of competent jurisdiction.

**Backup Withholding.** In order to avoid "backup withholding" of U.S. federal income tax on payments of cash pursuant to the Offer or the Merger, a stockholder that is a "U.S. person" (as defined in the instructions to the Internal Revenue Service ("IRS") Form W-9 provided with the Letter of Transmittal) who surrenders Shares for cash pursuant to the Offer or the Merger must, unless an exemption applies, provide the Depositary with such stockholder's correct taxpayer identification number ("TIN") on an IRS Form W-9, certify under penalties of perjury that such TIN is correct and provide certain other certifications. If a stockholder does not provide such stockholder's correct TIN or fails to provide the required certifications, the IRS may impose penalties on such stockholder, and the gross proceeds payable to such stockholder pursuant to the Offer or the Merger may be subject to backup withholding at a rate of 28%. All stockholders that are U.S. persons surrendering Shares

pursuant to the Offer or the Merger should complete and sign the IRS Form W-9 included as part of the Letter of Transmittal to provide the information and certifications required to avoid backup withholding (unless an applicable exemption exists and is established in a manner satisfactory to the Depositary).

Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. Foreign stockholders should complete and sign an IRS Form W-8BEN, IRS Form W-8BEN-E, or other appropriate IRS Form W-8 (instead of an IRS Form W-9) in order to avoid backup withholding. An appropriate IRS Form W-8 may be obtained from the Depositary or at the IRS website ([www.irs.gov](http://www.irs.gov)). See Instruction 8 to the Letter of Transmittal.

Information reporting to the IRS may also apply to the receipt of cash pursuant to the Offer or the Merger.

#### **4. Withdrawal Rights.**

Except as otherwise provided in this Section 4, tenders of Shares pursuant to the Offer are irrevocable. However, a stockholder has withdrawal rights that are exercisable until the expiration of the Offer (i.e., at any time prior to one minute after 11:59 p.m., Eastern Time on October 2, 2017), or in the event the Offer is extended, on such date and time to which the Offer is extended. In addition, Shares may be withdrawn at any time after November 4, 2017, which is the 60<sup>th</sup> day after the date of the commencement of the Offer, unless prior to that date Purchaser has accepted for payment the Shares validly tendered in the Offer.

For a withdrawal of Shares to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the record holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3—"Procedures for Tendering Shares," any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Shares. If certificates representing the Shares have been delivered or otherwise identified to the Depositary, the name of the registered owner and the serial numbers shown on such certificates must also be furnished to the Depositary prior to the physical release of such certificates.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by us, in our sole discretion, which determination will be final and binding, subject to the rights of the tendering holders of Shares to challenge our determination in a court of competent jurisdiction. No withdrawal of Shares will be deemed to have been properly made until all defects and irregularities have been cured or waived. None of Parent, Purchaser or any of their respective affiliates or assigns, the Depositary, the Information Agent, or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by following one of the procedures for tendering Shares described in Section 3—"Procedures for Tendering Shares" at any time prior to the expiration of the Offer.

If Purchaser extends the Offer, delays its acceptance for payment of Shares, or is unable to accept for payment Shares pursuant to the Offer, for any reason, then, without prejudice to Purchaser's rights

under the Offer, the Depositary may nevertheless, on Purchaser's behalf, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders exercise withdrawal rights as described in this Section 4.

## **5. U.S. Federal Income Tax Consequences of the Offer and the Merger.**

The following summary describes the U.S. federal income tax consequences generally applicable to U.S. Holders (as defined below) whose Shares are tendered and accepted for purchase pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated under the Code, published rulings, administrative pronouncements, and judicial decisions, all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect. This summary addresses only stockholders who hold their Shares as capital assets within the meaning of the Code and does not address all of the tax consequences that may be relevant to stockholders in light of their particular circumstances or to certain types of stockholders subject to special treatment under the Code, including pass-through entities (including partnerships and S corporations for U.S. federal income tax purposes) and investors in such entities, certain financial institutions, brokers, dealers or traders in securities, insurance companies, expatriates, mutual funds, real estate investment trusts, cooperatives, tax-exempt organizations, persons who are subject to the alternative minimum tax, persons who hold their Shares as part of a straddle, hedge, conversion, constructive sale, synthetic security, integrated investment, or other risk-reduction transaction for U.S. federal income tax purposes, stockholders that have a functional currency other than the U.S. dollar, and persons who acquired their Shares upon the exercise of stock options or otherwise as compensation. This summary does not address any U.S. federal estate, gift, or other non-income tax consequences, the effects of the Medicare contribution tax on net investment income, or any state, local, or foreign tax consequences.

For purposes of this discussion, a "U.S. Holder" is a beneficial holder of Shares that, for U.S. federal income tax purposes, is (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any State or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if it (A) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) exchanges Shares for cash pursuant to the Offer or the Merger, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding Shares should consult its tax advisor regarding the tax consequences of exchanging Shares for cash pursuant to the Offer or the Merger.

**Stockholders are urged to consult their tax advisors to determine the tax consequences to them of exchanging Shares for cash pursuant to the Offer or the Merger in light of their particular circumstances.**

The exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction to U.S. Holders for U.S. federal income tax purposes. In general, a U.S. Holder who exchanges Shares for cash pursuant to the Offer or the Merger will recognize capital gain or loss in an amount equal to the difference, if any, between the amount of cash received and the U.S. Holder's adjusted tax basis in the Shares exchanged. Such gain or loss will generally be long-term capital gain or loss if, as of the date of the exchange, a U.S. Holder's holding period in the Shares exchanged is more than one year.



Long-term capital gain recognized by certain non-corporate holders, including individuals, is currently subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations under the Code.

If a U.S. Holder acquired different blocks of Shares at different times or at different prices, such U.S. Holder generally must determine its adjusted tax basis and holding period separately with respect to each such block of Shares.

A U.S. Holder who exchanges Shares for cash pursuant to the Offer or the Merger is subject to information reporting and may be subject to backup withholding unless certain information is provided to the Depository or an exemption applies. See Section 3—"Procedures for Tendering Shares."

## 6. Price Range of Shares; Dividends.

According to Kite's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, the Shares are traded on the NASDAQ Global Select Market under the symbol "KITE." Kite has advised Parent that, as of the close of business on August 31, 2017, 57,410,242 Shares were outstanding. The following table sets forth, for the fiscal quarters indicated, the high and low sales prices per Share on NASDAQ with respect to the fiscal years ended December 31, 2015 and December 31, 2016 and, with respect to the fiscal year ended December 31, 2017, through September 1, 2017, using Share data reported by NASDAQ.

<u>Fiscal Year Ended December 31, 2015:</u>	<u>High</u>	<u>Low</u>
First Quarter	\$ 89.21	\$ 54.72
Second Quarter	66.50	45.36
Third Quarter	78.74	44.01
Fourth Quarter	89.84	52.83

<u>Fiscal Year Ended December 31, 2016:</u>	<u>High</u>	<u>Low</u>
First Quarter	\$ 63.96	\$ 38.41
Second Quarter	59.79	41.49
Third Quarter	64.30	46.80
Fourth Quarter	57.83	39.82

<u>Current Fiscal Year:</u>	<u>High</u>	<u>Low</u>
First Quarter	\$ 88.58	\$ 44.84
Second Quarter	106.42	66.75
Third Quarter (through September 1, 2017)	179.69	100.09

On August 25, 2017, the trading day before the public announcement of the execution of the Merger Agreement, the reported closing sales price of the Shares on NASDAQ was \$139.10. On September 1, 2017, the last full trading day prior to the commencement of the Offer, the reported closing sales price per Share on NASDAQ during normal trading hours was \$177.99 per Share. The Offer Price represents an approximately (i) 29.4% premium over the August 25, 2017 closing stock price and (ii) 58.6% premium over the average closing trading prices for the Shares for the 60-day period ending on August 25, 2017.

Kite has never paid dividends on its common stock. In Kite's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, Kite had indicated that it would continue to retain its future earnings for the development, operation and expansion of its business and it did not anticipate declaring or paying cash dividends on Shares in the foreseeable future. Additionally, under the terms of the Merger Agreement, neither Kite nor its subsidiaries are permitted to declare or pay any dividends on or make other distributions in respect of any of its capital stock other than cash dividends paid by a direct or indirect wholly-owned subsidiary of Kite to Kite or any other wholly-owned subsidiary of Kite. See Section 14—"Dividends and Distributions." **Stockholders are urged to obtain a current market quotation for the Shares.**

## 7. Possible Effects of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration and Margin Regulations.

**Possible Effects of the Offer on the Market for the Shares.** The purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares held by the public. The purchase of Shares pursuant to the Offer can also be expected to reduce the number of holders of Shares. We cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price or marketability of the Shares or whether it would cause future market prices to be greater or less than the Offer Price.

**NASDAQ Listing.** Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements for continued listing on the NASDAQ Global Select Market. According to the published guidelines of The NASDAQ Stock Market, LLC, NASDAQ would consider disqualifying the Shares for listing on The NASDAQ Global Select Market if, among other possible grounds, (a) the total number of holders of record and holders of beneficial interest, taken together, in the Shares falls below 400, (b) the bid price for a Share over a 30 consecutive business day period is less than \$1.00, (c)(i) Kite has stockholders' equity of less than \$10 million, the number of publicly held Shares falls below 750,000, the market value of publicly held Shares over a 30 consecutive business day period is less than \$5 million or there are fewer than two active and registered market makers in the Shares over a ten consecutive business day period, (ii) the number of publicly held Shares falls below 1,100,000, the market value of publicly held Shares over a 30 consecutive business day period is less than \$15 million, there are fewer than four active and registered market makers in the Shares over a ten consecutive business day period, or the market value of Kite's listed securities is less than \$50 million over a ten consecutive business day period or (iii) the number of publicly held shares falls below 1,100,000, the market value of publicly held Shares over a 30 consecutive business day period is less than \$15 million, there are fewer than four active and registered market makers in the Shares over a ten consecutive business day period, or Kite's total assets and total revenue is less than \$50 million each for the most recently completed fiscal year (or in two of the last three fiscal years). Shares held by officers or directors of Kite, or by any beneficial owner of more than 10 percent of the Shares, will not be considered as being publicly held for this purpose. According to Kite, there were, as of August 31, 2017, approximately 57,410,242 Shares issued and outstanding. If, as a result of the purchase of Shares pursuant to the Offer or otherwise, the Shares are delisted from NASDAQ, the market for Shares will be adversely affected.

If NASDAQ were to delist the Shares, it is possible that the Shares would continue to trade on other securities exchanges or in the over-the-counter market and that price or other quotations for the Shares would be reported by other sources. The extent of the public market for such Shares and the availability of such quotations would depend, however, upon such factors as the number of stockholders and the aggregate market value of such securities remaining at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration under the Exchange Act as described below, and other factors. We cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for or marketability of the Shares or whether it would cause future market prices to be greater or less than the Offer Price.

Trading in the Shares will cease upon consummation of the Merger if trading has not ceased earlier as discussed above.

**Exchange Act Registration.** The Shares currently are registered under the Exchange Act. The purchase of the Shares pursuant to the Offer may result in the Shares becoming eligible for deregistration under the Exchange Act. Registration of the Shares may be terminated by Kite upon application to the SEC if the outstanding Shares are not listed on a "national securities exchange" and if there are fewer than 300 holders of record of Shares.

We intend to seek to cause Kite to apply for termination of registration of the Shares as soon as possible after consummation of the Offer if the requirements for termination of registration are met. Termination of registration of the Shares under the Exchange Act would reduce the information required to be furnished by Kite to its stockholders and to the SEC and would make certain provisions of the Exchange Act (such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement or information statement in connection with stockholders' meetings or actions in lieu of a stockholders' meeting pursuant to Sections 14(a) and 14(c) under the Exchange Act and the related requirement of furnishing an annual report to stockholders) no longer applicable with respect to the Shares. In addition, if the Shares are no longer registered under the Exchange Act, the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions would no longer be applicable to Kite. Furthermore, the ability of "affiliates" of Kite and persons holding "restricted securities" of Kite to dispose of such securities pursuant to Rule 144 under the Securities Act of 1933, as amended, may be impaired or eliminated. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be eligible for continued inclusion on the Board of Governors' of the Federal Reserve System (the "Federal Reserve Board's") list of "margin securities" or eligible for stock exchange listing.

If registration of the Shares is not terminated prior to the Merger, then the registration of the Shares under the Exchange Act will be terminated following completion of the Merger.

**Margin Regulations.** The Shares are currently "margin securities" under the regulations of the Federal Reserve Board, which has the effect, among other things, of allowing brokers to extend credit using such Shares as collateral. Depending upon factors similar to those described above regarding listing and market quotations, following the Offer, the Shares may no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board, in which event the Shares would be ineligible as collateral for margin loans made by brokers.

## **8. Certain Information Concerning Kite.**

The following description of Kite and its business was taken from Kite's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and is qualified in its entirety by reference to such report.

Kite is a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to harness the power of a patient's own immune system to target and kill cancer cells. Kite does this using its engineered autologous cell therapy. Kite's therapy involves modifying a patient's T cells outside the patient's body, or ex vivo, causing the T cells to express chimeric antigen receptors, or CARs, or T cell receptors, or TCRs, and then reinfusing the engineered T cells back into the patient. CARs can recognize native cancer antigens that are part of an intact protein presented on the cancer cell surface. TCRs broaden the therapeutic approach by recognizing fragments on the cancer cell surface derived from intracellular proteins. By combining both CAR and TCR approaches, Kite has generated and advanced a broad portfolio of product candidates to target both solid and hematological tumors.

Kite is a Delaware corporation incorporated in June 2009. Kite's corporate headquarters are located at 2225 Colorado Avenue, Santa Monica, California 90404. Kite's telephone number at such corporate headquarters is (310) 824-9999.

**Available Information.** Kite is subject to the information and reporting requirements of the Exchange Act and in accordance therewith is obligated to file reports and other information with the SEC relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning Kite's business, principal physical properties, capital structure, material pending litigation, operating results, financial condition, directors and officers (including their remuneration and stock options granted to them), the principal holders of Kite's securities, any material interests of such persons in transactions with Kite, and other matters is required to be disclosed in proxy statements and

periodic reports distributed to Kite's stockholders and filed with the SEC. Such reports, proxy statements and other information should be available for inspection at the public reference room at the SEC's office at 100 F Street, NE, Washington, DC 20549. Copies may be obtained by mail, upon payment of the SEC's customary charges, by writing to its principal office at 100 F Street, NE, Washington, DC 20549. Further information on the operation of the SEC's Public Reference Room in Washington, DC can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, such as Kite, who file electronically with the SEC. The address of that site is <http://www.sec.gov>. Kite also maintains an Internet website at <http://www.kitepharma.com>. The information contained in, accessible from or connected to Kite's website is not incorporated into, or otherwise a part of, this Offer to Purchase or any of Kite's filings with the SEC. The website addresses referred to in this paragraph are inactive text references and are not intended to be actual links to the websites.

**Sources of Information.** Except as otherwise set forth herein, the information concerning Kite contained in this Offer to Purchase has been based upon publicly available documents and records on file with the SEC, other public sources and information provided by Kite. Although we have no knowledge that any such information contains any misstatements or omissions, none of Parent, Purchaser or any of their respective affiliates or assigns, the Information Agent or the Depositary assumes responsibility for the accuracy or completeness of the information concerning Kite contained in such documents and records or for any failure by Kite to disclose events which may have occurred or may affect the significance or accuracy of any such information.

#### **9. Certain Information Concerning Parent and Purchaser.**

**General.** Purchaser is a Delaware corporation with its principal offices located at c/o Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, California 94404. The telephone number of Purchaser is 650-574-3000. Purchaser is a direct wholly-owned subsidiary of Parent. Purchaser was formed for the purpose of making a tender offer for all of the Shares of Kite and has not engaged, and does not expect to engage, in any business other than in connection with the Offer and the Merger.

Parent is a Delaware corporation with its principal offices located at 333 Lakeside Drive, Foster City, California 94404. The telephone number of Parent is 650-574-3000. Parent is a research-based biopharmaceutical company that discovers, develops and commercializes innovative medicines in areas of unmet medical need. Parent's primary areas of focus include human immunodeficiency virus (HIV), liver diseases such as chronic hepatitis C virus (HCV) infection and chronic hepatitis B virus (HBV) infection, hematology/oncology, cardiovascular and inflammation/respiratory diseases.

The name, citizenship, business address, business phone number, present principal occupation or employment and past material occupation, positions, offices or employment for at least the last five years for each director and each of the executive officers of Parent and Purchaser and certain other information are set forth in Schedule A hereto.

During the last five years, none of Parent or Purchaser or, to the best knowledge of Parent and Purchaser, any of the persons listed in Schedule A hereto (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of such laws.

Except as otherwise described in this Offer to Purchase, (i) none of Parent, Purchaser, any majority-owned subsidiary of Parent or Purchaser or, to the best knowledge of Parent and Purchaser, any of the persons listed in Schedule A hereto or any associate or any of the persons so listed beneficially owns or has any right to acquire, directly or indirectly, any Shares and (ii) none of Parent, Purchaser or, to the best knowledge of Parent and Purchaser, any of the persons or entities referred to

above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days.

Except as otherwise described in this Offer to Purchase, none of Parent, Purchaser or, to the best knowledge of Parent and Purchaser, any of the persons listed in Schedule A hereto, has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Kite, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, guarantees of profits, division of profits or loss or the giving or withholding of proxies.

Except as set forth in this Offer to Purchase, none of Parent, Purchaser or, to the best knowledge of Parent and Purchaser, any of the persons listed on Schedule A hereto, has had any business relationship or transaction with Kite or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the SEC applicable to the Offer. Except as set forth in this Offer to Purchase, there have been no contacts, negotiations or transactions between Parent or any of its subsidiaries or, to the best knowledge of Parent, any of the persons listed in Schedule A hereto, on the one hand, and Kite or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets during the past two years.

**Available Information.** Pursuant to Rule 14d-3 under the Exchange Act, Parent and Purchaser filed with the SEC a Tender Offer Statement on Schedule TO (the "Schedule TO"), of which this Offer to Purchase forms a part, and exhibits to the Schedule TO. The Schedule TO and the exhibits thereto, and such reports, proxy statements and other information, can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549-0213. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. Parent filings are also available to the public on the SEC's internet website (<http://www.sec.gov>). Copies of such materials may also be obtained by mail from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549-0213 at prescribed rates.

## **10. Background of the Offer; Contacts with Kite.**

**Background of the Offer and the Merger; Past Contacts or Negotiations between Parent and Kite.** The following is a description of contacts between representatives of Parent or Purchaser with representatives of Kite that resulted in the execution of the Merger Agreement and the agreements related to the Offer. For a review of Kite's activities relating to these contacts, please refer to Kite's Schedule 14D-9 being mailed to stockholders with this Offer to Purchase.

### **Background of the Offer and the Merger**

The information set forth below regarding Kite was provided by Kite, and none of Parent, Purchaser or any of its affiliates or representatives takes any responsibility for the accuracy or completeness of any information regarding meetings or discussions in which Parent or its affiliates or representatives did not participate. The following contains a description of material contacts between representatives of Parent or Purchaser and representatives of Kite that resulted in the execution of the Merger Agreement and the agreements related to the Offer. For a review of Kite's activities relating to these contacts, please refer to Kite's Schedule 14D-9 that will be filed with the SEC and mailed to all Kite stockholders with this Offer to Purchase.

The board of directors of Parent (the "Parent Board") as well as Parent's executive management regularly evaluates various strategies to improve its competitive position and enhance value for Parent stockholders, including opportunities for acquisitions of other companies or their assets. Parent also meets with potential partners and acquisition targets on a regular basis to understand these companies' businesses and evaluate the potential opportunities.

As part of these regular evaluations, in January 2017, while attending an industry conference, Andrew Dickinson, Senior Vice President, Corporate Development of Parent and Helen Kim, Executive Vice President, Business Development of Kite met informally and generally discussed Parent's interest in the oncology field and potentially learning more about Kite. Representatives of Kite and Parent had in the preceding two years engaged in similar informal discussions, but these interactions ceased without any definitive proposals or agreements. Shortly after the conference, Mr. Dickinson followed up with Ms. Kim and they agreed to put in place a confidentiality agreement to facilitate this latest set of discussions. Parent and Kite thereafter entered into a confidentiality agreement to facilitate such further discussions, dated February 10, 2017, providing for the sharing of information with a purpose of discussing, evaluating, negotiating and potentially entering into a business transaction involving Kite and Parent.

Following the execution of the confidentiality agreement, certain members of senior management of Kite and Parent met in March, April and May of 2017. The topics discussed included updates on clinical studies of axicabtagene ciloleucel ("axi-cel"), manufacturing capabilities for axi-cel, contemplated activities in the U.S. and E.U. regarding axi-cel and preparation for commercialization, Kite's other pipeline programs, Kite's general thoughts on partnerships and Parent's oncology strategy.

After the three meetings between senior management teams of Parent and Kite, in late May of 2017, John F. Milligan, Ph.D., President, Chief Executive Officer and a director of Parent, contacted Dr. Arie Belldegrun, Kite's Chairman, President and Chief Executive Officer, to discuss the interactions that the management teams had been having and to request a meeting between the two executives.

On June 12, 2017, Dr. Belldegrun met with Dr. Milligan and Kevin Young, CBE, Chief Operating Officer of Parent and discussed the interactions of the management teams.

On June 29, 2017, Parent held an informal meeting with certain members of the Parent Board to provide a general update on corporate development discussions, including updates on the recent discussions with Kite.

On June 30, 2017, Dr. Milligan and Alessandro Riva, M.D., Senior Vice President, Oncology Therapeutics of Parent met with Dr. Belldegrun, Cynthia Butitta, Kite's Chief Operating Officer, Shawn Tomasello, Kite's Chief Commercial Officer and Tim Moore, Kite's Executive Vice President, Technical Operations. At this meeting the parties continued their discussions regarding the commercialization and manufacturing plans for axi-cel as well as how the companies might partner.

On July 7, 2017, Dr. Milligan and Dr. Belldegrun spoke regarding another potential in-person meeting in the coming weeks.

On July 10, 2017, Parent held an informal meeting with certain members of the Parent Board to discuss the potential commercial market for Kite's product pipeline and the unique sales and delivery model for CAR-T products. The Parent Board also discussed Parent's preliminary analysis of Kite's business and pipeline.

On July 12, 2017, Novartis AG announced that the U.S. Food and Drug Administration (the "FDA") Oncologic Drugs Advisory Committee ("ODAC") unanimously recommended approval of CTL019 (tisagenlecleucel), an investigational chimeric antigen receptor T cell (CAR-T) therapy, for the treatment of relapsed or refractory pediatric and young adult patients with B-cell acute lymphoblastic leukemia. Parent closely monitored the ODAC meeting and its recommendation because tisagenlecleucel had the potential to be the first-ever CAR-T approved by the FDA. Although Kite's CAR-T therapy, axi-cel, was submitted for approval for a different indication, the outcome of the ODAC meeting was important to further inform Parent's evaluation of Kite and CAR-T therapies.

On July 13, 2017, Dr. David Chang, Kite's Executive Vice President, Research and Development and Chief Medical Officer met with Dr. Milligan, John C. Martin, Ph.D., Parent's Executive Chairman of the Board, John G. McHutchinson, M.D., Parent's Executive Vice President, Clinical Research, Dr. Riva and Taiyin Yang, Ph.D., Parent's Executive Vice President, Pharmaceutical Development and

Manufacturing at Parent's headquarters in Foster City, California and discussed the status of axi-cel and Kite's other pipeline products as well as Kite's research organization, manufacturing and supply logistics.

On the morning of July 14, 2017, Parent's Board met to receive an update on the discussions with Kite to date as well as an overview of Kite's manufacturing processes. The Parent Board and executive management also discussed Parent's preliminary valuation analysis on Kite. After discussion, the Parent Board authorized management to submit a non-binding acquisition proposal to Kite to acquire all of the assets of Kite at a price of \$127 per Share in cash.

On July 16, 2017, Dr. Milligan and Mr. Young contacted Dr. Belldegrun to inform him that Parent planned to send a letter to Kite offering to acquire all of the assets of Kite at a price of \$127 per Share in cash. Later that day, Parent submitted a letter to Kite expressing its interest in acquiring all of the assets of Kite at a price of \$127 per Share, a 51% premium to Kite's 60-day volume weighted average stock price, in an all-cash tender offer (the "July 16 Proposal").

On July 19, 2017, Dr. Belldegrun spoke with Dr. Milligan and informed him that he had spoken with the board of directors of Kite (the "Kite Board") and they had determined that Kite was not for sale and that the July 16 Proposal was not sufficient to proceed with further discussions about a potential acquisition of Kite.

On July 20, 2017, at a meeting of the Parent Board, Dr. Milligan and Mr. Dickinson provided an update regarding the recent communications between Dr. Milligan and Dr. Belldegrun as well as an updated valuation analysis of Kite based on information learned in those discussions and further internal analyses. After significant discussion, the Parent Board authorized management to submit a revised proposal to Kite, with the offer price to be approved by the Parent Board.

Only July 24, 2017, Parent convened a meeting of the Parent Board to determine the offer price for Parent's revised acquisition proposal. After discussion, the Parent Board authorized Parent management to submit a revised acquisition proposal to acquire all of the assets of Kite for \$160 per Share in cash and request exclusivity to proceed with negotiations and due diligence.

On July 25, 2017, Dr. Milligan contacted Dr. Belldegrun and they agreed to meet again on July 28<sup>th</sup>.

On July 28, 2017, Dr. Belldegrun met with Dr. Milligan and Dr. Martin. At this meeting, Dr. Belldegrun discussed Kite's product candidates, pipeline and prospects. At the end of the meeting, Dr. Milligan and Dr. Martin informed Dr. Belldegrun that Parent would be prepared to increase its offer to \$160 per Share in cash. Although Dr. Belldegrun once again expressed disappointment with the offer price, he agreed to facilitate a meeting on August 1<sup>st</sup> with management of Parent and Kite to provide further perspectives on value in order to demonstrate to Parent why neither the management team nor the Kite Board would be interested in pursuing a transaction at this time at that price level.

Later that same day, Parent confirmed in a letter the increase of its offer to \$160 per Share in cash (the "July 28 Proposal") for all of the assets of Kite, an 85% premium to Kite's 60-day volume weighted average stock price and a 26% increase from the July 16 Proposal. The letter indicated that Parent wanted to finish the discussions within weeks to minimize disruption of the pending launch of axi-cel and was prepared to immediately review due diligence materials.

Also on July 28, shortly after the meeting, Dr. Belldegrun proposed that executives from Kite and Parent meet in Los Angeles on August 1, 2017 to further discuss Kite's business and commercial operations and their internal financial projections.

On July 31, 2017, Parent held an informal meeting with certain members of the Parent Board to provide an update on Dr. Milligan's and Dr. Martin's discussions with Dr. Belldegrun the prior week and discuss the upcoming meeting in Los Angeles.

On August 1, 2017, Dr. Beldegrun, Ms. Buttitta, Dr. Chang and Ms. Kim met with Dr. Milligan, Mr. Dickinson, Dr. Riva and Mr. Young to discuss Kite's financial model and assumptions supporting the model, clinical data for axi-cel for various indications, commercial launch plan and assumptions for axi-cel and product pipeline and next generation products from Kite's technology platform (the "August 1 Meeting"). At the end of this meeting, Dr. Milligan and Dr. Beldegrun met separately to discuss the July 28 Proposal. Dr. Beldegrun expressed his disappointment to Dr. Milligan at the level of the offer, making clear that the Kite Board had unanimously rejected the offer and that any future offer would need to be a compelling one. Dr. Milligan indicated to Dr. Beldegrun that he was going to find it very difficult to go back to the Parent Board and request an increased price.

On August 2, 2017, Dr. Milligan emailed Dr. Beldegrun to thank him for the meeting the day before and indicated that he would look forward to catching up with Dr. Beldegrun in the future.

On August 2, 2017, Parent held an informal meeting with certain members of the Parent Board to provide an update on the meeting between the companies the prior day.

Between August 2 and August 7, Parent reviewed the information Kite presented at the August 1 Meeting and its internal analyses to date.

On August 7, 2017, Dr. Milligan contacted Dr. Beldegrun and indicated that he would like to continue discussions between the parties. In this discussion, Dr. Milligan indicated that Parent's offer could potentially be increased, but Dr. Milligan did not present a revised offer at that time and indicated that any matters regarding price would need to be discussed with the Parent Board. Dr. Beldegrun agreed to arrange a meeting between Mr. Young, Dr. Riva and Mr. Dickinson from Parent and Dr. Chang, Ms. Buttitta and Ms. Kim from Kite on Friday, August 11.

On the morning of August 8, 2017, Kite released its earnings for the second quarter of 2017 and held its earnings call with the investment community. During the call, among other positive news, Kite announced it had filed an IND for KITE-585 and that the FDA would not need an advisory committee to review Kite's new drug application for axi-cel.

On August 11, 2017, Ms. Buttitta, Dr. Chang and Ms. Kim met with Mr. Dickinson, Dr. Riva and Mr. Young to discuss Parent's assumptions underlying its financial modeling for Kite, focusing primarily on market shares and pricing for the products (the "August 11 Meeting").

On August 14, 2017, Parent held a meeting of the Parent Board to provide an update on the recent discussions with Kite and updates to Parent's financial valuation of Kite. Dr. Milligan and Mr. Dickinson highlighted new information obtained in the August 1 Meeting and August 11 Meeting with Kite, data announced by competitors and Kite's public announcements over the past week that all factored into adjustments to Parent's financial model. Based on this information and the model updates, after significant discussion, the Parent Board authorized management to submit a non-binding acquisition proposal to acquire all of the assets of Kite at a price of up to \$180 per Share in cash.

On August 16, 2017, Dr. Milligan and Dr. Beldegrun discussed next steps and agreed that they and Dr. Martin should meet in person in New York City on August 18, 2017.

On August 17, 2017, Parent held an informal meeting with certain members of the Parent Board to provide an update on Dr. Milligan and Dr. Beldegrun's discussion the prior day and to discuss strategy for the upcoming meeting between the companies in New York City.

On the evening of August 18, 2017, Dr. Beldegrun met with Dr. Milligan and Dr. Martin in New York. Dr. Milligan and Dr. Martin indicated that Parent was prepared to offer \$176 in cash per Share to acquire all of the assets of Kite. Dr. Milligan and Dr. Martin expressed that Parent was prepared to move quickly and was interested in a transaction structured as a cash-tender offer followed by a second step merger and wanted to complete its diligence and negotiation of a merger agreement in the following ten days. Dr. Beldegrun indicated that he believed there was significant potential value in some of Kite's early stage pipeline and indicated that he believed that Parent should increase its offer to \$180 per Share in cash. Dr. Milligan indicated that at \$180 per Share in cash, he would be willing to



recommend that the Parent Board approve the acquisition of all of the assets of Kite. Dr. Milligan and Dr. Martin advised that they would submit a formal offer letter with the \$180 per Share price together with a draft merger agreement later that night. Dr. Belldegrun indicated that he would be prepared to recommend that price to the Kite Board.

Later that evening, Parent confirmed in writing its updated offer of \$180 per Share in cash (the "August 18 Proposal"), which represented a premium of 82% to Kite's 60-day volume weighted average stock price, an increase of 42% from the July 16 Proposal and an increase of 13% from the July 28 Proposal. The August 18 Proposal was for all of the assets of Kite and indicated that Parent expected the parties to move quickly to complete diligence and sign an acquisition agreement. Mr. Dickinson sent Dr. Belldegrun a draft of the merger agreement, and Parent's outside legal counsel, Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden Arps"), provided Sullivan & Cromwell with a draft tender and support agreement to be delivered by each of the directors and officers of Kite in which they would agree to tender their Shares into the Offer.

On August 20, 2017, Dr. Belldegrun called Dr. Milligan and informed him that Kite had held a meeting of the Kite Board and, in light of the August 18 Proposal, the Kite Board was interested in continuing to provide disclosures and have discussions with Parent.

Also on August 20, 2017, Kite provided Parent access to a data room in order for Parent to perform its confirmatory due diligence investigation of Kite. Parent continued to perform due diligence through the execution of the Merger Agreement.

On August 22, 2017, Sullivan & Cromwell delivered comments on the draft Merger Agreement to Skadden Arps.

Over the next several days Kite, Parent, Sullivan & Cromwell and Skadden Arps discussed the terms of the Transactions, focusing on the elimination of the tender and support agreement, the size of the termination fee, the circumstances under which Kite could negotiate alternative proposals and accept superior offers, the representations and warranties, the interim operating restrictions and the provisions relating to employees.

On August 24, 2017, Parent held an informal meeting with certain members of the Parent Board to provide a recap of the recent meeting with Dr. Martin and Dr. Belldegrun in New York City and a status update on the due diligence review of Kite and merger agreement negotiations.

On August 24, 2017, Dr. Milligan and Dr. Belldegrun discussed a number of matters, including, in a conversation that also included Mr. Dickinson and Katie L. Watson, Parent's Executive Vice President, Human Resources, strategies with respect to retention of Kite employees after the closing of the potential Transactions.

On August 25, 2017, Parent held a meeting of the Parent Board to provide a further status update on the due diligence review of Kite and merger agreement negotiations. Later that day, Parent formally engaged Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") and Lazard Freres & Co. LLC ("Lazard") to act as Parent's financial advisors with respect to the potential acquisition of Kite.

After this meeting, the parties discussed the requests of the Kite Board's transaction committee and shortly thereafter agreed upon substantially all of the terms of the Merger Agreement. During the course of the day and evening on August 26, 2017, Mr. Dickinson and Ms. Kim negotiated final points on the Merger Agreement. Representatives from Skadden Arps and Sullivan & Cromwell also continued to trade drafts and conduct negotiations on the merger agreement, the negotiations of which were completed overnight on August 26, 2017.

On August 27, 2017, at a meeting of the Parent Board, Parent management provided an update on the valuation of Kite based on completion of due diligence and a summary of the merger agreement. Parent's Board unanimously approved entering into the merger agreement with Kite. Dr. Milligan then called Dr. Belldegrun to inform him of Parent's Board approval. Kite then convened a meeting of the

Kite Board to review the final merger agreement and disclosure schedules and approve entering into the definitive merger agreement with Parent. After the meeting was concluded, Dr. Belldgrun called Dr. Milligan to inform him that the Kite Board had unanimously approved Kite entering into a definitive merger agreement with Parent.

Following the Kite Board meeting, Kite, Parent and Purchaser executed the Merger Agreement.

Before the opening of trading on the NASDAQ Stock Market on August 28, 2017, Parent and Kite issued a joint press release announcing the execution of the Merger Agreement and the forthcoming commencement of a tender offer by Parent to acquire all the outstanding Shares of Kite at a price of \$180 per Share in cash.

On September 5, 2017, Purchaser commenced the Offer and filed this Schedule TO-T.

## **11. Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements.**

### **Purpose of the Offer and Plans for Kite.**

**Purpose of the Offer.** The purpose of the Offer and the Merger is for Parent and its affiliates, through Purchaser, to acquire control of, and the entire equity interest in, Kite. Pursuant to the Merger, Parent will acquire all of the stock of Kite not purchased pursuant to the Offer or otherwise. Stockholders of Kite who sell their Shares in the Offer will cease to have any equity interest in Kite or any right to participate in its earnings and future growth.

**Merger Without a Stockholder Vote.** If the Offer is consummated, we do not anticipate seeking the approval of Kite's remaining public stockholders before effecting the Merger. Section 251(h) of the DGCL provides that following consummation of a successful tender offer for a public corporation, and subject to certain statutory provisions, if the acquiring corporation owns at least the amount of shares of each class of stock of the target corporation that would otherwise be required to adopt a merger agreement for the target corporation, and the other stockholders receive the same consideration for their stock in the merger as was payable in the tender offer, the acquiring corporation can effect a merger without the action of the other stockholders of the target corporation. Accordingly, if we consummate the Offer, we intend to effect the closing of the Merger (the "Closing") without a vote of the stockholders of Kite in accordance with Section 251(h) of the DGCL as soon as practicable after the consummation of the Offer. Accordingly, we do not expect there to be a significant period of time between the consummation of the Offer and the consummation of the Merger.

**Plans for Kite.** At the Effective Time, the certificate of incorporation of Kite will be amended and restated in its entirety pursuant to the terms of the Merger Agreement. As of the Effective Time, the bylaws of the Surviving Corporation will be amended and restated to conform to the bylaws of Purchaser as in effect immediately prior to the Effective Time, except that references to the name of Purchaser will be replaced by references to the name of the Surviving Corporation. Purchaser's directors and officers immediately prior to the Effective Time will be the initial directors and officers of the Surviving Corporation until their respective successors are duly elected and qualified, or their earlier death, resignation or removal. See "Summary of the Merger Agreement—Board of Directors and Officers" below.

Parent and Purchaser are conducting a detailed review of Kite and its assets, corporate structure, capitalization, operations, properties, policies, management and personnel, and will consider which changes would be desirable in light of the circumstances that exist upon completion of the Offer and the Merger. Parent and Purchaser will continue to evaluate the business and operations of Kite during the pendency of the Offer and after the consummation of the Offer and the Merger and will take such actions as they deem appropriate under the circumstances then existing. Thereafter, Parent intends to review such information as part of a comprehensive review of Kite's business, operations, capitalization and management with a view to optimizing development of Kite's potential in conjunction with Kite's

or Parent's existing businesses. Possible changes could include changes in Kite's business, corporate structure, certificate of incorporation, bylaws, capitalization, board of directors and management. Plans may change based on further analysis and Parent, Purchaser and, after completion of the Offer and the Merger, the reconstituted Kite board of directors reserves the right to change their plans and intentions at any time, as deemed appropriate.

Except as disclosed in this Offer to Purchase, Parent and Purchaser do not have any present plan or proposal that would result in the acquisition by any person of additional securities of Kite, the disposition of securities of Kite, an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Kite or its subsidiaries or the sale or transfer of a material amount of assets of Kite or its subsidiaries.

### **Summary of the Merger Agreement.**

#### *Merger Agreement*

The following summary of certain provisions of the Merger Agreement and all other provisions of the Merger Agreement discussed herein are qualified by reference to the Merger Agreement itself, which is incorporated herein by reference. We have filed a copy of the Merger Agreement as Exhibit (d)(1) to the Schedule TO. The Merger Agreement may be examined and copies may be obtained at the places and in the manner set forth in Section 9—"Certain Information Concerning Parent and Purchaser." Stockholders and other interested parties should read the Merger Agreement for a more complete description of the provisions summarized below. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Merger Agreement.

The Merger Agreement has been filed with the SEC and incorporated by reference herein to provide investors and stockholders with information regarding the terms of the Offer and the Merger. It is not intended to provide any other factual information about Parent, Purchaser or Kite. The representations, warranties and covenants contained in the Merger Agreement were made only as of specified dates for the purposes of such agreement, were (except as expressly set forth therein) solely for the benefit of the parties to such agreement and may be subject to qualifications and limitations agreed upon by such parties. In particular, in reviewing the representations, warranties and covenants contained in the Merger Agreement and any description thereof contained or incorporated by reference herein, it is important to bear in mind that such representations, warranties and covenants were negotiated with the principal purpose of allocating risk among the parties, rather than establishing matters as facts. Such representations, warranties and covenants may also be subject to a contractual standard of materiality different from those generally applicable to stockholders and reports and documents filed with the SEC, and in some cases were qualified by disclosures set forth in a confidential disclosure letter that was provided by Kite to Parent and Purchaser but is not filed with the SEC as part of the Merger Agreement. Investors and stockholders are not third-party beneficiaries under the Merger Agreement, except with respect to their right to receive the Offer Price following the Offer Acceptance Time or to receive the Merger Consideration (as defined below). Accordingly, investors and stockholders should not rely on such representations, warranties and covenants as characterizations of the actual state of facts or circumstances described therein. Information concerning the subject matter of such representations, warranties and covenants, which do not purport to be accurate as of the date of this Offer to Purchase, may have changed since the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the parties' public disclosures.

*The Offer.* The Merger Agreement provides that Purchaser will commence the Offer no later than September 11, 2017. Purchaser's obligation to accept for payment and pay for Shares validly tendered in the Offer is subject to the satisfaction of the Minimum Tender Condition and the other Offer Conditions that are described in Section 13—"Conditions of the Offer." Subject to the satisfaction of the Minimum Tender Condition and the other Offer Conditions that are described in Section 13—"Conditions of the Offer," the Merger Agreement provides that Purchaser shall, and Parent shall cause Purchaser to, immediately after the applicable Expiration Date, as it may be extended pursuant to the terms of the Merger Agreement, irrevocably accept for payment all Shares tendered and not validly withdrawn pursuant to the Offer and, promptly (and in any event within three (3) business days) after the Offer Acceptance Time, pay for such Shares. The Offer will expire at one minute after 11:59 p.m., Eastern Time on October 2, 2017, unless we extend the Offer pursuant to the terms of the Merger Agreement.

Purchaser expressly reserves the right to waive (to the extent permitted under applicable legal requirements) any Offer Condition, to increase the amount of cash constituting the Offer Price, to make any other changes in the terms and conditions of the Offer that are not inconsistent with the terms of the Merger Agreement and to terminate the Offer if the conditions to the Offer are not satisfied and the Merger Agreement is terminated, except that Kite's prior written approval is required for Parent or Purchaser to:

- decrease the Offer Price;
- change the form of consideration payable in the Offer (provided that nothing in the Merger Agreement shall limit the ability of Parent and Purchaser to increase the cash consideration payable in the Offer);
- decrease the maximum number of Shares sought to be purchased in the Offer;
- impose conditions or requirements on the Offer in addition to the Offer Conditions;
- amend, modify or waive the Minimum Tender Condition, the Termination Condition, the HSR Condition or the Governmental Impediment Condition;
- amend or modify any other term of the Offer in a manner that adversely affects any holder of Shares in its capacity as such;
- terminate the Offer or accelerate, extend or otherwise change the Expiration Date except as required or permitted by the terms of the Merger Agreement; or
- provide any "subsequent offering period" (or any extension thereof) within the meaning of Rule 14d-11 promulgated under the Exchange Act.

The Merger Agreement contains provisions to govern the circumstances under which Purchaser is required to, and Parent is required to cause Purchaser to, extend the Offer. Specifically, the Merger Agreement provides that:

- if, as of the then scheduled Expiration Date, any Offer Condition has not been satisfied or waived, to the extent waivable by Purchaser or Parent, Purchaser has agreed to extend the Offer for additional periods of up to ten (10) business days per extension, to permit such Offer Condition to be satisfied; and
- Purchaser has agreed to (and Parent has agreed to cause Purchaser to) extend the Offer for any period required by any law, any interpretation or position of the SEC or its staff or NASDAQ applicable to the Offer.

However, Purchaser is not required to extend the Offer beyond the earlier to occur of the valid termination of the Merger Agreement in accordance with its terms and the End Date (such earlier

occurrence, the "Extension Deadline") and may not extend the Offer beyond the Extension Deadline without Kite's consent.

Purchaser has agreed that it will (and Parent will cause Purchaser to) immediately, irrevocably and unconditionally terminate the Offer upon any termination of the Merger Agreement and Purchaser has agreed to not acquire any Shares pursuant to the Offer.

*The Merger.* The Merger Agreement provides that, following completion of the Offer and subject to the terms and conditions of the Merger Agreement, and in accordance with the DGCL, at the Effective Time, Purchaser will be merged with and into Kite, the separate existence of Purchaser will cease, and Kite will continue as the Surviving Corporation in the Merger. The Merger will be effected under Section 251(h) of the DGCL. Accordingly, Parent, Purchaser and Kite have agreed to take all necessary action to cause the Merger to become effective as soon as practicable following the Offer Acceptance Time without a vote of Kite's stockholders in accordance with Section 251(h) of the DGCL.

As of the Effective Time, the certificate of incorporation of Kite will, by virtue of the Merger and without any further action, be amended and restated in its entirety as set forth on *Annex II* to the Merger Agreement and, as so amended and restated, will be the certificate of incorporation of the Surviving Corporation.

As of the Effective Time, the bylaws of the Surviving Corporation will be amended and restated to conform to the bylaws of Purchaser as in effect immediately prior to the Effective Time, except that references to the name of Purchaser will be replaced by references to the name of the Surviving Corporation.

The obligations of Kite, Parent and Purchaser to complete the Merger are subject to the satisfaction or waiver by each of the parties of the following conditions:

- Purchaser (or Parent on Purchaser's behalf) must have accepted for payment all Shares validly tendered and not validly withdrawn pursuant to the Offer; and
- there shall be no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Merger, and no governmental body shall have promulgated, enacted, issued or deemed applicable to the Merger any law which prohibits or makes illegal the consummation of the Merger.

*Board of Directors and Officers.* As of the Effective Time, the board of directors and officers of the Surviving Corporation will be the members of the board of directors and officers, respectively, of Purchaser immediately prior to the Effective Time, until their respective successors have been duly elected and qualified, or until their earlier death, resignation or removal. Each director of Kite immediately prior to the Effective Time will execute and deliver a letter effectuating his or her resignation as a member of the Kite Board to be effective as of the Effective Time.

*Conversion of Capital Stock at the Effective Time.* Shares outstanding immediately prior to the Effective Time (other than Shares held by Kite (or held in Kite's treasury) or Shares held by Parent, Purchaser or any other direct or indirect wholly-owned subsidiary of Parent, which will be canceled and retired and cease to exist without consideration or payment; and Shares held by a holder who properly exercises appraisal rights in accordance with Section 262 of the DGCL with respect to such Shares) will be converted at the Effective Time into the right to receive \$180.00 per Share, net to the seller in cash, in each case, without interest and subject to any withholding of taxes (collectively, the "Merger Consideration").

Each share of Purchaser's common stock outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Corporation.

Promptly after (and in any event no later than the third (3<sup>rd</sup>) business day after) the Offer Acceptance Time, Parent will deposit or cause to be deposited with Computershare Trust Company, N.A. (the "Paying Agent"), cash sufficient to make the payment of the aggregate Offer Price. On or prior to the Closing Date, Parent will deposit or cause to be deposited with the Paying Agent cash sufficient to pay the aggregate Merger Consideration in the Merger.

*Treatment of Equity Awards.* Pursuant to the Merger Agreement, each vested option to purchase Shares that is outstanding and unexercised immediately prior to the Offer Acceptance Time (including each vested or unvested Kite option held by a non-employee director of Kite) and which has a per-share exercise price that is less than the Offer Price (each, a "Vested In the Money Option") will be canceled and converted into the right to receive a cash payment equal to (i) the excess of (x) Offer Price over (y) the per-share exercise price of such Vested In the Money Option, multiplied by (ii) the total number of shares subject to such Vested In the Money Option immediately prior to the Offer Acceptance Time.

Immediately prior to the Offer Acceptance Time, each outstanding Kite restricted stock unit held by a non-employee director of Kite will fully vest and be canceled and converted into the right to receive a cash payment equal to the product of the Offer Price multiplied by the total number of shares subject to such restricted stock unit immediately prior to the Offer Acceptance Time.

Immediately prior to the Offer Acceptance Time, each option to purchase Shares other than a Vested In the Money Option that is outstanding and unexercised will be assumed and converted into an option to purchase a number of shares of Parent common stock equal to (a) the total number of Shares subject to such option multiplied by (b) the Conversion Ratio, which is a fraction, the numerator of which is the Offer Price and the denominator of which is Parent's volume weighted average stock price for fifteen trading days ending on the third business day prior to the Offer Acceptance Time. The exercise price per share of each such Parent option will be equal to the quotient of (A) the exercise price per share subject to such option immediately prior to the Offer Acceptance Time divided by (B) the Conversion Ratio. Each such Parent option will be subject to the same terms and conditions as were applicable to the related Kite option immediately prior to the Offer Acceptance Time.

Immediately prior to the Offer Acceptance Time, each outstanding Kite restricted stock unit that is held by any individual other than any non-employee directors of Kite will be assumed and converted into a restricted stock unit denominated in shares of Parent common stock, on the same terms and conditions as were applicable under such Kite restricted stock unit immediately prior to the Offer Acceptance Time (including applicable performance vesting conditions), and relating to a number of shares of Parent common stock equal to the product of (a) the total number of Shares subject to such Kite restricted stock unit immediately prior to the Offer Acceptance Time multiplied by (b) the Conversion Ratio.

*Representations and Warranties.* This summary of the Merger Agreement has been included to provide investors with information regarding its terms. It is not intended to provide any other factual information about Parent, Purchaser or Kite, their respective businesses, or the actual conduct of their respective businesses during the period prior to the consummation of the Offer or the Merger. The Merger Agreement contains representations and warranties that are the product of negotiations among the parties thereto and made to, and solely for the benefit of, each other as of specified dates. The assertions embodied in those representations and warranties are subject to qualifications and limitations agreed to by the respective parties and are also qualified in important part by a confidential disclosure letter delivered by Kite to Parent in connection with the Merger Agreement. The representations and warranties were negotiated with the principal purpose of allocating risk among the parties to the agreements instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors.

In the Merger Agreement, Kite has made representations and warranties to Parent and Purchaser with respect to, among other things:

- corporate matters, such as organization, organizational documents, standing, qualification, power and authority;
- capitalization;
- authority relative to the Merger Agreement;
- financial statements and SEC filings;
- disclosure controls and internal controls over financial reporting;
- absence of certain changes since Kite's financial statements for the period ending December 31, 2016;
- absence of a Material Adverse Effect (as defined below) from December 31, 2016 through the Date of the Merger Agreement;
- real property matters;
- intellectual property;
- material contracts;
- absence of undisclosed liabilities;
- legal and regulatory compliance;
- compliance with anti-corruption and anti-bribery laws;
- permits and licenses;
- taxes;
- employees and employee benefit plans, including ERISA and certain related matters;
- environmental matters;
- insurance;
- absence of litigation;
- state takeover statutes;
- required consents and approvals, and no violations of organizational documents, contracts or applicable law as a result of the Offer or Merger;
- opinion of its financial advisor; and
- brokers' fees and expenses.

Some of the representations and warranties in the Merger Agreement made by Kite are qualified as to "materiality" or "Material Adverse Effect." For purposes of the Merger Agreement, a "Material Adverse Effect" means any change, circumstance, condition, development, effect, event, occurrence or state of facts, which, individually or when taken together with all other events, occurrences, circumstances, changes, conditions, states of facts, developments or effects that have occurred in the applicable determination period for a Material Adverse Effect, has had or would reasonable be expected to have a material adverse effect on (a) the ability of Kite to consummate the transactions contemplated by the Merger Agreement (including the Offer and the Merger) (collectively, the "Transactions") on or before the End Date or (b) the business, assets, financial condition or results of operations of Kite and its subsidiaries, taken as a whole. The definition of "Material Adverse Effect"

excludes the following from constituting or being taken into account in determining whether there has been, or would reasonably be expected to be a Material Adverse Effect:

- (i) any change in the market price or trading volume of Kite's stock or change in Kite's credit ratings (except that the underlying causes of any such change may be considered to the extent not otherwise excepted);
- (ii) any event, occurrence, circumstance, change or effect resulting from the announcement, pendency or performance of the Transactions (subject to specified exceptions);
- (iii) any event, occurrence, circumstance, change or effect generally affecting the industries in which Kite and its subsidiaries operate or products competitive with Kite's key products or in the economy generally or other general business, financial or market conditions (except to the extent that Kite and its subsidiaries are disproportionately adversely affected thereby as compared with other participants in the industries in which Kite and its subsidiaries operate);
- (iv) any event, occurrence, circumstance, change or effect arising directly or indirectly from or otherwise relating to fluctuations in the value of any currency (except to the extent that Kite and its subsidiaries are disproportionately adversely affected thereby as compared with other participants in the industries in which Kite and its subsidiaries operate);
- (v) any change, circumstance, condition, development, effect, event, occurrence or state of facts arising directly or indirectly from or otherwise relating to any act of terrorism, war, national or international calamity, natural disaster or any other similar event (except to the extent that Kite and its subsidiaries are disproportionately adversely affected thereby as compared with other participants in the industries in which Kite and its subsidiaries operate);
- (vi) the failure of Kite to meet internal or analysts' expectations or projections (except that the underlying causes of any such failure may be considered to the extent not otherwise excepted);
- (vii) any adverse effect arising directly from or otherwise directly relating to any action taken by Kite at the written direction of Parent or any action omitted to be taken under the interim operating covenants set forth in the Merger Agreement where Kite has requested Parent's consent and Parent has unreasonably withheld, conditioned or delayed such consent;
- (viii) any change, circumstance, condition, development, effect, event, occurrence or state of facts arising directly or indirectly from or otherwise relating to any change in or action taken required to comply with any change in, any Legal Requirement or United States generally accepted accounting principles (except to the extent that Kite and its subsidiaries are disproportionately adversely affected thereby as compared with other participants in the industries in which Kite and its subsidiaries operate);
- (ix) any change, circumstance, condition, development, effect, event, occurrence or state of facts arising directly or indirectly from or otherwise relating to the timing of or market reception to the introduction and commercialization of Kite's key products; or
- (x) the matters set forth in the confidential disclosure letter provided by Kite to Parent and Purchaser.

In the Merger Agreement, Parent and Purchaser have made representations and warranties to Kite with respect to:

- corporate matters, such as organization, standing, power and authority;
- the formation and activities of Purchaser;
- authority relative to the Merger Agreement;



- required consents and approvals, and no violations of laws, governance documents or agreements;
- accuracy of information supplied for purposes of the Offer documents and the Schedule 14D-9;
- absence of litigation;
- sufficiency of funds to consummate the Offer and the Merger;
- ownership of securities of Kite;
- independent investigation regarding Kite; and
- broker's fees and expenses.

Some of the representations and warranties in the Merger Agreement made by Parent and Purchaser are qualified as to "materiality" or the ability to consummate the transactions contemplated by the Merger Agreement.

None of the representations and warranties of the parties to the Merger Agreement contained in the Merger Agreement or in any schedule, instrument or other document delivered pursuant to the Merger Agreement will survive the Effective Time.

*Access to Information.* From the date of the Merger Agreement until the earlier of the Effective Time and the termination of the Merger Agreement pursuant to its terms, upon reasonable advance notice, Kite will, and will cause its subsidiaries to, provide Parent and Parent's officers, directors, employees, attorneys, accountants, investment bankers, consultants, agents, financial advisors and other advisors and representatives (collectively, "Representatives") reasonable access during Kite's normal business hours to Kite's Representatives, designated personnel and assets, and to all existing books, records, documents and information relating to Kite, as Parent may reasonably request, and to promptly provide all reasonably requested information regarding Kite's business, in each case for any reasonable business purpose related to the consummation of the Transactions and subject to customary exceptions and limitations.

*Notice of Certain Events.* Kite and Parent have agreed to promptly notify the other of (i) any notice or communication received from any governmental body in connection with the Transactions or from any person alleging that the consent of such person may be required in connection with the Transactions; (ii) any legal proceeding relating to the Transactions; or (iii) any change, circumstance, condition, development, effect, event, occurrence or state of facts that has had or would reasonably be expected to have a Material Adverse Effect or Parent Material Adverse Effect, as applicable, or would reasonably be expected to make the satisfaction of any of the Offer Conditions impossible or unlikely.

*Conduct of Business Pending the Merger.* Kite has agreed that, from the date of the Merger Agreement until the earlier of the Effective Time and the termination of the Merger Agreement pursuant to its terms, except as expressly provided by the Merger Agreement or required by applicable legal requirements, as consented to in writing by Parent (which consent may not be unreasonably withheld, conditioned or delayed) or as disclosed prior to execution of the Merger Agreement in Kite's confidential disclosure letter, it will, and will cause each of its subsidiaries to, use their respective commercially reasonable efforts to (i) conduct its business in the ordinary course and (ii) preserve intact its material assets, properties, contracts, licenses and business organization and to preserve satisfactory business relationships with licensors, licensees, lessors, governmental bodies and others having material business dealings with Kite. In addition, Kite and its subsidiaries will not, among other things and subject to specified exceptions (including specified ordinary course exceptions):

- establish a record date for, declare, set aside, make or pay any dividend or make any other distribution in respect of any shares of its capital stock (including the Shares) other than cash

dividends paid by any direct or indirect wholly-owned subsidiary of Kite to Kite or to any other direct or indirect wholly-owned subsidiary of Kite;

- repurchase, redeem or otherwise reacquire any of the Shares, or any rights, warrants or options to acquire any of the Shares;
- split, combine, subdivide or reclassify any Shares or other equity interests;
- sell, issue, grant, deliver, pledge, transfer, encumber or authorize the sale, issuance, grant, delivery, pledge, transfer or encumbrance of (A) any capital stock, equity interest or other security, (B) any option, call, warrant, restricted securities, restricted stock unit or right to acquire any capital stock, voting securities, equity interest or other security or (C) any instrument convertible into, exchangeable for or settled in any capital stock, voting securities, equity interest or other security (except that Kite may issue Shares as required to be issued upon the exercise of Kite options or Kite restricted stock units outstanding as of the date of the Merger Agreement in accordance with their respective present terms, issuable to participants in the ESPP (as defined below) or that may be issued upon exercise of the Kite warrants);
- establish, adopt, terminate or materially amend any employee plan;
- amend or waive any of Kite's material rights under, or accelerate the vesting under, any provision of any employee plan;
- grant any employee or director any increase in compensation, bonuses, severance, retention or other payments or other benefits;
- hire any employee (other than non-executive employees in the ordinary course of business with compensation generally consistent with similarly situated employees) or promote any employee;
- commence any clinical trial in respect of any Kite product;
- terminate, allow to lapse or expire, suspend, modify or otherwise take any step to limit the effectiveness or validity of, or fail to maintain as valid and in full force and effect, any applicable governmental authorization;
- qualify any new site for manufacturing any Kite product;
- materially change any standard Kite product pricing policies or return policies;
- amend or permit the adoption of any amendment to the certificate of incorporation or bylaws or other charter or organizational documents of Kite or any of its subsidiaries;
- form any subsidiary, acquire any equity interest in any other entity or enter into any joint venture, partnership or similar arrangement;
- make or authorize any capital expenditure, except capital expenditures incurred in the ordinary course of business that do not exceed \$500,000 individually or \$2,500,000 in the aggregate;
- acquire, lease, license, sublicense, pledge, sell or otherwise dispose of, divest or spin-off, abandon, waive, covenant not to assert, relinquish or permit to lapse (other than any patent expiring at the end of its statutory term), transfer, assign, guarantee, exchange or swap, mortgage or otherwise subject to any encumbrance any material right or other material asset or property, except for (i) purchase of supplies and raw materials in the ordinary course of business, (ii) pursuant to any contract in place on the date of the Merger Agreement or otherwise permitted to be entered into under the Merger Agreement, (iii) the granting of non-exclusive licenses in the ordinary course of business (excluding any new clinical trial agreement), (iv) pursuant to dispositions of obsolete, surplus or worn out assets that are no longer useful in

the conduct of business of Kite and its subsidiaries and (v) capital expenditures permitted under the foregoing bullet;

- lend money or make capital contributions or advances to, or make investments in, any person;
- incur or guarantee any indebtedness in excess of \$500,000;
- except in the ordinary course of business, amend or modify in any material respect, or waive any material rights under or voluntarily terminate, any material contract, or enter into any contract which would be a material contract;
- except as required by applicable legal requirements, (i) make any material change to any accounting method, principle or practice or accounting period used for tax purposes; (ii) make, change or revoke any material tax election; (iii) file a material amended tax return; (iv) enter into a "closing agreement" within the meaning of Section 7121 of the tax code (or similar provision of state or local tax law) with any governmental body regarding any tax liability or assessment; (v) request any tax ruling from any governmental body; (vi) settle, compromise or consent to any material legal proceeding relating to taxes or surrender a right to a material tax refund; (vii) waive or extend the statute of limitations with respect to any material tax or material tax return; or (viii) other than in the ordinary course of business, take any action or cause or otherwise permit any person to take any action, which would materially increase Parent's or any of its affiliates' liability for taxes;
- settle, release, waive or compromise any legal proceeding or other claim (or threatened legal proceeding or other claim), other than any settlement, release, waiver or compromise that results solely in monetary obligations of not more than \$1,000,000 in the aggregate (excluding monetary obligations that are funded by an indemnity obligation to, or an insurance policy of Kite or any of its subsidiaries) or results in no monetary or other material non-monetary obligation of Kite or its subsidiaries subject to certain specified exceptions;
- commence any material legal proceeding, other than in the ordinary course of business;
- enter into any collective bargaining agreement or other agreement with any labor organization;
- adopt or implement any stockholder rights plan or similar plans commonly referred to as a "poison pill";
- adopt a plan or agreement of complete or partial liquidation or dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Kite or any of its subsidiaries; or
- authorize, agree or commit to take any of the foregoing actions.

*Antitrust Laws.* Each of Kite, Parent and Purchaser has agreed to use its reasonable best efforts to take promptly any and all steps necessary to avoid or eliminate every impediment under any antitrust laws that may be asserted by any governmental body, so as to enable the closing to occur as promptly as practicable, but in no case later than the End Date, including providing as promptly as reasonably practicable and advisable all non-legally privileged information required by any governmental body pursuant to its evaluation of the Transactions under the HSR Act or other applicable antitrust law. Each of Kite, Parent and Purchaser has also agreed to use reasonable best efforts to obtain from any governmental body all consents, approvals, authorizations or orders required to be obtained under antitrust laws or to avoid the entry or enactment of any injunction or other order or decree relating to any antitrust law that would delay, restrain, prevent, enjoin or otherwise prohibit consummation of the Transactions. Notwithstanding anything to the contrary in the Merger Agreement, Parent and its affiliates shall not be required to, and, without the prior written consent of Parent, neither Kite nor its subsidiaries shall sell, license, divest or dispose of or hold separate (through the

establishment of a trust or otherwise) or agree to any other structural, behavioral or conduct remedy, before or after the Offer Acceptance Time or the Effective Time, any entities, businesses, divisions, operations, products or product lines, assets, intellectual property rights or businesses or agree to any restriction on the conduct of such businesses which would materially and adversely affect the business of Parent and its subsidiaries, taken as a whole or would require the sale, license, divestiture, disposal or holding separate of or any other structural, behavioral or conduct remedy involving the key products. The foregoing actions shall not require Parent, Kite or any of Kite's subsidiaries to take or agree to take any action unless the effectiveness of such action is conditioned on the closing. Further, in no event shall Parent, Purchaser, Kite or any of their respective subsidiaries be obligated to litigate or participate in the litigation of any action, whether judicial or administrative, brought by any governmental body challenging or seeking to restrain, prohibit or place conditions on the consummation of the Transactions.

Each of Kite, Parent and Purchaser will (and will cause their respective affiliates, if applicable, to): (i) as promptly as reasonably practicable, make an appropriate filing of all Notification and Report forms as required by the HSR Act or other applicable antitrust laws with respect to the Transactions and (ii) cooperate with each other in determining whether, and promptly preparing and making, any other filings, notifications or other consents are required to be made with, or obtained from, any other governmental bodies in connection with the Transactions.

In addition Kite, Parent and Purchaser have also agreed, until the Effective Time or the termination of the Merger Agreement pursuant to its terms, to: (i) promptly notify the other parties of the making or commencement of any request, inquiry, investigation, action or legal proceeding brought by a governmental body or brought by a third party before any governmental body, in each case, with respect to the Transactions under antitrust laws, (ii) keep the other parties reasonably informed as to the status of any such request, inquiry, investigation, action or legal proceeding, (iii) promptly inform the other parties of any communication to or from the FTC, DOJ or any other governmental body in connection with any such request, inquiry, investigation, action or legal proceeding, (iv) promptly furnish to the other party, subject to an appropriate confidentiality agreement to limit disclosure to counsel and outside consultants, with copies of documents provided to or received from any governmental body in connection with any such request, inquiry, investigation, action or legal proceeding, (v) subject to an appropriate confidentiality agreement to limit disclosure to counsel and outside consultants, and to the extent reasonably practicable, consult and cooperate with the other parties and consider in good faith the views of the other parties in connection with any written analysis, appearance, presentation, memorandum, brief, argument, opinion or proposal made or submitted in connection with any such request, inquiry, investigation, action or legal proceeding, and (vi) except as may be prohibited by any governmental body or by any law, in connection with any such request, inquiry, investigation, action or legal proceeding in respect of the Transactions, give the other party reasonable prior notice and permit authorized Representatives of the other parties to be present at each meeting or conference relating to such request, inquiry, investigation, action or legal proceeding and to have access to and be consulted in advance in connection with any argument, opinion or proposal made or submitted to any governmental body in connection with such request, inquiry, investigation, action or legal proceeding. Parent, however, shall, on behalf of the parties, control and direct all aspects of the parties' efforts to obtain the required approvals under the applicable antitrust laws, including having principal responsibility for devising, implementing and making the final determination as to the appropriate strategy relating to any matters relating to the applicable antitrust laws, including with respect to any filings, notifications, submissions and communications with or to any governmental body, and shall have the right, in its sole discretion, to determine the nature and timing of any divestitures or other remedial undertakings made for the purpose of securing any required approvals under the antitrust laws to the extent such divestitures or undertakings would be conditioned upon and only be effective after the closing.

During the period after the date of the Merger Agreement until the earlier of the Effective Time and the termination of the Merger Agreement pursuant to its terms, Kite has agreed, to the extent permissible under applicable Legal Requirements and reasonably practicable and where doing so would not reasonably be expected to impair or adversely affect Kite, any of its plans with respect to the key products or its ability to interact with any governmental body consistent with companies at a similar stage of development in the pharmaceutical industry (in each case as determined in good faith by Kite), to (a) offer Parent the opportunity to consult with Kite prior to any proposed material meeting or other material communication with the FDA, the European Medicines Agency (the "EMA"), the Centers for Medicare and Medicaid Services ("CMS") or any other governmental body relating to any product or material governmental authorization, (b) promptly inform Parent of, and give Parent a reasonable opportunity to review in advance, any material filing proposed to be made by or on behalf of Kite or any of its subsidiaries and any material communication proposed to be submitted or given to the FDA, EMA, CMS or other governmental body by or on behalf of Kite, in each case relating to any product or material governmental authorization (provided that in clause (a) and (b), in no event shall Kite be required to delay any of its actions or such filings, correspondence and communication, respectively), (c) keep Parent reasonably informed of any material communication (written or oral) with or from the FDA, EMA, CMS or other governmental body or relating to any product or governmental authorization, and (d) promptly inform Parent and provide Parent with a reasonable opportunity (but no more than two (2) business days to the extent practicable) to comment prior to making any material change to any study protocol, adding any new trial, making any material change to a manufacturing plan or process, making any material change to a development timeline or initiating or making any material change to, commercialization and reimbursement activities or material (including promotional and marketing activities and materials) relating to any product. Kite has agreed to promptly notify Parent of any significant data relating to the key products, including information related to any significant adverse events with respect to the key products, in each case which it discovers after the date of the Merger Agreement.

*Employee Matters.* Parent has agreed that, for a period commencing at the Effective Time and ending on the later of (a) the one year anniversary of the Effective Time or (b) December 31, 2018, it will provide to employees of Kite who remain actively employed by Kite or an affiliate during such period (the "Continuing Employees") (i) base salary or wage rate and cash bonus opportunities that are, in each case, no less than those provided by Kite immediately prior to the Offer Acceptance Time, (ii) pension and welfare benefits that are no less favorable in the aggregate than those provided by Kite immediately prior to the Offer Acceptance Time and (iii) severance benefits that are no less favorable than the severance benefits provided under the Kite Change in Control and Severance Benefit Plan, or comparable severance plan for Kite's European subsidiaries.

Parent has also agreed that all Continuing Employees will be eligible to continue to participate in Kite's health and welfare benefit plans (to the same extent such Continuing Employees were eligible to participate in Kite's health and welfare benefit plans immediately prior to the Effective Time). Parent will also provide each Continuing Employee with service credit for purposes of eligibility, vesting and benefit accrual under Parent and Kite employee benefit plans for service prior to the Effective Time with Kite to the same extent that such service was recognized under a corresponding Kite employee benefit plan prior to the Effective Time. To the extent permitted under applicable law, Parent will and will cause Kite to, with respect to any employee benefit plan maintained for the benefit of the Continuing Employees following the Effective Time, (a) waive any eligibility requirements, preexisting condition limitations or waiting period requirements to the same extent waived under comparable plans of Kite and (b) give effect, in determining any deductible, co-insurance and maximum out-of-pocket limitations, to amounts paid by such employees during the calendar year in which the Effective Time occurs under similar plans maintained by Kite.

Parent will, and will cause Kite (following the closing) and any successor thereto to, honor, fulfill and discharge Kite's obligations under certain employee plans.

Prior to the Offer Acceptance Time, Kite may determine the amount earned by each participant of Kite's or its subsidiaries' annual incentive plans for 2017, with such amount to be paid to each eligible participant in the ordinary course of business consistent with past practice following the end of 2017. However, any participant who is terminated by Kite without cause or who resigns for good reason, in either case, following the Effective Time but prior to the time when such participant's bonus would otherwise be paid, will be entitled to receive his or her earned bonus amount in a lump-sum payment promptly following the date of his or her termination of employment.

To the extent requested in writing by Parent at least ten (10) days prior to the Offer Acceptance Time, Kite will take all actions that may be necessary to terminate Kite's 401(k) plan at least one day prior to the Effective Time. If Kite so terminates Kite's 401(k), (i) prior to the Effective Time, Kite and Parent will take any and all actions as may be required to permit each Kite employee who is employed by Parent after the Effective Time to make rollover contributions of "eligible rollover distributions" in an amount equal to the full account balance distributed or distributable to each such employee from Kite's 401(k) plan to the Parent 401(k) plan and (ii) each such employee will become a participant in Kite's 401(k) plan on the closing date (giving effect to the service-crediting provisions described above), such that no Kite employee will experience a gap in participation in a tax-qualified defined contribution plan.

*ESPP.* As soon as reasonably practicable after the date of the Merger Agreement, Kite will take all actions required under its Employee Stock Purchase Plan (the "ESPP") to provide that (a) the "offering" (as defined in the ESPP) in effect as of the date of the Merger Agreement will be the final offering and (b) each individual participating in the final offering will not be permitted to increase his or her payroll contribution rate elected pursuant to the ESPP when the final offering commenced or make separate non-payroll contributions to the ESPP following the date of the Merger Agreement, except pursuant to applicable law. Prior to the Offer Acceptance Time, Kite will take all action that may be necessary to, effective upon the Offer Acceptance Time, (i) cause the final offering to be terminated at least five business days prior to when the Offer Acceptance Time occurs, (ii) make any pro rata adjustments that may be necessary to reflect the final offering, but otherwise treat the final offering as a fully effective and completed offering under the ESPP, and (iii) cause the exercise of each outstanding purchase right pursuant to the ESPP. On such exercise date, Kite will apply the funds credited pursuant to the ESPP within each participant's payroll withholding account to the purchase of Shares in accordance with the terms of the ESPP and each Share will be an outstanding Share and entitled to the Merger Consideration. Kite will adopt such resolutions as are necessary to terminate the ESPP effective as of immediately prior to, and conditional upon the occurrence of, the Offer Acceptance Time.

*Directors' and Officers' Indemnification and Insurance.* The Merger Agreement provides for indemnification, advancement of expenses, exculpation from liabilities and insurance rights in favor of the current and former directors and officers of Kite and its subsidiaries, whom we refer to as "indemnitees," with respect to acts or omissions occurring at or prior to the Effective Time (whether asserted or claimed prior to, at or after the Effective Time). Specifically, Parent has agreed that all rights to indemnification, exculpation and advancement of expenses in favor of indemnitees as provided in governing documents, indemnification agreement or other similar agreements of Kite or its subsidiaries with respect to all matters occurring prior to or at the Effective Time will continue in full force and effect in accordance with their respective terms for a period of six (6) years from and after the Effective Time (the "Indemnity Period").

In addition, Parent has agreed that during the Indemnity Period Parent and the Surviving Corporation will, and will cause the Surviving Corporation's subsidiaries to, indemnify and hold

harmless each individual who is as of the date of the Merger Agreement, or who becomes prior to the Effective Time, a director or officer of Kite or any of its subsidiaries or who is as of the date of the Merger Agreement, or who thereafter commences prior to the Effective Time, serving at the request of Kite or any of its subsidiaries as a director or officer of another person (the "Indemnified Persons"), against all claims, losses, liabilities, damages, judgments, inquiries, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements, incurred in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, arising out of the fact that the Indemnified Person is or was a director or officer of Kite or any of its subsidiaries or is or was serving at the request of Kite or any of its subsidiaries as a director or officer of another person, to the fullest extent permitted under applicable legal requirements. The Merger Agreement provides that each Indemnified Person will be entitled to advancement of expenses incurred in the defense of any such claim, action, suit or proceeding from Parent, the Surviving Corporation or its subsidiaries, as applicable, in accordance with the organizational documents and any indemnification agreements of Kite or its subsidiaries, as applicable, as in effect on the date of the Merger Agreement. If and only to the extent required by the DGCL or Kite's or any of its subsidiaries' organizational documents or any indemnification agreements, any Indemnified Person to whom expenses are advanced may be required to provide an undertaking to repay such advances if it is ultimately determined by final adjudication that such Indemnified Person is not entitled to indemnification. Further, Parent, the Surviving Corporation and its subsidiaries, as applicable, will reasonably cooperate in the defense of any such matter.

For the Indemnity Period, Parent and the Surviving Corporation have agreed to either cause to be maintained in effect the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by Kite and its subsidiaries or provide substitute policies for the Surviving Corporation and its subsidiaries (and their current and former directors and officers who are currently covered by Kite's existing policies), in either case of not less than the existing coverage and having other terms not less favorable to the insured persons than such insurance coverage currently maintained by Kite and its subsidiaries with respect to claims arising from facts or events that occurred at or prior to the Effective Time; provided that neither Parent nor the Surviving Corporation will be required to pay with respect to such insurance policies an annual premium greater than 300% of the aggregate annual premium most recently paid by Kite and its subsidiaries for such insurance (the "Maximum Amount"). In lieu of the foregoing, prior to the Closing Date, Kite may purchase a "tail" directors' and officers' liability insurance policy and fiduciary liability insurance policy for the Surviving Corporation and its subsidiaries (and their current and former directors and officers who are currently covered by Kite's existing policies) to provide coverage in an amount not less than the existing coverage and to have other terms not less favorable to the insured persons than the insurance coverage currently maintained by Kite and its subsidiaries with respect to claims arising from facts or events that occurred at or before the Effective Time, provided that the cost of any such tail policy shall not exceed the Maximum Amount.

*Reasonable Best Efforts.* Each of Kite and Parent has agreed to use its respective reasonable best efforts to take, or cause to be taken, all actions necessary to consummate the Offer and the Merger and make effective the other Transactions. In particular, each party has agreed to use reasonable best efforts to (i) make all filings (if any) and give all notices (if any) required to be made and given pursuant to any material contract in connection with the Offer and the Merger and the other Transactions to the extent requested in writing by Parent, (ii) seek each consent (if any) required to be obtained pursuant to any material contract in connection with the Transactions to the extent requested in writing by Parent and (iii) seek to lift any restraint, injunction or other legal bar to the Offer or the Merger brought by any third person against such party.

*Security Holder Litigation.* In the event that any litigation related to the Merger Agreement, the Offer, the Merger or the other Transactions is brought by any stockholder or other holder of any Kite

securities (whether directly or on behalf of Kite or otherwise) against Kite and/or its directors or officers, Kite is required to promptly notify Parent of such litigation and to keep Parent reasonably informed with respect to the status thereof. Kite has agreed to give Parent (a) the opportunity to participate in the defense of any such litigation, (b) the right to review and comment on all material filings or responses to be made by Kite in connection with such litigation (and Kite will give due consideration to Parent's comments and other advice with respect to such litigation) and (c) the right to consult on any settlement with respect to such litigation, and no such settlement will be agreed to without Parent's prior written consent (such consent not to be unreasonably withheld), provided that in no event shall Parent be required to consent (such consent not to be unreasonably withheld or delayed) to any settlement that does not provide for unconditional release of Parent, its affiliates, representatives and other persons entitled to indemnification by Parent or Kite from any liability in connection with the litigation. Kite shall otherwise control the defense and/or settlement described above and the disclosure of information in connection with such defense or settlement shall be subject to the access and notice provisions described above.

*Takeover Laws.* If any "moratorium," "control share acquisition," "fair price," "supermajority," "affiliate transactions," or "business combination statute or regulation" or other similar state anti-takeover laws and regulations (including Section 203 of the DGCL) (each, a "Takeover Law") may become, or may purport to be, applicable to the Transactions, Parent and Kite have agreed to use their respective reasonable best efforts to grant such approvals and take such actions as are necessary so that the Transactions may be consummated as promptly as practicable on the terms and conditions contemplated by the Merger Agreement and otherwise act to lawfully eliminate the effect of any Takeover Law on any of the Transactions.

*Section 16 Matters.* Kite and Kite's Board of Directors (the "Kite Board") (or a duly formed committee thereof consisting of non-employee directors) will, to the extent necessary, take appropriate action, prior to or as of the Offer Acceptance Time, to approve, for the purposes of Section 16(b) of the Exchange Act, the disposition and cancellation (or deemed disposition and cancellation) of Shares, Company Options and Company Restricted Stock Units in the Merger by applicable individuals and to cause such dispositions and/or cancellations to be exempt under Rule 16b-3 promulgated under the Exchange Act.

*Stock Exchange Delisting and Deregistration.* Prior to the Closing Date, Kite has agreed to cooperate with Parent and to use its reasonable best efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable under applicable laws and rules and policies of NASDAQ to enable delisting by Kite of the Shares from NASDAQ and the deregistration of the Shares under the Exchange Act as promptly as practicable after the Effective Time.

*Financing Cooperation.* Kite has agreed to use its reasonable best efforts to provide, and to cause its subsidiaries and each of their respective representatives to provide, to Parent and Purchaser reasonable cooperation that may be reasonably requested by Parent and Purchaser and that is necessary or customary, proper or advisable in connection with the arrangement of any debt financing undertaken by Parent in contemplation of the Transactions, including reasonable cooperation, to the extent reasonably requested (a) to provide material financial and other pertinent information to Parent, Purchaser and their financing sources, (b) to cooperate with the marketing efforts of Parent, Purchaser and their financing sources for any financing (including causing Kite's representatives to participate in meetings, presentations, road shows, due diligence sessions and sessions with rating agencies, a reasonable number of times), (c) to assist with the preparation of material for the foregoing and offering documents (including the preparation of pro forma financial statements meeting the requirements of SEC Regulation S-X) necessary, proper or advisable in connection with the financing, (d) to assist Parent in obtaining consents of Kite's auditors for use in their reports in any materials relating to the financing and customary "comfort letters," and (e) to provide all documentation and other information required under applicable "know your customer" and anti-money laundering rules and regulations.



Neither Kite nor any of its subsidiaries shall be under any of the foregoing obligations until after the Offer Acceptance Time and neither Kite, its subsidiaries nor any of their representatives shall be required to take any action under any of the foregoing that is not contingent upon consummation of the Offer or that would be effective prior thereto or take any corporate actions prior to the closing of the Merger. Neither Kite nor its subsidiaries shall be required to cooperate to the extent that such cooperation would, in the good faith determination of Kite, interfere unreasonably with Kite's or its subsidiaries' business or operations. Neither Kite nor any of its subsidiaries shall be required to (a) waive or amend any terms of the Merger Agreement, (b) take any action that will conflict with or violate its organizational documents or any applicable Legal Requirement, (c) issue any offering or information document, or (d) take any action that would subject it to actual or potential liability, to bear any cost or expense or to pay any commitment or other similar fee or make any other payment (other than reasonable out of pocket costs that will be reimbursed by Parent) or incur any other liability or provide or agree to provide any indemnity in connection with the financing that would be effective prior to the closing. Kite consents to the use of its and its subsidiaries' logos in connection with the syndication or marketing of the financing (provided such logos are used in a manner that is reasonable and customary in connection with a financing, and not intended to harm or disparage Kite, its subsidiaries or their marks).

Upon written request by Kite, Parent shall promptly reimburse Kite for all reasonable out-of-pocket costs incurred by Kite or its subsidiaries in connection with their cooperation and indemnify and hold harmless Kite, its subsidiaries and their respective representatives from and against any and all losses, damages, claims, interest, awards, judgments, penalties, settlements, costs or expenses (including reasonable attorneys' fees) suffered or incurred by them to the extent they arose out of actions taken by Kite, its subsidiaries or their respective representatives pursuant to their cooperation under the Merger Agreement, except in the event the foregoing are determined by a final non-appealable judgment of a court of competent jurisdiction to have arisen out of or resulted from the gross negligence or willful misconduct of Kite, any of its subsidiaries or any of their respective representatives.

Parent and Purchaser acknowledge and agree that obtaining the financing is not a condition to consummation of the Transactions and that Parent and Purchaser has agreed to pay for the tendered Shares and consummate the Merger and the other Transactions regardless of the availability of the financing and Kite's condition to have complied with or performed in all material respects the obligations, covenants and agreements under the Merger Agreement at or prior to the Offer Acceptance Time will be deemed to have been satisfied with respect to any of Kite's obligations pursuant to the financing.

*No Solicitation.* Except as described below, until the earlier of the Effective Time or the valid termination of the Merger Agreement pursuant to its terms, Kite has agreed, on behalf of Kite and its subsidiaries, not to, and to cause their directors and officers not to, and to direct and use its reasonable best efforts to cause their other Representatives not to, directly or indirectly:

- (i) continue any solicitation, knowing encouragement, discussions or negotiations with any persons that may be ongoing with respect to an Acquisition Proposal (as defined below);
- (ii) solicit, initiate or knowingly facilitate or encourage (including by way of furnishing non-public information) any inquiries regarding, or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, an Acquisition Proposal (other than discussions solely to clarify the terms and conditions of such proposal or offer);
- (iii) engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other person any non-public information in connection with, or for the purpose of soliciting or knowingly encouraging or facilitating, an Acquisition Proposal or any proposal

or offer that would reasonably be expected to lead to an Acquisition Proposal (other than to state that the terms of the Merger Agreement prohibit such discussion);

- (iv) approve, adopt, endorse or recommend or enter into any letter of intent, acquisition agreement, agreement in principle or similar agreement with respect to an Acquisition Proposal or any proposal or offer that would reasonably be expected to lead to an Acquisition Proposal (other than an Acceptable Confidentiality Agreement);
- (v) take any action to exempt any person (other than Parent and its subsidiaries) from the restrictions on "business combinations" or any similar provision contained in applicable Takeover Laws or Kite's organizational and other governing documents;
- (vi) waive or release any person from, forbear in the enforcement of, or amend any standstill agreement or any standstill provisions of any other contract; or
- (vii) resolve or agree to do any of the foregoing.

Kite agreed to request, as promptly as reasonably practicable (and in any event within two (2) business days) following the date of the Merger Agreement, the prompt return or destruction of all information or documents previously furnished to any person (other than Parent, its affiliates and their respective Representatives) that had made or has indicated an intention to make an Acquisition Proposal and all material incorporating such information created by any such person.

Notwithstanding the above limitations, if Kite or any of its subsidiaries or any of its or their respective Representatives receives after the date of the Merger Agreement and prior to the Offer Acceptance Time a *bona fide* written Acquisition Proposal that did not result from a breach of the non-solicitation provisions of the Merger Agreement and the Kite Board determines in good faith, after consultation with its financial advisor and outside legal counsel, that such an Acquisition Proposal constitutes or would reasonably be expected to result in a Superior Offer and that the failure to take such action (as described below) would be inconsistent with its fiduciary duties under applicable law, Kite and its Representatives may take the following actions:

- (x) furnish, pursuant to an Acceptable Confidentiality Agreement (as defined below), information (including non-public information) with respect to Kite and its subsidiaries to the person or groups of persons who have made such Acquisition Proposal (provided that as promptly as practicable (and in any event within 24 hours), Kite provides any such information to Parent to the extent access to such information was not previously provided to Parent or its Representatives); and
- (y) engage or otherwise participate in discussions or negotiations with the person or group of persons making such Acquisition Proposal.

In the case of each of clauses (x) and (y) above, at or prior to the first time Kite furnishes such information or participates in any such discussions or negotiations, Kite must provide written notice to Parent of the required determination in good faith of the Kite Board as described above. Additionally, Kite must provide Parent with a copy of any Acceptable Confidentiality Agreement (for informational purposes only) within forty-eight (48) hours of the execution thereof. Under the Merger Agreement "Acceptable Confidentiality Agreement" means any customary confidentiality agreement that (i) contains provisions that are not less favorable in the aggregate to Kite than those contained in the Mutual Confidentiality Agreement dated February 10, 2017, as amended, between Kite and Parent and (ii) does not prohibit Kite from providing any of the information described above to Parent.

Kite is required to notify Parent promptly (but in any event within 24 hours) of the receipt by Kite, any of its subsidiaries or any of their Representatives of any inquiry, proposal or offer with respect to, or that would reasonably be expected to lead to, an Acquisition Proposal. Kite is further required to (i) provide Parent a copy of any written Acquisition Proposal and a summary of any material unwritten

terms and conditions thereof, (ii) identify the person making such inquiry, proposal or offer, and (iii) keep Parent reasonably informed of any material developments, discussions or negotiations regarding any Acquisition Proposal on a prompt basis (and in any event within 24 hours of such material development, discussion or negotiation).

"Acquisition Proposal" means any proposal or offer from any person or group, including any amendment or modification to any existing proposal or offer, relating to, in a single transaction or series of related transactions, any (i) acquisition or license of assets of Kite equal to 20% or more of Kite's consolidated assets; (ii) acquisition or exclusive license of the key products, (iii) issuance or acquisition of 20% or more of Kite's outstanding Common Stock; (iv) recapitalization, tender offer or exchange offer that if consummated would result in any person or group beneficially owning 20% or more of Kite's outstanding Common Stock; or (v) merger, consolidation, amalgamation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving Kite that if consummated would result in any person or group beneficially owning 20% or more of Kite's outstanding Common Stock (in the case of each of foregoing paragraphs (i) through (iv), other than the Transactions and other than certain material contracts disclosed on the confidential disclosure letter provided by Kite to Parent and Purchaser).

"Superior Offer" means a *bona fide* written Acquisition Proposal (except that references to "20%" in the definition of Acquisition Proposal above shall be deemed to be "50%"), not solicited in violation of the Merger Agreement, that the Kite Board determines, in its good faith judgment, after consultation with outside legal counsel and its financial advisor, is reasonably likely to be consummated in accordance with its terms, taking into account all legal, regulatory and financing aspects (including certainty of closing, termination fees, any expense reimbursement provisions and whether such Acquisition Proposal is fully financed) of the proposal and the person making the proposal and other aspects of the Acquisition Proposal that the Kite Board deems relevant, and if consummated, would result in a transaction more favorable to Kite's stockholders (solely in their capacity as such) from a financial point of view than the Transactions (including after giving effect to any revisions to the terms of the Merger Agreement proposed by Parent or any other proposal of Parent so that such Acquisition Proposal would cease to constitute a Superior Offer).

Nothing in the Merger Agreement shall prohibit Kite from disclosing to Kite's stockholders any "stop, look and listen" communication pursuant to Rule 14d-9(f) promulgated under the Exchange Act or from taking and disclosing such other position or disclosure as required under Rule 14e-2(a), Rule 14d-9 or Item 1012(a) of Regulation M-A promulgated under the Exchange Act, or from taking any action necessary to comply with applicable legal requirements, provided that the Kite Board shall not effect a Company Adverse Change Recommendation except as set forth below.

*Recommendation Change.* As described above, and subject to the provisions described below, the Kite Board has determined to recommend that the stockholders of Kite accept the Offer and tender their Shares to Purchaser in the Offer. The foregoing recommendation is referred to herein as the "Company Board Recommendation." The Kite Board also agreed to include the Company Board Recommendation with respect to the Offer in the Schedule 14D-9 and has permitted Parent to refer to such recommendation in this Offer to Purchase and documents related to the Offer.

Except as described below, prior to the Effective Time or the termination of the Merger Agreement pursuant to its terms, neither the Kite Board nor any committee thereof may:

- (i) withdraw or withhold (or modify or qualify in a manner adverse to Parent or Purchaser) or publicly propose an intention to do any of the foregoing with respect to the Company Board Recommendation;
- (ii) adopt, approve, recommend or declare advisable any Acquisition Proposal or publicly propose to take any of the foregoing actions;

- (iii) after public announcement of an Acquisition Proposal (other than a tender offer or exchange offer), fail to publicly affirm the Company Board Recommendation within three (3) business days after a written request by Parent to do so (or, if earlier, by the close of business on the business day immediately preceding the scheduled date of the Offer Acceptance Time), provided that Parent may only make such request once with respect to any Acquisition Proposal (provided that Parent is entitled to make a new request upon receipt of each Determination Notice (as defined below) and Kite is not required to provide any such affirmation during the two (2) or four (4) business day period, as applicable, following the giving of such Determination Notice);
- (iv) following the commencement of a tender offer or exchange offer relating to the Shares by a person unaffiliated with Parent, fail to publicly affirm the Company Board Recommendation and recommend that Kite's stockholders reject such tender offer or exchange offer within ten (10) business days after the commencement of such tender offer or exchange offer pursuant to Rule 14d-9(f) under the Exchange Act (or, if earlier, by the close of business on the business day immediately preceding the scheduled date of the Offer Acceptance Time); or
- (v) fail to include the Company Board Recommendation in the Schedule 14D-9 when disseminated to Kite's stockholders (any action described in the foregoing paragraphs (i) through (v) is referred to as a "Company Adverse Change Recommendation").

The Merger Agreement further provides that the Kite Board will not approve, recommend or declare advisable, or propose to approve, recommend or declare advisable, or cause or allow Kite to execute or enter into any contract, letter of intent, memorandum of understanding, agreement in principle or term sheet with respect to, or that is intended to or would reasonably be expected to lead to, any Acquisition Proposal, or requiring, or reasonably expected to cause, Kite to abandon, terminate, delay or fail to consummate, or that would otherwise materially impede, interfere with or be inconsistent with, the Transactions (other than an Acceptable Confidentiality Agreement).

Notwithstanding anything to the contrary in the Merger Agreement, at any time prior to the Offer Acceptance Time, the Kite Board may, subject to compliance with the other provisions summarized under this "—Recommendation Change" heading, make a Company Adverse Change Recommendation in response to a Superior Offer or (provided Kite is not in breach of the non-solicitation provisions in any material respect and in a manner that led to such Acquisition Proposal) terminate the Merger Agreement in order to enter into an agreement with respect to such Superior Offer. However, such action may only be taken if:

- (i) the Kite Board determines in good faith (after consultation with its outside legal counsel) that the applicable Acquisition Proposal constitutes a Superior Offer;
- (ii) the Kite Board determines in good faith (after consultation with its outside legal counsel) that the failure to take such action would be inconsistent with its fiduciary duties under applicable legal requirements;
- (iii) Kite has given Parent prior written notice of its intention to consider making a Company Adverse Change Recommendation or terminating the Merger Agreement at least four (4) business days prior to making any such Company Adverse Change Recommendation or termination (a "Determination Notice") and, if requested in writing by Parent, during such four (4)-business day period has negotiated in good faith with respect to any revisions to the terms of the Merger Agreement or another proposal to the extent proposed by Parent so that such Acquisition Proposal would cease to constitute a Superior Offer; and
- (iv) Kite (A) has provided to Parent information with respect to such Acquisition Proposal as well as a copy of any acquisition agreement with respect to such Acquisition Proposal and a copy of any financing commitments relating thereto (or, if not provided in writing to Kite, a written

summary of the material terms thereof), (B) has given Parent the four (4)-business day period after the Determination Notice to propose revisions to the terms of the Merger Agreement or make another proposal so that such Acquisition Proposal would cease to constitute a Superior Offer, and (C) after giving effect to the proposals made by Parent during such period, if any, after consultation with outside legal counsel, the Kite Board has determined, in good faith, that such Acquisition Proposal is a Superior Offer and that the failure to make the Company Adverse Change Recommendation or terminate the Merger Agreement would be inconsistent with its fiduciary duties under applicable legal requirements.

The foregoing paragraphs (i) through (iv) also apply to any change to any of the financial terms (including the form, amount and timing of payment of consideration) or other material amendment to any Acquisition Proposal and require a new Determination Notice, except that the references to four (4) business days shall be deemed to be two (2) business days.

Additionally, at any time prior to the Offer Acceptance Time, the Kite Board may, subject to compliance with the other provisions summarized under this "— Recommendation Change" heading, effect a Company Adverse Change Recommendation in response to an Intervening Event (as defined below). However, such action may only be taken if:

- (i) the action is made in response to an event, occurrence, fact or change that materially affects the business, assets or operations of Kite (other than any event, occurrence, fact or change resulting from a breach of the Merger Agreement by Kite) occurring or arising after the date of the Merger Agreement that was not known or reasonably foreseeable to the Kite Board as of the date of the Merger Agreement and becomes known to the Kite Board prior to the Offer Acceptance Time (an "Intervening Event"); provided that (a) changes in Kite's stock price, in and of itself, (b) any Acquisition Proposal or (c) the fact that, in and of itself, Kite exceeds any internal or published projections, estimates or expectations of revenue, earnings or other financial performance or results of operations for any period will not constitute an Intervening Event;
- (ii) the Kite Board determines in good faith (after consultation with its outside legal counsel) that the failure to take such action would be inconsistent with its fiduciary duties under applicable law;
- (iii) Kite has given Parent a Determination Notice at least four (4) business days prior to making any such Company Adverse Change Recommendation, and, if desired by Parent, during such four (4)-business day period has negotiated in good faith with respect to any revisions to the terms of the Merger Agreement or another proposal to the extent proposed by Parent so that a Company Adverse Change Recommendation would no longer be necessary; and
- (iv) Kite (A) has specified in reasonable detail the facts and circumstances that render a Company Adverse Change Recommendation necessary, (B) has given Parent the four (4)-business day period after the Determination Notice to propose revisions to the terms of the Merger Agreement or make another proposal so that a Company Adverse Change Recommendation would no longer be necessary, and (C) after giving effect to the proposals made by Parent during such period, if any, after consultation with outside legal counsel, the Kite Board has determined, in good faith, that the failure to make the Company Adverse Change Recommendation would be inconsistent with the fiduciary duties of the Kite Board to Kite's stockholders under applicable law.

The foregoing paragraphs (ii) through (iv) also apply to any material change to the facts and circumstances specified by Kite pursuant to clause (iv)(A) above and require a new Determination Notice, except that the references to four (4) business days shall be deemed to be two (2) business days.

*Termination.* The Merger Agreement may be terminated as follows:

- (i) by mutual written consent of Parent and Kite;
- (ii) by either Parent or Kite, if the Closing has not occurred on or prior to midnight, Eastern Time on December 27, 2017 (the "End Date"); provided, that (x) if all of the Offer Conditions other than the HSR Condition or the Governmental Impediment Condition (solely in respect of the HSR Act) have been satisfied or waived by Parent or Purchaser, to the extent waivable by Parent or Purchaser (other than conditions that by their nature are to be satisfied at the Offer Acceptance Time, each of which is then capable of being satisfied), then the End Date shall automatically be extended by a period of ninety (90) days and (y) this termination right will not be available to any party whose willful and material breach of covenants in the Merger Agreement has caused or resulted in the Offer not being consummated by such date (such termination, an "End Date Termination");
- (iii) by either Parent or Kite if a governmental body of competent jurisdiction has issued an order, injunction, decree or ruling, or taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the acceptance for payment of Shares pursuant to the Offer or the Merger or making the consummation of the Offer or the Merger illegal, which order, decree, ruling or other action is final and nonappealable; provided that this termination right will not be available to any party whose material breach of the Merger Agreement has caused or resulted in such final and nonappealable order, injunction, decree, ruling or other action;
- (iv) by Parent if the Kite Board shall have effected a Company Adverse Change Recommendation (an "Adverse Recommendation Termination");
- (v) by Kite, if the Kite Board has made a Company Adverse Change Recommendation in order to accept a Superior Offer, and concurrently entered into a binding written definitive acquisition agreement providing for the consummation of a transaction which the Kite Board has determined, in good faith, constitutes a Superior Offer (but only if (x) none of Kite, its subsidiaries or any of their respective officers or directors has violated the provisions summarized under "—No Solicitation" above in any material respect, (y) Kite and the Kite Board have complied with the provisions summarized under "—Recommendation Change" above, and (z) Kite has paid the Termination Fee (as defined below) before and as a condition to such termination (such termination a "Superior Offer Termination");
- (vi) by Parent (so long as neither Parent nor Purchaser is in material breach of any representation, warranty, covenant or obligation under the Merger Agreement), if Kite has breached any of its representations or warranties or has failed to perform any of its covenants or obligations pursuant to the Merger Agreement, such that any of the following conditions would not be satisfied and could not be cured by Kite by the End Date, or if capable of being cured, is not cured within forty-five (45) days of receiving written notice from Parent of such breach or failure to perform (such termination, a "Kite Breach Termination"):
  - (A) certain representations and warranties of Kite, including with respect to certain corporate matters (including due organization and authority to enter into and perform under the Merger Agreement), applicability of state takeover laws and the opinion of Kite's financial advisor, shall be true and correct in all material respects as of the date of the Merger Agreement and as of the Offer Acceptance Time as if made on and as of the Offer Acceptance Time;
  - (B) certain representations and warranties of Kite regarding its capitalization shall be true and correct in all respects (except for *de minimis* inaccuracies) as of the date of the Merger Agreement and as of the Offer Acceptance Time;

- (C) the representation and warranty of Kite regarding the absence of a Material Adverse Effect from December 31, 2016 through the date of the Merger Agreement shall be true and correct in all respects as of the date of the Merger Agreement and as of the Offer Acceptance Time as if made at and as of the Offer Acceptance Time; and
  - (D) the representations and warranties of Kite other than those referenced in paragraphs (A) through (C) above being true and correct as of the date of the Merger Agreement and as of the Offer Acceptance Time as if made on and as of the Offer Acceptance Time, except where the failure of such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have a Material Adverse Effect; and
  - (E) Kite shall have complied with or performed in all material respects the obligations, covenants and agreements it is required to comply with or perform at or prior to the Offer Acceptance Time; or
- (vii) by Kite (so long as Kite is not in material breach of any representation, warranty, covenant or obligation under the Merger Agreement), if (a) Parent or Purchaser has breached any of their respective representations or warranties or has failed to perform any of their respective covenants or obligations, if such breach or failure would reasonably be expected to prevent Parent or Purchaser from consummating the Transactions and such breach or failure could not be cured by Parent or Purchaser, as applicable, by the End Date, or if capable of being cured, is not cured within forty-five (45) days after receiving written notice from Kite of such breach or failure to perform, or (b) Purchaser failed to commence the Offer on or prior to the tenth (10<sup>th</sup>) business day following the date of the Merger Agreement or if Purchaser fails to consummate the Offer in accordance with the Merger Agreement.

*Effect of Termination.* If the Merger Agreement is terminated pursuant to its terms, the Merger Agreement will be of no further force or effect and there will be no liability on the part of Parent, Purchaser or Kite (or any of their respective former, current or future officers, directors, partners, stockholders, managers, members or affiliates) following any such termination, except that (i) certain specified provisions of the Merger Agreement will survive, including those described in "—Kite Termination Fee" below, (ii) the Confidentiality Agreement will survive and remain in full force and effect in accordance with its terms and (iii) except as set forth in the Merger Agreement, termination will not relieve any party from liability for fraud or willful and material breach of the Merger Agreement prior to such termination.

*Kite Termination Fee.* Kite has agreed to pay Parent a termination fee of \$356 million in cash (the "Termination Fee") if:

- (i) the Merger Agreement is terminated by Kite pursuant to a Superior Offer Termination;
- (ii) the Merger Agreement is terminated by Parent pursuant to an Adverse Recommendation Termination; or
- (iii) (x) after the date of the Merger Agreement, an Acquisition Proposal has been publicly disclosed or otherwise become publicly known (and not unconditionally withdrawn), (y) thereafter, the Merger Agreement is terminated (A) by Parent or Kite pursuant to an End Date Termination, or (B) by Parent pursuant to a Kite Breach Termination resulting from a willful and material breach of any covenant in the Merger Agreement and (iii) within twelve (12) months of such termination, the Kite Board approves or recommends any Acquisition Proposal (regardless of when made), and Kite enters into a definitive agreement with respect to such Acquisition Proposal which shall have been consummated; provided that for purposes of determining if the Termination Fee is payable in such circumstances, the term "Acquisition Proposal" shall have the meaning described in "—No Solicitation" above, except that all references to "20%" will be deemed to be references to "50%."

In the event Parent receives the Termination Fee, such receipt will be deemed to be liquidated damages for any and all losses or damages suffered or incurred by Parent, Purchaser, any of their respective affiliates or any other person in connection with the Merger Agreement (and the termination thereof), the Transactions (and the abandonment thereof) or any matter forming the basis for such termination, and none of Parent, Purchaser or any of their respective affiliates will be entitled to bring or maintain any claim, action or proceeding against Kite or any of its affiliates arising out of or in connection with the Merger Agreement, any of the Transactions or any matters forming the basis for such termination. In no event will Kite be required to pay the Termination Fee on more than one occasion.

*Specific Performance.* The parties have agreed that irreparable damage would occur in the event that any of the provisions of the Merger Agreement were not performed in accordance with their specific terms or were otherwise breached. The parties further agreed that the parties will be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement, without proof of damages or otherwise, in addition to any other remedy to which they are entitled under the Merger Agreement.

*Expenses.* Except as otherwise provided in the Merger Agreement, all fees and expenses incurred by the parties in connection with the Merger Agreement and the Transactions will be paid by the party incurring such expenses, whether or not the Offer and Merger are consummated.

*Offer Conditions.* The Offer Conditions are described in Section 13—"Conditions of the Offer."

## **12. Source and Amount of Funds.**

The Offer is not conditioned upon Parent's or Purchaser's ability to finance the purchase of Shares pursuant to the Offer. Parent and Purchaser estimate that the total amount of funds required to consummate the Merger (including payments for options, restricted stock units and other payments referred to in the Merger Agreement) pursuant to the Merger Agreement and to purchase all of the Shares pursuant to the Offer and the Merger Agreement will be approximately \$11.9 billion at or prior to the Closing. Purchaser anticipates funding these payments with cash on hand and from available credit facilities of Parent.

We do not believe our financial condition is relevant to your decision whether to tender your Shares and accept the Offer because (i) the Offer is being made for all outstanding Shares solely for cash, (ii) the Offer is not subject to any financing condition, (iii) if we consummate the Offer, we will acquire all remaining Shares for the same price in the Merger, and (iv) Parent and/or one or more of its affiliates has, and will arrange for us to have, sufficient funds to purchase all Shares validly tendered in the Offer, and not properly withdrawn, to acquire the remaining outstanding Shares in the Merger on the terms set forth in this Offer to Purchase.

## **13. Conditions of the Offer.**

The obligation of Purchaser to accept for payment and pay for Shares validly tendered and not validly withdrawn pursuant to the Offer is subject to the satisfaction of the conditions set forth in clauses (a) through (k) below. Notwithstanding any other provisions of the Offer or the Merger Agreement to the contrary and subject to any applicable rules and regulations of the SEC including Rule 14e-1(c) of the Exchange Act, Purchaser is not required to accept for payment or pay for, and may delay the acceptance for payment of, or the payment for, any tendered Shares, and, to the extent permitted by the Merger Agreement, may terminate the Offer (i) upon termination of the Merger Agreement; and (ii) at any scheduled Expiration Date (subject to any extensions of the Offer), if: (A) the Minimum Tender Condition (described in clause (a) below), the Termination Condition



(described in clause (k) below), the HSR Condition (described in clause (h) below), and the Governmental Impediment Condition (described in clause (j) below) shall not be satisfied by one minute after 11:59 p.m., Eastern Time on the Expiration Date; or (B) any of the additional conditions described below has not been satisfied or waived in writing by Parent:

- a. the number of Shares validly tendered (excluding Shares tendered in the Offer pursuant to guaranteed delivery procedures that have not yet been "received" as defined by Section 251(h)(6)(f) of the DGCL) in accordance with the terms of the Offer and not validly withdrawn, together with all other Shares (if any) beneficially owned by Parent and its subsidiaries, equals one more Share than 50% of the sum of (i) the total number of Shares outstanding, plus (ii) the total number of Shares that Kite would be required to issue upon conversion, settlement, exchange or exercise of all options, warrants, rights or securities outstanding (it being understood that Kite options and Kite restricted stock units canceled or assumed pursuant to the Merger Agreement shall not be included in the calculation) that are convertible, exchangeable or exercisable into Shares (whether then outstanding or for which the conversion, settlement, exchange or exercise date has already occurred, but in any event without duplication);
- b. the representations and warranties of Kite set forth in the first sentence of Section 3.1(a), Section 3.2, Section 3.4, Section 3.20 and Section 3.22 of the Merger Agreement are true and correct in all material respects as of the date of the Merger Agreement and at and as of the Offer Acceptance Time;
- c. the representations and warranties of Kite set forth in the first sentence of Section 3.3(a), clauses (i) – (ii) of Section 3.3(b) solely as such representations relate to Kite, clauses (i) – (iii) of Section 3.3(c) and Section 3.3(d) solely as such representations relate to Kite of the Merger Agreement are true and correct (except for *de minimis* inaccuracies) in all respects as of the date of the Merger Agreement and at and as of the Offer Acceptance Time as if made on and as of the Offer Acceptance Time (except to the extent any such representation or warranty expressly relates to an earlier date or period, in which case as of such date or period);
- d. the representation and warranty of Kite set forth in Section 3.6(b) (No Material Adverse Effect) of the Merger Agreement is true and correct in all respects as of the date of the Merger Agreement and at and as of the Offer Acceptance Time as if made at and as of the Offer Acceptance Time;
- e. the representations and warranties of Kite set forth in the Merger Agreement (other than those referred to in clauses (b), (c) and (d) above) are true and correct (disregarding for this purpose all "Material Adverse Effect" and "materiality" qualifications contained in such representations and warranties) (other than those references to "material" set forth in Sections 3.5(a), the first two sentences of Section 3.5(b), the first two sentences of Section 3.5(c), Sections 3.5(e) and (g), Section 3.8(d), clauses (i) – (vi), (ix) and (x) of Section 3.9(a), Section 3.16(c) and the first sentence of Section 3.18) as of the date of the Merger Agreement and at and as of the Offer Acceptance Time as if made on and as of the Offer Acceptance Time (except to the extent any such representation or warranty expressly relates to an earlier date or period, in which case as of such date or period), except where the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have a Material Adverse Effect;
- f. Kite has performed or complied with in all material respects the obligations, covenants and agreements it is required to comply with or perform at or prior to the Offer Acceptance Time;

- g. since the date of the Merger Agreement, there has not occurred any change, circumstance, condition, development, effect, event, occurrence or state of facts which, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect;
- h. the waiting period (or any extension thereof) applicable to the Offer under the HSR Act has expired or been terminated;
- i. Parent and Purchaser have received a certificate executed on behalf of Kite by the Chief Executive Officer and the Chief Financial Officer of Kite confirming that the conditions set forth in paragraphs (b) through (g) above have been satisfied;
- j. (i) there has not been any judgment, temporary restraining order, preliminary or permanent injunction or other order, decree or ruling, which remains in effect, by any governmental body of competent jurisdiction restraining, enjoining or otherwise preventing the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Offer or the Merger and (ii) no Legal Requirement has been promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger; and
- k. the Merger Agreement has not been terminated in accordance with its terms.

The foregoing conditions are for the sole benefit of Parent and Purchaser, may be asserted by Parent or Purchaser regardless of the circumstances giving rise to any such conditions (including any action or inaction by Parent or Purchaser), and (except for the Minimum Tender Condition) may be waived by Parent and Purchaser, in whole or in part, at any time and from time to time, in their sole and absolute discretion. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right and each such right will be deemed an ongoing right which may be asserted at any time.

#### **14. Dividends and Distributions.**

The Merger Agreement provides that Kite will not, between the date of the Merger Agreement and the Effective Time, establish a record date for, declare, set aside or pay any dividends on or make other distribution in respect of any shares of its capital stock (including the Shares) other than cash dividends paid by any direct or indirect wholly-owned subsidiary of Kite to Kite or any other wholly-owned subsidiary of Kite. See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements—Summary of the Merger Agreement—Conduct of Business Pending the Merger."

#### **15. Certain Legal Matters; Regulatory Approvals.**

**General.** Except as otherwise set forth in this Offer to Purchase, based on Parent's and Purchaser's review of publicly available filings by Kite with the SEC and other information regarding Kite, Parent and Purchaser are not aware of any licenses or other regulatory permits which appear to be material to the business of Kite and which might be adversely affected by the acquisition of Shares by Purchaser or Parent pursuant to the Offer or of any approval or other action by any governmental, administrative or regulatory agency or authority which would be required for the acquisition or ownership of Shares by Purchaser or Parent pursuant to the Offer. In addition, except as set forth below, Parent and Purchaser are not aware of any filings, approvals or other actions by or with any Governmental Body or administrative or regulatory agency that would be required for Parent's and Purchaser's acquisition or ownership of the Shares. Should any such approval or other action be required, Parent and Purchaser currently expect that such approval or action, except as described below under "State Takeover Laws," would be sought or taken. There can be no assurance that any such

approval or action, if needed, would be obtained or, if obtained, that it will be obtained without substantial conditions; and there can be no assurance that, in the event that such approvals were not obtained or such other actions were not taken, adverse consequences might not result to Kite's or Parent's business or that certain parts of Kite's or Parent's business might not have to be disposed of or held separate. In such an event, we may not be required to purchase any Shares in the Offer. See Section 13—"Conditions of the Offer."

**Antitrust.** Under the HSR Act, and the rules and regulations promulgated thereunder by the U.S. Federal Trade Commission (the "FTC"), certain transactions may not be consummated until certain information and documentary materials have been furnished for review to the FTC and the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division") and certain waiting period requirements have been satisfied. These requirements apply to Parent by virtue of Purchaser's acquisition of the Shares in the Offer (and the Merger).

Under the HSR Act, the purchase of Shares in the Offer may not be completed until the expiration of a 15-calendar-day waiting period following the filing of certain required information and documentary material concerning the Offer (and the Merger) with the FTC and the Antitrust Division, unless the waiting period is earlier terminated by the FTC and the Antitrust Division. The parties agreed in the Merger Agreement to file such Premerger Notification and Report Forms under the HSR Act with the FTC and the Antitrust Division in connection with the purchase of Shares in the Offer and the Merger as promptly as reasonably practicable. Under the HSR Act, the required waiting period will expire at 11:59 pm, Eastern Time on the 15<sup>th</sup> calendar day after the filing by Parent, unless earlier terminated by the FTC and the Antitrust Division or Parent receives a request for additional information or documentary material ("Second Request") from either the FTC or the Antitrust Division prior to that time. If a Second Request issues, the waiting period with respect to the Offer (and the Merger) would be extended for an additional period of ten calendar days following the date of Parent's substantial compliance with that request. If either the 15-day or ten-day waiting period expires on a Saturday, Sunday or federal holiday, then the period is extended until 11:59 p.m. of the next day that is not a Saturday, Sunday or federal holiday. Only one extension of the waiting period pursuant to a Second Request is authorized by the HSR Act rules. After that time, the waiting period could be extended only by court order or with Parent's consent. The FTC or the Antitrust Division may terminate the additional ten-day waiting period before its expiration. Complying with a Second Request can take a significant period of time. Although Kite is also required to file certain information and documentary material with the FTC and the Antitrust Division in connection with the Offer, neither Kite's failure to make its filing nor failure to comply with its own Second Request in a timely manner will extend the waiting period with respect to the purchase of Shares in the Offer (and the Merger).

The FTC and the Antitrust Division frequently scrutinize the legality under the U.S. antitrust laws of transactions, such as Purchaser's acquisition of Shares in the Offer (and the Merger). At any time before or after Purchaser's purchase of Shares in the Offer (and the Merger), the FTC or the Antitrust Division could take any action under the antitrust laws that it either considers necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares in the Offer (and the Merger), the divestiture of Shares purchased in the Offer and Merger or the divestiture of substantial assets of Parent, Kite or any of their respective subsidiaries or affiliates. Private parties, as well as state attorneys general, also may bring legal actions under the antitrust laws under certain circumstances. See Section 13—"Conditions of the Offer."

Parent and Kite also conduct business outside of the United States. However, based on a review of the information currently available relating to the countries and businesses in which Parent and Kite are engaged, Parent and Purchaser believe that no mandatory antitrust premerger notification filing is required outside the United States and approval of any non-U.S. antitrust authority is not a condition to the consummation of the Offer or the Merger.

Based upon an examination of publicly available and other information relating to the businesses in which Kite is engaged, Parent and Purchaser believe that the acquisition of Shares in the Offer (and the Merger) should not violate applicable antitrust laws. Nevertheless, Parent and Purchaser cannot be certain that a challenge to the Offer (and the Merger) on antitrust grounds will not be made, or, if such challenge is made, what the result will be. See Section 13—"Conditions of the Offer."

**Stockholder Approval Not Required.** Kite has represented in the Merger Agreement that execution, delivery and performance of the Merger Agreement by Kite and the consummation by Kite of the Offer and the Merger have been duly and validly authorized by all necessary corporate action on the part of Kite, and no other corporate proceedings on the part of Kite are necessary to authorize the Merger Agreement or to consummate the Offer and the Merger. Section 251(h) of the DGCL provides that stockholder approval of a merger is not required if certain requirements are met, including that (i) the acquiring company consummates an offer for all of the outstanding stock of the company to be acquired that, absent Section 251(h) of the DGCL, would be entitled to vote on the merger, and (ii) following the consummation of such tender offer, the acquiring company owns at least such percentage of the stock of the company to be acquired that, absent Section 251(h) of the DGCL, would be required to adopt the merger agreement. If the Minimum Tender Condition is satisfied and we accept Shares for payment pursuant to the Offer, we will hold a sufficient number of Shares to ensure that Kite will not be required to submit the adoption of the Merger Agreement to a vote of its stockholders. Following the consummation of the Offer and subject to the satisfaction of the remaining conditions set forth in the Merger Agreement, Purchaser, Parent and Kite will take all necessary and appropriate action to effect the Merger as promptly as practicable without a meeting of stockholders of Kite in accordance with Section 251(h) the DGCL. See Section 11—"Purpose of the Offer and Plans for Kite; Summary of the Merger Agreement and Certain Other Agreements."

**State Takeover Laws.** A number of states (including Delaware, where Kite is incorporated) have adopted takeover laws and regulations which purport, to varying degrees, to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have substantial assets, stockholders, principal executive offices or principal places of business therein.

As a Delaware corporation, Kite has not opted out of Section 203 of the DGCL. In general, Section 203 of the DGCL would prevent an "interested stockholder" (generally defined in Section 203 of the DGCL as a person beneficially owning 15% or more of a corporation's voting stock) from engaging in a "business combination" (as defined in Section 203 of the DGCL) with a Delaware corporation for three years following the time such person became an interested stockholder unless: (i) before such person became an interested stockholder, the board of directors of the corporation approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination; (ii) upon consummation of the transaction which resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding for purposes of determining the number of shares of outstanding stock held by directors who are also officers and by employee stock plans that do not allow plan participants to determine confidentially whether to tender shares); or (iii) following the transaction in which such person became an interested stockholder, the business combination is (a) approved by the board of directors of the corporation and (b) authorized at a meeting of stockholders by the affirmative vote of the holders of at least  $66\frac{2}{3}\%$  of the outstanding voting stock of the corporation not owned by the interested stockholder.

Kite has represented to us in the Merger Agreement that it has taken all actions necessary or appropriate to exempt the execution, delivery, and performance of the Merger Agreement and the Offer, the Merger, and the other transactions contemplated by the Merger Agreement from Section 203 of the DGCL and any other "moratorium," "control share acquisition," "fair price," "super majority," "affiliate transactions," or "business combination" or other similar state anti-takeover laws and regulations. Purchaser has not attempted to comply with any other state takeover statutes in

connection with the Offer or the Merger. Purchaser reserves the right to challenge the validity or applicability of any state law allegedly applicable to the Offer, Merger, the Merger Agreement or the transactions contemplated thereby, and nothing in this Offer to Purchase or any action taken in connection herewith is intended as a waiver of that right. In the event that it is asserted that one or more takeover statutes apply to the Offer or the Merger, and it is not determined by an appropriate court that such statute or statutes do not apply or are invalid as applied to the Offer, Merger, or the Merger Agreement, as applicable, Purchaser may be required to file certain documents with, or receive approvals from, the relevant state authorities, and Purchaser might be unable to accept for payment or purchase Shares tendered pursuant to the Offer or be delayed in continuing or consummating the Offer. In such case, Purchaser may not be obligated to accept for purchase, or pay for, any Shares tendered. See Section 13—"Conditions of the Offer."

**Appraisal Rights.** No appraisal rights are available to the holders of Shares in connection with the Offer. However, if the Merger takes place, stockholders who have not tendered their Shares into the Offer and who comply with the applicable legal requirements will have appraisal rights under Section 262 of the DGCL. If you choose to exercise your appraisal rights in connection with the Merger and you comply with the applicable legal requirements under the DGCL, you will be entitled to payment for your Shares based on a judicial determination of the fair value of your Shares.

Any such judicial determination of the fair value of the Shares could be based upon considerations other than or in addition to the price paid in the Offer and the market value of the Shares. Stockholders should recognize that the value so determined could be higher or lower than the price per Share paid pursuant to the Offer or the per share price to be paid in the Merger. Moreover, Kite may argue in an appraisal proceeding that, for purposes of such a proceeding, the fair value of the Shares is less than the price paid in the Offer and the Merger.

Under Section 262 of the DGCL, where a merger is approved under Section 251(h), either a constituent corporation before the effective date of the merger, or the surviving corporation within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of Section 262 of the DGCL. **The Schedule 14D-9 constitutes the formal notice of appraisal rights under Section 262 of the DGCL.**

As described more fully in the Schedule 14D-9, if a stockholder elects to exercise appraisal rights under Section 262 of the DGCL, the stockholder must (i) within the later of the consummation of the Offer and 20 days after the mailing of the Schedule 14D-9, deliver to Kite a written demand for appraisal of their Shares, which demand must reasonably inform Kite of the identity of the stockholder and that the stockholder is demanding appraisal; (ii) not tender his, her or its Shares pursuant to the Offer; and (iii) must continuously hold the Shares from the date of making the demand through the Effective Time.

**The foregoing summary of the rights of dissenting stockholders under the DGCL does not purport to be a statement of the procedures to be followed by stockholders desiring to exercise any appraisal rights under Delaware law. The preservation and exercise of appraisal rights require strict and timely adherence to the applicable provisions of Delaware law which will be set forth in their entirety in the notice of merger. The foregoing discussion is not a complete statement of law pertaining to appraisal rights under Delaware law and is qualified in its entirety by reference to Delaware law, including without limitation, Section 262 of the DGCL, a copy of which is included as Annex C to the Schedule 14D-9.**

**The information provided above is for informational purposes only with respect to your alternatives if the Merger is consummated. If you tender your Shares into the Offer, you will not be**

**entitled to exercise appraisal rights with respect to your Shares but, instead, subject to the conditions to the Offer, you will receive the Offer Price for your Shares.**

**"Going Private" Transactions.** Rule 13e-3 under the Exchange Act is applicable to certain "going private" transactions and may under certain circumstances be applicable to the Merger. However, Rule 13e-3 will be inapplicable if (i) the Shares are deregistered under the Exchange Act prior to the Merger or another business combination or (ii) the Merger or other business combination is consummated within one year after the purchase of the Shares pursuant to the Offer and the amount paid per Share in the Merger or other business combination is at least equal to the amount paid per Share in the Offer. Neither Parent nor Purchaser believes that Rule 13e-3 will be applicable to the Merger.

**Legal Proceedings Relating to the Tender Offer.** None.

#### **16. Fees and Expenses.**

Parent has retained the Depositary and the Information Agent in connection with the Offer. The Depositary and the Information Agent will receive customary compensation, reimbursement for reasonable out-of-pocket expenses and indemnification against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

As part of the services included in such retention, the Information Agent may contact holders of Shares by personal interview, mail, electronic mail, telephone, telex, telegraph and other methods of electronic communication and may request brokers, dealers, commercial banks, trust companies and other nominees to forward the Offer materials to beneficial holders of Shares.

Except as set forth above, neither Parent nor Purchaser will pay any fees or commissions to any broker or dealer or other person for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will upon request be reimbursed by us for customary mailing and handling expenses incurred by them in forwarding the offering material to their customers.

#### **17. Miscellaneous.**

The Offer is being made to all holders of the Shares. We are not aware of any jurisdiction in which the making of the Offer or the acceptance thereof would be prohibited by securities, "blue sky" or other valid laws of such jurisdiction. If we become aware of any U.S. state in which the making of the Offer or the acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action taken pursuant to a U.S. state statute, we will make a good faith effort to comply with any such law. If, after such good faith effort, we cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Parent and Purchaser have filed with the SEC the Schedule TO (including exhibits) in accordance with the Exchange Act, furnishing certain additional information with respect to the Offer, and may file amendments thereto. The Schedule TO and any amendments thereto, including exhibits, may be examined and copies may be obtained from the SEC in the manner set forth in Section 8—"Certain Information Concerning Kite" under "Available Information."

The Offer does not constitute a solicitation of proxies for any meeting of Kite's stockholders. Any solicitation of proxies which Purchaser or any of its affiliates might seek would be made only pursuant to separate proxy materials complying with the requirements of Section 14(a) of the Exchange Act.

**No person has been authorized to give any information or make any representation on behalf of Parent or Purchaser not contained in this Offer to Purchase or in the Letter of Transmittal and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer, bank, trust company, fiduciary or other person shall be deemed to be an agent of Purchaser, the Depositary or the Information Agent for the purpose of the Offer.** Neither delivery of this Offer to Purchase nor any purchase pursuant to the Offer will, under any circumstances, create any implication that there has been no change in the affairs of Parent, Purchaser, Kite or any of their respective subsidiaries since the date as of which information is furnished or the date of this Offer to Purchase.

Gilead Sciences, Inc.

Dodgers Merger Sub, Inc.

September 5, 2017

SCHEDULE A

**INFORMATION CONCERNING MEMBERS OF THE BOARDS OF DIRECTORS AND  
THE EXECUTIVE OFFICERS OF PURCHASER AND GILEAD SCIENCES, INC.**

**1. Directors and Executive Officers of Purchaser .**

The following table sets forth information about the directors and executive officers of Purchaser as of September 1, 2017.

<u>Name, Country of Citizenship, Position</u>	<u>Present Principal Occupation or Employment; Material Positions Held During the Past Five Years; Certain Other Information</u>
<b>Robin L. Washington</b> United States of America President and Treasurer; Director	<b>Robin L. Washington</b> , age 54, is Gilead's Executive Vice President and Chief Financial Officer. Ms. Washington joined us in 2008 and oversees our global finance and information technology organizations. Prior to joining Gilead, Ms. Washington was Chief Financial Officer at Hyperion Solutions, which was acquired by Oracle Corporation in 2007. She previously served in a number of executive positions with PeopleSoft, most recently in the role of Senior Vice President and Corporate Controller. Ms. Washington is a member of the Board of Directors of Honeywell International, the board of directors of Salesforce.com and the board of visitors, Graziadio School of Business and Management, Pepperdine University. She previously served on the board of directors of Tektronix, Inc. (acquired by Danaher) and the board of directors of MIPS Technologies Inc. (acquired by Imagination). She is a certified public accountant and holds a bachelor's degree in business administration from the University of Michigan and an MBA from Pepperdine University.
<b>Brett A. Pletcher</b> United States of America Secretary; Director	<b>Brett A. Pletcher</b> , age 49, joined Gilead in 2005 and is currently Executive Vice President, General Counsel and Chief Compliance Office overseeing the legal organization and compliance efforts associated with the promotion of our products and interactions with healthcare professionals and payers. Mr. Pletcher also serves as Corporate Secretary. Prior to joining Gilead, Mr. Pletcher was a partner in the law firm of Gunderson Dettmer, LLP, where he focused on providing corporate and securities services to emerging growth public and private companies and venture capital investors. Mr. Pletcher received his bachelor's degree in economics and political science from the University of California, Riverside and his law degree from the University of California, Berkeley's Boalt Hall School of Law. He is a member of the California State Bar and a former member of the Nasdaq Listing and Hearing Review Council and serves on the Advisory Board for the East Bay Community Law Center.



Name, Country of Citizenship, Position

**Jason A. Okazaki**  
United States of America  
Assistant Secretary; Director

Present Principal Occupation or Employment; Material Positions Held During the Past Five Years; Certain Other Information

**Jason A. Okazaki**, age 41, joined Gilead in 2006 and is currently Vice President, Corporate Legal, focusing primarily on legal support for the company's corporate development, research and development, clinical/development operations, facilities, emerging markets, medical affairs, finance, human resources, information technology, and manufacturing organizations. Mr. Okazaki also serves as Assistant Secretary. Prior to joining Gilead, Mr. Okazaki was a senior associate at the law firm of Skadden, Arps, Slate, Meagher & Flom, where he advised a wide range of clients on mergers and acquisitions and corporate securities matters. Mr. Okazaki received his bachelor's degree in economics from Stanford University and his law degree from the University of California, Hastings College of the Law.

**2. Directors and Executive Officers of Gilead .**

The following table sets forth information about the directors and executive officers of Gilead as of September 1, 2017.

Name, Country of Citizenship, Position

**John F. Cogan, Ph.D.**  
United States of America  
Director

Present Principal Occupation or Employment; Material Positions Held During the Past Five Years; Certain Other Information

**John F. Cogan, Ph.D.**, age 70, joined Gilead's board of directors (the "Gilead Board") in 2005 and was appointed Lead Independent Director in May 2013. Dr. Cogan is currently the Leonard and Shirley Ely Senior Fellow at the Hoover Institution at Stanford University, where he has had a continuing appointment since 1980. Dr. Cogan's current research is focused on U.S. budget and fiscal policy, healthcare and social security policy. Dr. Cogan has held a number of positions in the U.S. government, including Assistant Secretary for Policy in the U.S. Department of Labor and Associate Director and Deputy Director in the U.S. Office of Management and Budget. Dr. Cogan is a trustee of the Charles Schwab Family of Funds.

**Kelly A. Kramer**  
United States of America  
Director

**Kelly A. Kramer**, age 50, joined the Gilead Board in 2016. She is currently Executive Vice President and Chief Financial Officer of Cisco, the world's largest computer networking company. Prior to that, she was Senior Vice President of Corporate Finance at Cisco. She previously served as Vice President and Chief Financial Officer of GE Healthcare Systems and Chief Financial Officer of GE Healthcare Biosciences. Ms. Kramer has also worked in GE's Corporate Headquarters, Transportation Systems and Aerospace divisions. She is a member of the board of the Silicon Valley Chapter of City Year, a non-profit organization that provides educational support for at-risk students in poor communities.

Name, Country of Citizenship, Position

**Kevin E. Lofton**

United States of America  
Director

**John C. Martin, Ph.D.**

United States of America  
Executive Chairman

Present Principal Occupation or Employment; Material Positions Held During the Past Five Years;  
Certain Other Information

**Kevin E. Lofton**, age 62, joined the Gilead Board in 2009. He is currently, and has been since 2003, the Chief Executive Officer of Catholic Health Initiatives. Headquartered in Denver, the healthcare system has revenues of over \$16 billion and operates the full continuum of services from hospitals to home health agencies throughout the nation. He previously served as Chief Executive Officer of two university hospitals, the University of Alabama at Birmingham Hospital and Howard University Hospital. In 2007, Mr. Lofton served as Chairman of the Board of the American Hospital Association, the nation's largest hospital trade association. In May 2016, he received an honorary Doctor of Humanities in Medicine degree from the Baylor College of Medicine. In June 2014, The Healthcare Financial Management Association awarded the Richard L. Clarke Board of Directors Award to Mr. Lofton in recognition of his extensive and far reaching work in the area of health care disparities and creating healthier communities. Mr. Lofton also serves on the board of directors of Rite Aid Corporation.

**John C. Martin, Ph.D.**, age 66, joined the Gilead Board in 1996 and was appointed Chairman of the Board in 2008. Dr. Martin has served as Gilead's Executive Chairman since March 2016 and previously served as Chief Executive Officer since 1996. Prior to joining Gilead in 1990, Dr. Martin held several leadership positions at Bristol-Myers Squibb and Syntex Corporation. Dr. Martin previously served as President of the International Society for Antiviral Research and Chairman of the board of directors of the California Healthcare Institute ("CHI"). He served on the National Institute of Allergy & Infectious Diseases Council, the board of directors of the Biotechnology Industry Organization and the board of directors for CHI. Additionally, Dr. Martin served on the Centers for Disease Control/Health Resources and Services Administration's Advisory Committee on HIV and STD Prevention and Treatment and was a member of the Presidential Advisory Council on HIV/AIDS. Dr. Martin holds a Ph.D. in organic chemistry from the University of Chicago, an MBA from Golden Gate University and a bachelor's of science degree in chemical engineering from Purdue University. He has received the Isbell Award from the American Chemical Society and the Gertrude B. Elion Award for Scientific Excellence from the International Society for Antiviral Research. In 2008, Dr. Martin was inducted into the National Academy of Engineering of the National Academies.

**Name, Country of Citizenship, Position**

**John F. Milligan, Ph.D.**

United States of America  
President and Chief Executive Officer;  
Director

**Nicholas G. Moore**

United States of America  
Director

**Richard J. Whitley, M.D.**

United States of America  
Director

**Present Principal Occupation or Employment; Material Positions Held During the Past Five Years;  
Certain Other Information**

**John F. Milligan, Ph.D.**, age 56, joined the Gilead Board in January 2016 and was appointed Chief Executive Officer in March 2016. He was appointed President in 2008, and served as our Chief Operating Officer from 2007 to 2016. He previously held multiple leadership roles within Gilead, including the position of Chief Financial Officer from 2002 to 2007. He is a member of the board of Pacific Biosciences of California, Inc. He is also a Trustee of Ohio Wesleyan University. Dr. Milligan received his bachelor's degree from Ohio Wesleyan University, his Ph.D. in biochemistry from the University of Illinois and was an American Cancer Society postdoctoral fellow at the University of California at San Francisco.

**Nicholas G. Moore**, age 75, joined the Gilead Board in 2004. Mr. Moore is the retired global Chairman of PricewaterhouseCoopers LLP, a professional services firm formed in July 1998 by the merger of Coopers & Lybrand and Price Waterhouse. Prior to the merger, Mr. Moore was elected Chairman and Chief Executive Officer of Coopers & Lybrand (U.S.) in 1994 and Coopers & Lybrand International in 1997. Mr. Moore is a director of Bechtel Group, Inc. and previously served as lead independent director of NetApp and director and chairman of the audit committee at Wells Fargo. He has also served as Chairman of the Board of Trustees of St. Mary's College of California. Mr. Moore is an inactive member of the American Institute of Certified Public Accountants, the California Bar Association and the California and New York Society of Certified Public Accountants.

**Richard J. Whitley, M.D.**, age 71, joined the Gilead Board in 2008. He is a Distinguished Professor, Loeb Scholar Chair in Pediatrics, and Professor of Microbiology, Medicine and Neurosurgery at the University of Alabama at Birmingham. He is the Co-Director, Division of Pediatric Infectious Diseases; Vice-Chair, Department of Pediatrics; Senior Scientist, Department of Gene Therapy; Director for Drug Discovery and Development and Senior Leader, Comprehensive Cancer Center; Associate Director for Clinical Studies, Center for AIDS Research; and Co-Founder and Co-Director, Alabama Drug Discovery Alliance. Dr. Whitley is responsible for the National Institute of Allergy and Infectious Diseases Collaborative Antiviral Study Group, and directs a Center for drug discovery in the arena of emerging infections. He is a past President of the International Society of Antiviral Research and the Infectious Diseases Society of America, and currently chairs both the NIAID Recombinant DNA Advisory Council and the NIAID HIV Vaccine Data Safety and Management Board. He is an elected member of the American Society of Clinical Investigation and the Association of American Physicians.

Name, Country of Citizenship, Position

**Gayle E. Wilson**

United States of America  
Director

**Per Wold-Olsen**

Norway  
Director

**Gregg H. Alton**

United States of America  
Executive Vice President, Corporate  
and Medical Affairs

Present Principal Occupation or Employment; Material Positions Held During the Past Five Years;  
Certain Other Information

**Gayle E. Wilson**, age 74, joined the Gilead Board in 2001. Mrs. Wilson served as California's First Lady from 1991 to 1999. Mrs. Wilson is a member of the board of directors of the Ralph M. Parsons Foundation, a non-profit organization that provides grants for higher education, social impact, civic, cultural issues and health issues. She is also the Chair Emeritus of the Advisory Board of the California State Summer School for Math and Science, and a member of the board of trustees of the California Institute of Technology.

**Per Wold-Olsen**, age 69, joined the Gilead Board in 2010, after serving as the Chair of Gilead's Health Policy Advisory Board since 2007. From 2005 to 2006, he served as President of the Human Health Intercontinental Division of Merck & Co., Inc., a global pharmaceutical company. From 1997 until 2005, he served as President of Human Health Europe, Middle East/Africa and Worldwide Human Health Marketing for Merck. Mr. Wold-Olsen is currently Chairman of the Board of GN Store Nord A/S. He also serves as a director of Novo A/S. Mr. Wold-Olsen is Chair of the Board of the Medicines for Malaria Venture, a non-profit initiative dedicated to the discovery, development and delivery of new medicines for the treatment of malaria.

**Gregg H. Alton**, age 51, is our Executive Vice President, Corporate and Medical Affairs. Mr. Alton joined us in 1999, and served as General Counsel from 2000 to 2009, when he was appointed to his current position. In his current role, Mr. Alton is responsible for government affairs, medical affairs, public affairs and emerging market activities. Prior to joining Gilead, Mr. Alton was an attorney at the law firm of Cooley Godward LLP, where he specialized in mergers and acquisitions, corporate partnerships and corporate finance transactions for healthcare and information technology companies. Mr. Alton is a member of the boards of the AIDS Institute, the Boys and Girls Clubs of Oakland and Collidion, Inc. He is also a member of the U.S. Government's Industry Trade Advisory Committee on Intellectual Property Rights, the advisory boards of UCSF Global Health Sciences, USC Schaeffer Center for Health Policy and Economics, Pharmozyme, Inc. and the Dean's Advisory Council at Stanford Law School. In addition, he serves on Partners In Health's Board of Trustees. Mr. Alton received a bachelor's degree in legal studies from the University of California at Berkeley, and holds a law degree from Stanford University.

Name, Country of Citizenship, Position

**Norbert W. Bischofberger, Ph.D.**

United States of America  
Executive Vice President, Research and  
Development and Chief Scientific  
Officer

**James R. Meyers**

United States of America  
Executive Vice President, Worldwide  
Commercial Operations

**Robin L. Washington**

United States of America  
Executive Vice President and Chief  
Financial Officer

Present Principal Occupation or Employment; Material Positions Held During the Past Five Years;  
Certain Other Information

**Norbert W. Bischofberger, Ph.D.**, age 61, is our Executive Vice President, Research and Development and Chief Scientific Officer. Dr. Bischofberger joined Gilead in 1990 and has served as Executive Vice President, Research and Development since 2000 and Chief Scientific Officer since 2007. Prior to joining Gilead, Dr. Bischofberger was a Senior Scientist in Genentech, Inc.'s DNA Synthesis group from 1986 to 1990. He received his Ph.D. in Organic Chemistry at the Eidgenossische Technische Hochschule in Zurich, Switzerland and performed postdoctoral research in steroid chemistry at Syntex. He also performed additional research in organic chemistry and applied enzymology in Professor George Whiteside's lab at Harvard University in Cambridge, Massachusetts.

**James R. Meyers**, age 53, joined Gilead in 1996 and was appointed to his current role of Executive Vice President, Worldwide Commercial Operations, in November 2016. In this role, he is responsible for commercial activities in North America, Europe, Middle East, Australia and Japan. Mr. Meyers began his career at Gilead as a regional sales director, and subsequently held leadership positions within the U.S. and North American Commercial Operations organization before being appointed Senior Vice President of North American Commercial Operations in 2007. Prior to Gilead, he held positions of increasing responsibility in sales, training, marketing and management with Zeneca Pharmaceuticals and Astra USA. Mr. Meyers is a member of the boards of the Biotechnology Innovation Organization and the California Life Sciences Association. He received his bachelor's degree in economics from Boston College.

**Robin L. Washington**, age 54, is our Executive Vice President and Chief Financial Officer. Ms. Washington joined Gilead in 2008 and oversees our global finance and information technology organizations. Prior to joining Gilead, Ms. Washington was Chief Financial Officer at Hyperion Solutions, which was acquired by Oracle Corporation in 2007. She previously served in a number of executive positions with PeopleSoft, most recently in the role of Senior Vice President and Corporate Controller. Ms. Washington is a member of the board of directors of Honeywell International, the board of directors of Salesforce.com and the board of visitors, Graziadio School of Business and Management, Pepperdine University. She previously served on the board of directors of Tektronix, Inc. (acquired by Danaher) and the board of directors of MIPS Technologies Inc. (acquired by Imagination). She is a certified public accountant and holds a bachelor's degree in business administration from the University of Michigan and an MBA from Pepperdine University.

Name, Country of Citizenship, Position

**Kevin Young CBE**

United Kingdom, British National  
Chief Operating Officer

Present Principal Occupation or Employment; Material Positions Held During the Past Five Years;  
Certain Other Information

**Kevin Young CBE**, age 59, joined Gilead in 2004 and was appointed Chief Operating Officer in May 2016. He served as Executive Vice President of Commercial Operations from 2004 through 2014, and from 2014 to 2016 served as senior advisor to the company. Prior to Gilead, Mr. Young spent more than 20 years in the biopharmaceutical industry, first with ICI Pharmaceuticals and subsequently with Amgen. During his 12 years at Amgen, he held a number of positions in Europe and the United States, including Head of the U.S. Inflammation Business Unit, leading the re-launch of Enbrel® following the acquisition of Immunex Corporation. Mr. Young has undergraduate and graduate degrees in Sports Science and Exercise from Liverpool and Nottingham, England. In 2011 he was appointed a Commander of The British Empire, one of Great Britain's highest civilian honors, in recognition of his services to the healthcare and pharmaceutical industries.

The common business address and telephone number for all the directors and executive officers is as follows:

c/o Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, California 94404, telephone number: (650) 574-3000.

The Letter of Transmittal, certificates for Shares and any other required documents should be sent by each stockholder of Kite or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depository as follows:

The Depository for the Offer is:



**By Mail:**  
Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

**By Overnight Courier:**  
Computershare  
c/o Voluntary Corporate Actions  
250 Royall Street, Suite V  
Canton, MA 02021

Any questions or requests for assistance may be directed to the Information Agent at its telephone number and location listed below. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent at its telephone number and location listed below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:



Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022  
Stockholders may call toll free: (888) 750-5834  
Banks and Brokers may call collect: (212) 750-5833

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**LETTER OF TRANSMITTAL**  
 To Tender Shares of Common Stock  
 of  
**KITE PHARMA, INC.**  
 a Delaware corporation  
 at  
 \$180.00 NET PER SHARE  
 Pursuant to the Offer to Purchase  
 Dated September 5, 2017  
 by  
**DODGERS MERGER SUB, INC.**  
 a wholly-owned subsidiary of  
**GILEAD SCIENCES, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., EASTERN TIME, ON OCTOBER 2, 2017,  
 UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED**

*The Depository for the Offer is:*



*By Mail:*  
 Computershare  
 c/o Voluntary Corporate Actions  
 P.O. Box 43011  
 Providence, RI 02940-3011

*By Overnight Courier:*  
 Computershare  
 c/o Voluntary Corporate Actions  
 250 Royall Street, Suite V  
 Canton, MA 02021

Delivery of this Letter of Transmittal to an address other than as set forth above will not constitute a valid delivery to the Depository (as defined below). You must sign this Letter of Transmittal in the appropriate space provided therefor below, with signature guaranteed, if required, and complete the IRS Form W-9 included in this Letter of Transmittal, if required. Stockholders who are not United States persons should submit a properly completed and signed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or other appropriate IRS Form W-8. Failure to provide the information on IRS Form W-9 or an appropriate IRS Form W-8, as applicable, may subject you to United States federal income tax withholding on any payments made to you pursuant to the Offer (as defined below). The instructions set forth in this Letter of Transmittal should be read carefully before you tender any of your Shares (as defined below) into the Offer (as defined below).

DESCRIPTION OF SHARES TENDERED				
Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s)) (Attach additional signed list if necessary)	Shares Tendered			Total Number of Shares Tendered*
	Certificate Number(s)	Total Number of Shares Represented by Certificate(s)	Book Entry Shares Tendered	
	Total Shares			
*	Unless otherwise indicated, it will be assumed that all Shares described in the chart above are being tendered. See Instruction 4.			

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The Offer is being made to all holders of the Shares. Purchaser is not aware of any jurisdiction in which the making of the Offer or the acceptance thereof would be prohibited by securities, "blue sky" or other valid laws of such jurisdiction. If Purchaser becomes aware of any U.S. state in which the making of the Offer or the acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action taken pursuant to a U.S. state statute, Purchaser will make a good faith effort to comply with any such law. If, after such good faith effort, Purchaser cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

This Letter of Transmittal is to be used by stockholders of Kite Pharma, Inc. ("Kite") if certificates ("Certificates") for shares of common stock, par value \$0.001 per share (the "Shares"), of Kite (the "Shares") are to be forwarded herewith or, unless an Agent's Message (as defined in Section 3 of the Offer to Purchase) is utilized, if delivery of Shares is to be made by book-entry transfer to an account maintained by Computershare Trust Company, N.A. at The Depository Trust Company ("DTC") (as described in Section 2 of the Offer to Purchase and pursuant to the procedures set forth in Section 3 thereof).

Stockholders whose Certificates are not immediately available, who cannot complete the procedure for book-entry transfer on a timely basis, or who cannot deliver all other required documents to the Depository on or prior to the Expiration Date must tender their Shares according to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase in order to participate in the Offer. Shares tendered by the Notice of Guaranteed Delivery (as defined below) will be excluded from the calculation of the Minimum Tender Condition (as defined in the Offer to Purchase), unless such Shares and other required documents are received by the Depository on or prior to the Expiration Date. See Instruction 2. **Delivery of documents to DTC does not constitute delivery to the Depository.**

**Additional Information If Certificates Have Been Lost, Destroyed or Stolen, Are Being Delivered By Book-Entry Transfer, or Are Being Delivered Pursuant to a Previous Notice of Guaranteed Delivery**

If Certificates you are tendering with this Letter of Transmittal have been lost, stolen, destroyed or mutilated, you should contact American Stock Transfer & Trust Company, LLC in its capacity as transfer agent (the "Transfer Agent"), toll-free at (800) 937-5449 regarding the requirements for replacement. You may be required to post a bond to secure against the risk that the Certificates may be subsequently recirculated. **You are urged to contact the Transfer Agent immediately in order to receive further instructions, for a determination of whether you will need to post a bond and to permit timely processing of this documentation. See Instruction 11.**

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED HEREWITH.
- CHECK HERE IF YOU HAVE LOST YOUR CERTIFICATE(S) AND REQUIRE ASSISTANCE IN OBTAINING REPLACEMENT CERTIFICATE(S). BY CHECKING THIS BOX, YOU UNDERSTAND THAT YOU MUST CONTACT AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC TO OBTAIN INSTRUCTIONS FOR REPLACING LOST CERTIFICATES. SEE INSTRUCTION 11.
- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (NOTE THAT ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN THE SYSTEM OF DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: \_\_\_\_\_

DTC Account Number: \_\_\_\_\_ Transaction Code Number: \_\_\_\_\_

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Tendering Stockholder(s): \_\_\_\_\_

Window Ticket Number (if any): \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Name of Eligible Institution that Guaranteed Delivery: \_\_\_\_\_

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ ACCOMPANYING INSTRUCTIONS CAREFULLY**

Ladies and Gentlemen:

The undersigned hereby tenders to Dodgers Merger Sub, Inc. ("Purchaser"), a Delaware corporation, and a wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation ("Parent") the above described shares of common stock, par value \$0.001 per share (the "Shares"), of Kite Pharma, Inc., a Delaware corporation ("Kite"), pursuant to Purchaser's offer to purchase each outstanding Share that is validly tendered and not validly withdrawn, at a price of \$180.00 per Share, net to the seller in cash, without interest, subject to any required withholding of taxes, upon the terms and subject to the conditions (including the Minimum Tender Condition) described in the Offer to Purchase, dated September 5, 2017 (the "Offer to Purchase"), and in this Letter of Transmittal (the "Letter of Transmittal" which, together with the Offer to Purchase, as each may be amended and supplemented from time to time, collectively constitute the "Offer"), receipt of which is hereby acknowledged.

Upon the terms and subject to the conditions of the Offer (and if the Offer is extended or amended, the terms of any such extension or amendment), and effective upon acceptance for payment of the Shares tendered herewith and not validly withdrawn on or prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to or upon the order of Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby (and any and all dividends, distributions, rights, other Shares or other securities issued or issuable in respect thereof on or after the date hereof (collectively, "Distributions")) and irrevocably constitutes and appoints Computershare Trust Company, N.A. (the "Depository") the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and any and all Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest in the Shares tendered by this Letter of Transmittal), to (i) deliver Certificates for such Shares (and any and all Distributions) or transfer ownership of such Shares (and any and all Distributions) on the account books maintained by The Depository Trust Company ("DTC") or otherwise held in book-entry form, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (ii) present such Shares (and any and all Distributions) for transfer on the books of Kite and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any and all Distributions), all in accordance with the terms and subject to the conditions of the Offer.

By executing this Letter of Transmittal (or taking action resulting in the delivery of an Agent's Message, as defined in Section 3 of the Offer to Purchase), the undersigned hereby irrevocably appoints each of the designees of Purchaser the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to (i) vote at any annual or special meeting of Kite stockholders or any adjournment or postponement thereof or otherwise in such manner as each such attorney-in-fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, (ii) execute any written consent concerning any matter as each such attorney-in-fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to and (iii) otherwise act as each such attorney-in-fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, all of the Shares (and any and all Distributions) tendered hereby and accepted for payment by Purchaser. This appointment will be effective if and when, and only to the extent that, Purchaser accepts such Shares for payment pursuant to the Offer. This power of attorney and proxy are irrevocable and are granted in consideration of the acceptance for payment of such Shares in accordance with the terms of the Offer. Such acceptance for payment shall, without further action, revoke any prior powers of attorney and proxies granted by the undersigned at any time with respect to such Shares (and any and all Distributions), and no subsequent powers of attorney, proxies, consents or revocations may be given by the undersigned with respect thereto (and, if given, will not be deemed effective). Purchaser reserves the right to require that, in order for the Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser or its designees must be able to exercise full voting, consent and other rights with respect to such Shares (and any and all Distributions), including voting at any meeting of Kite stockholders.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer any and all of the Shares tendered hereby (and any and all Distributions) and that, when the same are accepted for payment by Purchaser, Purchaser will acquire good and unencumbered title to such

Voluntary Corporate Action: COY GILD

Shares (and such Distributions), free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claims. The undersigned hereby represents and warrants that the undersigned is the registered owner of the Shares, or the Certificate(s) have been endorsed to the undersigned in blank, or the undersigned is a participant in DTC whose name appears on a security position listing as the owner of the Shares. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby (and any and all Distributions). In addition, the undersigned shall remit and transfer promptly to the Depository for the account of Purchaser all Distributions in respect of any and all of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of the Shares tendered hereby or deduct from such purchase price the amount or value of such Distribution as determined by Purchaser in its sole discretion.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned hereby acknowledges that delivery of any Certificate shall be effected, and risk of loss and title to such Certificate shall pass, only upon the proper delivery of such Certificate to the Depository.

The undersigned understands that the valid tender of Shares pursuant to any of the procedures described in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer. Purchaser's acceptance of such Shares for payment will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer (and if the Offer is extended or amended, the terms and conditions of such extension or amendment). The undersigned recognizes that under certain circumstances set forth in the Offer, Purchaser may not be required to accept for payment any Shares tendered hereby.

Unless otherwise indicated under "Special Payment Instructions," a check will be issued for the purchase price of all Shares purchased and, if appropriate, Certificates not tendered or accepted for payment in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered" will be returned. Similarly, unless otherwise indicated under "Special Delivery Instructions," the check for the purchase price of all Shares purchased will be mailed and, if appropriate, any Certificates not tendered or not accepted for payment (and any accompanying documents, as appropriate) will be returned to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered." In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, the check for the purchase price of all Shares purchased will be issued and, if appropriate, any Certificates not tendered or not accepted for payment (and any accompanying documents, as appropriate) will be returned in the name(s) of, and deliver such check and, if appropriate, return any Certificates (and any accompanying documents, as appropriate) to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions," any Shares tendered herewith that are not accepted for payment will be credited by book-entry transfer by crediting the account at DTC designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder thereof if Purchaser does not accept for payment any of the Shares so tendered.

**SPECIAL PAYMENT INSTRUCTIONS**

**(See Instructions 1, 5, 6 and 7)**

To be completed ONLY if the check for the purchase price of Shares accepted for payment and/or Certificates not tendered or not accepted for payment are to be issued in the name of someone other than the undersigned.

Issue check and/or certificates to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Taxpayer identification or Social Security No.)  
(Also Complete, as appropriate, Form W-9 Included Below)

**SPECIAL DELIVERY INSTRUCTIONS**

**(See Instructions 1, 5, 6 and 7)**

To be completed ONLY if the check for the purchase price of Shares accepted for payment and/or Certificates evidencing Shares not tendered or not accepted are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown above.

Mail check and/or Certificates to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

**IMPORTANT  
STOCKHOLDER: YOU MUST SIGN BELOW  
(U.S. Holders: Please complete and return the Form W-9 included below)  
(Non-U.S. Holders: Please obtain, complete and return appropriate IRS Form W-8)**

\_\_\_\_\_  
(Signature(s) of Holder(s) of Shares)

Dated: \_\_\_\_\_

Name(s): \_\_\_\_\_  
(Please Print)

Capacity (full title) (See Instruction 5): \_\_\_\_\_

Address: \_\_\_\_\_  
(Include Zip Code)

Area Code and Telephone No.: \_\_\_\_\_

Tax Identification or Social Security No. (See Form W-9 included below): \_\_\_\_\_

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by Certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

**INSTRUCTIONS  
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER**

1. *Guarantee of Signatures.* No signature guarantee is required on this Letter of Transmittal (a) if this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Instruction, includes any participant in DTC's systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered herewith, unless such registered holder has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of the Securities Transfer Agents Medallion Program or any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each, an "Eligible Institution"). In all other cases, including those referred to above, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5.

2. *Requirements of Tender.* No alternative, conditional or contingent tenders will be accepted. In order for Shares to be validly tendered pursuant to the Offer, one of the following procedures must be followed:

For Shares held as physical certificates, the Certificates representing tendered Shares, a properly completed and duly executed Letter of Transmittal, together with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal before the Expiration Date.

For Shares held in book-entry form, either a properly completed and duly executed Letter of Transmittal, together with any required signature guarantees, or an Agent's Message in lieu of this Letter of Transmittal, and any other required documents, must be received by the Depository at the appropriate address set forth on the front page of this Letter of Transmittal, and such Shares must be delivered according to the book-entry transfer procedures (as set forth in Section 3 of the Offer to Purchase) and a timely confirmation of a book-entry transfer of Shares into the Depository's account at DTC (a "Book-Entry Confirmation") must be received by the Depository, in each case before the Expiration Date.

Stockholders whose Certificates are not immediately available, or who cannot complete the procedure for delivery by book-entry transfer prior to the Expiration Date or who cannot deliver all other required documents to the Depository prior to the Expiration Date, may tender their Shares by properly completing and duly executing a notice of guaranteed delivery (a "Notice of Guaranteed Delivery") pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution, (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, must be received by the Depository by the Expiration Date and (iii) Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case together with this Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or, in the case of book-entry transfer of Shares, either this Letter of Transmittal or an Agent's Message in lieu of this Letter of Transmittal), and any other documents required by this Letter of Transmittal, must be received by the Depository within three NASDAQ Stock Market trading days after the date of execution of such Notice of Guaranteed Delivery. A Notice of Guaranteed Delivery may be delivered by overnight courier or mailed to the Depository and must include a guarantee by an Eligible Institution in the form set forth in the form of Notice of Guaranteed Delivery made available by Purchaser. In the case of Shares held through DTC, the Notice of Guaranteed Delivery must be delivered to the Depository by a participant by means of the confirmation system of DTC. Shares tendered by the Notice of Guaranteed Delivery will be excluded from the calculation of the Minimum Tender Condition, unless such Shares and other required documents are received by the Depository by the Expiration Date.

**The method of delivery of Shares, this Letter of Transmittal and all other required documents, including delivery through DTC, is at the election and risk of the tendering stockholder. Shares will be deemed delivered (and the risk of loss of Certificates will pass) only when actually received by the Depository (including, in the case of a book-entry transfer, by Book-Entry Confirmation). If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

No fractional Shares will be purchased. By executing this Letter of Transmittal, the tendering stockholder waives any right to receive any notice of the acceptance for payment of Shares.

3. *Inadequate Space.* If the space provided herein is inadequate, Certificate numbers, the number of Shares represented by such Certificates and/or the number of Shares tendered should be listed on a separate signed schedule attached hereto.

4. *Partial Tenders (Not Applicable to Stockholders who Tender by Book-Entry Transfer).* If fewer than all the Shares represented by any Certificate delivered to the Depository are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Total Number of Shares Tendered." In such case, a new Certificate for the remainder of the Shares represented by the old Certificate will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the appropriate box on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by Certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. *Signatures on Letter of Transmittal; Stock Powers and Endorsements.*

(a) *Exact Signatures.* If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Certificates without alteration, enlargement or any change whatsoever.

(b) *Joint Holders.* If any of the Shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

(c) *Different Names on Certificates.* If any of the Shares tendered hereby are registered in different names on different Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Certificates.

(d) *Endorsements.* If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of Certificates or separate stock powers are required unless payment of the purchase price is to be made, or Shares not tendered or not purchased are to be returned, in the name of any person other than the registered holder(s). Signatures on any such Certificates or stock powers must be guaranteed by an Eligible Institution.

(e) *Stock Powers.* If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, Certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the Certificates for such Shares. Signature(s) on any such Certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

(f) *Evidence of Fiduciary or Representative Capacity.* If this Letter of Transmittal or any Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other legal entity or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Depository of the authority of such person so to act must be submitted. Proper evidence of authority includes a power of attorney, a letter of testamentary or a letter of appointment.

6. *Stock Transfer Taxes.* Except as otherwise provided in this Instruction 6, Purchaser or any successor entity thereto will pay all stock transfer taxes with respect to the transfer and sale of any Shares to it pursuant to the Offer (for the avoidance of doubt, transfer taxes do not include U.S. federal income taxes or withholding taxes). If, however, consideration is to be paid to, or if Certificate(s) for Shares not tendered or not accepted for payment are to be registered in the name of, any person(s) other than the registered holder(s), or if tendered Certificate(s) for Share(s) are registered in the name of any person(s) other than the person(s) signing this Letter of Transmittal, Purchaser will not be responsible for any stock transfer or similar taxes (whether imposed on the registered holder(s) or such other person(s) or otherwise) payable on account of the transfer to such other person(s) and no consideration shall be paid in respect of such Share(s) unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted.

7. *Special Payment and Delivery Instructions.* If a check is to be issued for the purchase price of any Shares tendered by this Letter of Transmittal in the name of, and, if appropriate, Certificates for Shares not tendered or not accepted for payment are to be issued or returned to, any person(s) other than the signer of this Letter of Transmittal or if a check and, if appropriate, such Certificates are to be returned to any person(s) other than the person(s) signing this Letter of Transmittal or to an address other than that shown in this Letter of Transmittal, the appropriate boxes on this Letter of Transmittal must be completed.

8. *Tax Withholding.* Under U.S. federal income tax laws, the Depository will be required to withhold a portion of any payments made to certain stockholders pursuant to the Offer. To avoid backup withholding, a tendering stockholder that is a United States person (as defined for U.S. federal income tax purposes, a "United States person"), and, if applicable, each other U.S. payee, is required to provide the Depository with a correct Taxpayer Identification Number ("TIN") on IRS Form W-9, which is included herein, and to certify, under penalty of perjury, that such number is correct and that such stockholder or payee is not subject to backup withholding of federal income tax or otherwise establish a basis for exemption from backup withholding. Failure to provide the information on the IRS Form W-9 may subject the tendering stockholder or payee to backup withholding at the applicable rate, and such stockholder or payee may be subject to a penalty imposed by the Internal Revenue Service (the "IRS"). See the enclosed IRS Form W-9 and the instructions thereto for additional information.

Certain stockholders or payees (including, among others, corporations) may not be subject to backup withholding. Exempt stockholders or payees that are United States persons should furnish their TIN, check the appropriate box on the Form W-9 and sign, date and return the Form W-9 to the Depository in order to avoid erroneous backup withholding. A foreign stockholder or other payee that is not a United States person may qualify as an exempt recipient by providing the exchange agent with a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or other appropriate IRS Form W-8, signed under penalties of perjury, attesting to such stockholder or payee's foreign status or by otherwise establishing an exemption. An appropriate IRS Form W-8 may be obtained from the Depository or the IRS website ( [www.irs.gov](http://www.irs.gov) ).

Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund or credit may be obtained from the IRS if eligibility is established and appropriate procedure is followed.

9. *Irregularities.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser, in its sole discretion, which determination shall be final and binding on all parties. However, stockholders may challenge Purchaser's determinations in a court of competent jurisdiction. Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of which may, in the opinion of its counsel, be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been waived or cured within such time as Purchaser shall determine. None of Parent, Purchaser, the Depository, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders or incur any liability for failure to give any such notice. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

10. *Questions and Requests for Additional Copies.* The Information Agent may be contacted at the address and telephone number set forth on the last page of this Letter of Transmittal for questions and/or requests for additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance. Such copies will be furnished promptly at Purchaser's expense.

11. *Lost, Stolen Destroyed or Mutilated Certificates.* If any Certificate has been lost, stolen, destroyed or mutilated, the stockholder should promptly notify the Transfer Agent toll-free at (800) 937-5449. The stockholder will then be instructed as to the steps that must be taken in order to replace such Certificates. You may be required to post a bond to secure against the risk that the Certificates(s) may be subsequently recirculated. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed



or stolen certificates have been followed. **You are urged to contact the Transfer Agent immediately in order to receive further instructions and for a determination of whether you will need to post a bond and to permit timely processing of this documentation.** This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed, mutilated or stolen Certificates have been followed.

**Certificates evidencing tendered Shares, or a Book-Entry Confirmation into the Depository's account at DTC, as well as this Letter of Transmittal, properly completed and duly executed, with any required signature guarantees, or an Agent's Message (if utilized in lieu of this Letter of Transmittal in connection with a book-entry transfer), and any other documents required by this Letter of Transmittal, must be received before the Expiration Date, or the tendering stockholder must comply with the procedures for guaranteed delivery.**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under the penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the Depository, 28% of all reportable payments made to me will be withheld, but will be refunded to me if I provide a certified taxpayer identification number within 60 days.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)

• Form 1099-S (proceeds from real estate transactions)

• Form 1099-K (merchant card and third party network transactions)

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

## What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note. ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Line 2**

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

**Line 3**

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

**Limited Liability Company (LLC).** If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

**Line 4, Exemptions**

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1 – An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2 – The United States or any of its agencies or instrumentalities
- 3 – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4 – A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5 – A corporation
- 6 – A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7 – A futures commission merchant registered with the Commodity Futures Trading Commission
- 8 – A real estate investment trust
- 9 – An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10 – A common trust fund operated by a bank under section 584(a)
- 11 – A financial institution
- 12 – A middleman known in the investment community as a nominee or custodian
- 13 – A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A – An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B – The United States or any of its agencies or instrumentalities
- C – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D – A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E – A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F – A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G – A real estate investment trust
- H – A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I – A common trust fund as defined in section 584(a)
- J – A bank as defined in section 581
- K – A broker
- L – A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M – A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note.** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.



## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

\* **Note.** Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

*The Depository for the Offer is:*



*By Mail:*  
Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

*By Overnight Courier:*  
Computershare  
c/o Voluntary Corporate Actions  
250 Royall Street  
Suite V  
Canton, MA 02021

The Information Agent may be contacted at its address and telephone number listed below for questions and/or requests for additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance. Such copies will be furnished promptly at Purchaser's expense.

*The Information Agent for the Offer is:*



Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022

Banks and Brokerage Firms Call: (212) 750-5833  
Stockholders Call Toll Free: (888) 750-5834

Voluntary Corporate Action: COY GILD

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**NOTICE OF GUARANTEED DELIVERY**  
**For Tender of Shares of Common Stock**  
of  
**KITE PHARMA, INC.**  
a Delaware corporation  
at  
**\$180.00 NET PER SHARE**  
Pursuant to the Offer to Purchase dated September 5, 2017  
by  
**DODGERS MERGER SUB, INC.**  
a wholly-owned subsidiary of  
**GILEAD SCIENCES, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER  
11:59 P.M., EASTERN TIME, ON OCTOBER 2, 2017,  
UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.**

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if (i) certificates representing shares of common stock, par value \$0.001 per share (the "Shares"), of Kite Pharma, Inc., a Delaware corporation ("Kite"), are not immediately available, (ii) the procedure for book-entry transfer cannot be completed prior to the expiration of the Offer or (iii) time will not permit all required documents to reach Computershare Trust Company, N.A. (the "Depository") prior to the expiration of the Offer. This Notice of Guaranteed Delivery may be delivered by overnight courier or mailed to the Depository. See Section 3 of the Offer to Purchase (as defined below).

*The Depository for the Offer is:*



*By Mail:*  
Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

*By Overnight Courier:*  
Computershare  
c/o Voluntary Corporate Actions  
250 Royall Street, Suite V  
Canton, MA 02021

FACSIMILE: (617) 360-6810  
CONFIRM: (781) 575-2332

The above number is for confirmation of facsimiles only. Do NOT call this number for questions on the Offer. All questions on the Offer should be directed to the Information Agent listed in the Offer to Purchase.

**DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.**

**THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION (AS DEFINED IN SECTION 3 OF THE OFFER TO PURCHASE) UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE APPROPRIATE LETTER OF TRANSMITTAL.**

**The Eligible Institution that completes this Notice of Guaranteed Delivery must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal (as defined below) or an Agent's Message (as defined in Section 3 of the Offer to Purchase) and certificates for Shares (or Book-Entry Confirmation, as defined in Section 3 of the Offer to Purchase) to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution. A Notice of Guaranteed Delivery for physical share presentation by a broker or DTC participant must be FAXED to the Depositary before it is covered.**

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Ladies and Gentlemen:

The undersigned hereby tenders to Dodgers Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 5, 2017 (as it may be amended or supplemented from time to time, the "Offer to Purchase"), and the related Letter of Transmittal (as it may be amended or supplemented from time to time, the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer"), receipt of which is hereby acknowledged, the number of Shares specified below, pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Shares tendered by the Notice of Guaranteed Delivery will be excluded from the calculation of the Minimum Tender Condition (as defined in the Offer to Purchase), unless such Shares and other required documents are received by the Depositary by the Expiration Date.

Number of Shares and Certificate No(s)  
(if available)

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Check here if Shares will be tendered by book-entry transfer.

Name of Tendering Institution: \_\_\_\_\_

DTC Account Number: \_\_\_\_\_

Dated: \_\_\_\_\_

Name(s) of Record Holder(s):  
\_\_\_\_\_  
\_\_\_\_\_

(Please type or print)

Address(es): \_\_\_\_\_  
(Zip Code)

Area Code and Tel. No. \_\_\_\_\_  
(Daytime telephone number)

Signature(s): \_\_\_\_\_

**Notice of Guaranteed Delivery**

**GUARANTEE**

(Not to be used for signature guarantee)

The undersigned, an Eligible Institution, hereby (i) represents that the tender of Shares effected hereby complies with Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and (ii) within three trading days (as such term is used in the Offer to Purchase) after the date hereof, (A) guarantees delivery to the Depository, at one of its addresses set forth above, of certificates representing the Shares tendered hereby, in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal and any other documents required by the Letter of Transmittal or (B) guarantees a Book-Entry Confirmation of the Shares tendered hereby into the Depository's account at The Depository Trust Company (pursuant to the procedures set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal, or an Agent's Message (defined in Section 3 of the Offer to Purchase) in lieu of such Letter of Transmittal, and any other documents required by the Letter of Transmittal.

Name of Firm:	_____
Address:	_____
	_____
	(Zip Code)
Area Code and Telephone No.:	_____
	_____
	(Authorized Signature)
Name:	_____
	(Please type or print)
Title:	_____
Date:	_____

**NOTE:DO NOT SEND CERTIFICATES REPRESENTING TENDERED SHARES WITH THIS NOTICE. CERTIFICATES REPRESENTING TENDERED SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

QuickLinks

[Notice of Guaranteed Delivery](#)

[GUARANTEE \(Not to be used for signature guarantee\)](#)

**Offer To Purchase For Cash**  
**All Outstanding Shares of Common Stock**  
of  
**KITE PHARMA, INC.**  
a Delaware corporation  
at  
**\$180.00 NET PER SHARE**  
Pursuant to the Offer to Purchase dated September 5, 2017  
by  
**DODGERS MERGER SUB, INC.**  
a wholly-owned subsidiary of  
**GILEAD SCIENCES, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER  
11:59 P.M., EASTERN TIME, ON OCTOBER 2, 2017,  
UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.**

**September 5, 2017**

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We have been engaged by Dodgers Merger Sub, Inc., a Delaware corporation (which we refer to as "Purchaser") and a wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation (which we refer to as "Parent"), to act as Information Agent in connection with Purchaser's offer to purchase, subject to certain conditions, including the satisfaction of the Minimum Tender Condition, as defined in the Offer to Purchase, any and all of the outstanding shares of common stock, par value \$0.001 per share (which we refer to as the "Shares"), of Kite Pharma, Inc., a Delaware corporation (which we refer to as "Kite"), at a price of \$180.00 per Share, net to the holder in cash, without interest (the "Offer Price"), subject to any required withholding of taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 5, 2017 (which we refer to as the "Offer to Purchase"), and the related Letter of Transmittal (which we refer to as the "Letter of Transmittal" and which, together with the Offer to Purchase, each as may be amended or supplemented from time to time, constitutes, and we refer to as, the "Offer") enclosed herewith. Please furnish copies of the enclosed materials to those of your clients for whom you hold Shares registered in your name or in the name of your nominee.

**The Offer is not subject to any financing condition. The conditions to the Offer are described in Section 13 of the Offer to Purchase.**

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase;
2. The Letter of Transmittal for your use in accepting the Offer and tendering Shares and for the information of your clients, together with the included Internal Revenue Service Form W-9;
3. A Notice of Guaranteed Delivery to be used to accept the Offer if Shares and all other required documents cannot be delivered to Computershare Trust Company, N.A. (the "Depository") by the expiration of the Offer or if the procedure for book-entry transfer cannot be completed by the expiration of the Offer (the "Notice of Guaranteed Delivery"); and
4. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer; and

**We urge you to contact your clients as promptly as possible. Please note that the Offer and withdrawal rights will expire at one minute after 11:59 p.m., Eastern Time, on October 2, 2017, unless the Offer is extended or earlier terminated.**

The Offer is being made in connection with the Agreement and Plan of Merger, dated as of August 27, 2017 (together with any amendments or supplements thereto, the "Merger Agreement"), among Kite, Parent and Purchaser, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into Kite, without a meeting of the Kite stockholders in accordance with Section 251(h) of the General Corporation Law of the State of Delaware (the "DGCL"), and Kite will be the surviving corporation and a direct wholly-owned subsidiary of Parent (such merger, the "Merger"). At the effective time of the Merger, all then outstanding Shares (other than (i) Shares held by Kite (or held in Kite's treasury), (ii) Shares held by Parent, or any other direct or indirect wholly-owned subsidiary of Parent and (iii) Shares held by stockholders who have properly exercised and not effectively withdrawn their respective demand or otherwise lost their respective rights to appraisal pursuant to Section 262 of the DGCL) will be converted into the right to receive consideration equal to the Offer Price, without interest, less any applicable withholding taxes.

For Shares to be properly tendered pursuant to the Offer, (a) the share certificates or confirmation of receipt of such Shares under the procedure for book-entry transfer, together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or, in the case of book-entry transfer, either such Letter of Transmittal or an Agent's Message (as defined in Section 3 of the Offer to Purchase) in lieu of such Letter of Transmittal, and any other documents required in the Letter of Transmittal, must be timely received by the Depository, or (b) the tendering stockholder must comply with the guaranteed delivery procedures, all in accordance with the Offer to Purchase and the Letter of Transmittal. You may gain some additional time by making use of the Notice of Guaranteed Delivery. **Shares tendered by the Notice of Guaranteed Delivery will be excluded from the calculation of the Minimum Tender Condition, unless such Shares and other required documents are received by the Depository by the Expiration Date (as defined in Section 1 of the Offer to Purchase) .**

Except as set forth in the Offer to Purchase, Purchaser will not pay any fees or commissions to any broker or dealer or other person, other than to us, as the information agent, and Computershare Trust Company, N.A., as the depository, for soliciting tenders of Shares pursuant to the Offer. Purchaser will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies and other nominees for customary mailing and handling expenses incurred by them in forwarding the offering material to their customers. Purchaser will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the undersigned at the address and telephone numbers set forth below.

Very truly yours,

**Innisfree M&A Incorporated**



Nothing contained herein or in the enclosed documents shall render you the agent of Parent, Purchaser, the Information Agent or the Depositary or any affiliate of any of them or authorize you or any other person to use any document or make any statement on behalf of any of them in connection with the Offer other than the enclosed documents and the statements contained therein.

*The Information Agent for the Offer is:*



Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022

**Banks and Brokerage Firms Call: (212) 750-5833**  
**Stockholders Call Toll Free: (888) 750-5834**



**Offer To Purchase For Cash**  
**All Outstanding Shares of Common Stock**  
of  
**KITE PHARMA, INC.**  
a Delaware corporation  
at  
**\$180.00 NET PER SHARE**  
Pursuant to the Offer to Purchase dated September 5, 2017  
by  
**DODGERS MERGER SUB, INC.**  
a wholly-owned subsidiary of  
**GILEAD SCIENCES, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE  
AFTER 11:59 P.M., EASTERN TIME, ON OCTOBER 2, 2017,  
UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.**

September 5, 2017

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated September 5, 2017 (which we refer to as the "Offer to Purchase"), and the related Letter of Transmittal (which we refer to as the "Letter of Transmittal" and which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, constitutes, and we refer to as, the "Offer") in connection with the offer by Dodgers Merger Sub, Inc., a Delaware corporation (which we refer to as "Purchaser") and a wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation (which we refer to as "Parent"), to purchase, subject to certain conditions, including the satisfaction of the Minimum Tender Condition, as defined in the Offer to Purchase, any and all of the outstanding shares of common stock, par value \$0.001 per share (which we refer to as the "Shares"), of Kite Pharma, Inc., a Delaware corporation (which we refer to as "Kite"), at a price of \$180.00 per Share, net to the holder in cash, without interest (the "Offer Price"), subject to any required withholding of taxes, upon the terms and subject to the conditions of the Offer.

We or our nominees are the holder of record of Shares held for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal accompanying this letter is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

**We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the enclosed Offer to Purchase and the Letter of Transmittal.**

Please note carefully the following:

1. The offer price for the Offer is \$180.00 per Share, net to you in cash, without interest, subject to any required withholding of taxes.
2. The Offer is being made for all outstanding Shares.
3. The Offer is being made in connection with the Agreement and Plan of Merger, dated as of August 27, 2017 (together with any amendments or supplements thereto, the "Merger Agreement"), among Kite, Parent and Purchaser, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into Kite, without a meeting of the Kite stockholders in accordance with Section 251(h) of the General Corporation Law of the State of Delaware (the "DGCL"), and Kite will be the surviving

corporation and a direct wholly-owned subsidiary of Parent (such merger, the "Merger"). At the effective time of the Merger, all then outstanding Shares (other than (i) Shares held by Kite (or held in Kite's treasury), (ii) Shares held by Parent, Purchaser, or any other direct or indirect wholly-owned subsidiary of Parent and (iii) Shares held by stockholders who have properly exercised and not effectively withdrawn their respective demand or otherwise lost their respective rights to appraisal pursuant to Section 262 of the DGCL) will be converted into the right to receive consideration equal to the Offer Price, without interest, less any applicable withholding taxes.

4. The Offer and withdrawal rights will expire at one minute after 11:59 p.m., Eastern Time, on October 2, 2017, unless the Offer is extended by Purchaser or earlier terminated.

5. The Offer is not subject to any financing condition. The Offer is subject to the conditions described in Section 13 of the Offer to Purchase.

6. Tendering stockholders who are record owners of their Shares and who tender directly to Computershare Trust Company, N.A., the depository for the Offer, will not be obligated to pay brokerage fees, commissions or similar expenses or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer.

If you wish to have us tender any or all of your Shares, then please so instruct us by completing, executing, detaching and returning to us the Instruction Form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize tender of your Shares, then all such Shares will be tendered unless otherwise specified on the Instruction Form.

**Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit the tender on your behalf before the Expiration Date.**

The Offer is being made to all holders of Shares. Purchaser is not aware of any jurisdiction in which the making of the Offer or the acceptance thereof would be prohibited by securities, "blue sky" or other valid laws of such jurisdiction. If Purchaser becomes aware of any U.S. state in which the making of the Offer or the acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action taken pursuant to a U.S. state statute, Purchaser will make a good faith effort to comply with any such law. If, after such good faith effort, Purchaser cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

**INSTRUCTION FORM**  
**With Respect to the Offer to Purchase for Cash**  
**All Outstanding Shares of Common Stock**  
**of**  
**KITE PHARMA, INC.**  
**a Delaware corporation**  
**at**  
**\$180.00 NET PER SHARE**  
**Pursuant to the Offer to Purchase dated September 5, 2017**  
**by**  
**DODGERS MERGER SUB, INC.**  
**a wholly-owned subsidiary of**  
**GILEAD SCIENCES, INC.**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated September 5, 2017 (which we refer to as the "Offer to Purchase"), and the related Letter of Transmittal (which we refer to as the "Letter of Transmittal" and which, together with the Offer to Purchase, each as may be amended or supplemented from time to time, constitutes, and we refer to as, the "Offer"), in connection with the offer by Dodgers Merger Sub, Inc., a Delaware corporation (which we refer to as "Purchaser") and a wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation, to purchase, subject to certain conditions, including the satisfaction of the Minimum Tender Condition, as defined in the Offer to Purchase, any and all of the outstanding shares of common stock, par value \$0.001 per share (which we refer to as the "Shares"), of Kite Pharma, Inc., a Delaware corporation, at a price of \$180.00 per Share, net to the holder in cash, without interest, subject to any required withholding of taxes, upon the terms and subject to the conditions of the Offer.

The undersigned hereby instruct(s) you to tender to Purchaser the number of Shares indicated below or, if no number is indicated, all Shares held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer. The undersigned understands and acknowledges that all questions as to validity, form and eligibility of the surrender of any certificate representing Shares submitted on my behalf will be determined by Purchaser and such determination shall be final and binding.

**ACCOUNT NUMBER:** \_\_\_\_\_

**NUMBER OF SHARES BEING TENDERED HEREBY:**      **SHARES\***

**The method of delivery of this document is at the election and risk of the tendering stockholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is**

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\* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

**recommended. In all cases, sufficient time should be allowed to ensure timely by the Expiration Date (as defined in the Offer to Purchase).**

Dated:

\_\_\_\_\_

Signature(s)

\_\_\_\_\_  
Please Print Name(s)

Address:

\_\_\_\_\_

(Include Zip Code)

Area code and Telephone no.

\_\_\_\_\_

Tax Identification or Social Security No.

\_\_\_\_\_

\_\_\_\_\_

QuickLinks

[Exhibit \(a\)\(1\)\(E\)](#)

*This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely pursuant to the Offer to Purchase, dated September 5, 2017, and the related Letter of Transmittal, and any amendments or supplements to such Offer to Purchase or Letter of Transmittal. Purchaser (as defined below) is not aware of any state where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of the Shares pursuant thereto, Purchaser will make a good faith effort to comply with that state statute or seek to have such statute declared inapplicable to the Offer. If, after a good faith effort, Purchaser cannot do so, Purchaser will not make the Offer to, nor will tenders be accepted from or on behalf of, the holders of Shares in that state. Except as set forth above, the Offer is being made to all holders of Shares. In any jurisdiction where the securities, "blue sky" or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.*

**Notice of Offer to Purchase**  
**All Outstanding Shares of Common Stock**  
**of**  
**Kite Pharma, Inc.**  
**at**  
**\$180.00 Net Per Share in Cash**  
**by**  
**Dodgers Merger Sub, Inc.**  
**a wholly-owned subsidiary of**  
**Gilead Sciences, Inc.**

Dodgers Merger Sub, Inc., a Delaware corporation ("Purchaser"), is offering to purchase all outstanding shares of common stock, par value \$0.001 per share ("Shares"), of Kite Pharma, Inc., a Delaware corporation ("Kite"), at a price per Share of \$180.00, net to the holder in cash, without interest (the "Offer Price") upon the terms and subject to the conditions described in the Offer to Purchase, dated September 5, 2017 (together with any amendments or supplements thereto, the "Offer to Purchase"), and in the related Letter of Transmittal (together with any amendments or supplements thereto, the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer"). The Offer is being made for all outstanding Shares and not for options to purchase Shares or other equity awards. Purchaser is a direct wholly-owned subsidiary of Gilead Sciences, Inc., a Delaware corporation ("Gilead").

The Offer is being made in connection with the Agreement and Plan of Merger, dated as of August 27, 2017 (together with any amendments or supplements thereto, the "Merger Agreement"), among Kite, Gilead and Purchaser, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into Kite, and Kite will be the surviving corporation and a direct wholly-owned subsidiary of Gilead (such merger, the "Merger"). At the effective time of the Merger, each Share issued and then outstanding (other than (i) any Shares held by Kite or in Kite's treasury and any Shares owned by Gilead, Purchaser or any other direct or indirect wholly-owned subsidiary of Gilead, which will be canceled and retired and shall cease to exist and no consideration shall be delivered in exchange therefor, and (ii) any Shares owned by Kite stockholders who have properly exercised and not effectively withdrawn their respective demand or otherwise lost their respective rights to appraisal under Section 262 of the General Corporation Law of the State of Delaware (the "DGCL")) will be canceled and converted automatically into the right to receive the Offer Price. As a result of the Merger, Kite will cease to be a publicly-traded company and will become wholly-owned by Gilead. Under no circumstances will interest be paid on the purchase price for Shares, regardless of any extension of the Offer or any delay in making payment for Shares. The parties to the Merger Agreement have agreed that, upon the terms and subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation of the Offer, without a meeting of Kite's stockholders to adopt the Merger Agreement, in accordance with Section 251(h) of the DGCL. Accordingly, if the Offer is consummated, Purchaser does not anticipate seeking the approval of Kite's remaining public stockholders before effecting the Merger. The Merger Agreement is more fully described in the Offer to Purchase.

Tendering stockholders who have Shares registered in their names and who tender directly to Computershare Trust Company, N.A. (the "Depositary") will not be obligated to pay brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult with such institution as to whether it charges any service fees or commissions.

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., EASTERN TIME, ON OCTOBER 2, 2017 (SUCH DATE, OR ANY SUBSEQUENT DATE TO WHICH THE EXPIRATION OF THE OFFER IS EXTENDED, THE "EXPIRATION DATE"), UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.**

The Offer is conditioned upon, among other things, (a) the Merger Agreement not having been terminated in accordance with its terms (the "Termination Condition") and (b) the satisfaction of:

- (i) the Minimum Tender Condition (as described below);
- (ii) the HSR Condition (as described below); and
- (iii) the Governmental Impediment Condition (as described below).

The Offer is not subject to a financing condition. The Minimum Tender Condition requires that the number of Shares validly tendered and not validly withdrawn, together with any Shares then beneficially owned by Gilead and its subsidiaries, equals one Share more than 50% of the sum of (i) the total number of Shares outstanding at the time of the expiration of the Offer, plus (ii) the total number of Shares that Kite would be required to issue upon conversion, settlement, exchange or exercise of all options, warrants, rights or securities outstanding at the time of the expiration of the Offer (it being understood that Kite stock options and Kite restricted stock units canceled or assumed, as the case may be, pursuant to the Merger Agreement shall not be included in such calculation) that are convertible, exchangeable or exercisable into Shares (whether then outstanding or for which the conversion, settlement, exchange or exercise date has already occurred, but in any event without duplication). The HSR Condition requires that any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act"), shall have expired or otherwise been terminated. Under the Merger Agreement, Gilead and Kite have each agreed to file a Premerger Notification and Report Form under the HSR Act with the Federal Trade Commission (the "FTC") and the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division") in connection with the purchase of Shares in the Offer and the Merger. The Offer may not be consummated until the expiration of a fifteen (15) day waiting period following the filing, unless the waiting period is earlier terminated by the FTC and the Antitrust Division. If the fifteen (15) day waiting period expires on a Saturday, Sunday, or legal public holiday, the waiting period is automatically extended to the end of the



next day that is not a Saturday, Sunday, or legal public holiday. If within the fifteen (15) day waiting period either the FTC or the Antitrust Division issues a request for additional information and documentary material, the waiting period with respect to the Offer would be extended until ten (10) days following the date of substantial compliance by Gilead with that request, unless the FTC or the Antitrust Division terminates the additional waiting period before its expiration. The Governmental Impediment Condition requires that there be no judgment, temporary restraining order, preliminary or permanent injunction or other order issued by any governmental body of competent jurisdiction or law or other legal prohibition in effect which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger. The Offer is also subject to other conditions as described in the Offer to Purchase (collectively, the “Offer Conditions”). See Section 13—“Conditions of the Offer” of the Offer to Purchase.

**After careful consideration, the Kite board of directors has, subject to the terms and upon the conditions set forth in the Merger Agreement, unanimously: (i) approved the Merger Agreement and declared it advisable for Kite to enter into the Merger Agreement, (ii) approved the execution, delivery and performance by Kite of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Offer and the Merger, (iii) resolved that the Merger shall be effected under Section 251(h) of the DGCL, and (iv) resolved to recommend that the stockholders of Kite accept the Offer and tender their Shares to Purchaser pursuant to the Offer.**

The Merger Agreement contains provisions to govern the circumstances in which Purchaser is required to extend the Offer and in which Gilead is required to cause Purchaser to extend the Offer. Specifically, the Merger Agreement provides that Purchaser shall (and Gilead shall cause Purchaser to) extend the Offer (i) if, as of the then-scheduled Expiration Date, any Offer Condition is not satisfied and has not been waived by Purchaser or Gilead, to the extent waivable by either of them, for additional periods of up to 10 business days per extension to permit such Offer Condition to be satisfied; and (ii) from time to time for any period required by any legal requirement, any interpretation or position of the SEC or its staff or the NASDAQ Global Select Market applicable to the Offer. Notwithstanding the foregoing, in no event will Purchaser be required to extend the Offer beyond December 27, 2017 (such date, including as it may be extended pursuant to the terms of the Merger Agreement, the “End Date”) or the earlier termination of the Merger Agreement, and in no event will Purchaser be permitted to extend the Offer beyond the End Date or the earlier termination of the Merger Agreement without Kite’s prior written consent.

The purpose of the Offer and the Merger is for Gilead and its affiliates, through Purchaser, to acquire control of, and the entire equity interest in, Kite. Following the consummation of the Offer, subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Gilead and Purchaser intend to effect the Merger. No appraisal rights are available to holders of Shares in connection with the Offer. However, if the Merger is consummated, a stockholder of Kite that has not tendered its Shares in the Offer will have rights under Section 262 of the DGCL to dissent from the Merger and demand appraisal of, and obtain payment in cash for the “fair value” of, that stockholder’s Shares.

On the terms and subject to the conditions of the Merger Agreement and the applicable rules and regulations of the SEC, Purchaser expressly reserves the right to (i) increase the amount of cash constituting the Offer Price, (ii) waive any Offer Condition (to the extent permitted under applicable Legal Requirements (as defined in the Merger Agreement)) and (iii) make any other changes in the terms and conditions of the Offer that are not inconsistent with the Merger Agreement. However, without the consent of Kite, Gilead and Purchaser are not permitted to (i) decrease the Offer Price, (ii) change the form of consideration payable in the Offer (provided that nothing in the Merger Agreement shall limit the ability of Gilead and Purchaser to increase the cash consideration payable in the Offer), (iii) decrease the maximum number of Shares sought to be purchased in the Offer, (iv) impose conditions or requirements to the Offer in addition to the Offer Conditions, (v) amend, modify or waive the Minimum Tender Condition, the Termination Condition, the HSR Condition or the Governmental Impediment Condition, (vi) otherwise amend or modify any of the other terms of the Offer in a manner that adversely affects any holder of Shares in its capacity as such, (vii) terminate the Offer or accelerate, extend or otherwise change the Expiration Date except as provided in the Merger Agreement, or (viii) provide any “subsequent offering period” (or any extension thereof) within the meaning of applicable SEC rules and regulations.

Any extension, waiver or amendment of the Offer or termination of the Offer will be followed, as promptly as practicable, by public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Expiration Date.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered, and not properly withdrawn, prior to the expiration of the Offer if and when Purchaser gives oral or written notice to the Depository of Purchaser’s acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the aggregate Offer Price for such Shares with the Depository, which will act as paying agent for the tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to the tendering stockholders. **Under no circumstances will interest be paid on the Offer Price for Shares, regardless of any extension of the Offer or any delay in making payment for Shares.**

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of (a) certificates for such Shares (“Share Certificates”) or timely confirmation of the book-entry transfer of such Shares (“Book-Entry Confirmations”) into the Depository’s account at The Depository Trust Company (“DTC”) pursuant to the procedures set forth in the Offer to Purchase, (b) a Letter of Transmittal, properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message (as defined in the Offer to Purchase) in lieu of the Letter of Transmittal) and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depository.

Shares tendered pursuant to the Offer may be withdrawn at any time prior to the expiration of the Offer and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after November 4, 2017, which is the 60th day after the date of the commencement of the Offer.

For a withdrawal of Shares to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at its address set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the record holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in the Offer to Purchase), unless such Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Shares and must otherwise comply with DTC’s procedures. If certificates representing the Shares to be withdrawn have been delivered or otherwise identified to the Depository, the name of the registered holder and the serial numbers shown on such certificates must also be furnished to the Depository as aforesaid prior to the physical release of such certificates.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, which determination shall be final and binding, subject to the rights of tendering stockholders to challenge Purchaser’s determination in a court of competent jurisdiction. No withdrawal of tendered Shares shall be deemed to have been properly made until all defects and irregularities have been cured or waived. None of Gilead, Purchaser or any of their respective affiliates or assigns, the Depository, the Information Agent (listed below), or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawals of tendered Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by

following one of the procedures for tendering Shares described in the Offer to Purchase at any time prior to the expiration of the Offer.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 under the Securities and Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

Kite has provided Purchaser with Kite's stockholder list and securities position listings for the purpose of disseminating the holders of Shares information regarding the Offer. The Offer to Purchase and related Letter of Transmittal will be mailed to record holders of Shares whose names appear on Kite's stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The receipt of the Offer Price for Shares in the Offer or consideration for Shares in the Merger will be a taxable transaction for U.S. federal income tax purposes. Stockholders should consult with their tax advisors as to the particular tax consequences of the Offer and the Merger to them. For a more complete description of the principal U.S. federal income tax consequences of the Offer and the Merger, see the Offer to Purchase.

**The Offer to Purchase, the related Letter of Transmittal and Kite's Solicitation/Recommendation Statement on Schedule 14D-9 (which contains the recommendation of the Kite board of directors and the reasons therefor) contain important information and should be read carefully and in their entirety before any decision is made**

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**with respect to the Offer.**

Questions and requests for assistance may be directed to the Information Agent at the address and telephone numbers set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal, the notice of guaranteed delivery and other tender offer materials may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies. Such copies will be furnished promptly at Purchaser's expense. Except as set forth in the Offer to Purchase, neither Purchaser nor Gilead will pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of Shares pursuant to the Offer.

*The Information Agent for the Offer is:*



Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022  
**Stockholders may call toll free: (888) 750-5834**  
**Banks and Brokers may call collect: (212) 750-5833**

September 5, 2017

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