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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015
OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-36783

BELLICUM PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**2836**	**20-1450200**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2130 W. Holcombe Blvd., Ste. 800
Houston, TX 77030
(832) 384-1100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

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

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

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

As of April 30, 2015, there were 26,378,474 outstanding shares of Bellicum's common stock, par value, $.01 per share.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Bellicum Pharmaceuticals, Inc.

Balance Sheets

(In thousands except share and par value amounts)

	March 31, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 183,638	$ 191,602
Accounts receivable	94	298
Prepaid expenses and other current assets	1,279	1,322
Total current assets	185,011	193,222
Property and equipment, net of accumulated depreciation	3,164	2,427
Other assets	97	145
TOTAL ASSETS	$ 188,272	$ 195,794
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,115	$ 1,209
Accrued expenses	1,079	2,163
Deferred revenue	—	13
Current portion of deferred rent	26	97
Current portion of deferred manufacturing costs	428	154
Total current liabilities	2,648	3,636
Long-term liabilities:		
Deferred rent	263	209
Deferred manufacturing costs	—	313
Total long-term liabilities	263	522
TOTAL LIABILITIES	2,911	4,158
Commitments and contingencies: (Note: 8)		
Stockholders' equity:		
Common stock, $0.01 par value; 200,000,000 shares authorized at March 31, 2015 and December 31, 2014; 27,055,937 shares issued and 26,378,474 shares issued and outstanding; at March 31, 2015; 27,050,055 issued and 26,372,592 issued and outstanding at December 31, 2014	271	271
Treasury stock: 677,463 shares held at March 31, 2015 and December 31, 2014	(5,056)	(5,056)
Additional paid-in capital	310,848	309,365
Accumulated deficit	(120,702)	(112,944)
Total stockholders' equity	185,361	191,636
Total liabilities and stockholders' equity	$ 188,272	$ 195,794

See accompanying notes, which are an integral part of these unaudited financial statements.

Bellicum Pharmaceuticals, Inc.

Statements of Operations

(In thousands except share and per share amounts)

(Unaudited)

	Three Months Ended March 31,	
	2015	**2014**
REVENUES		
Grants	$ 107	$ 552
Total revenues	107	552
OPERATING EXPENSES		
Research and development	5,718	2,389
General and administrative	2,197	440
Total operating expenses	7,915	2,829
Loss from operations	(7,808)	(2,277)
OTHER INCOME (EXPENSE):		
Interest income	50	3
Interest expense	—	(16)
Total other income (expense)	50	(13)
NET LOSS	(7,758)	$ (2,290)
Preferred stock dividends	—	(540)
Net loss attributable to common shareholders, basic and diluted	$ (7,758)	$ (2,830)
Net loss per common share attributable to common shareholders, basic and diluted	$ (0.30)	$ (1.52)
Weighted-average shares outstanding, basic and diluted	26,259,392	1,863,350

See accompanying notes, which are an integral part of these unaudited financial statements.

Bellicum Pharmaceuticals, Inc.

Statements of Cash Flows

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2015	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (7,758)	$ (2,290)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	196	159
Share-based compensation	1,489	76
Amortization of lease liability	(17)	(28)
Changes in operating assets and liabilities:		
Accounts receivable	204	(527)
Prepaid expenses and other assets	91	17
Accounts payable	(94)	(106)
Accrued liabilities	(1,176)	(581)
Deferred costs	(52)	62
Other liabilities	92	—
NET CASH USED IN OPERATING ACTIVITIES	(7,025)	(3,218)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(933)	(22)
CASH USED IN INVESTING ACTIVITIES	(933)	(22)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	2	—
Proceeds from issuance of Series B preferred stock	—	7,320
Payment of issuance costs of common stock	(8)	—
Proceeds from exercise of common warrants	—	201
Payments on line of credit	—	(100)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(6)	7,421
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,964)	4,181
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	191,602	11,168
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 183,638	$ 15,349
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Dividends accrued on preferred stock	$ —	540

See accompanying notes, which are an integral part of these unaudited financial statements.

Bellicum Pharmaceuticals, Inc.

Notes to Unaudited Financial Statements

NOTE 1 - ORGANIZATION AND BUSINESS DESCRIPTION

Bellicum Pharmaceuticals, Inc. (the Company or Bellicum), was incorporated in Delaware in July 2004 and is based in Houston, Texas. The Company is a clinical stage biopharmaceutical company focused on discovering and developing novel cellular immunotherapies for various forms of cancer, including both hematological cancers and solid tumors, as well as orphan inherited blood disorders. The Company is devoting substantially all of its present efforts to developing next-generation product candidates in some of the most important areas of cellular immunotherapy, including, hematopoietic stem cell transplantation, CAR-T cell therapy and dendritic cell vaccines. The Company has not generated any revenue from product sales to date and does not anticipate generating revenues from product sales in the foreseeable future.

The Company is subject to risks common to companies in the biotechnology industry and the future success of the company is dependent on its ability to successfully complete the development of, and obtain regulatory approval for, its product candidates, managing the growth of the organization, obtaining additional financing necessary in order launch and commercialize its product candidates, and competing successfully with other companies in its industry.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying interim financial statements are unaudited. These unaudited interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and following the requirements of the U.S. Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP have been omitted. In management's opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's financial position and its results of operations and its cash flows for the periods presented. These statements do not include all disclosures required by GAAP and should be read in conjunction with the Company's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2014 (the Annual Report). A copy of the Annual Report is available on the SEC's website, www.sec.gov, under the Company's ticker symbol (BLCM) or on Bellicum's website, www.bellicum.com. The results for the interim periods are not necessarily indicative of the results expected for the full fiscal year or any other interim period. Any reference in these footnotes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make certain estimates and judgments that affect the reported amounts of assets, liabilities, and expenses. Actual results could differ from those estimates.

Historically, prior to the Company's initial public offering of its common stock, or IPO, in December 2014, the fair values of the shares of common stock underlying the Company's share-based awards were estimated on each grant date by its Board of Directors. Given the absence of a public trading market for the Company's common stock, its Board of Directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of its common stock, including the following:

- its stage of development;
- its operational and financial performance;
- the nature of its services and its competitive position in the marketplace;
- the value of companies that it considers peers based on a number of factors, including similarity to the Company with respect to industry and business model;
- the likelihood of achieving a liquidity event, such as an initial public offering and the nature and history of its business;
- issuances of preferred stock and the rights, preferences, and privileges of its preferred stock relative to those of its common stock;
- business conditions and projections;
- the history of the Company and progress of its research and development efforts and clinical trials; and
- the lack of marketability of its common stock.

Net Loss and Net Loss per Share of Common Stock Attributable to Common Stockholders

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of share of common stock outstanding during the period without consideration for common stock equivalents.

Diluted net loss per share of common stock is the same as basic net loss per share of common stock, since the effects of potentially dilutive securities are antidilutive. The net loss per share of common stock attributable to common stockholders is computed using the two-class method required for participating securities. All series of the Company's convertible preferred stock were considered to be participating securities as they were entitled to participate in undistributed earnings with shares of common stock. Due to the Company's net loss, there is no impact on the earnings per share calculation in applying the two-class method since the participating securities have no legal requirement to share in any losses.

The following outstanding shares of common stock equivalents were excluded from the computations of diluted net loss per shares of common stock attributable to common stockholders for the periods presented as the effect of including such securities would be anti-dilutive.

Common Stock Equivalents:	March 31, 2015	March 31, 2014
Series A Preferred Stock Convertible Preferred Stock - as converted to common stock	—	1,496,782
Series B Preferred Stock Convertible Preferred Stock - as converted to common stock	—	4,791,740
Warrants to purchase common stock	355,392	473,031
Options to purchase common stock	3,443,011	1,584,692
	3,798,403	8,346,245

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurement*, provides a comprehensive framework for measuring the fair value of assets and liabilities, which provides for consistency in how fair value determinations are made under various existing accounting standards that permit, or in some cases require, estimates of fair market value.

Financial assets and liabilities that have recurring fair value measurements are shown below (in thousands):

	Balance at March 31, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Money market funds	$ 181,636	$ 181,636	$ —	$ —
Total	$ 181,636	$ 181,636	$ —	$ —

	Balance at December 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Money market funds	$ 43,587	$ 43,587	$ —	$ —
Total	$ 43,587	$ 43,587	$ —	$ —

NOTE 4 – ACCRUED EXPENSES

Accrued liabilities consist of the following (in thousands):

	March 31, 2015	December 31, 2014
Accrued payroll	$ —	$ 731
Commission on exercise of warrants	—	731
Medical facility fees	559	201
Patient treatment costs	125	128
License costs	52	50
Other	343	322
Total accrued expenses	$ 1,079	$ 2,163

NOTE 5 - STOCKHOLDERS' EQUITY

Preferred Stock

As of March 31, 2015 and December 31, 2014, the Company had 10,000,000 authorized shares of preferred stock, with none outstanding and a par value of $0.01 per share.

Common Stock

As of March 31, 2015 and December 31, 2014, the Company had 200,000,000 authorized shares of common stock with a par value of $0.01 per share.

Exercise of Common Warrants

In March 2014, the Company issued 393,523 shares of common stock for $200,700, or $0.51 per share in conjunction with the exercise of warrants expiring in March of 2014.

Reverse Stock Split

On December 4, 2014, the Company’s board of directors and stockholders approved an amendment to the Company’s amended and restated certificate of incorporation to effect a reverse split of shares of the Company’s common stock on a 1-for-1.7 basis (the Reverse Stock Split). The par value and the authorized shares of the common stock were not adjusted as a result of the Reverse Stock Split. All issued and outstanding common stock, options for common stock, warrants for common stock, and per share amounts contained in the financial statements have been retroactively adjusted to reflect this Reverse Stock Split for all periods presented.

NOTE 6 - SHARE-BASED COMPENSATION

At March 31, 2015, the Company had share-based awards under four share-based compensation plans as follows:

The 2006 Stock Option Plan (the 2006 Plan) provided for the issuance of non-qualified stock options to employees, including officers, non-employee directors and consultants to the Company. As of March 31, 2015, 161,174 shares of Common Stock were reserved for issuance pursuant to outstanding options previously granted under the 2006 Plan to purchase Common Stock of the Company. The 2006 Plan was terminated by the Board in October 2014.

The 2011 Stock Option Plan (the 2011 Plan) provided for the issuance of incentive and non-qualified stock options to employees, including officers, non-employee directors and consultants to the Company. As of March 31, 2015, 2,425,561 shares of Common Stock were reserved for issuance pursuant to outstanding options previously granted under the 2011 Plan to purchase Common Stock of the Company. The 2011 Plan terminated upon the effectiveness of the 2014 Plan described below.

The 2014 Equity Incentive Plan (the 2014 Plan) became effective in December 2014, upon the closing of our initial public offering. The 2014 Plan provides for the issuance of equity awards, including incentive and non-qualified stock options and restricted stock awards to employees, including officers, non-employee directors and consultants to the Company or its affiliates. The 2014 Plan also provides for the grant of performance cash awards and performance-based stock awards. The aggregate number of shares of Common Stock that are authorized for issuance under the 2014 Plan is 2,990,354 shares, plus any shares subject to outstanding options that were granted under the 2011 Plan or 2006 Plan that are forfeited, terminated, expired or are otherwise not issued.

The 2014 Employee Stock Purchase Plan (ESPP) provides for eligible Company employees, as defined by the ESPP, to be given an opportunity to purchase our Common Stock at a discount, through payroll deductions, with stock purchases being made upon defined purchase dates. The ESPP authorizes the issuance of up to 550,000 shares of our Common Stock, pursuant to purchase rights granted to our employees. The ESPP was approved by the Board and our stockholders in December 2014 and employee payroll deductions of approximately $101,000 were withheld during the first quarter of 2015. During the three months ended March 31, 2015, no stock purchases were made under the ESPP and therefore there was no share-based compensation cost. The Company expects to record share-based compensation expense in the future to the extent that shares are purchased for less than fair market value under the ESPP.

Share-based compensation expense is included within operating expenses as follows (in thousands):

	Three Months Ended March 31,	
	2015	2014
Research and development	$ 599	$ 66
General and administrative	890	10
Total share-based compensation	$ 1,489	$ 76

The Company granted options to purchase 10,293 shares of its common stock during the three months ended March 31, 2014. The fair value of the option grants during the three months ended March 31, 2015 and 2014 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Three Months Ended March 31,	
	2015	2014
Expected volatility	91.2%	101.0%
Expected term (in years)	6.08	6.25
Risk-free interest rate	1.6%	2.7%
Expected dividend yield	—%	—%

At March 31, 2015, there was $28.9 million of unrecognized compensation expense related to unvested stock options and stock that is expected to be recognized over a weighted-average period of 3.7 years.

During the three months ended March 31, 2015, the company received cash proceeds from the exercise of stock options of approximately $2,000. The aggregate intrinsic value of options exercised during the three months ended March 31, 2015 was $0.1 million.

The following table summarizes the stock option activity for all stock plans during the three months ended March 31, 2015:

	Options	Weighted-Average Exercise Price Per Share	(in years) Weighted-Average Contractual Life	(in thousands) Aggregate Intrinsic Value (1)
Outstanding at December 31, 2014	2,733,793	$ 5.09	8.39	$ 49,076
Granted	715,100	$ 23.70		
Exercised	(5,882)	$ 0.34		
Canceled or forfeited	—	$ —		
Outstanding at March 31, 2015	3,443,011	$ 8.96	8.53	$ 49,297
Exercisable at March 31, 2015	1,294,072	$ 2.30	6.91	$ 26,299

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the estimated fair value of the common stock for the options that were in the money at March 31, 2015.

At March 31, 2015 and December 31, 2014, there were 117,647 shares of unvested common stock outstanding.

NOTE 7 - GRANT REVENUE

CPRIT Grant

On July 27, 2011, the Company entered into a Cancer Research Grant Contract (Grant Contract) with the Cancer Prevention and Research Institute of Texas (CPRIT) under which CPRIT awarded a grant not to exceed approximately $5.7 million to be used by the Company for the execution of defined clinical development of BPX-501. In addition, CPRIT could award supplemental funding not to exceed ten percent of the total grant amount based upon the Company's progress. The Grant Contract terminated on June 30, 2014. The terms of the Grant Contract require the Company to pay tiered royalties on revenues from sales and licenses of intellectual property facilitated by the Grant Contract.
During the three months ended March 31, 2014, the Company incurred $0.5 million of expenses under the Grant Contract. As of March 31, 2015 and December 31, 2014, the Company had an outstanding grant receivable of $- million and $0.3 million respectively, for grant expenditures that were paid but had not yet been reimbursed.

NIH Grant

During 2014 and 2013, the Company was awarded $0.3 million and $0.4 million, respectively, under a grant from the National Institutes of Health (NIH). The awards cover the period from April 2013 through March 2015. The awards were made pursuant to the authority of 42 USC 241 42 CFR 52, and is subject to the requirements of the statute. Funds spent on the grant are reimbursed through monthly reimbursement requests.

As of March 31, 2015 and 2014, funds spent under the grant were $0.1 million each. As of March 31, 2015 and December 31, 2014, the Company had a receivable of $0.1 million and $- million, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company, from time to time, may be involved in litigation relating to claims arising out of its ordinary course of business. Management believes that there are no material claims or actions pending or threatened against the Company.

NOTE 9 - SUBSEQUENT EVENTS

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure.

New Lease Agreement

On May 6, 2015, the Company entered into a Lease Agreement (the Lease) with Sheridan Hills Developments L.P. (the Landlord) for the lease of three spaces of approximately 25,304 square feet (the Manufacturing Space), 705 square feet (the Interior Mechanical Space) and 808 square feet (the Exterior Mechanical Space), respectively, which the Company will use to enable in-house cell therapy manufacturing. The term of the Lease will begin on September 1, 2015 and continue for an initial term of five years, which may be renewed for five additional one-year periods. For the Manufacturing Space, the Company is required to remit base monthly rent of approximately $64,841 which will increase at an average approximate rate of 3.5% each year. For the Interior Mechanical Space, the Company is required to remit base monthly rent of approximately $1,219, which will increase at an average approximate rate of 5% each year. The monthly base rent for the Exterior Mechanical Space is approximately $471. The Company is also required to pay additional rent in the form of its pro rata share of certain specified operating expenses of the Landlord. An early termination right is available to the Company upon certain events, including the Landlord’s default on its obligations under the Lease. The newly leased spaces are located within the same building as the Company’s current headquarters in Houston, Texas.

License Agreement

On April 23, 2015, the Company and Academisch Ziekenhuis Leiden, also acting under the name Leiden University Medical Centre (Leiden), entered into a license agreement (the Agreement), pursuant to which Leiden granted to the Company an exclusive, worldwide license to its patent rights covering high affinity T-cell receptors targeting PRAME and POU2AF1 epitopes.

The license granted under the Agreement is subject to certain restrictions and to Leiden’s retained right to use the licensed patents solely for academic research and teaching purposes, including research collaborations by Leiden with academic, non-profit research third parties; provided that Leiden provides 30 days advance written notice to the Company of such academic research collaborations.

As consideration for the rights granted to the Company under the Agreement, the Company agreed to pay to Leiden an aggregate of EUR 75,000 in upfront fees within 30 days of the effective date of the Agreement. In addition, the Company agreed to pay to Leiden, beginning on the eighth anniversary of the effective date of the Agreement, annual minimum royalty payments of EUR 30,000. The Company also is required to make milestone payments to Leiden of up to an aggregate of EUR 1,025,000 for each of the first licensed product that is specific to PRAME and to POU2AF1. The Agreement additionally provides that the Company will pay to Leiden a royalty in the low single digits on net sales of products covered by the Agreement. If the Company enters into a sublicensing agreement with a third party related to a product covered by the Agreement, the Company agreed to pay Leiden a percentage ranging in the low double digits on all non-royalty income received from sublicensing revenue directly attributable to the sublicense, dependent on whether the Company is in phase 1/2, phase 2 or phase 3 at the time that the Company enters into any such sublicensing agreement.

Under the Agreement, the Company and Leiden also agreed to enter into a sponsored research agreement, to be separately negotiated, pursuant to which the Company would be required to pay Leiden up to EUR 300,000over a three-year period during the term of the sponsored research agreement.

The Agreement will expire upon the expiration of the last patent included in the licensed patent rights. The Agreement may be terminated earlier upon mutual written agreement between the Company and Leiden, and at any time by the Company upon six months written notice to Leiden. Leiden may terminate the Agreement in the event of a failure by the Company to pay any amounts due under the Agreement that remains uncured on the date that is 30 days after written notice of such failure. Either party may terminate the Agreement upon a material breach by the other party that remains uncured following 30 days after the date of written notice of such breach or upon certain insolvency events that remain uncured following the date that is 45 days after the date of written notice to a party of such insolvency event.

The Company has evaluated all subsequent events and determined that there are no material recognized or unrecognized subsequent events requiring disclosure, other than those disclosed in this Report on Form 10-Q and as discussed in these notes to the financial statements.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2014, as well as our unaudited financial statements and related notes included in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This report contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management. The words "anticipate," "believe," "could," "designed," "estimate," "expect," "intend," "may," "plan," "potential," "project," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements.

Overview

We are a clinical stage biopharmaceutical company focused on discovering and developing novel cellular immunotherapies for various forms of cancer, including both hematological cancers and solid tumors, as well as orphan inherited blood disorders. We are using our proprietary Chemical Induction of Dimerization, or CID, technology platform to engineer and then control components of the immune system in real time. By incorporating our CID platform, our product candidates may offer better safety and efficacy outcomes than are seen with current cellular immunotherapies.

We are developing next-generation product candidates in some of the most important areas of cellular immunotherapy, including hematopoietic stem cell transplantation, or HSCT, CAR T cell therapy, and dendritic cell vaccines. By incorporating our novel switch technologies, we are developing product candidates with the potential to elicit positive clinical outcomes and ultimately change the treatment paradigm in various areas of cellular immunotherapy. Our clinical product candidates, each of which is a combination product of genetically modified immune cells and rimiducid, are described below.

- ***BPX-501.*** We are developing a CaspaCIDe product candidate, BPX-501, as an adjunct T-cell therapy administered after allogeneic HSCT, using donor stem cells. BPX-501 is designed to decrease the risk of including T cells with the transplant by enabling the elimination of donor T cells through the triggering of the CaspaCIDe safety switch upon emergence of graft-versus-host-disease, or GvHD. BPX-501 is currently being evaluated in multiple Phase 1/2 clinical trials in the United States and Europe, with the first top-line data expected in the fourth quarter of 2015.
- ***BPX-201.*** We are developing a DeCIDe product candidate, BPX-201, as a dendritic cell cancer vaccine made from the patient's own white blood cells, designed to treat metastatic castrate-resistant prostate cancer, or mCRPC. It targets the prostate specific membrane antigen, or PSMA, and uses our DeCIDe activation switch technology. BPX-201 is currently being evaluated in an 18-patient Phase 1 clinical trial for mCRPC. We are evaluating opportunities for BPX-201 in combination with other cancer immunotherapies, such as checkpoint inhibitors.

In addition, our preclinical product candidates are designed to overcome the current limitations of CAR-T and TCR therapies and include the following:

- ***BPX-401.*** We are developing a CIDeCAR product candidate, BPX-401, as a next-generation CAR T cell therapy for hematological cancers that express the CD19 antigen.
- ***BPX-601.*** We are developing a GoCAR-T product candidate, BPX-601, for solid tumors overexpressing prostate stem cell antigen, or PSCA, such as some prostate, pancreatic, bladder, esophageal and gastric cancers.
- ***BPX-701.*** We are developing a CaspaCIDe TCR product candidate, BPX-701, in collaboration with Leiden University Medical Center, initially for the treatment of PRAME-expressing melanoma, sarcomas and neuroblastoma.

We expect to file Investigational New Drug Applications, or INDs for BPX-701 in the fourth quarter of 2015 and for BPX-401 and BPX-601 in 2016. Our IND-enabling activities for each of these preclinical product candidates include manufacturing key components and developing a

robust process to produce cell products that comply with regulations of the FDA, and other regulatory agencies. We have developed an efficient and scalable process to manufacture genetically modified T cells of high quality and purity. This process is being implemented by our third-party contract manufacturers to produce BPX-501 for our clinical trials. We expect to leverage our resources, capabilities and expertise for the manufacture of our CAR-T and TCR product candidates.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make judgments, estimates and assumptions in the preparation of our financial statements and accompanying notes. Actual results could differ from those estimates. We believe there have been no material changes in our critical accounting policies as discussed in our Annual Report on Form 10-K for the year ended December 31, 2014.

Financial Operations Overview

Recent Developments

On May 6, 2015, we entered into a Lease Agreement (the Lease) with Sheridan Hills Developments L.P. (the Landlord) for the lease of three spaces of approximately 25,304 square feet (the Manufacturing Space), 705 square feet (the Interior Mechanical Space) and 808 square feet (the Exterior Mechanical Space), respectively, which we will use to enable in-house cell therapy manufacturing. The term of the Lease will begin on September 1, 2015 and continue for an initial term of five years, which may be renewed for five additional one-year periods. For the Manufacturing Space, we are required to remit base monthly rent of approximately $64,841 which will increase at an average approximate rate of 3.5% each year. For the Interior Mechanical Space, we are required to remit base monthly rent of approximately $1,219, which will increase at an average approximate rate of 5% each year. The monthly base rent for the Exterior Mechanical Space is approximately $471. We are also required to pay additional rent in the form of its pro rata share of certain specified operating expenses of the Landlord. An early termination right is available to us upon certain events, including the Landlord's default on its obligations under the Lease. The newly leased spaces are located within the same building as our current headquarters in Houston, Texas.

On April 23, 2015, Bellicum and Academisch Ziekenhuis Leiden, also acting under the name Leiden University Medical Centre (Leiden), entered into a license agreement (the Agreement), pursuant to which Leiden granted us an exclusive, worldwide license to its patent rights covering high affinity T-cell receptors targeting PRAME and POU2AF1 epitopes.

The license granted under the Agreement is subject to certain restrictions and to Leiden's retained right to use the licensed patents solely for academic research and teaching purposes, including research collaborations by Leiden with academic, non-profit research third parties; provided that Leiden provides 30 days advance written notice to the Company of such academic research collaborations.

As consideration for the rights granted under the Agreement, we agreed to pay to Leiden an aggregate of EUR 75,000 in upfront fees within 30 days of the effective date of the Agreement. In addition, we agreed to pay to Leiden, beginning on the eighth anniversary of the effective date of the Agreement, annual minimum royalty payments of EUR 30,000. We are also is required to make milestone payments to Leiden of up to an aggregate of EUR 1,025,000 for each of the first licensed product that is specific to PRAME and to POU2AF1. The Agreement additionally provides that we will pay to Leiden a royalty in the low single digits on net sales of products covered by the Agreement. If we enter into a sublicensing agreement with a third party related to a product covered by the Agreement, we have agreed to pay Leiden a percentage ranging in the low double digits on all non-royalty income received from sublicensing revenue directly attributable to the sublicense, dependent on whether the Company is in phase 1/2, phase 2 or phase 3 at the time that we enter into any such sublicensing agreement.

Under the Agreement, Bellicum and Leiden also agreed to enter into a sponsored research agreement, to be separately negotiated, pursuant to which we would be required to pay Leiden up to EUR 300,000 over a three-year period during the term of the sponsored research agreement.

The Agreement will expire upon the expiration of the last patent included in the licensed patent rights. The Agreement may be terminated earlier upon mutual written agreement between Bellicum and Leiden, and at any time by us upon six months written notice to Leiden. Leiden may terminate the Agreement in the event of our failure to pay any amounts due under the Agreement that remains uncured on the date that is 30 days after written notice of such failure. Either party may terminate the Agreement upon a material breach by the other party that remains uncured following 30 days after the date of written notice of such breach or upon certain insolvency events that remain uncured following the date that is 45 days after the date of written notice to a party of such insolvency event.

Financial Operations Overview

Revenues

To date, we have only recognized revenue from government grants and we have not generated any product revenue. We have received funds from the Cancer Prevention and Research Institute of Texas, or CPRIT, and the National Institutes of Health, or NIH, which are awarded based on the progress of the program being funded. In cases when the grant money is not received until expenses for the program are incurred, we accrue the revenue based on the costs incurred for the programs associated with the grant.

During 2011, we entered into a grant agreement with CPRIT for approximately $5.7 million covering a three year period from July 1, 2011 through June 30, 2014. The grant initially allowed us to receive funds in advance of costs and allowable expenses being incurred. On a quarterly basis, we were required to submit a financial reporting package outlining the nature and extent of reimbursed costs under the grant. At the end of each period, any excess funds received in advance, or paid prior to reimbursement, result in a deferred liability or grant receivable. The CPRIT grant has expired as of June 30, 2014. We recorded a grant receivable from CPRIT of $0.3 million at December 31, 2014, which was collected during the first quarter of 2015.

During 2013, we entered into a grant agreement with the NIH. The grant is a modular five year grant with funds being awarded each year based on the progress of the program being funded. Grant money is not received until expenses for the program are incurred. We have been awarded

approximately $0.7 million to date, of which $0.5 million has been received. We accrue the revenue based on the costs incurred for the programs associated with the grant.

In the future, we may generate revenue from a combination of product sales, government or other third-party grants, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or a combination of these approaches. We expect that any revenue we generate will fluctuate from quarter to quarter as a result of the timing and amount of license fees, milestone and other payments, and the amount and timing of payments that we receive upon the sale of our products, to the extent any are successfully commercialized. If we fail to complete the development of our product candidates in a timely manner or obtain regulatory approval of them, our ability to generate future revenue, and our results of operations and financial position, would be materially adversely affected.

Research and Development Expenses

To date, our research and development expenses have related primarily to the development of our CID platform and the identification and development of our product candidates. Research and development expenses consist of expenses incurred in performing research and development activities, including compensation and benefits for research and development employees and consultants, facilities expenses, overhead expenses, cost of laboratory supplies, manufacturing expenses, fees paid to third parties and other outside expenses.

Research and development costs are expensed as incurred. Clinical trial and other development costs incurred by third parties are expensed as the contracted work is performed. We accrue for costs incurred as the services are being provided by monitoring the status of the clinical trial or project and the invoices received from our external service providers. We adjust our accrual as actual costs become known. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone events are achieved.

We utilize our research and development personnel and infrastructure resources across several programs, and many of our costs are not specifically attributable to a single program. Accordingly, we cannot state precisely our total costs incurred on a program-by-program basis.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect our research and development expenses to increase over the next several years as we seek to conduct our ongoing and planned clinical trials for BPX-501, BPX-201, BPX-401, BPX-601 and BPX-701 and as we selectively develop additional product candidates. However, it is difficult to determine with certainty the duration and completion costs of our current or future preclinical programs and clinical trials of our product candidates.

The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors that include, but are not limited to, the following:

- per patient clinical trial costs;
- the number of patients that participate in the clinical trials;
- the number of sites included in the clinical trials;
- the process of collection, differentiation, selection and expansion of immune cells for our cellular immuno-therapies;
- the countries in which the clinical trials are conducted;
- the length of time required to enroll eligible patients;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up; and
- the efficacy and safety profile of the product candidates.

In addition, the probability of success for each product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. We will determine which programs to pursue and how much to fund each program in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate’s commercial potential.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs, including share-based compensation, for personnel in executive, finance, accounting, business development, legal and human resources functions. Other significant costs include facility costs not otherwise included in research and development expenses, legal fees relating to corporate matters, insurance costs and professional fees for consultancy, legal, accounting, audit and investor relations.

We anticipate that our general and administrative expenses will increase in the future to support our continued research and development activities, potential commercialization of our product candidates and the increased costs of operating as a public company. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside consultants, lawyers and accountants, among other expenses. Additionally, we anticipate increased costs associated with being a public company, including expenses related to services associated with maintaining compliance with NASDAQ listing rules and SEC requirements, insurance and investor relations costs.

Income Taxes

We did not recognize any income tax expense for the three months ended March 31, 2015 or 2014.

Results of Operations

Comparison of the Three Months Ended March 31, 2015 and 2014

The following table sets forth our results of operations for the three months ended March 31, 2015 and 2014:

	THREE MONTHS ENDED MARCH 31,		
	2015	2014	CHANGE
(in thousands)			
Grant revenues	$ 107	$ 552	$ (445)
Operating expenses:			
Research and development	5,718	2,389	3,329
General and administrative	2,197	440	1,757
Total operating expenses	7,915	2,829	5,086
Loss from operations	(7,808)	(2,277)	(5,531)
Other income (expense):			
Interest income	50	3	47
Interest expense	—	(16)	16
Total other income (expense)	50	(13)	63
Net loss	$ (7,758)	$ (2,290)	$ (5,468)

Grant Revenues

Grant revenues were $0.1 million and $0.6 million for the three months ended March 31, 2015 and 2014, respectively. The decrease in grant revenues was primarily due to the expiration of the CPRIT grant in June 2014.

Research and Development Expenses

Research and development expenses were $5.7 million and $2.4 million for the three months ended March 31, 2015 and 2014, respectively. The $3.3 million increase in research and development expenses was primarily due to an increase in manufacturing of $1.2 million and clinical expenses of $0.5 million, primarily as a result of increased patient enrollment in our clinical trials for BPX-501. The increase was also due to an increase in research and development personnel costs of $0.9 million in the first quarter of 2015.

The following table indicates our research and development expense by project/category for the periods indicated (in thousands):

	THREE MONTHS ENDED MARCH 31,		
Program	2015	2014	CHANGE
(in thousands)			
BPX-201	$ 689	$ 515	$ 174
BPX-501	2,745	615	2,130
General	2,284	1,259	1,025
Total	$ 5,718	$ 2,389	$ 3,329

General and Administrative Expenses

General and administrative expenses were $2.2 million and $0.4 million for the three months ended March 31, 2015 and 2014, respectively. The increase of $1.8 million in general and administrative expenses in the first quarter of 2015 was due to our overall growth and public company related costs, including an increase in personnel, legal and accounting expenses, costs related to facilities, insurance costs and travel expenses.

Other Income (Expense)

Other income (expense) was $50,000 and $(13,000) for the three months ended March 31, 2015 and 2014, respectively. The change was primarily due to increased interest income on our cash and cash equivalents as a result of the capital that was raised during the second half of 2014.

Liquidity and Capital Resources

Sources of Liquidity

We are a clinical stage biopharmaceutical company with a limited operating history. To date, we have financed our operations primarily through equity and debt financings and grants. We have not generated any revenue from the sale of any products. As of March 31, 2015 and December 31, 2014, we had cash and cash equivalents of $183.6 million and $191.6 million, respectively.

In December 2014, we completed our initial public offering of shares of our common stock which resulted in aggregate gross proceeds to us of approximately $160.6 million and net offering proceeds to us, after deducting underwriting discounts and commissions and offering costs, of approximately $146.3 million. Also in conjunction with the initial public offering, $3.4 million of accrued Series B dividends were paid, of which $0.2 million was paid in cash and the remainder was paid by issuance of 168,199 shares of common stock.

C***ash Flows***

The following table sets forth a summary of our cash flows for the three months ended March 31, 2015 and 2014:

	THREE MONTHS ENDED MARCH 31,		
	2015	2014	CHANGE
(in thousands)			
Net cash used in operating activities	$ (7,025)	$ (3,218)	$ (3,807)
Net cash used in investing activities:	(933)	(22)	(911)
Net cash (used in) provided by financing activities	(6)	7,421	(7,427)
Net cash (used in) provided by cash and cash equivalents	$ (7,964)	$ 4,181	$ (12,145)

Operating Activities

Net cash used in operating activities for the three months ended March 31, 2015, was comprised of a net loss of $7.8 million, which included depreciation expense of $0.2 million and share-based compensation expense of $1.5 million. Net cash used in operating activities was also comprised of the following primary components: a decrease in grant receivables of $0.2 million, a decrease in other assets of $0.1 million, and a decrease in accounts payable and accrued liabilities of $1.3 million.

Net cash used in operating activities for the three months ended March 31, 2014, was comprised of a net loss of $2.3 million, which included depreciation expense of $0.2 million and share-based compensation expense of $0.1 million. Net cash used in operating activities was also comprised of the following primary components: an increase in grant receivables of $0.5 million, and a decrease in accounts payable and accrued liabilities of $0.7 million.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2015 and 2014 was $0.9 million and $22,000, respectively, which was derived solely from the purchase of property and equipment.

Financing Activities

Net cash used by financing activities for the three months ended March 31, 2015 was $6,000, which was derived from approximately $2,000 of proceeds from exercise of stock options offset by approximately $8,000 of expenses related to our recently completed initial public offering in December 2014. Net cash provided by financing activities for the three months ended March 31, 2014 was $7.4 million, which was derived from approximately $7.3 million from the issuance of convertible preferred stock, and proceeds of approximately $0.2 million from the exercise of common stock warrants which were offset by payments of $0.1 million on our existing line of credit.

Funding Requirements

Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, third-party clinical research and development services, laboratory and related supplies, clinical costs, legal and other regulatory expenses, facility costs and general overhead costs. In addition, we expect to use capital to expand our manufacturing capabilities.

The successful development of any of our product candidates is highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the development of BPX-501 or our other current and future product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from the sale of product candidates. This is due to the numerous risks and uncertainties associated with developing medical treatments, including the uncertainty of:

- successful enrollment in, and completion of, clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity; and
- launching commercial sales of our products, if and when approved, whether alone or in collaboration with others.

A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs and timing associated with the development of that product candidate.

Because all of our product candidates are in the early stages of clinical and preclinical development and the outcome of these efforts is uncertain, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of product candidates or whether, or when, we may achieve profitability. Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity or debt financings and collaboration arrangements.

We plan to continue to fund our operations and capital funding needs through equity and/or debt financing. We may also consider new collaborations or selectively partnering our technology. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our stockholders will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms unfavorable to us. Any of these actions could harm our business, results of operations and future prospects.

Outlook

Based on our research and development plans and our timing expectations related to the progress of our programs, we expect that our cash and cash equivalents as of March 31, 2015, which includes the net proceeds from our initial public offering, will enable us to fund our operating expenses and capital expenditure requirements through at least the first half of 2017. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Furthermore, our operating plan may change, and we may need additional funds to meet operational needs and capital requirements for product development and commercialization sooner than planned. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates and the extent to which we may enter into additional collaborations with third parties to participate in their development and commercialization, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials. Our future funding requirements will depend on many factors, as we:

- initiate or continue clinical trials of BPX-501 and any other product candidates;
- continue the research and development of our product candidates; seek to discover additional product candidates; seek regulatory approvals for our product candidates if they successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any products that may receive regulatory approval; enhance operational, financial and information management systems and hire additional personnel, including personnel to support development of our product candidates and, if a product candidate is approved, our commercialization efforts; and
- incur additional costs associated with becoming a public company.

Contractual Obligations and Commitments

Our contractual obligations as of March 31, 2015 were as follows (in thousands):

	Commitment	Less Than 1 year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Operating lease agreements (1)	$ 9,454	$ 1,435	$ 3,849	$ 4,170	—
Contract manufacturing arrangements (2)	4,288	3,742	546	—	—
Facility lease agreements (3)	384	192	192	—	—
License agreements (4)	3,336	1,359	1,701	153	123
Total contractual obligations	$ 17,462	$ 6,728	$ 6,288	$ 4,323	$ 123

(1) Operating lease agreements - The amounts above are comprised of two five-year lease agreements. The first lease will expire on January 31, 2020. See Note 13 to the audited financial statements included in our Annual Report for more information about the first lease. We entered into an additional five-year lease in May 2015, which will become effective on September 1, 2015. Under this new lease, we will be responsible for monthly base rental payments, which escalate on September 1 of each year until the lease expires on August 31, 2020. For more information about this second lease, see Note 9 to the financial statements included in this quarterly report.

(2) Contract manufacturing arrangements - We have entered into several manufacturing service arrangements with various terms. The obligations listed in the table above represent estimates of when certain services will be performed.

(3) Facility lease agreements - In March 2013 we entered into a two-year manufacturing facility agreement for cell processing for a clinical trial. In February 2015, the agreement was extended for an additional two years.

(4) License agreements - We have entered into several license agreements under which we obtained rights to certain intellectual property. Under the agreements, we could be obligated for payments upon successful completion of clinical and regulatory milestones regarding the products covered by this license. The obligations listed in the table above represent estimates of when the milestones will be achieved. We cannot assure that the timing of the milestones will be completed when estimated or at all.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that have a material impact on our financial statements.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

The primary objectives of our investment activities are to preserve our capital and meet our liquidity needs to fund operations. We also seek to generate competitive rates of return from our investments without assuming significant risk. To achieve our objectives, we maintain a portfolio of cash equivalents and investments in a variety of securities that are of high credit quality based on ratings from commonly relied upon rating agencies. As of March 31, 2015, we had cash, cash equivalents and investments in marketable securities of $183.6 million. Our cash, cash equivalents and investments in marketable securities may be subject to interest rate risk and could fall in value if market interest rates increase. However, because our cash is invested in accounts with market interest rates and because our cash equivalents and investments in marketable securities are traded in active markets, we believe that our exposure to interest rate risk is not significant and estimate that an immediate and uniform 10% increase in market interest rates from levels as of March 31, 2015 would not have a material impact on the total fair value of our portfolio.

We sometimes contract for the conduct of clinical trials or other research and development and manufacturing activities with contract research organizations, clinical trial sites and contract manufacturers in Europe, and in the future potentially elsewhere outside of the United States. We may be subject to exposure to fluctuations in foreign currency exchange rates in connection with these agreements. If the average exchange rate between the currency of our payment obligations under any of these agreements and the U.S. dollar were to strengthen or weaken by 10% against the corresponding exchange rate as of March 31, 2015, we estimate that the impact on our financial position, results of operations and cash flows would not be material. We do not hedge our foreign currency exposures.

We have not used derivative financial instruments for speculation or trading purposes.

Item 4. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities and Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of March 31, 2015, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer have concluded based upon the evaluation described above that, as of March 31, 2015, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2015, we implemented changes to our internal control procedures over financial reporting to remediate our previously reported material weaknesses in the Form 10-K for the year ended December 31, 2014. We hired additional personnel, including a chief financial officer and other senior finance executives, and consultants to augment our accounting staff, as well as implemented additional, formalized policies and procedures related to accounting and financial reporting, particularly surrounding non-routine transactional and financial reporting. These policies and procedures are followed by all accounting personnel.

There have been no other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) other than discussed above during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Our process for evaluating controls and procedures is continuous and encompasses constant improvement of the design and effectiveness of established controls and procedures and the remediation of any deficiencies which may be identified during this process.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Investing in our common stock is subject to a number of risks and uncertainties. You should carefully consider the risk factors described under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and in other reports we file with the SEC. There have been no changes to the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 that we believe are material. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial also may negatively impact our business.

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

None.

Purchase of Equity Securities

We did not purchase any of our registered securities during the period covered by this Quarterly Report on Form 10-Q.

Use of Proceeds from Initial Public Offering of Common Stock

On December 17, 2014, we completed the initial public offering of our common stock pursuant to a registration statement on Form S-1 (File Nos. 333-200328 and 333-201031), which was declared effective by the SEC on December 17, 2014.

As of March 31, 2015, we have used the net offering proceeds from our IPO to fund operations, capital expenditures, working capital and other general corporate purposes and for debt repayment. None of the net proceeds have been paid directly or indirectly to any of our directors or officers or persons owning ten percent or more of any class of our equity securities or to any other affiliates. We are holding the balance of the net proceeds from the offering in money market funds. There has been no material change in our planned use of the balance of the net proceeds from the offering described in our final prospectus filed with the SEC on December 17, 2014 pursuant to Rule 424(b) under the Securities Act.

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which is incorporated herein by reference.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bellicum Pharmaceuticals, Inc.

Date: May 12, 2015

By: /s/ THOMAS J. FARRELL

Thomas J. Farrell

President and Chief Executive Officer

Date: May 12, 2015

By: /s/ ALAN A. MUSSO

Alan A. Musso

Chief Financial Officer and Treasurer
Principal Financial and Accounting Officer

EXHIBIT INDEX

Exhibit number	Description of exhibit
10.1*	Amended and Restated Employment Agreement between the Company and Annemarie Moseley, Ph.D., dated April 1, 2015. (1)
10.2*	Employment Agreement between the Company and Kevin M. Slawin, M.D., dated April 6, 2015. (1)
10.2*	Employment Agreement between the Company and Ken Moseley, dated April 1, 2015.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101 LAB	XBRL Taxonomy Extension Label Linkbase Document
101 PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document

(1) Filed as an exhibit to the Company's current report on Form 8-K, filed with the SEC on April 7, 2015 and incorporated herein by reference.

* Indicates a management contract or compensatory plan or arrangement.

BELLICUM PHARMACEUTICALS, INC.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of April 1, 2015 (the "**Effective Date**"), is by and between Bellicum Pharmaceuticals, Inc. a Delaware corporation (the "**Company**"), having an office at 2130 West Holcombe Boulevard, Suite 800, Houston, Texas 77030 (the "**Company Premises**") and Ken Moseley, J.D. (the "**Executive**").

WHEREAS, Executive is currently employed by the Company pursuant to a letter agreement with the Company dated December 6, 2011, and the Company desires to continue employment of Executive as its Senior Vice President and General Counsel and provide Executive with certain compensation and benefits in return for Executive's services, and Executive agrees to be retained by the Company in such capacity and to receive the compensation and benefits on the terms and conditions set forth herein;

WHEREAS, the Company and Executive desire to enter into this Employment Agreement (the "**Agreement**") effective as of the Effective Date in order to memorialize the terms and conditions of Executive's employment by the Company upon and following the Effective Date;

WHEREAS, Executive's agreement to and compliance with the provisions in Sections 9 through 11 of this Agreement are a material factor, material inducement and material condition to the Company's entering into this Agreement. Moreover, Executive acknowledges that a substantial portion of the value of the employment of Executive is Executive's promises to refrain from competing with the Company as identified in Sections 9 through 11 of this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

1.**At-Will Employment**. The Company and Executive acknowledge that either party has the right to terminate Executive's employment with the Company at any time for any reason whatsoever, with or without cause, subject to the provisions of Section 6 and 7 herein. This at-will employment relationship cannot be changed except in a writing signed by both Executive and the Board of Directors of the Company (or a duly authorized committee thereof, if applicable) (the "**Board**"). Any rights of Executive to additional payments or other benefits from the Company upon any such termination of employment shall be governed by Section 7 of this Agreement.

2. **Position**. Executive shall serve as the Senior Vice President and General Counsel of the Company with the responsibilities, rights, authority and duties pertaining to such offices as are established from time to time by the Chief Executive Officer of the Company, and Executive shall report to the Chief Executive Officer of the Company. Executive shall also act as an officer and/or director and/or manager of such Affiliates of the Company as may be designated by the Chief Executive Officer of the Company from time to time, commensurate with Executive's office, all without further compensation, other than as provided in this Agreement. As used herein, "**Affiliate**" means any entity that directly or indirectly controls, is controlled by, or is under common control with, the Company.

3. **Commitment**. Executive will devote substantially all of his business time and best efforts to the performance of his duties hereunder; provided, however, that Executive shall be allowed, to the extent that such activities do not interfere with the performance of his duties and responsibilities hereunder and do not conflict with the financial, fiduciary or other interests of the Company (or its Affiliates), as determined in the sole discretion of the Chief Executive Officer of the Company, to manage his passive personal investments and to serve on corporate, civic, charitable and industry boards or committees. Notwithstanding the foregoing, Executive agrees that he shall only serve on for-profit boards of directors or for-profit advisory committees if such service is approved in advance in the sole discretion of the Chief Executive Officer of the Company.

4. **Compensation**.

(a) Base Salary. During Executive's employment with the Company, effective as of January 1, 2015, the Company shall pay Executive a base salary at the annual rate of three hundred fifteen thousand dollars ($315,000.00), less payroll deductions and withholdings, which shall be payable in accordance with the standard payroll practices of the Company. Any amounts due to Executive as a result of such base salary rate being retroactively effective as of January 1, 2015 shall be paid to Executive on the

next reasonably practicable payroll date following the Effective Date. Executive's base salary shall be subject to periodic review and adjustment by the Board from time to time in the discretion of the Board.

(b) Annual Performance Bonus. For each calendar year, Executive shall be eligible to receive an annual performance bonus ("**Annual Performance Bonus**") from the Company, with the target amount of such bonus equal to thirty-five percent (35%) of Executive's annual base salary. The Annual Performance Bonus will be based on achievement of individual and/or Company goals which are established by the Board in its sole discretion at the beginning of each calendar year. Following the close of each calendar year, the Board will determine whether Executive has earned an Annual Performance Bonus, and the amount of any such bonus. Payment of the Annual Performance Bonus shall be expressly conditioned upon Executive's employment with the Company on the date that the Annual Performance Bonus is paid, except as provided in Section 7(b) and Section 7(c) below. The Annual Performance Bonus shall be paid within ninety (90) days after the end of the calendar year for which it relates. Executive's target Annual Performance Bonus will be subject to periodic review and adjustment by the Board from time to time.

(c) Equity Awards. Executive acknowledges that Executive was granted a stock option to purchase 60,000 shares of the Company's common stock on February 24, 2015 in consideration of his continued services to the Company under this Agreement. The stock option was granted under, and is subject to the terms of, the Company's 2014 Equity Incentive Plan and a stock option grant notice and award agreement between Executive and the Company. Executive will be eligible to participate in and receive stock option or equity award grants under the Company's equity incentive plans from time to time in the discretion of the Board, and in accordance with the terms and conditions of such plans.

(d) Reimbursement of Business Expenses and Commuting. The Company shall reimburse Executive for reasonable travel and other business expenses incurred by Executive in the performance of his duties hereunder, in accordance with the Company's policies as in effect from time to time. This reimbursement shall include up to $3,000 per three month period for reasonable commuting expenses incurred by Executive in the performance of his duties hereunder. Any reimbursements will be paid to Executive within thirty (30) days after the date Executive submits receipts for the expenses, provided Executive submits those receipts within forty-five (45) days after Executive incurs the expense. For the avoidance of doubt, to the extent that any reimbursements payable to Executive are subject to the provisions of Section 409A (as defined in Section 14 below): (i) to be eligible to obtain reimbursement for such expenses Executive must submit expense reports within forty-five (45) days after the expense is incurred, (ii) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (iii) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (iv) the right to reimbursement under this agreement will not be subject to liquidation or exchange for another benefit.

5. **Benefits.** Subject to applicable eligibility requirements, Executive shall be entitled to participate in all benefit plans and arrangements and fringe benefits and programs that may be provided to senior executives of the Company from time to time, subject to plan terms and generally applicable Company policies. Executive is entitled to participate in personal time off and holiday benefits, with personal time off to be not less than twenty-seven (27) days on an annual basis, accruing at nine (9) hours per twice monthly pay period. Ten (10) days of personal time off may be carried over to the next year. This paid time off allowance is subject to the Company's policies with respect to accrual of, including limitations on the maximum permitted accrual of, paid time off and is subject to change in accordance with changes in Company policy.

6. **Termination**.

(a) Termination. The employment of Executive under this Agreement shall terminate upon the earliest to occur of any of the following events:

(i) the death of Executive;

(ii) the termination of Executive's employment by the Company due to Executive's Disability pursuant to Section 6(b) hereof;

(iii) the termination of Executive's employment by Executive other than for Good Reason (as hereinafter defined);

(iv) the termination of Executive's employment by the Company without Cause (termination for Cause being defined in Section 6(c) and requiring the Notice of Termination for Cause, if applicable, as described in Section 6(c) and 6(d));

(v) the termination of Executive's employment by the Company for Cause pursuant to Section 6(c) after providing the Notice of Termination for Cause, if applicable, as described in Section 6(c) and Section 6(d);

(vi) the termination by Executive of Executive's employment for Good Reason (as hereinafter defined) pursuant to Section 6(e); or

(vii) the termination of Executive's employment upon mutual agreement in writing between the Company and Executive.

(b) Disability. For purposes of this Agreement, "**Disability**" means that Executive has been unable, for ninety (90) consecutive days, or for periods aggregating one hundred and twenty (120) business days in any period of twelve consecutive months, to perform Executive's duties under this Agreement, as a result of physical or mental impairment, illness or injury, as determined in good faith by the Board. A termination of Executive's employment for Disability shall be communicated to Executive by written notice, and shall be effective on the 10th day after sending such notice to Executive (the "**Disability Effective Date**"), unless Executive returns to performance of Executive's duties before the Disability Effective Date.

(c) Cause. For purposes of this Agreement, the term "**Cause**" shall mean (i) Executive's willful misconduct which is demonstrably and materially injurious to the Company's reputation, financial condition, or business relationships; (ii) the failure of Executive to attempt in good faith to follow the legal written direction of the Board; (iii) the failure by Executive to attempt in good faith to perform the duties required of him hereunder (other than any such failure resulting from incapacity due to physical or mental illness) within ten (10) days after a written demand for substantial performance is delivered to Executive by the Board which specifically identifies the manner in which it is believed that Executive has failed to attempt to perform his duties hereunder; (iv) Executive being convicted of, indicted for, or pleading guilty or nolo contendere to, a felony or any crime involving dishonesty, fraud or moral turpitude; (v) Executive's dishonesty with regard to the Company or in the performance of his duties hereunder, which in either case has a material adverse effect on the Company; (vi) Executive's material breach of this Agreement unless corrected by Executive within ten (10) days of the Company's written notification to Executive of such breach; or, (vii) Executive's failure to comply in any material respect with the Company's policies and/or procedures, unless corrected by Executive within ten (10) days of the Company's written notification to Executive of such breach.

(d) Notice of Termination for Cause. Notice of Termination for Cause shall mean a written notice to Executive that shall indicate the specific termination provision in Section 6(c) relied upon and shall set forth in reasonable detail the facts and circumstances which provide a basis for Termination for Cause.

(e) Termination by Executive for Good Reason. Executive may terminate Executive's employment with the Company by resigning from employment with the Company for Good Reason. The term "**Good Reason**" shall mean the occurrence, without Executive's prior written consent, of any one or more of the following: (i) a material reduction in Executive's base salary; (ii) a material reduction in Executive's authority, duties or responsibilities; (iii) a relocation of Executive's principal place of employment with the Company (or its successor, if applicable) to a place that increases Executive's one-way commute by more than fifty (50) miles as compared to Executive's then-current principal place of employment immediately prior to such relocation, except for required travel by Executive on the Company's business to an extent substantially consistent with Executive's business travel obligations prior to such relocation; or (iv) any other action or inaction that constitutes a material breach by the Company (or its successor, if applicable) of any material provision of this Agreement.

No resignation for Good Reason shall be effective unless (1) Executive provides written notice, within ninety (90) days after the first occurrence of the event giving rise to Good Reason, to the Chairman of the Board setting forth in reasonable detail the material facts constituting Good Reason and the reasonable steps Executive believes necessary to cure, (2) the Company has had thirty (30) business days from the date of such notice to cure any such occurrence otherwise constituting Good Reason, and (3) if such event is not reasonably cured within such period, Executive must resign from all positions Executive then holds with the Company (including any position as a member of the Board) effective not later than ninety (90) days after the expiration of the cure period.

7. **Consequences of Termination of Employment**.

(a) General. If Executive's employment is terminated for any reason or no reason, the Company shall pay to Executive or to Executive's legal representatives, if applicable: (i) any base salary earned, but unpaid; and, (ii) any unreimbursed business expenses payable pursuant to Section 4 hereof and any accrued but unused personal time off benefits and any other payments or benefits required by applicable law (collectively "**Accrued Amounts**"), which amounts shall be promptly paid in a lump sum to Executive, or in the case of Executive's death to Executive's estate. Other than the Accrued Amounts, Executive or Executive's legal representatives shall not be entitled to any additional compensation or benefits if Executive's employment is terminated for any reason other than by reason of Executive's Involuntary Termination (as defined in Section 7(b) below). If Executive's

employment terminates due to an Involuntary Termination, Executive will be eligible to receive the additional compensation and benefits described in Section 7(b) and 7(c), as applicable.

(b) Involuntary Termination. If (1) Executive's employment with the Company is terminated by the Company without Cause (and other than as a result of Executive's death or Disability) or (2) Executive terminates employment for Good Reason, and provided in any case such termination constitutes a "separation from service", as defined under Treasury Regulation Section 1.409A-1(h)) (a "**Separation from Service**") (such termination described in (1) or (2), an "**Involuntary Termination**"), in addition to the Accrued Amounts, Executive shall be entitled to receive the severance benefits described below in this Section 7(b), subject in all events to Executive's compliance with Section 7(d) below:

(i) Executive shall receive continued payment of Executive's Base Salary (as defined below) for the first twelve (12) months after the date of such termination (the "**Severance Period**"), paid over the Company's regular payroll schedule.

(ii) Executive shall receive a lump sum amount equal to Executive's target Annual Performance Bonus for the year of termination, pro rated based on the ratio that the number of days from the beginning of the calendar year in which such termination occurs through the date of termination bears to 365 (the "**Bonus Payment**").

(iii) If Executive is eligible for and timely elects to continue the health insurance coverage under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985 or the state equivalent ("**COBRA**") following Executive's termination date, the Company will pay the COBRA group health insurance premiums for Executive and Executive's eligible dependents until the earliest of (A) the close of the Severance Period, (B) the expiration of Executive's eligibility for the continuation coverage under COBRA, or (C) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by Executive under a Section 125 health care reimbursement plan under the Internal Revenue Code of 1986, as amended and the treasury regulations thereunder (the "**Code**"). Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether Executive elects continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay Executive on the last day of each remaining month of the Severance Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "**Health Care Benefit Payment**"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the Severance Period or (ii) the date Executive voluntarily enrolls in a group health insurance plan offered by another employer or entity.

(c) Involuntary Termination in Connection with a Change in Control. In the event that Executive's Involuntary Termination occurs immediately prior to, on or within the twelve (12) months following the consummation of a Change in Control (as defined in Section 7(e)) and subject in all events to Executive's compliance with Section 7(d) below, then Executive shall be entitled to the benefits provided above in Section 7(b) (which, for the avoidance of doubt, shall be incorporated into and become part of this Section 7(c)), except that:

(i) the Bonus Payment shall equal Executive's full target Annual Performance Bonus for the year of termination, rather than the pro-rated target bonus; and

(ii) the vesting of all of Executive's outstanding stock options and other equity awards that are subject to time-based vesting requirements shall accelerate in full such that all such equity awards shall be deemed fully vested as of the date of Executive's Involuntary Termination.

For the avoidance of doubt, in no event shall Executive be entitled to benefits under both Section 7(b) and this Section 7(c). If Executive is eligible for benefits under both Section 7(b) and this Section 7(c), Executive shall receive the benefits set forth in this Section 7(c) and such benefits will be reduced by any benefits previously provided to Executive under Section 7(b).

(d) Conditions and Timing for Severance Benefits. The severance benefits set forth in Section 7(b) and Section 7(c) above are expressly conditioned upon: (i) Executive continuing to comply with Executive's obligations under this Agreement, including Sections 8 through 11; and (ii) Executive signing and not revoking a general release of legal claims in a form similar to the form attached as **EXHIBIT B** hereto, with such changes as are necessary for updates in applicable laws and the circumstances of Executive's termination (the "**Release**") within the applicable deadline set forth therein and permitting the Release to become effective in accordance with its terms, which must occur no later than the Release Deadline (as defined in Section 14 below). The

salary continuation payments described in Section 7(b) will be paid in substantially equal installments on the Company's regular payroll schedule and subject to standard deductions and withholdings over the Severance Period following termination; *provided, however,* that no payments will be made prior to the effectiveness of the Release. On the effective date of the Release, the Company will pay Executive the salary continuation payments that Executive would have received on or prior to such date in a lump sum under the original schedule but for the delay while waiting for the effectiveness of the Release, with the balance of the payments being paid as originally scheduled. Bonus Payments described in Section 7(b) and 7(c) will be paid in a lump sum cash payment on the first regular payroll date of the Company following the effective date of the Release, but in no event later than March 15 of the year following the year in which Executive's termination of employment occurred. All severance benefits described in this Section 7 will be subject to all applicable standard required deductions and withholdings.

(e) Definitions.

(i) **"Base Salary"** means Executive's annual base salary in effect immediately prior to Executive's termination, excluding any reduction which forms the basis for Executive's right to resign for Good Reason.

(ii) "**Change in Control**" means a "Change in Control" as defined in the Company's 2014 Equity Incentive Plan.

8. **Confidential Information**. "**Confidential Information**" as used in this Agreement, includes non-public confidential information provided by or on behalf of the Company to Executive, including but not limited to specialized training, products already developed or that will be developed by the Company, including but not limited to, products in the field of cancer immunotherapy, including metastatic castrate resistant prostate cancer and graft versus host disease; research and development materials related to the manipulation of dendritic cell signaling pathways to enhance the immune response; research and development materials, electronic databases; computer programs and technologies; marketing and/or scientific studies and analysis; product and pricing knowledge; manufacturing methods; supplier lists and information; any and all information concerning past, present and future customers, referral sources or vendors; contracts and licenses; management structure, company ownership, personnel information (including the performance, skills, abilities and payment of employees); purchasing, accounting and business systems; short and long range business planning; data regarding the Company's past, current and future financial performance, sales performance, and current and/or future plans to increase the Company's market share by targeting specific medical issues, demographic and/or geographic markets; standard operating procedures; financial information; trade secrets, copyrights, derivative works, patents, inventions, know-how, and other intellectual property; business policies; submissions to government or regulatory agencies and related information; methods of operation; implementation strategies; promotional information and techniques; marketing presentations; price lists; files or other information; pricing strategies; computer files; samples; customer originals; or any other confidential information concerning the business and affairs of the Company. The Company's Confidential Information is also comprised of the personal information received from third parties and/or confidential and proprietary information regarding research, products, or clinical trials received from third parties, but only if such confidential information is reduced to writing and marked "Confidential" by the third party. All such confidential information obtained by Executive, whether in writing, any other tangible form of expression or disclosed orally or through visual means or otherwise, and regardless of whether such information bears a confidential or proprietary legend, will be presumed to be Confidential Information. Executive acknowledges that the Confidential Information is vital, valuable, sensitive, confidential and proprietary to Company and provides Company with a competitive advantage. Executive further acknowledges that Company's Confidential Information is dynamic, and constantly changes in nature and/or quantity, given that Company continues to refine its Confidential Information. The obligations specified in this Section 8 shall not apply, and Executive shall have no further obligations under this Agreement with respect to any Confidential Information that: a) is available to the public at the time of disclosure to Executive or becomes publicly known through no breach of the undertakings hereunder by Executive; b) becomes known to Executive through disclosure by sources other than the Company and its Affiliates, said sources being under no obligation of confidentiality to the Company with respect to such Confidential Information; c) is approved by the Company for release; or d) has been independently developed by Executive without benefit of the Confidential Information and on Executive's own time and without use of Company resources. Executive understands and agrees that the Company may require him, as a condition to continued employment, to execute and abide by the terms of a standard proprietary information and inventions agreement with the Company which will further set forth the terms of, and prohibit the unauthorized use or disclosure of, the Company's confidential and proprietary information (the "**PIIA**") and that such PIIA shall become part of this Agreement and Executive's obligations under this Agreement.

9. **Non-Competition; Non-Solicitation, Etc**.

(a) Company Promises.

(iii) This Agreement is entered into pursuant to Executive's agreement to these non-compete and non-solicitation provisions. Executive's agreement to the provisions in Sections 9 through 11 is a material condition of the Company's entering into

this Agreement and continued employment of Executive.

(iv) The Company agrees to provide Executive with access to Confidential Information and in a greater quantity and/or expanded nature than any such Confidential Information that may have already been provided to Executive and with additional opportunities to broaden the Company's services and develop the Company's customers in a manner not previously available to Executive including, but not limited to, information regarding the Company's products and business plan; research results; information supporting patent applications; and Company standard operating procedures related to the Company's research and development efforts.

(v) The Company promises that during Executive's employment with the Company, the Company will provide Executive with the opportunity to develop goodwill and establish rapport with the customer contacts in a greater quantity and/or expanded nature than any such opportunities that may have already been provided to Executive.

(vi) The Company promises that Executive will continue to receive and have access to Confidential Information throughout Executive's employment with the Company.

(b) Executive's Promises. In exchange for the Company's promises listed above and all other consideration provided pursuant to this Agreement, to which these promises are ancillary, Executive promises as follows:

(i) Executive will not, during or after Executive's employment with the Company, use, copy, remove, disclose or disseminate to any person or entity, the Company's Confidential Information, except (i) as required in the course of performing Executive's duties with the Company, for the benefit of the Company, or (ii) when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order Executive to divulge, disclose or make accessible such information, it being understood that Executive will promptly notify the Company of such requirement so that the Company may seek to obtain a protective order.

(ii) Following employment termination, Executive will immediately return to the Company all materials created, received or utilized in any way in conjunction with Executive's work performed with the Company that in any way incorporates, reflects or constitutes Company's Confidential Information.

(iii) Executive acknowledges that the market for the Company's products, services, and activities is global, and that the products, services and/or activities can be provided anywhere in the world. Executive recognizes that the Company draws its customers and/or clients from around the world because it will seek to file patents and run clinical trials in countries around the world, and sell its product to consumers around the world and/or pharmaceutical companies located around the world. Moreover, Executive recognizes that the Company's customers may be contacted by telephone, in person, or in writing (including e-mail via the Internet). Executive further acknowledges that due to the international scope of the Company's customer and client base, the following non-solicitation/non-competition restriction is necessary.

(iv) Executive agrees and acknowledges that Executive shall not provide to the Company, either directly or indirectly, access to Confidential Information, as defined in Section 8, from or belonging to a third party that Executive was exposed to or received from said third party prior to the execution date of this Agreement and that is the subject of any confidentiality requirement of any kind between Executive and said third party. **EXECUTIVE ALSO AGREES TO INDEMNIFY, REIMBURSE, AND HOLD HARMLESS THE COMPANY FOR ALL ATTORNEY FEES, EXPENSES, COSTS, HARM, OR RELATED COSTS TO COMPANY ARISING FROM OR AS A RESULT OF ANY ACTUAL CAUSE OF ACTION OR CLAIM BROUGHT AGAINST COMPANY OR EXECUTIVE RELATED TO ANY ACTUAL BREACH OF THIS SECTION BY EXECUTIVE.** Company agrees that: (A) Executive shall be allowed to participate fully in the defense of any such action against Company and in any settlement negotiations, and (B) any payment to Company by Executive under this Section shall be only after any settlement has been consummated or judicial action has become final and non-appealable.

(c) Non-Compete. Ancillary to the consideration reflected within this Agreement, the Company and Executive agree to the following non-competition provisions. Executive agrees that during Executive's employment with the Company and for a period of twelve (12) months following the termination of his employment ("**Non-Compete Period**"):

(iii) Executive shall not, directly or indirectly, engage in or participate (including, without limitation, as an investor, officer, employee, director, agent, or consultant (any such capacity, being a "**Participant**")) in or on behalf of any entity engaging in the "**Company's Business**", said Company's Business being defined as: (A) genetically modified cell products for the treatment of cancer; and (B) other genetically modified products for which the Company has an active development program at the termination or expiration of the Employment Term (the "**Non-Compete Obligations**"), provided, however, that nothing herein

shall prevent him from investing as a less than 5% shareholder in securities of any company listed on a national securities exchange or quoted on an automated quotation system.

(iv) Geographic Limitation. The geographic limitation for the Non-Compete Obligations is North America, Europe and Japan; and

(v) During Executive's employment with the Company and for a period of twelve (12) months after Executive's employment has ended, Employee will not directly or indirectly become employed or otherwise associated with any of the following entities, which are direct competitors of the Company, in any geographic region:

Adaptimmune Limited	91 Park Drive Milton Park, Abingdon Oxon OX14 4RY UK
bluebird bio, Inc.	150 2nd Street Cambridge, MA 02141
Celgene Corporation	86 Morris Avenue Summit, NJ 07901
Cellectis	8 rue de la Croix Jarry 75013 Paris France
Cell Medica Limited	1 Canal Side Studios, 8-14 St Pancras Way London, NW1 0QG UK
Immune Design Corp.	1616 Eastlake Ave. E., Suite 310 Seattle, WA 98102
Intrexon Corporation	1872 Pratt Drive Blacksburg, VA 24060
Juno Therapeutics, Inc.	307 Westlake Avenue North Suite 300 Seattle, WA 98109
Kiadis Pharma B.V.	Entrada 231-234 1096 EG Amsterdam The Netherlands
Kite Pharma, Inc.	2225 Colorado Avenue Santa Monica, CA 90404
Lion Biotechnologies, Inc.	21900 Burbank Blvd., Third Floor Woodland Hills, CA 91367
Medigene AG	Lochhamer Str. 11 82152 Planegg/Martinsried Germany
MolMed S.p.A.	Via Olgettina, 58 20132 Milan Italy
Novartis AG	Basel Switzerland
Pfizer Inc.	235 East 42nd Street New York, NY 10017
Unum Therapeutics	One Broadway 4th Floor Cambridge, MA 02142

Executive and the Company agree that with respect to the foregoing entities such names are the common names of such entities. Executive and the Company agree that the restrictions contained in this Agreement are binding whether or not Executive and the Company have used the correct legal name, address, affiliated entity, or new owner of such entity, however, if said new owner of such entity has other divisions that are not involved in carrying out the work of the acquired listed entity, then Executive may be employed or otherwise associated with these other divisions. In addition, nothing in this subsection 9(c) shall prevent Executive, after termination of his employment with the Company, from being employed or otherwise associated with a separate division or subsidiary of Pfizer Inc. or Novartis AG if such separate division or subsidiary is not engaged in the Company's Business, as

defined in subsection 9(c)(i)(A) and (B), and if Executive obtains the prior written consent of the Company, which shall not be unreasonably withheld.

(vi) Executive agrees that Executive's work for any third party engaged in the Company's Business during the Non-Compete Period (except as permitted in the last two sentences of Section 9(c)(iii)) inevitably would lead to Executive's unauthorized use of Company's Confidential Information, even if such use is unintentional. Because it would be impossible, as a practical matter, to monitor, restrain, or police Executive's use of such Confidential Information other than by Executive's not working for such third party, and because the Company's Business is highly specialized, the competitors are identifiable, the market for the Company's product, services, and activities is global, and the Company's customers are located throughout the world, Executive agrees that restricting such employment as set forth in this Agreement is the narrowest way to protect Company's legitimate business interests, and the narrowest way of enforcing Executive's consideration for the receipt of Company's consideration (namely, Executive's promise not to use or disclose Confidential Information).

(d) Nonsolicitation of Employees. Executive agrees that during the Non-Compete Period, Executive will not, directly or indirectly, (i) induce or solicit any person who was an employee, consultant or independent contractor of the Company or any of its Affiliates, to terminate such individual's employment or service with the Company or any of its Affiliates or (ii) assist any other person or entity in such activities.

(e) Extension of Non-Solicitation/Non-Competition and Non-Recruitment Periods. If Executive is found by a court of competent jurisdiction to have breached any promise made in Section 9 of this Agreement, the periods specified in Section 9(c) of this Agreement shall be extended by one month for every month in which Executive was in breach so that the Company has the full benefit of the time period provided in Section 9(c).

10. **Injunction**. Executive recognizes that Executive's services hereunder are of a special, unique, unusual, extraordinary and intellectual character giving them a peculiar value, the loss of which cannot be reasonably or adequately compensated for in damages. Executive acknowledges that if Executive were to leave the employ of the Company for any reason and compete, directly or indirectly, with the Company, or solicit the Company's employees, or use or disclose, directly or indirectly, the Company's Confidential Information (whether in tangible form or memorized), that such competition, solicitation, use and/or disclosure would cause the Company irreparable harm and injury for which no adequate remedy at law exists. Executive agrees this Agreement is the narrowest way to protect the Company's interests. Therefore, in the event of the breach or threatened breach of any of Sections 9 through 11 of this Agreement by Executive, the Company shall be entitled to obtain injunctive relief to enjoin such breach or threatened breach, in addition to all other remedies and alternatives that may be available at law or in equity. Executive acknowledges that the remedies contained in this Agreement for violation of this Agreement are not the exclusive remedies that the Company may pursue.

11. **Inventions**.

(a) Inventions Retained and Licensed. Executive has attached hereto as Exhibit A, a list describing all inventions, original works of authorship, derivative works, developments, improvements and trade secrets that (i) were made by Executive prior to his employment with the Company, (ii) belong to Executive, (iii) relate to the Company's proposed business, products or research and development and (iv) are not assigned to the Company hereunder (collectively, "**Prior Inventions**"); or, if no such list is attached, Executive represents that there are no such Prior Inventions. Executive agrees that Executive will not incorporate, or permit to be incorporated, any Prior Invention owned by Executive or in which Executive has an interest into a Company product, process or service without the Company's prior written consent. Nevertheless, if, in the course of Executive's employment with the Company, Executive incorporates into a Company product, process or service a Prior Invention owned by Executive or in which Executive has an interest, Executive hereby grants to the Company a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell, offer to sell, and exploit in any other way such Prior Invention as part of or in connection with such product, process or service, and to practice any method related thereto.

(b) Assignment of Inventions. Executive agrees that Executive will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all Executive's right, title, and interest in and to any and all inventions, original works of authorship, derivative works, developments, concepts, modifications, improvements (including improvements to Confidential Information), designs, discoveries, ideas, know-how, trademarks, trade dress, trade secrets or other intellectual property, whether or not patentable or registrable under copyright or similar laws, which Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, whether or not reduced to drawings, written descriptions, documentation or other tangible form,

as applicable, during the period of time Executive is employed by the Company (collectively, "**Inventions**"), except as provided in Section 11(f) below. Executive further acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of and during the period of Executive's employment with the Company and which are protectible by copyright are "works made for hire" as that term is defined in the United States Copyright Act. Executive understands and agrees that the decision whether or not to commercialize or market any Invention is within the Company's sole discretion and for the Company's sole benefit and that no royalty will be due to Executive as a result of the Company's efforts to commercialize or market any such Invention.

(c) Inventions Assigned to the United States. Executive agrees to assign to the United States government all Executive's right, title, and interest in and to any and all Inventions whenever such full title is required to be in the United States by a contract between the Company and the United States or any of its agencies.

(d) Maintenance of Records. Executive agrees to keep and maintain adequate and current written records of all Inventions during the term of Executive's employment with the Company. The records will be in the form of notes, sketches, drawings and any other format that may be specified by the Board. The records will be available to and remain the Company's sole property at all times.

(e) Patent and Copyright Registrations. Executive agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in any Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including, but not limited to, the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, declarations, assignments and all other instruments that the Company deems necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. Executive further agrees that Executive's obligations to execute or cause to be executed, when it is in Executive's power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is unable because of Executive's mental or physical incapacity or for any other reason to secure Executive's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering any Inventions or original works of authorship assigned to the Company as above, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by Executive.

(f) Exception to Assignments. Executive understands that the provisions of this Agreement requiring assignment of Inventions to the Company does not apply to any Invention that Executive has developed entirely on Executive's own time without using the Company's equipment, supplies, facilities, trade secret information or Confidential Information (an "**Other Invention**"), except for those Other Inventions that either (i) relate in any way at the time of conception or reduction to practice of such Other Invention to the Company's Business or (ii) result from any work that Executive performed for the Company. Executive will advise the Company promptly in writing, under a confidentiality agreement, of any Invention that Executive believes constitutes an Other Invention and is not otherwise disclosed on Exhibit A. Executive agrees that Executive will not incorporate, or permit to be incorporated, any Other Invention owned by Executive or in which Executive has an interest into a Company product, process or service without the Company's prior written consent. Notwithstanding the foregoing sentence, if, in the course of Executive's employment with the Company, Executive incorporates into a Company product, process or service an Other Invention owned by Executive or in which Executive has an interest, Executive hereby grants to the Company a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell, offer to sell, and exploit in any other way such Other Invention as part of or in connection with such product, process or service, and to practice any method related thereto.

12. **Disputes**. Any dispute or controversy between the Company and Executive, arising out of or relating to this Agreement, the breach of this Agreement, the Company's employment of Executive, or otherwise, shall be settled by binding arbitration conducted by and before a single arbitrator in Houston, Texas administered by the American Arbitration Association in accordance with its Employment Arbitration Rules (the "AAA Rules") then in effect and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Both Employee and the Company hereby waive the right to a trial by jury or judge, or by administrative proceeding, for any covered claim or dispute. To the extent the AAA Rules conflict with any provision or aspect of this Agreement, this Agreement shall control. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, the issuance of an injunction. However, either party may, without inconsistency with this arbitration provision, apply to any court having jurisdiction over such dispute or

controversy and seek interim provisional, injunctive or other equitable relief until the arbitration award is rendered or the controversy is otherwise resolved. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, neither a party nor an arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the Company and Executive. All claims, disputes, or causes of action under this Agreement, whether by Employee or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. This Agreement is made under the provisions of the Federal Arbitration Act (9 U.S.C., Sections 1-14) ("FAA") and will be construed and governed accordingly. It is the parties' intention that both the procedural and the substantive provisions of the FAA shall apply. **Questions of arbitrability (that is whether an issue is subject to arbitration under this agreement) shall be decided by the arbitrator.** Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. However, where a party already has initiated a judicial proceeding, a court may decide procedural questions that grow out of the dispute and bear on the final disposition of the matter. Each party shall bear its or his costs and expenses in any arbitration hereunder and one-half of the arbitrator's fees and costs; provided, however, that the arbitrator shall have the discretion to award the prevailing party reimbursement of its or his reasonable attorney's fees and costs, unless such award is prohibited by applicable law. Notwithstanding the foregoing, Executive and the Company shall each have the right to resolve any dispute or cause of action involving trade secrets, proprietary information, or intellectual property (including, without limitation, inventions assignment rights, and rights under patent, trademark, or copyright law) by court action instead of arbitration.

13. **Notices**. All notices given under this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) three business days after being mailed by first class certified mail, return receipt requested, postage prepaid, (c) one business day after being sent by a reputable overnight delivery service, postage or delivery charges prepaid, or (d) on the date on which a facsimile is transmitted to the parties at their respective addresses stated below. Any party may change its address for notice and the address to which copies must be sent by giving notice of the new addresses to the other party in accordance with this Section 13, except that any such change of address notice shall not be effective unless and until received.

If to the Company:

2130 West Holcombe Boulevard, Suite 800
Houston, Texas 77030
Attention: Chairman of the Board of Directors

with a copy (which shall not constitute notice) to:

Cooley LLP
4401 Eastgate Mall
San Diego, California 92121
Attention: Julie Robinson

If to Executive, to Executive's address on file with the Company, with a copy (which shall not constitute notice) to:

Julia Penny Clark
Bredhoff & Kaiser, P.L.L.C.
805 15th Street NW, Suite 1000
Washington, D.C. 20005

14. **Tax Provisions**.

(a) Section 409A. Notwithstanding anything in this Agreement to the contrary, the following provisions apply to the extent severance benefits provided herein are subject to the provisions of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively **"Section 409A"**). Severance benefits shall not commence until Executive's Separation from Service. Each installment of severance benefits is a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and Executive is, upon Separation from Service, a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the

severance benefits payments shall be delayed until the earlier of (i) six (6) months and one day after Executive's Separation from Service, or (ii) Executive's death. Executive shall receive severance benefits only if Executive executes and returns to the Company the Release within the applicable time period set forth therein and permits such Release to become effective in accordance with its terms, which date may not be later than sixty (60) days following the date of Executive's Separation from Service (such latest permitted date, the **"Release Deadline"**). If the severance benefits are not covered by one or more exemptions from the application of Section 409A and the Release could become effective in the calendar year following the calendar year in which Executive's Separation from Service occurs, the Release will not be deemed effective any earlier than the Release Deadline. None of the severance benefits will be paid or otherwise delivered prior to the effective date of the Release. Except to the minimum extent that payments must be delayed because Executive is a "specified employee" or until the effectiveness of the Release, all amounts will be paid as soon as practicable in accordance with the schedule provided herein and in accordance with the Company's normal payroll practices. The severance benefits are intended to qualify for an exemption from application of Section 409A or comply with its requirements to the extent necessary to avoid adverse personal tax consequences under Section 409A, and any ambiguities herein shall be interpreted accordingly.

(b) Section 280G. If any payment or benefit Executive will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment pursuant to this Agreement or otherwise (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

Notwithstanding the foregoing, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

Unless Executive and the Company agree on an alternative accounting firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the change of control transaction triggering the Payment shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control transaction, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of the first paragraph of this Section 14(b) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive shall promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of the first paragraph of this Section 14(b) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) in the first paragraph of this Section 14(b), Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

15. **Miscellaneous**.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without reference to principles of conflict of laws.

(b) Entire Agreement/Amendments. This Agreement and the instruments contemplated herein contain the entire understanding of the parties with respect to the employment of Executive by the Company from and after the Effective Date and supersede any prior agreements or promises between the Company and Executive, except for any outstanding stock option or other equity award agreement previously entered into between Executive and the Company. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein and therein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

(c) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any such waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

(d) Assignment. This Agreement shall not be assignable by Executive.

(e) Representation. Executive represents that Executive's employment by the Company and the performance by Executive of his obligations under this Agreement do not, and shall not, breach any agreement, including, but not limited to, any agreement that obligates him to keep in confidence any trade secrets or confidential or proprietary information of his or of any other party, to perform services for any other party or to refrain from competing, directly or indirectly, with the business of any other party. Executive shall not disclose to the Company or use any trade secrets or confidential or proprietary information of any other party.

(f) Successors; Binding Agreement; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties hereto.

(g) Withholding Taxes. The Company shall withhold from any and all compensation, severance and other amounts payable under this Agreement such Federal, state, local or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

(h) Survivorship. The respective rights and obligations of the parties hereunder, including without limitation Sections 8 through 11 hereof, shall survive any termination of Executive's employment to the extent necessary to the agreed preservation of such rights and obligations.

(i) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(j) Headings. The headings of the sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

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

By: Bellicum Pharmaceuticals, Inc.

By: /s/ Thomas J. Farrell

Name: Thomas J. Farrell

Title: President and Chief Executive Officer

/s/ Ken Moseley
Name: Ken Moseley, J.D.

EXHIBIT A

INVENTIONS

EXHIBIT B

RELEASE AGREEMENT

(To be signed on or after the Separation Date)

1. Consideration. I understand that my position with Bellicum Pharmaceuticals, Inc. (the "***Company***") will terminate or has terminated effective _____, 201_ (the "***Separation Date***"). The Company has agreed that if I timely sign, date and return this Release Agreement ("***Release***"), and I do not revoke it, the Company will provide me with certain severance benefits pursuant to the terms and conditions of that certain Employment Agreement between myself and the Company dated April 1, 2015 (the "***Employment Agreement***"), and any agreements incorporated therein by reference. I understand that I am not entitled to such severance benefits unless I timely sign this Release and allow it to become effective.

2. General Release. In exchange for the consideration to be provided to me under the Employment Agreement that I am not otherwise entitled to receive, I hereby generally and completely release, acquit and forever discharge the Company and its parent, subsidiary, and affiliated entities, and investors, along with its and their predecessors and successors and their respective directors, officers, employees, shareholders, stockholders, partners, agents, attorneys, insurers, affiliates and assigns (collectively, the "***Released Parties***"), of and from any and all claims, liabilities and obligations, both known and unknown, that arise from or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date that I sign this Release (collectively, the "***Released Claims***"). The Released Claims include, but are not limited to: **(a)** all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; **(b)** all claims related to my compensation or benefits from the Company, including salary, bonuses, commissions, other incentive compensation, vacation pay and the redemption thereof, expense reimbursements, fringe benefits, stock, stock options, or any other ownership or equity interests in the Company; **(c)** all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; **(d)** all tort claims, including but not limited to claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and **(e)** all federal, state, and local statutory claims, including but not limited to claims for discrimination, harassment, retaliation, attorneys' fees, penalties, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act of 1967 (as amended) (the "***ADEA***"), the federal Family and Medical Leave Act ("***FMLA***"), the California Labor Code (as amended), and the California Fair Employment and Housing Act (as amended).

3. Excluded Claims. Notwithstanding the foregoing, the following are not included in the Released Claims (the "***Excluded Claims***"): **(a)** any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the Company's bylaws, or applicable law; **(b)** any rights or claims to benefits under Company benefit plans or programs to which I have a vested or non-forfeitable right at the time of my termination; **(c)** any rights or claims that I may have after termination pursuant to stock options that have vested prior to or at the time of my termination; **(d)** the severance benefits described in paragraph 1; and **(e)** any rights which are not waivable as a matter of law. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any investigation or proceeding before the Equal Employment Opportunity Commission, the Department of Labor, the California Department of Fair Employment and Housing, or any other government agency, except that I hereby waive my right to any monetary benefits in connection with any such claim, charge, investigation or proceeding. I hereby represent and warrant that, other than the Excluded Claims, I am not aware of any claims I have or might have against any of the Released Parties that are not included in the Released Claims.

4. ADEA Waiver. I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA ("***ADEA Waiver***"). I also acknowledge that the consideration given for the ADEA Waiver is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: **(a)** my ADEA Waiver does not apply to any rights or claims that arise after the date I sign this Release; **(b)** I should consult with an attorney prior to signing this Release; **(c)** I have twenty-one (21) days to consider this Release (although I may choose to voluntarily sign it sooner); **(d)** I have seven (7) days following the date I sign this Release to revoke the ADEA Waiver; and **(e)** the ADEA Waiver will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign this Release.

6. Other Agreements and Representations. I further agree: **(a)** not to disparage the Company, its officers, directors, employees, shareholders, and agents, in any manner likely to be harmful to its or their business, business reputations, or personal reputations; **(b)** not to voluntarily (except in response to legal compulsion) assist any third party in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, investors, affiliates, officers, directors, employees or agents; **(c)** to cooperate fully with the Company, by voluntarily (without legal compulsion) providing accurate and complete information, in connection with the Company's actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters, arising from events, acts, or failures to act that occurred during the period of my employment by the Company; and **(d)** I hereby acknowledge and reaffirm my continuing obligations under the terms of my Proprietary Information and Inventions Agreement with the Company. In addition, I hereby represent that I have been paid all wages owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to FMLA or any applicable law

or Company policy, and I am not aware of having suffered any on-the-job injury for which I have not already filed a workers' compensation claim. The non-disparagement agreement in subsection (a) is conditioned upon the Company's agreement, through an authorized representative, to instruct its officers and directors not to disparage me in any manner likely to be harmful to my business or personal reputation.

This Release, together with my Proprietary Information and Inventions Agreement with the Company, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein. This Release may only be modified by a writing signed by both me and a duly authorized officer of the Company.

UNDERSTOOD AND AGREED:

KEN MOSELEY

Date:_____

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. Farrell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bellicum Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2015

By: /s/ Thomas J. Farrell
Thomas J. Farrell
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alan A. Musso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bellicum Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2015

By: /s/ Alan A. Musso

Alan A. Musso

Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 (the "Report") of Bellicum Pharmaceuticals, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, the undersigned, in their capacities as officers of the Registrant, do each hereby certify, that, to the best of such officer's knowledge:

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

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

/s/ Thomas J. Farrell

Thomas J. Farrell
President and Chief Executive Officer
(Principal Executive Officer)
May 12, 2015

/s/ Alan A. Musso

Alan A. Musso
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
May 12, 2015