

BELLICUM PHARMACEUTICALS, INC  
Form DEF 14A  
April 26, 2018

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**BELLICUM PHARMACEUTICALS, INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box)

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
4. Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
5. Total fee paid:

Fee paid previously with preliminary materials.

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

6. Amount Previously Paid:
  
  
  
  
  
  
  
  
  
  
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**BELLICUM PHARMACEUTICALS, INC.**

**2130 W. Holcombe Blvd., Suite 800**

**Houston, TX 77030**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On June 14, 2018**

Dear Stockholder:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders of Bellicum Pharmaceuticals, Inc., a Delaware corporation (the Company). The meeting will be held on Thursday, June 14, 2018 at 10:00 a.m. (local time) at the offices of the Company, located at 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030, for the following purposes:

1. To elect the three Class I directors named herein to hold office until the 2021 Annual Meeting of Stockholders.
2. To ratify the selection of Ernst & Young LLP by the Audit Committee of the Board of Directors to serve as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2018.
3. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 17, 2018. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors  
/s/ Alan A. Musso, C.P.A., C.M.A.  
Alan A. Musso, Chief Financial Officer

Houston, Texas

April 26, 2018

**You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the proxy mailed to you, or vote over the telephone or the internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however,**

**that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.**

**BELLICUM PHARMACEUTICALS, INC.**

**2130 W. Holcombe Blvd., Suite 800**

**Houston, TX 77030**

**PROXY STATEMENT**

**FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On June 14, 2018**

**QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING**

**Why did I receive a notice regarding the availability of proxy materials on the internet?**

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the internet. Accordingly, we have sent you a Notice of Internet Availability of Proxy Materials (the "Notice") because the Board of Directors (sometimes referred to as the "Board") of Bellicum Pharmaceuticals, Inc. (sometimes referred to as the "Company," or "Bellicum," "we," "our" or "us") is soliciting your proxy vote at the 2018 Annual Meeting of Stockholders (the "Annual Meeting"), including at any adjournments or postponements of the meeting. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice.

We intend to mail the Notice on or about May 2, 2018 to all stockholders of record entitled to vote at the Annual Meeting.

**Will I receive any other proxy materials by mail?**

We may send you a proxy card, along with a second Notice, on or after May 14, 2018.

**How do I attend the annual meeting?**

The meeting will be held on Thursday, June 14, 2018 at 10:00 a.m. local time at the offices of the Company, located at 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030. Directions to the Annual Meeting may be found at [www.bellicum.com](http://www.bellicum.com). The information on our website is not incorporated by reference into this Proxy Statement or our Annual Report for fiscal year 2017. Information on how to vote in person at the Annual Meeting is discussed below.

**Who can vote at the annual meeting?**

Only stockholders of record at the close of business on April 17, 2018 will be entitled to vote at the Annual Meeting. On this record date, there were 33,656,045 shares of common stock outstanding and entitled to vote.

*Stockholder of Record: Shares Registered in Your Name*

If, on April 17, 2018, your shares were registered directly in your name with Bellicum's transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the proxy card that may be mailed to you, or vote by proxy over the telephone or on the

internet as instructed below to ensure your vote is counted.

*Beneficial Owner: Shares Registered in the Name of a Broker or Bank*

If, on April 17, 2018, your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and the Notice is being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.

**What am I voting on?**

There are two matters scheduled for a vote:

Proposal 1: Election of the three Class I directors named herein to hold office until the 2021 Annual Meeting of Stockholders; and

Proposal 2: Ratification of the selection of Ernst & Young LLP by the Audit Committee of the Board as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2018.

**What if another matter is properly brought before the meeting?**

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

**How do I vote?**

You may either vote For all the nominees to the Board of Directors or you may Withhold your vote for any nominee you specify. For each of the other matters to be voted on, you may vote For or Against or abstain from voting.

The procedures for voting are as follows:

*Stockholder of Record: Shares Registered in Your Name*

If you are a stockholder of record, you may vote in person at the Annual Meeting, vote by proxy over the telephone, vote by proxy through the internet or vote by proxy using a proxy card that you may request or that we may elect to deliver at a later time. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote in person even if you have already voted by proxy.

**VOTE IN PERSON:** You may come to the Annual Meeting and we will give you a ballot when you arrive.

**VOTE BY PHONE:** To vote over the telephone, dial toll-free **1-800-690-6903**, using any touch-tone telephone and follow the recorded instructions. You will be asked to provide the company number and



control number from the Notice. Your telephone vote must be received by 11:59 p.m. Eastern Time on June 13, 2018 to be counted.

**VOTE BY INTERNET:** You may vote at [www.proxyvote.com](http://www.proxyvote.com) to complete an electronic proxy card. You will be asked to provide the company number and control number from the Notice. Your internet vote must be received by 11:59 p.m. Eastern Time on June 13, 2018, to be counted.

**VOTE BY PROXY CARD:** To vote using a proxy card, simply complete, sign and date the proxy card that may be delivered and return it promptly in the envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

*Beneficial Owner: Shares Registered in the Name of Broker or Bank*

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a Notice containing voting instructions from that organization rather than from Bellicum. Simply follow the voting instructions in the Notice to ensure that your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker or bank. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

**We provide internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.**

#### **How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock you own as of the close of business on April 17, 2018.

#### **What happens if I do not vote?**

*Stockholder of Record: Shares Registered in Your Name*

If you are a stockholder of record and do not vote by completing your proxy card, by telephone, through the internet or in person at the Annual Meeting, your shares will not be voted.

*Beneficial Owner: Shares Registered in the Name of Broker or Bank*

If you are a beneficial owner and do not instruct your broker, bank, or other agent how to vote your shares, the question of whether your broker or nominee will still be able to vote your shares depends on whether the New York Stock Exchange ( NYSE ) deems the particular proposal to be a routine matter. Brokers and nominees can use their discretion to vote uninstructed shares with respect to matters that are considered to be routine , but not with respect to non-routine matters. Under the rules of the NYSE applicable to brokers and agents, non-routine matters are matters that may substantially affect the rights or privileges of stockholders, such as mergers, stockholder proposals, elections of directors (even if not contested), executive compensation (including any advisory stockholder votes on executive compensation and on the frequency of stockholder votes on executive compensation), and certain corporate governance proposals, even if management-supported. Accordingly, your broker or nominee may not vote your shares on Proposal 1, without your instructions, but may vote your shares on Proposal 2.

#### **What if I return a proxy card or otherwise vote but do not make specific choices?**

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, For the election of all three nominees for director and For the ratification of the selection of Ernst & Young LLP by the Audit Committee of the Board as the independent registered public accounting firm of the

Company for its fiscal year ending December 31, 2018. If any other matter is properly presented at the meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

**Who is paying for this proxy solicitation?**

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

**What does it mean if I receive more than one Notice?**

If you receive more than one Notice, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on the Notices to ensure that all of your shares are voted.

**Can I change my vote after submitting my proxy?**

*Stockholder of Record: Shares Registered in Your Name*

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

You may submit another properly completed proxy card with a later date.

You may grant a subsequent proxy by telephone or through the internet.

You may send a timely written notice that you are revoking your proxy to Bellicum Pharmaceuticals, Inc., Attn: Corporate Secretary, 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030.

You may attend the Annual Meeting and vote in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or internet proxy is the one that is counted.

*Beneficial Owner: Shares Registered in the Name of Broker or Bank*

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

**When are stockholder proposals and director nominations due for next year's Annual Meeting?**

To be considered for inclusion in the Company's proxy materials for next year's annual meeting, your proposal must be submitted in writing by January 2, 2019, to Bellicum Pharmaceuticals, Inc., Attn: Corporate Secretary, 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030. If you wish to submit a proposal (including a director nomination) at the annual meeting that is not to be included in the Company's proxy materials for next year's annual meeting, such proposal must be received no earlier than the close of business on February 14, 2019 nor later than the close of business on March 16, 2019. You are also advised to review the Company's Bylaws, which contain additional requirements relating to advance notice of stockholder proposals and director nominations.

**How are votes counted?**

Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count, for the proposal to elect directors, votes For, Withhold and broker non-votes; and, for the proposal to ratify the Audit Committee's selection of Ernst & Young LLP as our independent public accounting firm, votes For and Against, abstentions and, if applicable, broker non-votes. Abstentions will be counted towards the vote total for Proposal 2 and will have the same effect as Against votes.

**What are broker non-votes ?**

When a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed to be non-routine under applicable rules, the broker or nominee cannot vote the shares on such matters. These unvoted shares are counted as broker non-votes. Broker non-votes will be counted towards the presence of a quorum but will not be counted towards the vote total for any proposal.

**How many votes are needed to approve each proposal?**

For the election of directors, the three nominees receiving the most For votes from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors will be elected. Only votes For or Withheld will affect the outcome. Broker non-votes will have no effect.

To be approved, Proposal 2, the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2018, must receive For votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter. If you Abstain from voting, it will have the same effect as an Against vote.

**What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares entitled to vote are present at the Annual Meeting in person or represented by proxy. On the record date, April 17, 2018, there were 33,656,045 shares outstanding and entitled to vote. Thus, the holders of 16,828,023 shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares present at the Annual Meeting in person or represented by proxy may adjourn the Annual Meeting to another date.

**How can I find out the results of the voting at the Annual Meeting?**

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the Annual Meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

## PROPOSAL 1

### ELECTION OF DIRECTORS

The Company's Board of Directors is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

The Board of Directors presently has eight members. There are three Class I directors whose term of office expires in 2018: Frank B. McGuyer, Jon P. Stonehouse, and Stephen R. Davis. Messrs. McGuyer, Stonehouse, and Davis have been nominated for reelection at the Annual Meeting. Proxies may not be voted for a greater number of persons than the number of nominees named in this Proxy Statement. Each of the nominees listed below is currently a director of the Company who was previously elected by the stockholders. If elected at the Annual Meeting, each of these nominees would serve until the 2021 annual meeting or until his successor has been duly elected and qualified, or, if sooner, until his death, resignation or removal. It is the Company's policy to invite directors and nominees for director to attend the Annual Meeting. Mr. Fair, and no other directors, attended the 2017 Annual Meeting of Stockholders.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. Accordingly, the three nominees receiving the highest number of For votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead will be voted for the election of a substitute nominee proposed by the Company. Each person nominated for election has agreed to serve if elected. The Company's management has no reason to believe that any nominee will be unable to serve.

### NOMINEES

The Nominating and Governance Committee seeks to assemble a board that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the Nominating and Governance Committee has identified and evaluated nominees in the broader context of the Board's overall composition, with the goal of recruiting members who complement and strengthen the skills of other members and who also exhibit integrity, collegiality, sound business judgment and other qualities that the Nominating and Governance Committee views as critical to effective functioning of the Board. The brief biographies below include information, as of the date of this Proxy Statement, regarding the specific and particular experience, qualifications, attributes or skills of each director or nominee that led the Nominating and Governance Committee to believe that that nominee should continue to serve on the Board. However, each of the members of the Nominating and Governance Committee may have a variety of reasons why he believes a particular person would be an appropriate nominee for the Board, and these views may differ from the views of other members.

#### **Nominees for Election for a Three-year Term Expiring at the 2021 Annual Meeting**

*Frank B. McGuyer*, 66, has served as a member of our Board of Directors since March 2009. He is the founder of, and since December 1988 has served as the chairman of the Board of Directors and Chief Executive Officer of, McGuyer Homebuilders Inc., a private homebuilding company. He received his B.B.A. with honors at Southern Methodist University. Our Board of Directors believes that Mr. McGuyer's operational, business and investment experience qualifies him to serve on our Board of Directors.





*Jon P. Stonehouse*, 57, has served as a member of our Board of Directors since December 2014. Since January 2007, Mr. Stonehouse has served as the Chief Executive Officer and a member of the Board of Directors of BioCryst Pharmaceuticals, Inc., a public biopharmaceutical company. Since July 2007, he has also served as President of BioCryst. From March 2002 to December 2006, Mr. Stonehouse served in various positions at Merck KGaA, a pharmaceutical company, including as Senior Vice President of Corporate Development from July 2002 to December 2006, and Vice President of Global Licensing and Business Development and Integration from March 2002 to December 2006. Since November 2008, Mr. Stonehouse has also served as a member of the Advisory Board of Precision Biosciences, Inc., a private biotechnology company. Mr. Stonehouse received his B.S. in Chemistry from the University of Minnesota. Our Board of Directors believes that Mr. Stonehouse's management background, experience as a director at a public pharmaceutical company and extensive history as an advisory board member in the pharmaceutical industry qualify him to serve on our Board of Directors.

*Stephen R. Davis*, 57, has served as a member of our Board of Directors since July 2015. Since March 2015, Mr. Davis has served as President and Chief Executive Officer of ACADIA Pharmaceuticals, Inc., a public biotechnology company. Prior to that, Mr. Davis served as ACADIA's Executive Vice President, Chief Financial Officer and Chief Business Officer from July 2014 through March 2015. From June 2012 to June 2015, Mr. Davis served as a member of the board of directors of Heron Therapeutics, Inc., a public biotechnology company, where he also served as Executive Vice President and Chief Operating Officer from May 2013 to July 2014. From April 2010 to December 2012, Mr. Davis served as Executive Vice President and Chief Operating Officer of Ardea Biosciences, Inc., a public biotechnology company which was acquired by AstraZeneca PLC in June 2012. He also recently served as a director of Synageva BioPharma Corp. Earlier in his career, Mr. Davis practiced as a certified public accountant with a major accounting firm and as a corporate and securities attorney with a Wall Street law firm. Mr. Davis received his B.S. degree in accounting from Southern Nazarene University and his J.D. degree from Vanderbilt University. Our Board of Directors believes that Mr. Davis's experience as an executive at various public biotechnology companies, his background in law, finance and accounting and his experience as a director at public biotechnology companies qualify him to serve on our Board of Directors.

## **THE BOARD OF DIRECTORS RECOMMENDS**

### **A VOTE FOR EACH NAMED NOMINEE.**

#### **Directors Continuing in Office until the 2019 Annual Meeting**

*James F. Brown*, 53, has served as a member of our Board of Directors since November 2011 and as Chairman of our Board of Directors since December 2014. From July 2009 to May 2017 he served as Managing Director of AVG Ventures, a private investment firm. From 2003 to 2009, Mr. Brown was an independent investor and served on a number of private company boards of directors. From 1999 to 2002, he served as Executive Vice President and General Manager of OpenTV, Inc., a technology and media company, where he co-founded and managed the company's applications business unit, prior to its sale to Liberty Media in 2002. Earlier in his career, Mr. Brown was a partner in the law firms of McDermott, Will & Emery and Pillsbury Madison & Sutro. Mr. Brown is currently a director of Landmark Infrastructure Partners, LP, a public specialty real estate management company. He also served as a director of Perk.com, Inc., a public company traded on the Toronto Stock Exchange, from July 2015 to January 2017. Mr. Brown received his B.S. in accounting from Weber State University and his J.D. from Brigham Young University School of Law. Our Board of Directors believes that Mr. Brown's business experience and his success as an investor and entrepreneur qualify him to serve on our Board of Directors.

*Edmund P. Harrigan, M.D.*, 65, has served as a member of our Board of Directors since February 2018. Dr. Harrigan currently sits on the board of directors of ACADIA Pharmaceuticals, Inc. From 2012 to 2015, Dr. Harrigan served as Vice President of Worldwide Safety and Regulatory for Pfizer Inc., where he led a



3,500-person team in 80 countries that was responsible for collecting, interpreting and reporting clinical safety data for more than 600 marketed products, and managing regulatory interactions with global health agencies. Dr. Harrigan's previous executive leadership roles at Pfizer included serving as Senior Vice President, Head of Worldwide Business Development, Senior Vice President, Head of Worldwide Regulatory Affairs and Quality Assurance, and Vice President, Head of Neuroscience and Ophthalmology. Earlier in his career at Pfizer, Dr. Harrigan served as Vice President of Clinical Development, Therapeutic Area Head, CNS and Pain. Before entering the pharmaceutical industry in 1990, Dr. Harrigan was a practicing neurologist for seven years. He currently serves on the Board of Directors of two privately-held companies, Karuna Pharmaceuticals Inc. and Lyndra, Inc. Dr. Harrigan received his B.A. in Chemistry from St. Anselm College and his M.D. from the University of Massachusetts at Worcester. Our Board of Directors believes that Dr. Harrigan's background in clinical and related development and regulatory matters at large pharmaceutical organizations and extensive commercial and senior management experience qualify him to serve on our Board of Directors.

### **Directors Continuing in Office until the 2020 Annual Meeting**

*Richard A. Fair*, 49, has served as our President and Chief Executive Officer and a member of our Board of Directors since January 2017. Prior to joining Bellicum, Mr. Fair served as Senior Vice President, Therapeutic Head Oncology Global Product Strategy at Genentech, Inc., a subsidiary of Roche Holding AG. From April 2006 to January 2014, Mr. Fair held other positions at Genentech, including Vice President, Global Product Strategy Hematology & Signaling, from November 2012 through December 2013, and Vice President, Sales & Marketing, Oral Oncolytics, from May 2010 to November 2012. Prior to Genentech, Mr. Fair held positions at Johnson & Johnson, a public pharmaceutical and medical device company. Mr. Fair received his B.S. in computer science from the University of Michigan and his MBA, with a dual concentration in finance and management, from Columbia University. Our Board of Directors believes that Mr. Fair's background in the biotechnology and pharmaceutical industry, extensive commercial and senior management experience qualify him to serve on our Board of Directors.

*James M. Daly*, 56, has served as a member of our Board of Directors since May 2016. Mr. Daly currently serves on the board of directors of three other biopharmaceutical companies, including ACADIA Pharmaceuticals, Inc., Halozyme Therapeutics, Inc. and Chimerix, Inc. From October 2012 to June 2015, Mr. Daly served as Executive Vice President and Chief Commercial Officer of Incyte Corporation, a public biotechnology company. From January 2002 to December 2011, Mr. Daly held various positions at Amgen, Inc., a public biopharmaceutical company, where he most recently served as Senior Vice President of North America Commercial Operations and Global Marketing/Commercial Development. Prior to his employment with Amgen, Mr. Daly served as Senior Vice President and General Manager of the Respiratory/Anti-infective business unit of GlaxoSmithKline, a public pharmaceutical company, where he was employed from June 1985 to December 2001. Mr. Daly received his B.S. in Pharmacy and an M.B.A. from the University at Buffalo, The State University of New York. Our Board of Directors believes that Mr. Daly's extensive background in the pharmaceutical industry and experience as an executive and director at multiple public biopharmaceutical companies qualify him to serve on our Board of Directors.

*Reid M. Huber, Ph.D.*, 46, has served as a member of our Board of Directors since October 2014. Dr. Huber currently serves as the Executive Vice President and Chief Scientific Officer of Incyte Corporation, a public biotechnology company, where he has held various management positions since January 2002. From 1998 to 2002, Dr. Huber held scientific research positions at DuPont Pharmaceuticals Company, a private chemicals and healthcare company. Prior to DuPont Pharmaceuticals Company, from 1997 to 1998, Dr. Huber held intramural pre-doctoral and post-doctoral fellowships at the National Institutes of Health. Dr. Huber received his B.S. in biochemistry/molecular genetics from Murray State University and his Ph.D. in molecular genetics from Washington University. Our Board of Directors believes that Dr. Huber's extensive background in the pharmaceutical industry and current management experience at a public biotechnology company qualify him to serve on our Board of Directors.



## **INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

### **INDEPENDENCE OF THE BOARD OF DIRECTORS**

As required under the Nasdaq Capital Market LLC ( Nasdaq ) listing standards, a majority of the members of a listed company s Board of Directors must qualify as independent, as affirmatively determined by the Board of Directors. The Board consults with the Company s counsel to ensure that the Board s determinations are consistent with relevant securities and other laws and regulations regarding the definition of independent, including those set forth in pertinent listing standards of Nasdaq, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent auditors, the Board has affirmatively determined that the following eight directors are independent directors within the meaning of the applicable Nasdaq listing standards: Messrs. Brown, McGuyer, Stonehouse, Davis and Daly, and Drs. Huber and Harrigan. In making this determination, the Board found that none of these directors had a material or other disqualifying relationship with the Company. Mr. Fair is an executive officer of the Company, and therefore is not considered independent.

### **BOARD LEADERSHIP STRUCTURE**

Our Board currently is chaired by James F. Brown who has authority, among other things, to call and preside over Board meetings, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Chairman has substantial ability to shape the work of the Board. We believe that separation of the positions of Chairman and Chief Executive Officer reinforces the independence of the Board in its oversight of our business and affairs. In addition, we have a separate chair for each committee of the Board. The chairs of each committee are expected to report regularly to the Board on the activities of their committee in fulfilling their responsibilities as detailed in their respective charters or specify any shortcomings should that be the case. In addition, we believe that having a separate Chairman creates an environment that is more conducive to objective evaluation and oversight of management s performance, increasing management accountability and improving the ability of the Board to monitor whether management s actions are in the best interests of us and our stockholders. As a result, we believe that having a separate Chairman can enhance the effectiveness of the Board as a whole.

### **ROLE OF THE BOARD IN RISK OVERSIGHT**

One of the key functions of our Board is informed oversight of our risk management process. Our Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees of our Board that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure and the Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements. The Nominating and Governance Committee monitors the effectiveness of our corporate governance practices, including whether they are successful in preventing illegal or improper liability-creating conduct. The Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

### **MEETINGS OF THE BOARD OF DIRECTORS**

The Board met eight times and acted by unanimous written consent twice during the last fiscal year. All directors attended at least 75% of the aggregate number of meetings of the Board and of the committees on which they served,

held during the portion of the last fiscal year for which they were directors or committee members, respectively.

In fiscal year 2017, at each meeting, other than certain special meetings, of the Board the Company's independent directors met in an executive session at which only independent directors were present.

## INFORMATION REGARDING COMMITTEES OF THE BOARD OF DIRECTORS

The Board has an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, a Science Committee, and a Finance Committee. The following table provides current membership and meeting information for fiscal year 2017 for each of our Board committees:

Name	Audit	Compensation	Nominating and Governance	Finance	Science
Richard A. Fair					
James F. Brown	X	X	X	X	
James M. Daly			X		
Stephen R. Davis	X*			X	
Edmund P. Harrigan, M.D. <sup>(1)</sup>					X
Reid M. Huber, Ph.D		X	X*		X*
Frank B. McGuyer		X	X		
Jon P. Stonehouse	X	X*		X*	
Kevin M. Slawin <sup>(2)</sup>					X
Total meetings in fiscal year 2017	9	6	5	5	3

\* Committee Chairperson

(1) Dr. Harrigan was appointed to the Science Committee in February 2018.

(2) Mr. Slawin resigned from the Board on June 19, 2017.

Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board has determined that each member of each committee satisfies the Nasdaq and the SEC independence requirements. Below is a description of each committee of the Board.

### Audit Committee

The Audit Committee is currently composed of three directors: Messrs. Davis (Chair), Brown and Stonehouse. The Audit Committee met nine times during the last fiscal year. The Board has adopted a written Audit Committee charter that is available to stockholders on the Company's website at [www.bellicum.com](http://www.bellicum.com). The information on our website is not incorporated by reference into this Proxy Statement or our Annual Report for fiscal year 2017.

The Audit Committee of the Board was established by the Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act), to oversee the Company's corporate accounting and financial reporting processes and audits of its financial statements. For this purpose, the Audit Committee performs several functions, including, among other things:

evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;

reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;

monitoring the rotation of partners of our independent auditors on our engagement team as required by law;



prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;

reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations, and discussing the statements and reports with our independent auditors and management;

reviewing, with our independent auditors and management, significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;

reviewing with management and our independent auditors any earnings announcements and other public announcements regarding material developments;

establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters;

preparing the report that the SEC requires in our annual proxy statement;

reviewing and providing oversight of any related-party transactions in accordance with our related-party transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;

reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management are implemented;

reviewing, on a periodic basis, our investment policy; and

reviewing and evaluating, on an annual basis, the performance of the Audit Committee and the Audit Committee charter.

The Board reviews the Nasdaq listing standards definition of independence for Audit Committee members on an annual basis and has determined that all members of the Company's Audit Committee are independent (as independence is currently defined in Rule 5605(c)(2)(A) of the Nasdaq listing standards and Rule 10A-3 of the Exchange Act).

The Board has also determined that Messrs. Davis, Brown, and Stonehouse each qualify as an audit committee financial expert, as defined in applicable SEC rules. The Board made a qualitative assessment of their respective levels of knowledge and experience based on a number of factors, including their respective formal education and previous and current experience in financial roles.

**Report of the Audit Committee of the Board of Directors\***

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2017 with management of the Company. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board ( PCAOB ). The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm's independence. Based on the foregoing, the Audit Committee has recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Stephen R. Davis (Chair)

James F. Brown

Jon P. Stonehouse

*\* The material in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.*

### **Compensation Committee**

The Compensation Committee is composed of four directors: Messrs. Stonehouse (Chair), Brown and McGuyer and Dr. Huber. All members of the Compensation Committee are independent as independence is currently defined in Rule 5605(d)(2)(A) of the Nasdaq listing standards and Rule 10C-1 of the Exchange Act. The Compensation Committee met six times during the last fiscal year. The Board has adopted a written Compensation Committee charter that is available to stockholders on the Company's website at [www.bellicum.com](http://www.bellicum.com). The information on our website is not incorporated by reference into this Proxy Statement or our Annual Report for fiscal year 2017.

The Compensation Committee of the Board acts on behalf of the Board to review, adopt or recommend for adoption and oversee the Company's compensation strategy, policies, plans and programs. For this purpose, the Compensation Committee performs several functions, including, among other things:

reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full Board of Directors regarding) our overall compensation strategy and policies;

making recommendations to the full Board of Directors regarding the compensation and other terms of employment of our executive officers;

reviewing and making recommendations to the full Board of Directors regarding performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;

reviewing and approving (or if it deems it appropriate, making recommendations to the full Board of Directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;

evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;

reviewing and making recommendations to the full Board of Directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;

establishing policies with respect to votes by our stockholders to approve executive compensation to the extent required by Section 14A of the Exchange Act and, if applicable, determining our recommendations regarding the frequency of advisory votes on executive compensation;

reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;

administering our equity incentive plans;

establishing policies with respect to equity compensation arrangements;

reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;

reviewing and approving (or if it deems it appropriate, making recommendations to the full Board of Directors regarding) the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;

reviewing with management and approving our disclosures under the caption Compensation Discussion and Analysis in our periodic reports or proxy statements to be filed with the SEC, to the extent such caption is included in any such report or proxy statement;

preparing the report that the SEC requires in our annual proxy statement; and

reviewing and evaluating, on an annual basis, the performance of the Compensation Committee and the Compensation Committee charter.

#### *Compensation Committee Processes and Procedures*

Typically, the Compensation Committee meets at least quarterly and with greater frequency if necessary. The agenda for each meeting is usually developed by the Chair of the Compensation Committee, in consultation with the Chief Executive Officer. The Compensation Committee meets regularly in executive session. However, from time to time, various members of management and other employees, as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding his compensation or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of the Company. In addition, under the charter, the Compensation Committee has the authority to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. The Compensation Committee has direct responsibility for the oversight of the work of any advisers engaged for the purpose of advising the Compensation Committee. In particular, the Compensation Committee has the sole authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms. Under its charter, to the extent required by SEC and Nasdaq rules, the Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Compensation Committee, other than in-house legal counsel and certain other types of advisers, only after taking into consideration six factors, prescribed by the SEC and Nasdaq, that bear upon the adviser's independence; however, there is no requirement that any adviser be independent.

Since 2014, the Company has engaged Radford, a business unit of Aon plc ( Radford ), as its compensation consultant. Radford was retained to provide an assessment of the Company's executive and director compensation programs in comparison to executive and director compensation programs at selected publicly-traded peer companies. As part of its engagement, Radford was requested by the Board to develop a comparative group of companies and to perform analyses of competitive performance and compensation levels for that group. Radford ultimately developed recommendations that were presented to the Board for its consideration.

The Compensation Committee considers most of the significant adjustments to annual compensation, target bonuses and equity awards and establishes new performance objectives at one or more meetings held during the last quarter of each year. However, the Compensation Committee also considers matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, including, for example, the efficacy of the Company's compensation strategy, potential modifications to that strategy and new trends, plans or approaches to

compensation, at periodic meetings throughout the year on an as-needed basis. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and

recommendations submitted to the Compensation Committee by the Chief Executive Officer. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee, which determines any adjustments to his compensation as well as awards to be granted. For all executives and directors as part of its deliberations, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, company stock performance data and analyses of historical executive compensation levels and current Company-wide compensation levels and recommendations of the Compensation Committee's compensation consultant, including analyses of executive and director compensation paid at other companies identified by the consultant.

#### *Compensation Committee Interlocks and Insider Participation*

As stated above, the Compensation Committee currently consists of Messrs. Stonehouse (Chair), Brown and McGuyer and Dr. Huber. No member of the Compensation Committee has ever been an officer or employee of Bellicum. None of our executive officers currently serves, or has served during the last completed fiscal year, on the Compensation Committee or Board of any other entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

#### **Nominating and Governance Committee**

The Nominating and Governance Committee is composed of four directors: Dr. Huber (Chair) and Messrs. Brown, McGuyer, and Daly. Mr. Daly was appointed to the Nominating and Governance Committee in February 2017. All members of the Nominating and Governance Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Nominating and Governance Committee met five times during the last fiscal year. The Board has adopted a written Nominating and Governance Committee charter that is available to stockholders on the Company's website and [www.bellicum.com](http://www.bellicum.com). The information on our website is not incorporated by reference into this Proxy Statement or our Annual Report for fiscal year 2017.

The Nominating and Governance Committee of the Board is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company consistent with criteria approved by the Board, reviewing and evaluating incumbent directors, selecting or recommending to the Board for selection candidates for election to the Board, making recommendations to the Board regarding the membership of the committees of the Board, assessing the performance of the Board, and developing a set of corporate governance principles for the Company.

The functions of this committee include, among other things:

identifying, reviewing and evaluating candidates to serve on our Board;

determining the minimum qualifications for service on our Board;

evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;

evaluating, nominating and recommending individuals for membership on our Board;

evaluating nominations by stockholders of candidates for election to our Board;

considering and assessing the independence of members of our Board;

developing a set of corporate governance policies and principles and recommending to our Board any changes to such policies and principles;

considering questions of possible conflicts of interest of directors as such questions arise; and

reviewing and evaluating on an annual basis the performance of the Nominating and Governance Committee and the Nominating and Governance Committee charter.



The Nominating and Governance Committee believes that candidates for director should have certain minimum qualifications, including the ability to read and understand basic financial statements and having the highest personal integrity and ethics. The Nominating and Governance Committee also intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of the Company's stockholders. However, the Nominating and Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, the Nominating and Governance Committee typically considers diversity, age, skills and such other factors as it deems appropriate, given the current needs of the Board and the Company, to maintain a balance of knowledge, experience and capability.

In the case of incumbent directors whose terms of office are set to expire, the Nominating and Governance Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair the directors' independence. In the case of new director candidates, the Nominating and Governance Committee also determines whether the nominee is independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Governance Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating and Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee by majority vote which we expect will typically be recommended to the full Board.

The Nominating and Governance Committee will consider director candidates recommended by stockholders. The Nominating and Governance Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether or not the candidate was recommended by a stockholder. Stockholders who wish to recommend individuals for consideration by the Nominating and Governance Committee to become nominees for election to the Board may do so by delivering a written recommendation to the Nominating and Governance Committee at the following address: Bellicum Pharmaceuticals, Inc., Attn: Corporate Secretary, 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030, no later than the close of business on the 90<sup>th</sup> day nor earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year's annual meeting (or in the case of the 2018 Annual Meeting of Stockholders, the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made). Submissions must include the name and address of the Company stockholder on whose behalf the submission is made; the number of Company shares that are owned beneficially by such stockholder as of the date of the submission; the full name of the proposed candidate; a description of the proposed candidate's business experience for at least the previous five years; complete biographical information for the proposed candidate; and a description of the proposed candidate's qualifications as a director. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

### **Finance Committee**

The Finance Committee is composed of three directors: Messrs. Stonehouse (Chair), Davis and Brown. The Finance Committee acts on behalf of the Board to, among other things, advise management on the Company's business development, collaboration and financing arrangements and make recommendations to the Board with respect to such matters. The Finance Committee met five times during the last fiscal year.



### **Science Committee**

The Science Committee is composed of two directors: Dr. Huber (Chair) and Dr. Harrigan. The Science Committee acts on behalf of the Board to, among other things, advise management from time to time upon request and make recommendations to the Board with respect to our research and development programs, technology and objectives. The Science Committee met three times during the last fiscal year.

### **STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

The Company's Board has adopted a formal process by which stockholders may communicate with the Board or any of its directors. Stockholders who wish to communicate with the Board may do so by sending written communications addressed to Bellicum Pharmaceuticals, Inc., Attn: Corporate Secretary, 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030. These communications will be reviewed by the Secretary of Bellicum, who will determine whether the communication is appropriate for presentation to the Board or the relevant director. The purpose of this screening is to allow the Board to avoid having to consider irrelevant or inappropriate communications (such as advertisements, solicitations and hostile communications).

### **CODE OF ETHICS**

The Company has adopted a Code of Business Conduct and Ethics that applies to all officers, directors and employees. The Code of Business Conduct and Ethics is available on the Company's website at [www.bellicum.com](http://www.bellicum.com). The information on our website is not incorporated by reference into this Proxy Statement or our Annual Report for fiscal year 2017. If the Company makes any substantive amendments to the Code of Business Conduct and Ethics or grants any waiver from a provision of the Code to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

## PROPOSAL 2

### RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has selected Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018 and has further directed that management submit the selection of its independent registered public accounting firm for ratification by the stockholders at the annual meeting. Ernst & Young LLP has audited the Company's financial statements since 2014. Representatives of Ernst & Young LLP are expected to be present at the annual meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. However, the Audit Committee of the Board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee of the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee of the Board in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the annual meeting will be required to ratify the selection of Ernst & Young LLP.

### PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees billed to the Company by Ernst & Young LLP, for the fiscal years ended December 31, 2017 and 2016:

	<b>Fiscal Year Ended 2017</b>	<b>Fiscal Year Ended 2016</b>
Audit Fees <sup>(1)</sup>	\$ 428,000	\$ 325,000
Audit-Related Fees		
Tax Fees		
All Other Fees <sup>(2)</sup>	\$ 3,020	
<b>Total Fees</b>	<b>\$ 431,020</b>	<b>\$ 325,000</b>

(1) Audit Fees consist of fees billed for professional services by Ernst & Young LLP for audit and quarterly review of our financial statements and review of our registration statements and related services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) All Other Fees consists of fees billed for the Company's subscription to an Ernst & Young LLP online service used for accounting research purposes for the fiscal year ended December 31, 2017.

All fees described above were pre-approved by the Audit Committee.

In connection with the audit of the 2017 financial statements, the Company entered into an engagement agreement with Ernst & Young LLP that sets forth the terms by which Ernst & Young LLP will perform audit services for the

Company. That agreement is subject to alternative dispute resolution procedures and an exclusion of punitive damages.

## **PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by the Company's independent registered public accounting firm, Ernst & Young LLP. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent auditor or on an individual, explicit, case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. The Audit Committee has determined that the rendering of services other than audit services by Ernst & Young LLP is compatible with maintaining the principal accountant's independence.

## **THE BOARD OF DIRECTORS RECOMMENDS**

### **A VOTE FOR PROPOSAL 2.**

## EXECUTIVE OFFICERS

*Richard A. Fair*, 49, has served as our President and Chief Executive Officer and a member of our Board of Directors since January 2017. Prior to joining Bellicum, Mr. Fair served as Senior Vice President, Therapeutic Head Oncology Global Product Strategy at Genentech, Inc., a subsidiary of Roche Holding AG. From April 2006 to January 2014, Mr. Fair held other positions at Genentech, including Vice President, Global Product Strategy Hematology & Signaling, from November 2012 through December 2013, and Vice President, Sales & Marketing, Oral Oncolytics, from May 2010 to November 2012. Prior to Genentech, Mr. Fair held positions at Johnson & Johnson, a public pharmaceutical and medical device company. Mr. Fair received his B.S. in computer science from the University of Michigan and his MBA, with a dual concentration in finance and management, from Columbia University.

*William Grossman, M.D., Ph.D.*, 48, has served as our Chief Medical Officer since February 2018. Prior to joining Bellicum, Dr. Grossman served as the Group Medical Director in Cancer Immunotherapy at Genentech from September 2015 to February 2018, where he led the global clinical development of cancer immunotherapies in gastrointestinal cancers and of cancer immunotherapy combinations across all solid tumor types. Dr. Grossman served AbbVie as their U.S and Global Medical Affairs Therapeutic Area Head in Oncology from April 2013 until September 2015, where he was involved in the development and clinical study of cancer vaccines, immunomodulatory agents, and small molecules/biologics in oncology. From 2011 to 2013, Dr. Grossman served as Senior Vice President, Research & Clinical Development at Biothera, where he oversaw all discovery and clinical development efforts in oncology and immunology. Additionally, from 2004 until 2008, Dr. Grossman held various positions with the Medical College of Wisconsin and the Children's Hospital of Wisconsin, including Founder and Medical Director of the Clinical Immunodiagnostic and Research Laboratory, Professor for Microbiology and Genetics, and Director of the Hematology/Oncology/Bone Marrow Transplant Division for the Immunodeficiency Transplant Program. Dr. Grossman earned his M.D. and Ph.D. degrees from Washington University School of Medicine and completed his medical training in the Division of Pediatrics Hematology/Oncology at the Washington University School of Medicine.

*Alan A. Musso, C.P.A., C.M.A.*, 56, has served as our Chief Financial Officer and Treasurer since November 2014. From February 2002 to November 2014, Mr. Musso served in various positions at Targacept, Inc., a public biopharmaceutical company, including as Senior Vice President of Finance and Administration from March 2010 to November 2014, Chief Financial Officer and Treasurer from February 2002 to November 2014, and Assistant Secretary from June 2007 to November 2014. Mr. Musso has over 25 years of biotechnology and pharmaceutical industry experience in both large and emerging growth companies. Mr. Musso received his B.S. degree from Saint Mary's College of California and his graduate degree from the American Graduate School of International Management in Glendale, Arizona.

*Gregory Naeve, Ph.D.*, 53, has served as our Chief Business Officer since August 2017. From August 2012 to August 2017, Dr. Naeve served as the ImmunoOncology & Cell Therapy Lead for Pfizer's External Research and Development Unit, where he was responsible for identifying and implementing strategic partnerships in Pfizer's ImmunoOncology portfolio. Prior to that he served as Head of Strategic Research Groups at Pfizer from 2011 until 2012. From 2007 to 2010, Dr. Naeve served as Principal of The Column Group, a venture capital firm focused on investing in and creating innovative biotechnology companies. He also served as President and Chief Scientific Officer at Parallax Biosystems from 2002 to 2007, a company he co-founded that developed novel technologies with applications in preclinical drug discovery and diagnostics. Dr. Naeve received his B.S. in Biochemistry and Biological Sciences from Colorado State University and his Ph.D. in Biochemistry from the University of Southern California.

*Alan K. Smith, Ph.D.*, 62, has served as our Executive Vice President of Technical Operations since May 2017 and previously served as our Senior Vice President of Manufacturing from October 2015. From July 2013 to October 2015, Dr. Smith served as Vice President of Research & Development and Cellular Therapeutics for LifeNet Health, a private biotechnology company. Prior to LifeNet, Dr. Smith served as President and Chief





Executive Officer for Cognate BioServices. In addition, Dr. Smith held positions as an Adjunct Professor at Eastern Virginia Medical School, California State University Long Beach and Utah State University. Dr. Smith received his B.S. in Chemistry from Southern Utah University and his Ph.D. in Biochemistry from Utah State University.

*David M. Spencer, Ph.D.*, 55, has served as our Chief Technology Officer since February 2018. Dr. Spencer also served as our Chief Scientific Officer from November 2011 to February 2018, a position that he also held part-time as a consultant since September 2004. Dr. Spencer co-founded Bellicum in July 2004 and served as a member of our Board until September 2004. He has served as a scientific advisor to the Company since our inception. From January 1996 to November 2011, Dr. Spencer served as professor in the department of Pathology and Immunology at Baylor College of Medicine and as Vice Chairman of the department from January 2010 to November 2011. He graduated magna cum laude with a B.A. in Chemistry from the University of California, San Diego and received his Ph.D. in Biology at Massachusetts Institute of Technology and was a postdoctoral fellow at Stanford University.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's common stock within 60 days of March 31, 2018 by: (i) each director; (ii) each of our named executive officers; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than 5% of its common stock.

The following table is based upon information supplied by officers, directors and principal stockholders and Schedules 13D and 13G filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 33,611,093 shares outstanding on March 31, 2018, adjusted as required by rules promulgated by the SEC. Unless otherwise indicated, the address for the following stockholders is care of: Bellicum Pharmaceuticals, Inc., 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030.

Beneficial Owner	Beneficial Ownership Number of Shares (#)	Percent of Total (%)
<b>Greater than 5% stockholders</b>		
Baker Bros. Advisors LP <sup>(1)</sup> 667 Madison Avenue, 21st Floor New York, NY 10065	5,032,313	14.97%
McGuyer Investments Ltd. <sup>(2)</sup> 11007 Wickwood Dr. Houston, TX 77024	2,265,154	6.73%
FMR LLC <sup>(3)</sup> 245 Summer Street Boston, MA 02210-1133	2,629,542	7.82%
JPMorgan Chase & Co. <sup>(4)</sup> 270 Park Ave. New York, NY 10017	2,341,568	6.97%
BlackRock, Inc. <sup>(5)</sup> 55 East 52nd Street New York, NY 10055	2,314,166	6.89%
<b>Named Executive Officers and Directors</b>		
Richard A. Fair <sup>(6)</sup>	167,986	*
Alan A. Musso, C.P.A., C.M.A. <sup>(7)</sup>	234,443	*
Alan K. Smith, Ph.D. <sup>(8)</sup>	89,899	*
Thomas J. Farrell <sup>(9)</sup>	622,534	1.82%
Annemarie Moseley, Ph.D., M.D. <sup>(10)</sup>	358,679	1.06%
James F. Brown, Chairman and Director <sup>(11)</sup>	49,754	*
Stephen Davis, Director <sup>(12)</sup>	47,223	*
Frank B. McGuyer, Director <sup>(2)</sup>	2,265,154	6.73%

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Reid M. Huber, Ph.D., Director <sup>(13)</sup>	49,754	*
Jon P. Stonehouse, Director <sup>(14)</sup>	49,264	*
James M. Daly, Director <sup>(15)</sup>	33,333	*
Edmund P. Harrigan, M.D., Director <sup>(16)</sup>	4,042	*
All executive officers and directors as a group (13 persons) <sup>(17)</sup>	3,408,436	9.84%

\* Less than one percent.

- (1) Based solely upon a Schedule 13D/A filed with the SEC on March 23, 2017 by Baker Bros. Advisors LP, or Baker Advisors, on behalf of itself and Baker Bros. Advisors (GP) LLC, or the Baker Adviser GP, Felix J. Baker and Julian C. Baker, or collectively the Baker Reporting Persons, reporting beneficial ownership as of March 29, 2017. According to the Schedule 13D/A, each of the Baker Reporting Persons has sole voting and sole dispositive power over 5,032,313 shares of our common stock held by the following funds, or the Baker Funds: 434,760 held by 667, L.P.; 4,527,089 held by Baker Brothers Life Sciences, L.P.; and 70,464 held by 14159, L.P. Pursuant to management agreements, the Baker Funds relinquished to Baker Advisors all discretion and authority with respect to the investment and voting power of the securities held by the Funds. The Baker Adviser GP is the general partner of Baker Advisors. Felix J. Baker and Julian C. Baker are principals of the Baker Adviser GP. The Baker Reporting Persons disclaim beneficial ownership of the securities held by each of the Baker Funds.
- (2) Consists of (i) 49,754 shares of common stock subject to options exercisable by Mr. McGuyer within 60 days of March 31, 2018 and (ii) 2,215,400 shares of common stock. Mr. McGuyer has voting and investment power held by McGuyer Investments Ltd. Mr. McGuyer disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (3) Based solely upon a Schedule 13G/A filed with the SEC on February 13, 2018 by FMR LLC on behalf of FMR CO., INC and reflects the securities beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries and affiliates, and other companies. Abigail P. Johnson is a Director, the Chairman and Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B stockholders have entered into a stockholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the stockholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act, or the Fidelity Funds, advised by Fidelity Management & Research Company, or FMR Co, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds Boards of Trustees. FMR Co carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees.
- (4) Based solely upon a Schedule 13G/A filed with the SEC on January 16, 2018 by JPMorgan Chase & Co., or JP Morgan, on behalf of itself certain wholly owned subsidiaries, reporting beneficial ownership as of December 30, 2017. JP Morgan has sole voting power over 1,989,910 shares of our common stock and sole dispositive power over 2,339,068 shares of our common stock.
- (5) Based solely upon a Schedule 13G/A filed with the SEC on January 29, 2018 by BlackRock, Inc., or BlackRock, on behalf of itself certain wholly owned subsidiaries, reporting beneficial ownership as of December 31, 2017. BlackRock has sole voting power over 2,272,062 shares of our common stock and sole dispositive power over 2,314,166 shares of our common stock.
- (6) Consists of (i) 1,320 shares of common stock and (ii) 166,666 shares of common stock subject to options exercisable by Mr. Fair within 60 days of March 31, 2018.
- (7) Consists of (i) 32,754 shares of common stock, of which 29,413 shares are restricted common stock subject to a right of repurchase in favor of the Company as of May 31, 2018 and (ii) 201,689 shares of common stock subject to options exercisable by Mr. Musso within 60 days of March 31, 2018.
- (8) Consists of (i) 2,087 shares of common stock and (ii) 87,812 shares of common stock subject to options exercisable by Dr. Smith within 60 days of March 31, 2018.
- (9) Consists of 622,534 shares of common stock subject to options exercisable by Mr. Farrell within 60 days of March 31, 2018.
- (10) Consists of (i) 2,193 shares of common stock, (ii) 267,301 shares of common stock subject to options exercisable by Dr. Moseley within 60 days of March 31, 2018, (iii) 1,465 shares of common stock owned by Dr. Moseley's husband, and (iv) 87,720 shares of common stock subject to options exercisable within 60 days of March 31, 2018 by Dr. Moseley's husband.



- (11) Consists of 49,754 shares of common stock subject to options exercisable by Mr. Brown within 60 days of March 31, 2018.
- (12) Consists of 47,223 shares of common stock subject to options exercisable by Mr. Davis within 60 days of March 31, 2018.
- (13) Consists of 49,754 shares of common stock subject to options exercisable by Mr. Huber within 60 days of March 31, 2018.
- (14) Consists of 49,264 shares of common stock subject to options exercisable by Mr. Stonehouse within 60 days of March 31, 2018.
- (15) Consists of 33,333 shares of common stock subject to options exercisable by Mr. Daly within 60 days of March 31, 2018.
- (16) Consists of 4,042 shares of common stock subject to options exercisable by Dr. Harrigan within 60 days of March 31, 2018.
- (17) Consists of shares identified in footnotes (2), (6), (7), (8), (11), (12), (13), (14), (15) and (16) and includes 139,939 shares of common stock owned by David Spencer, Ph.D. and 277,645 shares of common stock subject to options exercisable by Dr. Spencer within 60 days of March 31, 2018. Neither William Grossman, Ph.D., M.D., nor Gregory Naeve, Ph.D., beneficially own any shares of common stock within 60 days of March 31, 2018.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2017, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with.

## EXECUTIVE AND DIRECTOR COMPENSATION

Our named executive officers for the year ended December 31, 2017, which consist of our principal executive officer, our former principal executive officer, our two other most highly compensated executive officers and one former executive officer who would have been one of the most highly paid if she was still an executive officer at year end, are:

Richard A. Fair, our current President and Chief Executive Officer

Thomas J. Farrell, our former President and Chief Executive Officer

Alan A. Musso, C.P.A., C.M.A., our Chief Financial Officer and Treasurer

Alan K. Smith, Ph.D., our Executive Vice President, Technology Operations

Annamarie Moseley, Ph.D., M.D., our former Chief Operations Officer and Executive Vice President, Clinical Development

In January 2017, Mr. Farrell resigned from his position as our President and Chief Executive Officer, and Mr. Fair commenced employment with us as our President and Chief Executive Officer. In July 2017, Dr. Moseley resigned from her position as our Chief Operations Officer and Executive Vice President, Clinical Development.

### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Award (\$)(1)	Option Award (\$)(2)	Non-Equity Incentive Plan	All Other Compensation	Total (\$)
					Compensation (\$)(3)	Compensation (\$)(4)	
Richard A. Fair, President and Chief Executive Office <sup>(5)</sup>	2017	494,532		3,839,408	534,731	13,791	4,882,462
Thomas J. Farrell, former President and Chief Executive Officer <sup>(6)</sup>	2017	45,822	373,293	433,247		865,968	1,718,330
	2016	501,100		1,967,942	177,891	2,196	2,649,129
Alan A. Musso, C.P.A., C.M.A., Chief Financial Officer and Treasurer	2017	385,000	104,175	360,046	78,829	47,919	975,969
	2016	368,000		737,978	91,448	29,520	1,226,946
Alan K. Smith, Ph.D., Executive Vice President, Technology Operations <sup>(7)</sup>	2017	357,773	86,813	457,496	83,719	59,494	1,045,295





Name and Principal Position	Year	Salary (\$)	Stock Award (\$)(1)	Non-Equity Incentive		Total (\$)
				Option Award (\$)(2)	Plan Compensation (\$)(3)	
Annemarie Moseley, Ph.D., M.D., Former Chief Operations Officer, and Executive Vice President, Clinical Development <sup>(8)</sup>	2017	275,917	138,900	480,061		1,693,484
	2016	422,300		1,537,455	119,934	2,087,461

- (1) In accordance with SEC rules, this column reflects the aggregate grant date fair value of stock awards granted during 2017 and 2016, as applicable, computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 for stock-based compensation transactions (ASC 718). Assumptions used in the calculation of these amounts are included in Note 10 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock awards or the sale of the common stock underlying such stock awards.
- (2) In accordance with SEC rules, this column reflects the aggregate grant date fair value of the option awards granted during 2017 and 2016, as applicable, computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 for stock-based compensation transactions (ASC 718). Assumptions used in the calculation of these amounts are included in Note 10 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.
- (3) Amounts represent annual performance-based bonuses earned for 2017 and 2016. For more information, see Annual Bonus Opportunity below.
- (4) Amounts reflect the following for 2017: for Mr. Fair, \$12,113 for health insurance costs, \$578 for life insurance premiums and \$1,100 in cell phone reimbursement costs; for Mr. Farrell, \$795,411 for payments paid in connection with his resignation as our President and Chief Executive Officer and a member of our Board of Directors, \$50,000 for consulting services provided to us, \$20,256 for health insurance costs, \$201 for life insurance premiums and \$100 in parking subsidies; for Mr. Musso, \$29,848 in commuting expenses, \$15,146 for health insurance costs, \$1,725 for life insurance premiums and \$1,200 in parking subsidies; for Dr. Smith, \$41,550 in commuting expenses, \$14,418 for health insurance costs, \$2,327 for life insurance premiums and \$1,200 in parking subsidies; for Dr. Moseley, \$754,000 for payments paid in connection with her resignation as our Chief Operations Officer, \$14,000 in commuting expenses, \$17,000 for consulting services provided to us, \$11,527 for health insurance costs and \$2079 for life insurance premiums.
- (5) On January 30, 2017, Mr. Fair was appointed as our President and Chief Executive Officer. Mr. Fair did not receive any compensation from us during the fiscal year ended December 31, 2016.
- (6) On January 30, 2017, Mr. Farrell resigned from his position as a member of our Board of Directors and our President and Chief Executive Officer. We continue to retain Mr. Farrell as a consultant.
- (7) On May 10, 2017, Dr. Smith was appointed to our Executive Vice President of Technical Operations. Dr. Smith had previously been serving as a non-executive officer employee. Amounts listed for Dr. Smith for the fiscal year ended December 31, 2017, include compensation paid by us to Dr. Smith for services rendered during the fiscal year prior to his appointment as an executive officer.
- (8) On July 31, 2017, Dr. Moseley resigned from her position as our Chief Operations Officer and Executive Vice President of Clinical Development. We continue to retain Dr. Moseley as a consultant.



## Annual Base Salary

The compensation of our named executive officers is determined and approved by the Compensation Committee of our Board. The 2017 annual base salaries for Mr. Fair, Mr. Musso and Dr. Smith, were as follows:

NAME	2017 BASE
Richard A. Fair <sup>(1)</sup>	\$ 535,000
Alan A. Musso, C.P.A., C.M.A <sup>(2)</sup>	\$ 385,000
Alan K. Smith, Ph.D. <sup>(3)</sup>	\$ 370,000

(1) Mr. Fair's annual salary was effective as of January 30, 2017.

(2) Mr. Musso's annual salary was effective as of January 1, 2017.

(3) Dr. Smith's annual salary was effective as of May 10, 2017.

In December 2017, the Compensation Committee approved 2018 annual base salaries of \$551,050, \$400,000 and \$381,100 for Mr. Fair, Mr. Musso and Dr. Smith, effective as of January 1, 2018.

## Annual Bonus Opportunity

In addition to base salaries, our named executive officers are eligible to receive annual performance-based cash bonuses, which are designed to provide appropriate incentives to our executives to achieve defined annual corporate goals and to reward our executives for individual achievement towards these goals. The annual performance-based bonus each named executive officer is eligible to receive is generally based on the extent to which we achieve the corporate goals that our Board or Compensation Committee establishes each year. At the end of the year, the Compensation Committee reviews our performance against each corporate goal and approves the extent to which we achieved each of our corporate goals.

The Compensation Committee generally will consider each named executive officer's individual contributions towards reaching our annual corporate goals but does not typically establish specific individual goals for our named executive officers. There is no minimum bonus percentage or amount established for the named executive officers and, as a result, the bonus amounts vary from year to year based on corporate and individual performance. For 2017, the target bonus for Mr. Fair was 50% of his base salary, the target bonus for Mr. Musso was 35% of his base salary and the target bonus for Dr. Smith was 40% of his base salary.

Our corporate goals for 2017, established by the Compensation Committee, included preclinical goals focused on pipeline advancement, pipeline expansion and platform development objectives, clinical development goals, manufacturing and pharmaceutical development goals, commercial planning goals, business development goals and financial goals. The drug discovery goals included certain research and discovery objectives related to proof of principle for a dual switch system, proof of principle for an off-the-shelf approach to CAR-T and advancement of product candidates. The preclinical development goals were related to advancement of certain product candidates through IND-enabling and nomination studies and progress on our dual switch platform and other specified technology platform enhancement initiatives. The clinical development goals were related to our BPX-501, BPX-601 and BPX-701 product candidates and our CD19 collaboration. The manufacturing and pharmaceutical development goals were related to commercial production and regulatory preparedness for the BPX-501 program and bringing on-line U.S. in house manufacturing capabilities. The commercial planning goals were directed to preparatory activities for BPX-501 commercialization. The business development goals were related to strategic transactions for certain additional technology and partnering or co-development transactions. The financial goals included completing planned activities within the corporate budget and balance sheet targets. No specific individual goals were established

for any of our named executive officers for 2017.

In December 2017, the Compensation Committee reviewed our corporate goals and determined that on an overall basis, we had achieved 58.5% of our corporate goals for 2017. Specifically, on the preclinical

development goals the Compensation Committee assessed accomplishment at a 90% target level, and for clinical development related goals the Compensation Committee did not award bonus credit on the BPX-501 or BPX-601 programs, and awarded 50% partial bonus credit for the BPX-601 and CD19 collaboration goals. On the manufacturing and pharmaceutical development goals the Compensation Committee assessed performance at a 120% of target level, recognizing the significant work efforts in the execution of the manufacturing facility build-out and for delivering this substantial and complex project under budget. For commercial planning goals achievement was assessed by the Compensation Committee at an 88% of target level, and for business development and financial goals full target bonus accomplishments were achieved. Following deliberations and consideration of individual performance factors, the Compensation Committee determined that Mr. Fair would receive a bonus payout of 87.75% of his 50% target bonus amount and both Mr. Musso and Dr. Smith would receive bonus payouts equal to 58.5% of their target bonus amounts of 35% and 40%, respectively.

### **Equity-Based Incentive Awards**

Our equity-based incentive awards are designed to align our interests with those of our employees and consultants, including our named executive officers. Our Board or the Compensation Committee approves equity grants. Vesting of equity awards is generally tied to continuous service with us and serves as an additional retention measure. Our executives as well as our other employees, generally are awarded an initial new hire grant upon commencement of employment. Additional grants may occur periodically in order to specifically incentivize employees, including our executives with respect to achieving certain corporate goals or to reward such employees for exceptional performance.

Prior to our initial public offering in December 2014, we granted all equity awards pursuant to our 2011 stock option plan, as amended, or the 2011 Plan, and our 2006 stock option plan, as amended, or the 2006 Plan. Upon and following our initial public offering, all equity awards are granted under the 2014 equity incentive plan, or the 2014 Plan. The terms of our 2011 Plan, 2006 Plan and 2014 Plan are described below under Equity Benefit Plans. We have primarily granted equity awards in the form of stock options. In December 2016, the Compensation Committee approved the grant of restricted stock unit awards in addition to stock options. All options are granted with a per share exercise price equal to no less than the fair market value of a share of our common stock on the date of the grant of such award, as determined by our Board. Generally, our stock option and restricted stock option awards vest over a four-year period subject to the holder's continuous service to us.

On January 3, 2017, Mr. Farrell received an option to purchase 48,375 shares of our common stock and 26,875 restricted stock units, Mr. Musso received an option to purchase 13,500 shares of our common stock and 7,500 restricted stock units, Dr. Smith received an option to purchase 11,250 shares of our common stock and 6,250 restricted stock units and Dr. Moseley received an option to purchase 18,000 shares of our common stock and 10,000 restricted stock units. Each of the options was granted at a per share exercise price of \$13.89, the fair market value on the date of the grant, and vests over a four-year period, subject to the named executive officer's continued service with us. Each of the restricted stock unit awards vests over a four-year period, subject to the named executive officer's continued service with us.

On January 30, 2017, in connection with his appointment as our President and Chief Executive Officer, Mr. Fair received an option to purchase 500,000 shares of our common stock. Mr. Fair's option was granted at a per share exercise price of \$11.87, the fair market value on the date of the grant, and vests over a four-year period, subject to his continued service with us.

On May 10, 2017, in connection with his promotion to Executive Vice President of Technical Operations, Dr. Smith received an option to purchase 20,000 shares of our common stock. Dr. Smith's option was granted at a per share exercise price of \$12.09, the fair market value on the date of the grant, and vests over a four-year period, subject to his service with us.



On July 3, 2017, Mr. Musso received an option to purchase 31,500 shares of our common stock. Dr. Smith received an option to purchase 26,250 shares of our common stock and Dr. Moseley received an option to purchase 42,000 shares of our common stock. Each of these options was granted at a per share exercise price of \$11.70, the fair market value on the date of the grant, and vests over a four-year period, subject to the named executive officer's continued service with us.

On December 21, 2017, the Compensation Committee approved the grant of stock options and restricted stock unit awards to our named executive officers to be granted in 2018. Effective January 2, 2018, Mr. Fair received an option to purchase 225,000 shares of our common stock, Mr. Musso received an option to purchase 22,500 shares of our common stock and 12,500 restricted stock units, and Dr. Smith received an option to purchase 16,875 shares of our common stock and 9,375 restricted stock units. Each of the options was granted at a per share exercise price of \$9.23, the fair market value on the date of the grant, and vests, over a four-year period, subject to the named executive officer's continued service with us. Each of the restricted stock unit awards vests over a four-year period, subject to the named executive officer's continued service with us.

Effective July 2, 2018, Mr. Fair will receive an option to purchase 225,000 shares of our common stock, Mr. Musso will receive an option to purchase 52,500 shares of our common stock and Dr. Smith will receive an option to purchase 39,375 shares of our common stock. Each of these options will be granted at a per share exercise price equal to the fair market value on the date of the grant, and will vest, over a four-year period, subject to the named executive officer's continued service with us. Each of our named executive officers may receive additional 2018 stock option and restricted stock unit grants, as approved by the Board.

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

Below are descriptions of our employment agreements with our named executive officers. For a discussion of the severance pay and other benefits to be provided in connection with a termination of employment and/or a change in control under the arrangements with our named executive officers, please see Potential Payments Upon Termination or Change in Control below.

*Richard Fair.* We entered into an Employment Agreement with Mr. Fair in January 2017 that governs the terms of his employment with us. Under the Employment Agreement, Mr. Fair is entitled to an annual base salary of \$535,000, which was increased to \$551,050 effective as of January 2018. Mr. Fair is also eligible to receive an annual target performance bonus of up to 50% of his base salary, which was increased to 55% for fiscal year 2018, as determined by the Compensation Committee. Pursuant to the Employment Agreement, we granted Mr. Fair an option to purchase 500,000 shares of the Company's common stock, with an exercise price equal to \$11.87, which will vest over a four-year period, subject to Mr. Fair's continued service with us. In addition, Mr. Fair was entitled to a one-time cash signing bonus of \$300,000. The Employment Agreement also provides that Mr. Fair is eligible to receive certain severance benefits, the terms of which are described below under Potential Payments Upon Termination or Change of Control.

*Thomas Farrell.* We entered into a Third Amended and Restated Employment Agreement with Mr. Farrell in November 2014 that replaced his prior employment agreement and became effective on December 17, 2014, in connection with our initial public offering. Under the Third Amended and Restated Employment Agreement, Mr. Farrell was entitled to an annual base salary of \$415,000, which was increased to \$501,000 effective as of January 2016, and was increased to \$516,133 effective January 2017, was eligible to receive an annual target performance bonus of up to 40% of his base salary, which was increased to 50% in February 2015, as determined by the Compensation Committee, and was eligible to receive certain severance benefits, the terms of which are described below under Potential Payments Upon Termination or Change of Control. Effective January 30, 2017, Thomas J. Farrell resigned from his position as a member of our Board of Directors and our President and Chief Executive Officer. In connection with Mr. Farrell's resignation, we entered into an agreement with Mr. Farrell described below



under -Potential Payments Upon Termination or Change of Control.

*Alan A. Musso, C.P.A., C.M.A.* We entered into an Employment Agreement with Mr. Musso in December 2014, which replaced the prior letter agreement between us and Mr. Musso, dated November 7, 2014. Under the Employment Agreement, Mr. Musso was initially entitled to an annual base salary of \$335,000, which was increased to \$368,000 effective as of January 2016, \$385,000 effective as of January 2017 and \$400,000 as of January 2018. Mr. Musso is also eligible to receive an annual target performance bonus of 35% of his base salary, as determined by the Compensation Committee. In addition, Mr. Musso was entitled to a \$100,000 signing bonus within 45 days of his November 2014 start date, which he was required to repay to us if he was terminated by us with cause, died or became disabled or resigned without good reason within the twelve months following his start date, and is eligible to receive reimbursement from us for his commuting costs. Pursuant to the Employment Agreement, in December 2014, we granted Mr. Musso an option to purchase 117,647 shares of common stock with an exercise price equal to \$19.00 and a restricted stock award covering 117,647 shares of common stock, both of which vest over four years, subject to Mr. Musso's continued service to us. The Employment Agreement also provides that Mr. Musso is eligible to receive certain severance benefits, the terms of which are described below under Potential Payments Upon Termination or Change of Control.

*Alan K. Smith, Ph.D.* We entered into an Amendment and Restated Employment Agreement with Dr. Smith in May 2017, in connection with his promotion to Executive Vice President, Technical Operations, which replaced the prior his prior employment agreement from 2015. Dr. Smith previously was the Company's Senior Vice President of Manufacturing. Under the Amended and Restated Employment Agreement, Dr. Smith was initially entitled to an annual base salary of \$370,000, which was increased to \$381,100 as of January 2018. Dr. Smith is also eligible to receive an annual performance bonus with a target amount equal to 40% of his annual base salary. In connection with his promotion, Dr. Smith was granted an option to purchase 20,000 shares of the Company's Common Stock, which will vest over a four-year period with 25% vesting on the one-year anniversary of the grant date and the remainder vesting monthly thereafter in equal increments for 36 months. Dr. Smith also is entitled to monthly reimbursement of up to \$4,000 for reasonable travel costs from Virginia to Texas and reasonable accommodations in Houston. Dr. Smith's employment with the Company is at will and may be terminated at any time. The Amended and Restated Employment Agreement also provides that Dr. Smith is eligible to receive certain severance benefits, the terms of which are described below under Potential Payments Upon Termination or Change of Control.

*Annemarie Moseley, Ph.D., M.D.* We entered into an Amended and Restated Employment Agreement with Dr. Moseley in April 2015 that replaced her prior employment agreement from 2011. Under the Amended and Restated Employment Agreement, Dr. Moseley was initially entitled to an annual base salary of \$410,000, which was increased to \$422,300 effective as of January 2016, and \$435,000 effective as of January 2017. Dr. Moseley was also eligible to receive an annual target performance bonus of up to 40% of her base salary, as determined by the Compensation Committee. Dr. Moseley was also eligible under the Amended and Restated Employment Agreement to receive reimbursement of up to \$3,000 per three-month period for her reasonable commuting expenses and is eligible to receive certain severance benefits, the terms of which are described below under - Potential Payments Upon Termination or Change of Control. Effective July 31, 2017, Dr. Moseley resigned from her position our Chief Operating Officer and Executive Vice President of Clinical Development. In connection with Dr. Moseley's resignation, we entered into an agreement with Dr. Moseley described below under -Potential Payments Upon Termination or Change of Control.

### **Potential Payments Upon Termination or Change of Control**

Regardless of the manner in which a named executive officer's service terminates, the named executive officer is entitled to receive amounts earned during his or her term of service, including salary and unused vacation pay. In addition, each of our named executive officers is eligible to receive certain benefits pursuant to his or her employment agreement with us described above under Agreements with our Named Executive Officers.

Under the terms of Mr. Fair's employment agreement that became effective in January 2017, Mr. Musso's employment agreement that became effective in December 2014, Dr. Smith's employment agreement that became effective in May 2017, Mr. Farrell's employment agreement that became effective in December 2014 and Dr. Moseley's employment agreement that became effective in April 2015 or collectively, the employment

agreements, each officer's employment is at will and may be terminated at any time. Under the employment agreements, upon a termination without cause or resignation for good reason (each as defined below), each of the officers is eligible to receive payments equal to his or her base salary, COBRA premium payments for 12 months and a pro-rated annual performance bonus. If such termination without cause or resignation for good reason occurs immediately prior to, on or within the 12 months following a change of control (as defined in the 2014 Plan), instead of the benefits described above, each of the officers will be eligible to receive (1) continued base salary payments and COBRA premium payments for 12 months, (2) a lump sum payment equal to his or her full target bonus for the year of termination, and (3) full vesting acceleration of all outstanding equity awards that are subject to time-based vesting. All severance benefits under the employment agreements are contingent upon the officer executing an effective release and waiver of claims against us as well as complying with certain other post-termination obligations to us.

For purposes of the employment agreements, cause generally means the occurrence of any of the following events, conditions or actions with respect to the executive: (1) willful misconduct that is demonstrably and materially injurious to our reputation, financial condition, or business relationships; (2) failure to attempt in good faith to follow the legal written direction of our Board; (3) failure to attempt in good faith to perform his or her duties (other than any such failure resulting from incapacity due to physical or mental illness) after receiving a written demand for substantial performance from our Board; (4) conviction of, indictment for, or a plea of guilty or nolo contendere to, a felony or any crime involving dishonesty, fraud or moral turpitude; (5) dishonesty with regard to us or in the performance of his or her duties hereunder, which in either case has a material adverse effect; (6) material breach of his or her agreement unless corrected within ten days of written notification of such breach from us; or (7) failure to comply in any material respect with our policies and/or procedures, unless corrected within 10 days of written notification to the executive of such breach. Good reason under the employment agreements generally means the following events, conditions or actions taken by us with respect to the executive without the executive's written consent: (1) a material reduction in base salary; (2) a material reduction in the executive's authority, duties or responsibilities; (3) a relocation of the executive's principal place of employment to a place that increases the executive's one-way commute by more than 50 miles; or (4) our material breach of any material provision of the employment agreements.

Each of our named executive officers holds stock options, restricted stock units, and, with respect to Mr. Musso, a restricted stock award, under our equity incentive plans that were granted subject to the general terms of our equity incentive plans and form of award agreements. A description of the termination and change of control provisions in such equity incentive plans and awards granted thereunder is provided below under Equity Benefit Plans and the specific vesting terms of each named executive officer's awards are described below under Outstanding Equity Awards at Fiscal Year-End.

### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information regarding equity awards granted to our named executive officers that remain outstanding as of December 31, 2017.

Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable	Option Awards <sup>(1)</sup>			Stock Awards <sup>(3)</sup>	
			Number of Securities Underlying Unexercised Options	Option Exercise Price (\$) <sup>(2)</sup>	Option Expiration Date	Number of Shares or Units of Stock That	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(4)</sup>

		(#)				Have Not Vested (#)	
Richard A. Fair	1/30/2017		500,000	11.87	1/29/2027		
Thomas J. Farrell	12/6/2010	89,411		0.51	12/5/2020		
	11/9/2011	117,647		2.55	11/8/2021		
	11/11/2014	151,509	53,923	7.47	11/10/2024		
	2/24/2015	113,332	46,668	23.47	2/23/2025		
	1/4/2016	76,666	83,334	19.00	1/3/2026		
	1/3/2017		48,375	13.89	1/2/2027		
	1/3/2017					26,875	226,019

Name	Grant Date	Option Awards <sup>(1)</sup>			Stock Awards <sup>(3)</sup>		
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$) <sup>(2)</sup>	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(4)</sup>
Annemarie Moseley, Ph.D., M.D.	11/11/2014	83,884	24,939	7.47	11/10/2024		
	3/6/2015	68,749	31,251	24.48	3/5/2025		
	1/4/2016	59,895	65,105	19.00	1/3/2026		
	1/3/2017		18,000	13.89	1/2/2027		
	1/3/2017					10,000	84,100
	7/3/2017		42,000	11.70	7/2/2027		
Alan A. Musso, C.P.A., C.M.A.	12/17/2014 <sup>(5)</sup>	90,685	26,962	19.00	12/16/2024		
	12/17/2014 <sup>(5)</sup>					29,413	247,363 <sup>(6)</sup>
	2/24/2015	42,499	17,501	23.47	2/23/2025		
	1/4/2016	28,750	31,250	19.00	1/3/2026		
	1/3/2017		13,500	13.89	1/2/2027		
	1/3/2017					7,500	63,075
Alan K. Smith, Ph.D.	10/19/2015	40,625	34,375	13.99	10/18/2025		
	1/4/2016	17,968	19,532	19.00	1/3/2026		
	1/3/2017					6,250	52,563
	1/3/2017		11,250	13.89	1/2/2027		
	5/10/2017		20,000	12.09	5/9/2027		
	7/3/2017		26,250	11.70	7/2/2027		

- (1) All of the option awards were granted under the 2006 Plan, the 2011 Plan and the 2014 Plan, the terms of which plans and option agreements are described below under Equity Benefit Plans.
- (2) All of the option awards were granted with a per share price not less than the fair market value of one share of our common stock on the date of grant, as determined in good faith by our Board. Unless otherwise noted, all stock awards granted provide for the following standard vesting schedule: 25% of the shares subject to the option vest on the 12-month anniversary of the grant date and 1/36th of the remaining shares subject to the option vest in equal monthly installments over the next three years subject to the officer's continued service to us.
- (3) All of the restricted stock awards and units were granted with a per share price not less than the fair market value of one share of our common stock on the date of grant, as determined in good faith by our Board. Unless otherwise noted, all restricted stock awards granted provide for the following standard vesting schedule: 25% of the shares subject to the restricted stock award vest on the 12-month anniversary of the grant date, 25% of the shares subject to the restricted stock award vest on the 24-month anniversary of the grant date and 1/4th of the remaining shares subject to the restricted stock award vest in equal semi-annual installments over the next two years subject to the officer's continued service to us. Unless otherwise noted, all restricted stock units granted provide for the following standard schedule: the shares subject to the restricted stock unit vest in equal monthly

installments over four years, commencing on the one-year anniversary of the grant date subject to the officer's continued service to us.

- (4) The market value is calculated based on the closing price of our common stock on December 31, 2017, or \$8.41.
- (5) The shares vest according to the standard vesting schedule, measured from November 24, 2014.
- (6) The shares subject to the restricted stock award vest (and the Company's reacquisition right lapses) as follows: 25% of the shares vest on each of November 24, 2015 and November 24, 2016, and the remainder of the shares vest in equal semi-annual installments every six months thereafter for the remaining two years, subject to the officer's continued service with us.

## Perquisites Health, Welfare and Retirement Benefits

All of our current named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, life, disability and accidental death and dismemberment insurance plans, in each case on the same basis as all of our other employees. We pay the premiums for the life, disability, accidental death and dismemberment insurance for all of our employees, including our employee named executive officers. In addition, we provide a 401(k) plan to our employees, including our employee named executive officers, as discussed in the section below entitled 401(k) Plan.

### 401(k) Plan

We maintain a defined contribution employee retirement plan, or 401(k) plan, for our employees. Our named executive officers are also eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the Code. The plan provides that each participant may contribute 100% of his or her eligible compensation or the statutory limit, which is \$18,500 for calendar year 2018. Participants that are 50 years or older can also make catch-up contributions, which in calendar year 2018 may be up to an additional \$6,000 above the statutory limit. We may also elect to provide for discretionary profit sharing contributions, but we did not provide any such contributions in 2017. The 401(k) plan currently does not offer the ability to invest in our securities.

### Nonqualified Deferred Compensation

None of our named executive officers participate in or have account balances in nonqualified defined contribution plans or other nonqualified deferred compensation plans maintained by us. Our Board may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

### Securities Authorized For Issuance Under Equity Compensation Plans

The following table provides certain information with respect to all of the Company's equity compensation plans in effect as of December 31, 2017.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	5,397,722 <sup>(1)</sup>	\$ 12.35 <sup>(2)</sup>	3,555,378 <sup>(3)</sup>
Equity compensation plans not approved by			



security holders

<b>Total</b>	<b>5,397,722</b>	<b>3,555,378</b>
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- (1) Includes 111,250 shares of common stock issuable upon the vesting of outstanding restricted stock units.
- (2) The weighted-average exercise price does not take into account shares issuable upon vesting of outstanding restricted stock units, which have no exercise price.
- (3) Includes 460,027 shares of common stock available for future issuance under the 2014 Employee Stock Purchase Program.

## Equity Benefit Plans

### *2014 Equity Incentive Plan*

Our Board originally adopted the 2014 Plan in December 2014 and our stockholders approved the 2014 Plan in December 2014, which became effective on December 17, 2014 in connection with our initial public offering. The 2014 Plan is a successor to and continuation of our 2011 Plan. No further grants will be made under the 2011 Plan. The following is a summary description of the 2014 Plan.

The 2014 Plan provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, and other forms of equity compensation, or collectively, stock awards, all of which may be granted to employees, including officers, non-employee directors and consultants of us and our affiliates. Additionally, the 2014 Plan provides for the grant of performance cash awards. ISOs may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants.

Initially, the aggregate number of shares of our common stock that may be issued pursuant to stock awards under the 2014 Plan is the sum of (1) 2,600,000 shares, plus (2) the number of shares (not to exceed 3,216,795 shares) (i) reserved for issuance under our 2011 Plan at the time our 2014 Plan became effective, and (ii) any shares subject to outstanding stock options or other stock awards that were granted under our 2011 Plan or 2006 Plan that are forfeited, terminate, expire or are otherwise not issued. The maximum number of shares of our common stock that may be issued upon the exercise of ISOs under our 2014 Plan is 5,200,000 shares.

No person may be granted stock awards covering more than 1,000,000 shares of our common stock under our 2014 Plan during any calendar year pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the fair market value on the date the stock award is granted. Additionally, no person may be granted in a calendar year a performance stock award covering more than 1,000,000 shares of our common stock or a performance cash award having a maximum value in excess of \$3,000,000. Such limitations are designed to help assure that any deductions to which we would otherwise be entitled with respect to such awards will not be subject to the \$1,000,000 limitation on the income tax deductibility of compensation paid to any covered executive officer imposed by Section 162(m) of the Code.

As of December 31, 2017, stock options covering 5,286,472 shares of our common stock were outstanding, restricted stock awards and unites covering 140,663 shares of our common stock were outstanding and subject to vesting under the 2014 Plan, and 3,095,351 shares of our common stock remained available for the grant of stock awards under the 2014 Plan. 81,250 shares subject to restricted stock unit awards and stock options covering 527,800 shares of our common stock were granted in January 2018 pursuant to approval by the compensation committee of the Board in December 2017.

Our Board or a duly authorized committee thereof, has the authority to administer the 2014 Plan and is referred to herein as the plan administrator. Our Board may also delegate certain limited authority to one or more of our officers.

The plan administrator has the authority to modify outstanding awards under our 2014 Plan. Subject to the terms of our 2014 Plan, the plan administrator has the authority to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Stock options are generally granted with an exercise price equal to the fair market value of our common stock on the date of grant, vest at the rate specified by the plan administrator and may have a term up to a maximum of 10 years.

Unless the terms of an optionholder's stock option agreement provide otherwise, if an

optionholder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

Restricted stock awards are granted pursuant to terms approved by the plan administrator. Restricted stock awards may be granted in consideration for (1) cash, check, bank draft or money order, (2) services rendered to us or our affiliates, or (3) any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the plan administrator. A restricted stock award may be transferred only upon such terms and conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock awards that have not vested may be forfeited or repurchased by us upon the participant's cessation of continuous service for any reason.

In the event of certain specified significant corporate transactions, the plan administrator has the discretion to take any of the following actions with respect to stock awards:

arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company;

arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company;

accelerate the vesting of the stock award and provide for its termination at or prior to the effective time of the corporate transaction;

arrange for the lapse of any reacquisition or repurchase right held by us;

cancel or arrange for the cancellation of the stock award in exchange for such cash consideration, if any, as our Board may deem appropriate; or

make a payment equal to the excess of (1) the value of the property the participant would have received upon exercise of the stock award over (2) the exercise price otherwise payable in connection with the stock award.

Our plan administrator is not obligated to treat all stock awards, even those that are of the same type, in the same manner.

Under the 2014 Plan, a corporate transaction is generally the consummation of (1) a sale or other disposition of all or substantially all of our assets, (2) a sale or other disposition of at least 90% of our outstanding securities, (3) a merger, consolidation or similar transaction following which we are not the surviving corporation, or (4) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

The plan administrator may provide, in an individual award agreement or in any other written agreement between a participant and us that the stock award will be subject to additional acceleration of vesting and exercisability in the event of a change of control. For example, certain of our employees, including our named

executive officers, may receive an award agreement that provides for vesting acceleration upon the individual's termination without cause or resignation for good reason (including a material reduction in the individual's base salary, duties, responsibilities or authority, or a material relocation of the individual's principal place of employment with us) in connection with a change of control. Under the 2014 Plan, a change of control is generally (1) the acquisition by a person or entity of more than 50% of our combined voting power other than by merger, consolidation or similar transaction; (2) a consummated merger, consolidation or similar transaction immediately after which our stockholders cease to own more than 50% of the combined voting power of the surviving entity; (3) a consummated sale, lease or exclusive license or other disposition of all or substantially of our assets; (4) our complete dissolution or liquidation, except for a liquidation into a parent corporation; or (5) when a majority of our Board becomes comprised of individuals who were not serving on our Board on the date of adoption of the 2014 Plan, or the incumbent Board, or whose nomination, appointment, or election was not approved by a majority of the incumbent Board still in office.

Our Board has the authority to amend, suspend, or terminate our 2014 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. No ISOs may be granted after the tenth anniversary of the date our Board adopted our 2014 Plan.

### ***2011 Stock Option Plan***

Our Board and our stockholders approved our 2011 Plan, which became effective in November 2011, and was further amended by our Board and stockholders most recently in February 2014. There were stock options covering 1,652,834 shares of our common stock outstanding under the 2011 Plan as of December 31, 2017 and there were no additional shares available for grant under the 2011 Plan as of December 31, 2017.

As of the effective date of the 2014 Plan, no additional awards may be granted under the 2011 Plan, and all awards granted under the 2011 Plan that are repurchased, forfeited, expire or are cancelled will become available for grant under the 2014 Plan in accordance with its terms.

The 2011 Plan provided for the grant of ISO, NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards and other forms of stock awards, or collectively, stock awards, all of which could be granted to employees, including officers, non-employee directors and consultants of us and our affiliates. ISOs may be granted only to employees. All other awards could be granted to employees, including officers, and to non-employee directors and consultants.

Our Board or a duly authorized committee thereof, has the authority to administer the 2011 Plan and is referred to herein as the plan administrator. Our Board may also delegate certain limited authority to one or more of our officers. The plan administrator has the authority to modify outstanding awards under our 2011 Plan. Subject to the terms of our 2011 Plan, the plan administrator has the authority to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant. The plan administrator may amend the terms of the 2011 Plan at any time, provided that such action does not materially impair the existing rights of any participant without such participant's written consent.

Stock options were generally granted with an exercise price equal to the fair market value of our common stock on the date of grant, vest at the rate specified by the plan administrator and may have a term up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement provide otherwise, if an optionholder's service relationship with us, or any of our affiliates, ceases for any reason other than disability or death, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise

any vested options for a period of 12 months in the event of

disability or death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

In the event of certain significant corporate transactions, including a merger, consolidation, sale of all assets, or dissolution, any holder of options under the 2006 Plan may be entitled to purchase the number and class of shares resulting from such corporate transactions equivalent to the number and class of shares to which the optionholder would have been entitled prior to the occurrence of such transactions.

The plan administrator may provide, in an individual award agreement or in any other written agreement between a participant and us that the stock award will be subject to additional acceleration of vesting and exercisability in the event of a change of control. Under the 2011 Plan, a change of control is generally defined as (1) a merger or other reorganization in which we are not the surviving entity, (2) a sale, lease or exclusive license or exchange of all or substantially all of our assets, (3) a dissolution or liquidation, or (4) if any person or entity, including a group as contemplated by Section 13(d)(3) of the 1934 Act, acquires or gains ownership or control of more than 50% of our outstanding shares of voting stock, (5) as a result or in connection with a contested election of directors, if the members of our Board before such election do not constitute a majority of the Board after such election.

Under our form of stock option award agreement, upon a change of control, all options will immediately vest and become exercisable. Beginning with options granted in October 2014, we amended this form of option award agreement to provide that all options will immediately vest and become exercisable only upon both (1) a change of control and (2) the optionholder's termination without cause or resignation for good reason (including a material reduction in base salary, authorities, duties or responsibilities, failure by us to continue a material benefit plan or program, or a relocation of principle place of employment) within the 12 months following such change of control.

### ***2006 Stock Option Plan***

Our Board and our stockholders approved our 2006 Plan, which became effective in February 2006, and was further amended by our Board and stockholders most recently in November 2011. As of December 31, 2017, there were no shares remaining available for the grant of stock awards under our 2006 Plan and there were outstanding stock awards covering a total of 128,188 shares that were granted under our 2006 Plan.

In October 2014, our Board terminated the 2006 Plan and no additional awards will be granted under the 2006 Plan. All awards granted under the 2006 Plan that are repurchased, forfeited, expired or are cancelled on or after the effective date of the 2014 Plan will become available for grant under the 2014 Plan in accordance with its terms.

The 2006 Plan provided for the grant of ISO or NSOs. ISOs may be granted only to employees. NSOs may be granted to employees, including officers, and to non-employee directors and consultants.

Our Board or a duly authorized committee thereof, has the authority to administer the 2006 Plan and is referred to herein as the plan administrator. The plan administrator has the authority to modify outstanding awards under our 2006 Plan. The plan administrator has the authority to modify outstanding awards under our 2006 Plan. Subject to the terms of our 2006 Plan, the plan administrator has the authority to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.





Stock options are generally granted with an exercise price equal to the fair market value of our common stock on the date of grant, vest at the rate specified by the plan administrator and may have a term up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement provide otherwise, if an optionholder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, voluntary termination, death or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability or death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to the number and kind of shares subject to the plan, and the option prices, so as to maintain the proportionate number of shares without changing the aggregate option price.

In the event of certain significant corporate transactions, including a recapitalization or other change in capital structure, merger, consolidation, sale of all assets, or dissolution other than a change in control (as defined below), any holder of options under the 2006 Plan may be entitled to purchase the number and class of shares resulting from such corporate transactions equivalent to the number and class of shares to which the optionholder would have been entitled prior to the occurrence of such transactions.

The plan administrator may provide, in an individual award agreement or in any other written agreement between a participant and us that the stock award will be subject to additional acceleration of vesting and exercisability in the event of a change of control. Under the 2006 Plan, a change of control is generally defined as (1) a merger in which we are not the surviving entity and the members of our Board do not constitute a majority of the Board of the successor entity, (2) a dissolution or liquidation or (3) a consummated sale, lease or exchange of all or substantially all of our assets.

In November 2011, our Board amended the 2006 Plan to include, among other things, a restated definition of a change in control. Under the amendment to the 2006 Plan, a change of control is generally defined as (1) a merger or other reorganization in which we are not the surviving entity, (2) a sale, lease or exclusive license or exchange of all or substantially all of our assets, (3) a dissolution or liquidation, or (4) if any person or entity, including a group as contemplated by Section 13(d)(3) of the 1934 Act, acquires or gains ownership or control of more than 50% of our outstanding shares of voting stock, (5) as a result or in connection with a contested election of directors, if the members of our Board before such election do not constitute a majority of the Board after such election.

#### ***2014 Employee Stock Purchase Plan***

Additional long-term equity incentives are provided through the 2014 Employee Stock Purchase Plan (the "ESPP"), which became effective on December 17, 2014 in connection with our initial public offering. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code. Our Board has delegated its authority to administer the ESPP to the Compensation Committee. Under the ESPP and subject to certain limitations, all of our regular employees (including our employee NEOs) may participate and may contribute, normally through payroll deductions, up to 15% of their earnings for the purchase of our common stock. The ESPP is implemented through a series of offerings of purchase rights to



eligible employees. Under the ESPP, we may specify offerings with a duration of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which our common stock will be purchased for employees participating in the offering. Unless otherwise determined by the Compensation Committee, shares are purchased for accounts of employees participating in the ESPP at a price per share equal to the lower of (a) 85% of the fair market value of our common stock on the first date of an offering or (b) 85% of the fair market value of our common stock on the date of purchase.

The ESPP authorizes the issuance of up to 550,000 shares of our common stock pursuant to purchase rights granted to our employees or to employees of any of our designated affiliates. As of December 31, 2017, 68,283 shares of our common stock had been issued under the ESPP. As of December 31, 2017, there were 460,027 shares available for future issuance under the ESPP.

In the event of certain significant corporate transactions, including the consummation of: (1) a sale of all our assets, (2) the sale or disposition of 90% of our outstanding securities, (3) a merger or consolidation where we do not survive the transaction, and (4) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such purchase rights, then the participants accumulated payroll contributions will be used to purchase shares of our common stock within ten business days prior to such corporate transaction, and such purchase rights will terminate immediately.

Our Board has the authority to amend or terminate the ESPP, provided that except in certain circumstances any such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to the ESPP as required by applicable law or listing requirements.

### Non-Employee Director Compensation

The following table shows for the fiscal year ended December 31, 2017 certain information with respect to the compensation of all of our non-employee directors:

Name <sup>(1)</sup>	Fees Earned or Paid in	Option Awards	All	Total
	Cash	(2)(3)	Other	
James F. Brown	\$ 81,000	\$ 66,787	\$	\$ 147,787
Stephen Davis	\$ 55,000	\$ 66,787	\$ 7,185	\$ 128,972
James Daly	\$ 37,625	\$ 66,787	\$ 2,093	\$ 106,505
Reid M. Huber, Ph.D.	\$ 59,500	\$ 66,787	\$ 2,384	\$ 128,671
Frank B. McGuyer	\$ 43,500	\$ 66,787	\$	\$ 110,287
Jon P. Stonehouse	\$ 62,500	\$ 66,787	\$ 3,436	\$ 132,723
Edmund P. Harrigan, Ph.D., M.D. <sup>(4)</sup>				
Kevin M. Slawin <sup>(5)</sup>	\$ 20,000		\$ 316,347 <sup>(6)</sup>	\$ 336,347

- (1) Mr. Fair and Mr. Farrell did not earn compensation during 2017 for their services on the Board. Mr. Fair's and Mr. Farrell's compensation are fully reflected in the Summary Compensation Table above.
- (2) Amounts listed represent the aggregate grant date fair value of option awards granted during 2017 computed in accordance with ASC 718. Assumptions used in the calculation of these amounts are included in Note 10 to our

audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 13, 2018. These amounts do not reflect the actual

economic value that will be realized by the non-employee director upon vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options. As of December 31, 2017, the aggregate number of shares outstanding under all options to purchase our common stock held by our non-employee directors were: Mr. Brown: 53,529; Mr. Davis: 49,167; Mr. Daly: 40,833; Dr. Huber: 53,529; Mr. McGuyer: 53,529; and Mr. Stonehouse: 53,529. None of our non-employee directors held unvested stock awards other than options as of December 31, 2017.

- (3) Reflects an annual option grant to purchase 10,000 shares of our common stock granted to each of our directors pursuant to our non-employee director compensation policy, as described below.
- (4) Dr. Harrigan joined our board in February 2018. He did not receive any compensation from us during fiscal year 2017.
- (5) Mr. Slawin resigned from his position on our Board of Directors on June 19, 2017.
- (6) Amount represents \$16,347 in health insurance costs, and \$300,000 in consulting fees for services performed for us outside his position as our director.

Our Board adopted a non-employee director compensation policy in December 2014 that became effective in connection with our initial public offering and that is applicable to all of our directors who are not serving as our employees or consultants (other than solely as a result of serving on our Board), or our eligible directors. This compensation policy was amended in February 2017 and provides that each director not also serving as an employee of the Company will receive the following compensation for service on our Board as set forth below.

an annual cash retainer of \$35,000;

an additional annual cash retainer of \$25,000 for service as chairman of the Board;

an additional annual cash retainer of \$15,000 for service as our lead independent director;

an additional annual cash retainer of \$7,500, \$5,000, \$5,000, \$5,000, and \$3,500 for service as a member of the Audit Committee, Compensation Committee, Science Committee, Finance Committee, and the Nominating and Governance committee, respectively;

an additional annual cash retainer of \$7,500, \$5,000, \$5,000, \$5,000 and \$4,000 for service as chairman of the Audit Committee, Compensation Committee, Science Committee, Finance Committee, and the Nominating and Governance Committee, respectively;

an additional per-meeting attendance fee of \$1,000, not to exceed \$7,000 annually, to non-employee members of the Science Committee for each meeting held in excess of five meetings per year;

an initial option grant to purchase 20,000 shares of our common stock on the date of each new non-employee director's appointment to our Board, vesting monthly over a three year period; and

an annual option grant to purchase 10,000 shares of our common stock on the date of each of our annual stockholder meetings, vesting monthly until our next annual meeting.

Each of the initial and annual option grants described above will vest as described above, and become exercisable, subject to the director's continuous service with us, provided that each option will vest in full upon a change of control (as defined under our 2014 Plan). The term of each option will be 10 years, subject to earlier termination as provided in the 2014 Plan, except that the post-termination exercise period will be for 12 months from the date of termination, if such termination is other than for cause or due to death or disability. The options will be granted under our 2014 Plan, the terms of which are described in more detail above under Equity Benefit Plans 2014 Equity Incentive Plan.

We have not historically paid cash or equity compensation to directors who are also our employees for their service on our Board. We have reimbursed and will continue to reimburse all of our non-employee directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our Board and committees of our Board.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### *Related-Person Transactions Policy and Procedures*

We have adopted a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration and oversight of related-person transactions. For purposes of our policy only, a related-person transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any related person are participants involving an amount that exceeds \$120,000.

Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director or a holder of more than 5% of our common stock, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to the Audit Committee (or, where review by the Audit Committee would be inappropriate, to another independent body of our Board) for review. The presentation must include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, the Audit Committee or another independent body of our Board takes into account the relevant available facts and circumstances including, but not limited to:

the risks, costs and benefits to us;

the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;

the terms of the transaction;

the availability of other sources for comparable services or products; and

the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval.

The following includes a summary of transactions since January 1, 2017 to which we have been a party, in which the amount involved in the transaction exceeded \$120,000. Since January 1, 2017, the Company has engaged in the following transactions with related persons:

### **Agreements with Current and Former Officers and Directors**



Effective January 30, 2017, Thomas J. Farrell resigned from his position as a member of our Board of Directors and our President and Chief Executive Officer. In connection with Mr. Farrell's resignation, we entered into a letter agreement with Mr. Farrell that provides for certain separation benefits in the form of continued payment of base salary for 12 months, a lump sum amount equal to Mr. Farrell's pro-rated target performance bonus for 2017, and reimbursement of COBRA premiums for up to 12 months. In addition, we agreed to retain Mr. Farrell as a consultant at a rate of \$5,000 per month, for a term of up to 18 months measured from January 30, 2017. In exchange for Mr. Farrell's consulting services, we also agreed to extend the separation benefits specified above for an additional six months following the initial 12 month period, subject to Mr. Farrell's continuous service and other terms and conditions specified in the agreement.

Effective July 31, 2017, Dr. Annemarie Moseley resigned from her position as our Chief Operations Officer and Executive Vice President of Clinical Development. In connection with Dr. Moseley's resignation, we entered into a separation and consulting agreement with Dr. Moseley that provides for certain separation benefits in the form of continued payment of base salary for 12 months, a lump sum amount equal to Dr. Moseley's pro-rated target performance bonus for 2017, and reimbursement of COBRA premiums for up to 12 months. In addition, we agreed to retain Dr. Moseley as a consultant to provide up to 10 hours of consulting services per month, or more if needed, at a rate of \$425 per hour, for a term of up to 18 months measured from July 31, 2017. In exchange for Dr. Moseley's consulting services, we also agreed to extend the separation benefits specified above for an additional six months following the initial 12 month period, subject to Dr. Moseley's continuous service and other terms and conditions specified in the agreement. Ken Moseley, our former Senior Vice President and General Counsel, who resigned from his position effective as of January 4, 2018, is the spouse of Dr. Moseley. Mr. Moseley's compensation was determined by the Compensation Committee, as with all executive officers. Mr. Moseley received an aggregate of \$827,614 in compensation for fiscal year 2017, in the following amounts: \$340,700 in salary; \$300,038 in option awards; \$86,813 in restricted stock units; \$69,758 in a performance-based bonus; and \$30,305 in all other compensation (including life insurance premiums, reimbursement of commuting expenses and parking subsidies).

We currently have written employment agreements with our executive officers. For information about our employment agreements with our named executive officers who are employees of the Company, refer to Executive and Director Compensation Agreements with our Named Executive Officers.

### **Stock Options Granted to Executive Officers and Directors**

We have granted stock options to our executive officers and directors, as more fully described in Executive and Director Compensation Outstanding Equity Awards at Fiscal Year-End.

### **Indemnification Agreements**

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our amended and restated bylaws. These agreements, among other things, require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers or as a director or executive officer of any other company or enterprise to which the person provides services at our request. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may decline in value to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

### **HOUSEHOLDING OF PROXY MATERIALS**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices of Internet Availability of Proxy Materials or other Annual Meeting materials with respect to two or more stockholders sharing the same address by delivering a single Notice of Internet Availability of Proxy Materials or other Annual Meeting materials addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies.



This year, a number of brokers with account holders who are Bellicum stockholders will be householding the Company's proxy materials. A single Notice of Internet Availability of Proxy Materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Notice of Internet Availability of Proxy Materials, please notify your broker or Bellicum. Direct your written request to Bellicum Pharmaceuticals, Inc., Attn: Corporate Secretary, 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030 or contact Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York, 11717 at 1-866-540-7095. Stockholders who currently receive multiple copies of the Notice of Internet Availability of Proxy Materials at their addresses and would like to request householding of their communications should contact their brokers.

**OTHER MATTERS**

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ Alan A. Musso, C.P.A., C.M.A.  
Alan A. Musso, Chief Financial Officer

April 26, 2018

**A copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2017 is available without charge upon written request to: Bellicum Pharmaceuticals, Inc., Attention: Corporate Secretary, 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030.**

**BELLICUM PHARMACEUTICALS, INC.**

**2130 W. HOLCOMBE BLVD., SUITE 800**

**HOUSTON, TX 77030**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Complete, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E44079-P07001

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**BELLICUM PHARMACEUTICALS, INC.**

**The Board of Directors  
recommends you vote FOR all**

**All      All      Except**

To withhold authority to  
vote for any individual  
nominee(s), mark For All  
Except and write the  
number(s) of the

**nominees for director listed below:**

nominee(s) on the line below.

1. Election of Directors

**Nominees:**

- 01) Frank B. McGuyer
- 02) Jon P. Stonehouse
- 03) Stephen R. Davis

**The Board of Directors recommends you vote FOR the following proposal:**

**For Against Abstain**

- 2. Ratification of selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2018.

**NOTE:** In their best judgment, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting. **This proxy, when properly executed, will be voted as directed herein by the undersigned stockholder. If no direction is made but the card is signed, this proxy will be voted FOR ALL NOMINEES in Proposal 1 and FOR Proposal 2.**

**Yes No**

Please indicate if you plan to attend this meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

E44080-P07001

**BELLICUM PHARMACEUTICALS, INC.**

**Annual Meeting of Stockholders**

**June 14, 2018**

**Solicited on Behalf of the Board of Directors**

The undersigned hereby appoints Alan Musso and Richard A. Fair, and each of them, with full power of substitution and power to act alone, as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided on the reverse side, all of the shares of Common Stock of Bellicum Pharmaceuticals, Inc. (the Company) which the undersigned is entitled to vote, and, in their best judgment, to vote upon such other business as may properly come before the Annual Meeting of Stockholders of the Company to be held June 14, 2018 at the offices of the Company, located at 2130 W. Holcombe Blvd., Suite 800, Houston, TX 77030, and at any adjournments or postponements thereof, with all powers which the undersigned would possess if present at the meeting.

**This proxy, when properly executed, will be voted in the manner directed herein. If no direction is made but the card is signed, this proxy card will be voted FOR all nominees under Proposal 1, FOR Proposal 2, and in the best judgment of the proxies with respect to such other business as may properly come before the meeting.**

**Continued and to be signed on reverse side**