

Amendment No. 2 to Services Agreement


This Amendment No.1 (this "Amendment") is made by and between **StemCells, Inc.** (the "Company") and **Science Editors** ("SEN"), effective as of September 7, 2015, and amends that certain Services Agreement between the parties, dated November 11, 2011 (the "Agreement"). Capitalized terms used herein but not defined shall have the meanings given them in the Agreement.

1. The parties wish to add Services to the Agreement to include grant writing and related services in support of the Company's planned grant applications to the CIRM under the CIRM Program Announcement (PA) 15-02, Partnering Opportunity for Clinical Trial Stage Projects. Accordingly, Appendix A of the Agreement is hereby deleted in its entirety and replaced with the Appendix A hereto.
2. The Agreement is hereby extended until the completion of Services specified in Appendix A hereto.
3. All other terms and conditions of the Agreement continue in full force and effect as modified by this Amendment.


In witness whereof, the parties have executed this Amendment as of the date first set forth above.

StemCells, Inc.

Science Editors



By: Kenneth B. Stratton
General Counsel
3155 Porter Drive
Palo Alto, California 94304



By: Elizabeth Asha Nigh
Principal
3198 Fallen Leaf Street
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Appendix A

Description of Services and Payment Schedule

Services

Science Editors Network (SEN) agrees to provide consultation, drafting, project management, and related support services, as set forth below, when and as requested by StemCells, in support of StemCells's Spinal Cord Injury (SCI) initiative being presented to the California Institute of Regenerative Medicine ("CIRM").

SEN Team and Contacts

SEN is an association of scientific editors that work in small, dynamic teams. The Chief Editor, Elizabeth Asha Nigh, will oversee execution of the StemCells projects in this contract, with assistance from Karin Engel, Julie Gosse, Tina Shahian and Deborah Solymar. Other editors and subcontractors that might be brought into the project are Anna Lisa Lucido, Rosa Canet-Aviles, Ashwini Parsana, and Zeyneb Pervane Magavi. All editors have signed confidentiality agreements with SEN, and will agree to StemCells' confidentiality agreement prior to commencing any work on behalf of StemCells. SEN will screen all editors for actual or potential conflicts of interest.

Funding Opportunity for Clinical Trial Stage Projects for SCI. SEN will help StemCells develop and write a funding application under CIRM Program Announcement (PA) 15-02, Partnering Opportunity for Clinical Trial Stage Projects (http://www.cirm.ca.gov/sites/default/files/PA1502_123114_R1.pdf), to be submitted to CIRM no later than October 31, 2015. SEN's deliverables will be:

1. a summary of the application requirements (team composition requirements, review criteria, forms and supplemental information required by the PA);
2. a draft of the application, including preliminary versions of the application forms and online forms, by October 1, contingent on StemCells providing all necessary documents in a timely manner; and
3. a fully edited version of the application and forms, to be submitted to CIRM by the deadline of 5:00 pm PST, on October 31, 2015.

The work for this grant application is expected to occur between September 4, 2015 and October 31, 2015. The project will involve minimal background research, extensive grant writing and developmental editing, and copyediting of the final manuscript. SEN will assist the project's principal investigator Stephen Huhn and project manager Allyson Gage with project management as needed.

SEN anticipates that completion of the SCI application will require between 200-400 hours, and SEN estimates billing between \$20,000-\$40,000 for this work. The parties have set a cap of \$60,000 for this work, and SEN will inform StemCells in a timely manner if fees

owed exceed, or are expected to exceed, \$40,000 in the aggregate.

SEN Project Team: Asha Nigh will be the primary scientific editor and Julie Gosse will be the project manager and principal contact for this project. We will work closely with Karin Engel, Julie Gosse, Deborah Solymar, and Tina Shahian in its execution. This core team will subcontract with additional editors in response to project needs.

Payment Schedule

As sole consideration for the Services, StemCells will pay SEN:

(i) Signing Payment: A signing payment in the amount of four thousand dollars (\$4,000) will be charged immediately after execution and delivery of the Agreement by the parties, and will be payable within twenty (20) days.

(ii) Hourly Fees: A professional services fee of up to \$50,000 in the aggregate for the work. To reduce costs for its clients, SEN has a customized, dynamic fee system that reflects individual editors' technical expertise and writing experience, and the work required by the particular project. Work will be compensated according to the following schedule:

(a) Grant writing. Rate \$140-\$160/hr

Working closely with investigators, SEN will develop the outlines and a rough draft for each section of the grant application. Although SEN can provide advice regarding experimental design, presentation of data, and potential aims of the work in question, the investigators must be the primary creative and motivational force behind the manuscript.

Hourly rates for grant writing vary according to the Editor. Asha Nigh, Julie Gosse, Tina Shahian, Karin Engel, Deborah Solymar and Anna Lisa Lucido are Senior Editors and their time will be billed at \$160/hour. Other contracted Editors will be billed at \$140/hr.

(b) Developmental Editing, Research, and Project-Specific Planning. Rate \$140/hr

Developmental editing is editing of the grant or paper after the first draft is done. SEN edits for organization, style, grammar, and formatting; SEN also provides detailed comments on content and figures. Research includes scientific literature searches, other online searches, background reading, interviews, and other forms of information gathering pertinent to the writing or editing of the grant. Project-specific planning refers to tasks that require high-level knowledge of the project to complete.

(c) Copyediting, Meetings, Communication, and Administrative Tasks. Rate \$100/hr

Copyediting is done right before a grant goes out. It is a check for spelling mistakes,

typos, formatting errors, and grammatical mistakes. SEN also reviews figures, ensuring that they are appropriately referenced in the figure legends and text. Meetings comprise intra-SEN meetings and StemCells-SEN meetings. Communication is phone calls and emails. Administrative tasks such as printing materials and entering data into online forms will be billed at this rate. SEN recommends that clients use internal administrative resources to save on this cost.

(iii) Costs: Reimbursement for reasonable travel and other incidental expenses incurred by SEN's personnel in the performance of Services on behalf of StemCells, provided that the expenses were pre-approved in writing by StemCells and SEN has provided StemCells with such receipts or other relevant documentation as StemCells may reasonably request.

Note: SEN will be responsible for developmental editing of the project's manuscript, under the guidance of the PI on the project and potentially other staff or collaborators, to produce a version of the application for submission to CIRM by no later than November 30, 2015. Although SEN will make an exceptional effort to be accurate in its work, SEN are grant writers, not scientific consultants, and SEN is in no way involved in the research project being developed. SEN therefore cannot guarantee the scientific accuracy of its work. SEN is also not responsible for timely submission of the application, for preparing the Activity Based Budget and other financial aspects of the application, or for documents that require communication between StemCells and other entities (such as the FDA). Furthermore, SEN cannot guarantee that it will be able to satisfy all of CIRM's requirements of the application. *StemCells, acting through its employees and agents, including the PI, are primarily responsible for all content, figures, for the accuracy of all statements and data, for meeting all application criteria, for all aspects of the budget and evidence of commercial validation, and for timely submission of the manuscript and supplementary material to CIRM. StemCells will solely develop the budget for this project.*

Appendix B
Project Overview and Timeline for October 31 deadline

Summary of SEN Activities	Approx. Date (2015)
Detailed summary of CIRM requirements for the Award	September 7
First Drafts of all forms	October 1
Semifinal Drafts of all forms, anticipating final approval from StemCells	October 14
Online entry of final versions of all parts of the application	by October 31

Summary of StemCells Activities	Approx. Date
Primary material	September 7
Names and biosketches of key personnel and contacts for clinical site organizers	September 7
Comments on SEN's first drafts	Up to October 9
Final drafts of all forms for which StemCells is solely responsible	October 20
Final comments on all forms, including references	by October 20
Final approval of application	by 9am on October 26
Submission of grant to CIRM	October 31

Grantwriting Responsibilities

StemCells will provide existing first drafts, previous grants, and other primary material such as the old clinical protocol, manufacturing protocol, project description, background information, and the project summary including a timeline and the scientific rationale for the project by September 7, and SEN will be responsible for writing/editing the necessary sections and entering them into the online module by October 31, 2015.

StemCells is solely responsible for Activity Based Budget, Quotes and Other Budget Data, Regulatory Correspondence, Investigator Brochure, Clinical Protocol, Financial Feasibility Assessment and Solvency, Licenses and MTAs, CIRM Funds Calculator, Budget Justification, Financial Contingency Funds, Target Product Profile, and all other financial forms following CIRM's guidelines for content and length. SEN will be available to provide support on these sections before October 20. However, StemCells is responsible for the final version.

If StemCells doesn't meet the timeline for delivering materials to SEN, we reserve the option to negotiate a later submission date

Workflow

- StemCells will provide existing first drafts, previous grants, and other primary material such as the old clinical protocol, manufacturing protocol, project description and background information by September 7.
- StemCells will provide names and biosketches of key personnel and contacts for clinical site organizers by September 7.
- StemCells will provide a final draft of Activity Based Budget, Quotes and Other Budget Data, Regulatory Correspondence, Investigator Brochure, Clinical Protocol, Financial Feasibility Assessment and Solvency, Licenses and MTAs, CIRM Funds Calculator, Budget Justification, and Financial Contingency Funds by October 20.
- SEN will provide first drafts of all forms by October 1.
- StemCells will review and provide comments and missing information as available but no later than by October 9.
- SEN will make appropriate changes by October 14.
- StemCells will review all Semifinal Drafts and provide final comments on all forms, including references, by October 20.
- After SEN addresses any comments, StemCells will provide final approval of application by 9 am on October 26.
- SEN will enter all forms into the CIRM online system by October 31.
- StemCells will review and submit grant to CIRM on October 31.

