

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 1, 2015

NEOSTEM, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33650
(Commission
File Number)

22-2343568
(IRS Employer
Identification No.)

420 Lexington Avenue, Suite 350, New York, New York 10170
(Address of Principal Executive Offices)(Zip Code)

(212) 584-4180
Registrant's Telephone Number

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Executive Chairman, Chief Executive Officer and President & Chief Financial Officer

Effective January 5, 2015 (the “Commencement Date”), the board of directors (the “Board”) of NeoStem, Inc. (the “Company”) appointed Robin L. Smith, M.D., the Company’s Chief Executive Officer and Chairman of the Board since 2006, as the Company’s Executive Chairman of the Board.

Also effective on the Commencement Date, the Board appointed David J. Mazzo, Ph.D. as the Company’s new Chief Executive Officer and simultaneously appointed him to the Board as a Class II director with an initial term expiring at the Company’s 2015 annual meeting of stockholders, and appointed Robert S. Vaters as the Company’s new President and Chief Financial Officer. On the Commencement Date, Mr. Dickey is no longer serving in his prior capacity of Chief Financial Officer.

Biographical information regarding each of Dr. Mazzo and Mr. Vaters is set forth below:

David J. Mazzo, Ph.D. Dr. Mazzo, age 58, brings to the Company over 30 years of experience in the pharmaceutical industry. Prior to joining our Company, Dr. Mazzo served from August 2008 to October 2014 as chief executive officer and as a member of the board of directors of Regado Biosciences, Inc., a Nasdaq-listed biopharmaceutical company focused on the development of novel antithrombotic drug systems for acute and sub-acute cardiovascular indications. Prior to his leading Regado, from March 2007 to April 2008, Dr. Mazzo was President, Chief Executive Officer and a director of Æterna Zentaris, Inc., a publicly held international biopharmaceutical company. From 2003 until 2007, Dr. Mazzo served as President, Chief Executive Officer and a director of Chugai Pharma USA, LLC, a biopharmaceutical company which was the U.S. subsidiary of Chugai Pharmaceutical Co., Ltd. of Japan. Dr. Mazzo has also held senior management and executive positions in research and development and was a director of the Essex Chimie European subsidiary at Schering-Plough Corporation, a publicly held pharmaceutical company that was subsequently acquired by Merck & Co., Inc.; Hoechst Marion Roussel, Inc., the US subsidiary of Hoechst AG, which was subsequently acquired by Sanofi, a multinational pharmaceuticals company; and Rhone-Poulenc Rorer, Inc., a subsidiary of Rhone-Poulenc SA, a French pharmaceuticals company, which was subsequently acquired by Hoechst AG. He currently serves on the boards of directors of pSivida Corp., a publicly held biopharmaceutical company, in the role of non-executive chairman, and Avanir Pharmaceuticals, Inc., a publicly held biopharmaceutical company. Dr. Mazzo earned a B.A. in the Honors Program (Interdisciplinary Humanities) and a B.S. in Chemistry from Villanova University. In addition, Dr. Mazzo received his M.S. in chemistry and his Ph.D. degree in analytical chemistry from the University of Massachusetts, Amherst. He was also a research fellow at the Ecole Polytechnique Federale de Lausanne, Switzerland. The Board believes Dr. Mazzo possesses specific attributes that qualify him to serve as a member of our board of directors, including the operational knowledge that he will possess through his position as the Company’s Chief Executive Officer, together with his three decades of leadership experience and executive management roles in the pharmaceutical and biotechnology industry and his service on other boards of directors in the biopharmaceutical industry.

Robert S. Vaters. Mr. Vaters, age 54, has over 25 years of financial, strategy, investment and capital-raising experience. Prior to joining NeoStem, since April 2013, Mr. Vaters was managing partner with Carob Investments, a strategic acquisition and investor consulting firm. He served from August 2011 to March 2013 as President and Chief Executive Officer and as a member of the board of directors of Orthofix International N.V., a publicly-held global medical device company focused on innovative repair and regenerative solutions for the spine and orthopedic markets. Previously, Mr. Vaters served Orthofix as Executive Vice President, Chief Operating Officer and President, Global Spine Business Unit from January 2011 through July 2011 and as Executive Vice President and Chief Financial Officer from September 2008 until January 2011. Prior to joining Orthofix, Mr. Vaters had spent almost two years as General Partner of Med Opportunity Partners, a healthcare private equity firm, which he co-founded in 2006. Prior to that Mr. Vaters served for almost four years as a senior executive at Inamed Corporation, where he was Executive Vice President, Chief Financial Officer and Head of Strategy and Corporate Development. Inamed Corporation, a global medical device company, was acquired by Allergan Inc. in March 2006. Mr. Vaters serves on the Board of Reliable Biopharmaceutical Corporation, a private healthcare company which was purchased during his time as a partner in a healthcare private equity firm. The Board believes that Mr. Vaters possesses specific attributes that will qualify him to serve as a member of our board of directors when so appointed, including the operational knowledge that he will possess through his position as the Company’s President and Chief Financial Officer, together with his previous leadership experience and executive management roles in the healthcare industry and his public company board experience.

Employment Agreements

In connection with her appointment as Executive Chairman of the Board, Dr. Smith and the Company entered into an Amendment dated January 2, 2015, and effective as of January 1, 2015, (the "Amendment") to Dr. Smith's existing employment agreement with the Company. The Amendment provides that the term of Dr. Smith's employment with the Company (the "Term") shall expire on December 31, 2015, without renewal; provided that Dr. Smith may earlier terminate her employment on 30 days' advance notice. Pursuant to the Amendment, Dr. Smith shall (i) continue to receive her base salary of \$545,000 for the remainder of the Term; (ii) receive a \$200,000 cash bonus by June 1, 2015 and be eligible for an additional annual bonus for 2015 if the Company achieves its target objectives for the year as determined by the Compensation Committee, which additional bonus will be prorated if the Term ends before December 31, 2015; (iii) upon execution of the Amendment, be granted an option to purchase 300,000 shares of the Company's common stock at a per share exercise price equal to the value of the common stock on the date of execution of the Amendment (the "Amendment Option"), with one-third of the Amendment Option being vested and exercisable immediately upon grant, one-third of the Amendment Option scheduled to vest on June 7, 2015 and one-third of the Amendment Option scheduled to vest on December 7, 2015; and (iv) have paid by the Company up to \$25,000 of legal fees incurred by Dr. Smith in connection with negotiation of the Amendment. The Amendment provides that during the balance of the Term, Dr. Smith may accept a new CEO position with another company subject to certain requirements, including that such new position does not interfere with Dr. Smith's continuing employment with the Company and is consistent with Dr. Smith's obligations under her Confidentiality, Invention Assignment and Non-Compete Agreement with the Company (the "Non-Compete Agreement"). The Amendment amends the Non-Compete Agreement to provide that during the Term and for 12 months following the termination thereof, or during any period during which Dr. Smith is receiving any compensation from the Company, she will not without the prior approval of (i) the Company's CEO, if Dr. Smith is not then an executive officer of the Company, and (ii) the Board of the Company, if Dr. Smith is then an executive officer of the Company, directly or indirectly become employed by or otherwise assist a competitor of the Company in the stem cell or cell therapy sectors. The Amendment provides that after expiration of the Term, Dr. Smith will continue to serve as a member of the Board and as Chairman of the Board in a non-executive capacity, and for such service during the current balance of Dr. Smith's term as a director which continues until the Company's annual meeting to be held in 2016, without further compensation as long she receives severance pay from the Company. The Amendment further provides that Dr. Smith shall be entitled to severance benefits upon expiration or termination of the Term, regardless of the reason, including: (i) continued payment of base salary for one year following the end of the Term (the "Severance Period"); (ii) payment of an additional cash amount equal to Dr. Smith's annual bonus for 2013 (\$475,000) as soon as practicable after expiration or termination of the Term; (iii) payment of COBRA premiums during the Severance Period; (iv) all of Dr. Smith's stock options (including the Amendment Option), to the extent not vested, shall become fully vested and exercisable, and all of Dr. Smith's vested stock options (including the Amendment Option) shall remain exercisable for the balance of their respective 10-year terms as if Dr. Smith's employment had continued; (v) the remaining 31,332 of Dr. Smith's 94,000 "Restricted Shares" (as defined in her Restricted Stock Grant Agreement dated as of January 2, 2014), and any other equity awards, shall become vested and non-forfeitable upon achievement of their applicable vesting requirements, as if Dr. Smith's employment had continued; (vi) to the extent transferable, the Company will transfer and assign to Dr. Smith its \$5 million term life policy; and (vii) payment of a cash bonus for 2015 (to the extent earned but not already paid, but as if employment continued), and any other benefits payable under the then-existing terms of any Company plan, agreement or arrangement.

In connection with his appointment as Chief Executive Officer, Dr. Mazzo and the Company entered into an employment agreement dated as of January 5, 2015 and effective on the Commencement Date, setting forth the terms and conditions of Dr. Mazzo's employment with the Company. The employment agreement, which has an initial four-year term thereafter renewable for successive one-year periods by mutual agreement, provides that Dr. Mazzo shall (i) receive base salary of \$545,000, subject to annual review and increases as may be approved by the Compensation Committee ("Base Salary"); (ii) be eligible for an annual cash bonus with a target of 55% (and up to a maximum of 100%) of Base Salary; (iii) be granted on the Commencement Date an option to purchase 620,000 shares of the Company's common stock at a per share exercise price equal to the closing price of the common stock on the Commencement Date (the "Initial Option"), providing for vesting as to 100,000 of the Initial Option shares immediately upon grant with the remainder of the Initial Option shares scheduled to vest subject to Dr. Mazzo's continued employment in a series of sixteen successive quarterly installments (32,500 shares each) over the four years following the Commencement Date; (iv) be granted on the Commencement Date an additional option to purchase 200,000 shares of the Company's common stock at a per share exercise price equal to the closing price of the common stock on the Commencement Date (the "Additional Option"), providing for vesting based on two individual milestones (100,000 Additional Option shares each) to be mutually established by the Compensation Committee (or the Executive Chairman) and Dr. Mazzo within three months following the Commencement Date subject to Dr. Mazzo's continued employment on each of the applicable 1/16th milestone vesting dates; (v) in addition to serving as Chief Executive Officer, serve as a member of the Board, subject to election and/or re-election by the Company's stockholders; (vi) receive an annual expense allowance of \$12,000 and reimbursement of business expenses, and be eligible for payment by the Company of up to \$10,000 annually for supplemental term life and supplemental long-term disability coverage; and (vii) payment of up to \$10,000 of legal fees incurred by Dr. Mazzo in connection with negotiation of his employment agreement. The Company may terminate Dr. Mazzo's employment at any time upon notice, and Dr. Mazzo may terminate at any time upon 90 days' prior

written notice. If Dr. Mazzo's employment is terminated by the Company without "cause" (and other than due to death or "disability") or by Dr. Mazzo for "good reason" (in each case as defined in the employment agreement), and provided Dr. Mazzo timely executes (and does not revoke) a general release of claims against the Company and related parties, Dr. Mazzo would be entitled to (i) continue to receive his then-current Base Salary for a period of twelve months following termination (the "Severance Period"); (ii) payment of a pro-rated bonus equal to 50% of his Base Salary in effect on the termination date multiplied by a fraction representing the portion of the calendar year preceding the termination date during which Dr. Mazzo was employed by the Company; (iii) accelerated vesting of 25% of Dr. Mazzo's outstanding unvested equity awards and extension of exercisability of such awards for the shorter of one year following termination or the remaining term of the award; and (iv) payment of a portion of COBRA premiums during the Severance Period. In the event Dr. Mazzo's employment terminates because the Company does not offer to extend the term of the employment agreement, and provided Dr. Mazzo timely executes (and does not revoke) a general release of claims in favor of the Company and related parties, Dr. Mazzo would be entitled to (i) one year of Base Salary continuation, (ii) payment of a portion of COBRA premiums during the Severance Period; and (iii) treatment of stock options in accordance with the Company's equity plan. If Dr. Mazzo's employment terminates due to his death or disability, and provided Dr. Mazzo (or, if applicable, his estate) timely executes (and does not revoke) a general release of claims in favor of the Company and related parties, then Dr. Mazzo (or, if applicable, his estate) would be entitled to (i) payment of a portion of COBRA premiums and (ii) treatment of stock options in accordance with the Company's equity plan.

In connection with his appointment as President and Chief Financial Officer, Mr. Vaters and the Company entered into an employment agreement dated as of January 5, 2015 and effective on the Commencement Date, setting forth the terms and conditions of Mr. Vaters' employment with the Company. The employment agreement, which has an initial four-year term thereafter renewable for successive one-year periods at the option of the Board, provides that Mr. Vaters shall (i) receive base salary of \$425,000 ("Base Salary"); (ii) be eligible for an annual cash bonus in an amount up to 50% of Base Salary; (iii) be granted on the Commencement Date an option to purchase 480,000 shares of the Company's common stock at a per share exercise price equal to the closing price of the common stock on the Commencement Date (the "Initial Option"), providing for vesting as to 80,000 of the Initial Option shares immediately with the remainder of the Initial Option shares scheduled to vest subject to Mr. Vaters' continued employment in a series of sixteen successive quarterly installments (25,000 shares each) over the four years following the Commencement Date; (iv) be granted on the Commencement Date an additional option to purchase 120,000 shares of the Company's common stock at a per share exercise price equal to the closing price of the common stock on the Commencement Date (the "Additional Option"), providing for vesting based on two individual milestones (60,000 Additional Option shares each) to be mutually established by the Compensation Committee (or the Executive Chairman) and Mr. Vaters within three months following the Commencement Date subject to Mr. Vaters' continued employment on each of the applicable 1/16th milestone vesting dates; (v) receive an annual expense allowance of \$12,000 and reimbursement of business expenses, and be eligible for payment by the Company of up to \$10,000 annually for supplemental term life and supplemental long-term disability coverage; and (vi) payment of up to \$10,000 of legal fees incurred by Mr. Vaters in connection with negotiation of his employment agreement. Pursuant to the employment agreement, the Company has agreed to nominate or appoint Mr. Vaters to the Board within 90 days of the Commencement Date; provided that an independent director is also added to the Board at the same time, with Mr. Vaters' continued Board service subject at all times to election and/or re-election by the Company's stockholders. The Company may terminate Mr. Vaters' employment at any time upon notice, and Mr. Vaters may terminate at any time upon 90 days' prior written notice. If Mr. Vaters' employment is terminated by the Company without "cause" (and other than due to death or "disability") or by Mr. Vaters for "good reason" (in each case as defined in the employment agreement), and provided Mr. Vaters timely executes (and does not revoke) a general release of claims against the Company and related parties, Mr. Vaters would be entitled to (i) continue to receive his then-current Base Salary for a period of twelve months following termination; (ii) payment of a portion of COBRA premiums for six months following termination; and (iii) treatment of stock options in accordance with the Company's equity plan. If Mr. Vaters' employment terminates due to his death or disability, and provided Mr. Vaters (or, if applicable, his estate) timely executes (and does not revoke) a general release of claims in favor of the Company and related parties, then Mr. Vaters (or, if applicable, his estate) would be entitled to (i) payment of a portion of COBRA for six months following termination and (ii) treatment of stock options in accordance with the Company's equity plan.

The foregoing descriptions of the Amendment to Dr. Smith's employment agreement and of the employment agreements of Dr. Mazzo and Mr. Vaters do not purport to be complete and are qualified in their entirety by reference to the full texts of such documents, copies of which are attached as Exhibits 10.1, 10.2 and 10.3, respectively, and which are incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective January 5, 2014, the Company's Board adopted Amended and Restated By-Laws of the Company (the "Amended and Restated By-Laws"). The Amended and Restated By-Laws replace and supersede in all respects the prior amended and restated by-laws of the Company dated August 31, 2006. The more significant amendments effectuated pursuant to the Amended and Restated By-Laws include: (i) providing that the Board may designate the Chairman of the Board as the "Executive Chairman of the Board," an officer having such duties as may be assigned by the Board and having signing authority to bind the Company; (ii) deleting the former requirement that the Chairman of the Board be the Chief Executive Officer; and (iii) providing that, in addition to the supervision of the Board, (a) the Chief Executive Officer's authority is subject to the authority of the Executive Chairman, if any, and (b) the authority of all other officers is subject to the authority of the Executive Chairman, if any, and the Chief Executive Officer.

The foregoing description of the amendments implemented pursuant to the Company's Amended and Restated By-Laws does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended and Restated By-Laws, a copy of which is attached as Exhibit 3.1 hereto and is incorporated herein by reference.

Item 8.01. Other Events

On January 5, 2015, the Company issued a press release announcing the appointments of the Company's Executive Chairman, Chief Executive Officer and President and Chief Financial Officer described in Item 5.02 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Amended and Restated By-Laws of NeoStem, Inc., effective as of January 5, 2015.
10.1	Amendment, dated as of January 1, 2015, to Employment Agreement by and between NeoStem, Inc. and Robin L. Smith, M.D. dated May 26, 2006 (as previously amended on each of January 26, 2007, September 27, 2007, January 9, 2008, August 29, 2008, July 29, 2009, April 4, 2011, November 13, 2012 and March 11, 2014).
10.2	Employment Agreement, dated as of January 5, 2015 and effective on January 5, 2015, by and between NeoStem, Inc. and David J. Mazzo, Ph.D.
10.3	Employment Agreement, dated as of January 5, 2015 and effective on January 5, 2015, by and between NeoStem, Inc. and Robert S. Vaters.
99.1	Press Release of NeoStem, Inc. dated January 5, 2015.

SIGNATURES

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

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy, Esq.

Name: Catherine M. Vaczy, Esq.

Title: General Counsel

Dated: January 5, 2015

**AMENDED AND RESTATED
BY-LAWS
OF
NEOSTEM, INC.
A DELAWARE CORPORATION**

Effective as of: January 5, 2014

NEOSTEM, INC.

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AMENDED AND RESTATED BY-LAWS

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ARTICLE I

MEETINGS OF STOCKHOLDERS

1.1 Place of Meetings. All meetings of the stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Chairman of the Board (if any), the board of directors of the Corporation (the "Board of Directors") or the Chief Executive Officer, or if not so designated, at the registered office of the Corporation. Notwithstanding the foregoing, the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of Delaware. If so authorized, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, participate in a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held, at such date (which date shall not be a legal holiday in the place where the meeting is to be held) and time and by such means of remote communication, if any, as shall be designated from time to time by the Chairman of the Board (if any), the Board of Directors or the Chief Executive Officer and stated in the notice of the meeting.

1.3 Special Meetings. Special meetings of the stockholders may, unless otherwise prescribed by law or by the certificate of incorporation, be called by the Chairman of the Board (if any), the Board of Directors or the Chief Executive Officer and shall be held at such place, on such date and at such time as shall be fixed by the Board of Directors or the person calling the meeting. Business transacted at any special meeting shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, stating the place, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting.

1.5 Voting List. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) at the Corporation's principal place of business. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

1.6 Quorum. Except as otherwise required by law, the certificate of incorporation or these By-Laws, the holders of a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote thereat, present in person or by remote communication, or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. Shares held by brokers which such brokers are prohibited from voting (pursuant to their discretionary authority on behalf of beneficial owners of such shares who have not submitted a proxy with respect to such shares) on some or all of the matters before the stockholders but which shares would otherwise be entitled to vote at the meeting ("Broker Non-Votes") shall be counted, for the purpose of determining the presence or absence of a quorum, both (a) toward the total voting power of the shares of capital stock of the Corporation and (b) as being represented by proxy. If a quorum has been established for the

purpose of conducting the meeting, a quorum shall be deemed to be present for the purpose of all votes to be conducted at such meeting; provided that where a separate vote by a class or classes, or series thereof, is required, a majority of the voting power of the shares of such class or classes, or series present in person or by remote communication, or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. If no quorum shall be present or represented at any meeting of stockholders, such meeting may be adjourned in accordance with Section 1.7 hereof, until a quorum shall be present or represented.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws, which time and place shall be announced at the meeting, by a majority of the stockholders present in person or by remote communication, or represented by proxy at the meeting and entitled to vote (whether or not a quorum is present), or, if no stockholder is present or represented by proxy, by any officer entitled to preside at or to act as secretary of such meeting, without notice other than announcement at the meeting. At such adjourned meeting, any business may be transacted which might have been transacted at the original meeting, provided that a quorum either was present at the original meeting or is present at the adjourned meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting,

1.8 Voting and Proxies. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote for each share of capital stock having voting power held of record by such stockholder and a proportionate vote for each fractional share so held. Each stockholder entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting (to the extent not otherwise prohibited by the certificate of incorporation or these By-Laws), may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

1.9 Action at Meetings. When a quorum is present at any meeting of stockholders, the affirmative vote of the holders of a majority of the stock present in person or by remote communication, or represented by proxy, entitled to vote and voting on the matter (or where a separate vote by a class or classes, or series thereof, is required, the affirmative vote of the majority of shares of such class or classes or series present in person or represented by proxy at the meeting) shall decide any matter (other than the election of Directors) brought before such meeting, unless the matter is one upon which by express provision of law, the certificate of incorporation or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such matter. The stock of holders who abstain from voting on any matter shall be deemed not to have been voted on such matter. Directors shall be elected by a plurality of the votes of the shares present in person or by remote communication, or represented by proxy at the meeting, entitled to vote and voting on the election of Directors, except as otherwise provided by the certificate of incorporation. For purposes of this paragraph, Broker Non-Votes represented at the meeting but not permitted to vote on a particular matter shall not be counted, with respect to the vote on such matter, in the number of (a) votes cast, (b) votes cast affirmatively, or (c) votes cast negatively.

1.10 Introduction of Business at Meetings.

A. Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Section 1.10, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.10.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 1.10, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the one hundred twentieth (120th) day nor earlier than the close of business on the one hundred fiftieth (150th) day prior to the first anniversary of the date of the proxy statement delivered to stockholders in connection with the preceding year's annual meeting; provided, however, that if either (i) the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such an anniversary date or (ii) no proxy statement was delivered to stockholders in connection with the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close

of business on the ninetieth (90th) day prior to such annual meeting and not later than the close of business on the later of (x) the sixtieth (60th) day prior to such annual meeting and (y) the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of capital stock of the Corporation that are owned beneficially and held of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting (or, if the annual meeting is held more than thirty (30) days before or sixty (60) days after such anniversary date, at least seventy (70) days prior to such annual meeting), a stockholder's notice required by this Section 1.10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

B. Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that Directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.10. If the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this Section 1.10 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the ninetieth (90th) day prior to such special meeting nor later than the later of (x) the close of business on the sixtieth (60th) day prior to such special meeting or (y) the close of business on the tenth (10th) day following the day on which public announcement is first made of the date of such special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

C. General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.10 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.10. Except as otherwise provided by law, the certificate of incorporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.10 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Section 1.10, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 1.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 1.10 shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

1.11 Action without Meeting. Stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any other provision of law, the certificate of incorporation or these By-Laws, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the votes which all the stockholders would be entitled to cast at any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Section 1.11.

1.12 Inspectors. Prior to any meeting of stockholders, the Board of Directors or the President shall appoint one or more inspectors to act at such meeting and make a written report thereof and may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at the meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain the number of shares outstanding and the voting power of each, determine the shares represented at the meeting and the validity of proxies and ballots, count all votes and ballots, determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons to assist them in the performance of their duties. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxy or vote, nor any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted therewith, any information provided by a stockholder who submits a proxy by telegram, cablegram or other electronic transmission from which it can be determined that the proxy was authorized by the stockholder, ballots and the regular books and records of the Corporation, and they may also consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for such purpose, they shall, at the time they make their certification, specify the precise information considered by them, including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

ARTICLE II DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the Corporation except as otherwise provided by law or the certificate of incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law or the certificate of incorporation, may exercise the powers of the full Board of Directors until the vacancy is filled.

2.2 Number: Election and Qualification. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors, but in no event shall be less than three. Subject to the preceding sentence, the number of Directors may be decreased at any time and from time to time by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The Directors shall be elected at the annual meeting of stockholders (or, if so determined by the Board of Directors pursuant to Section 2.10 hereof, at a special meeting of stockholders), by such stockholders as have the right to vote on such election. Directors need not be stockholders of the Corporation.

2.3 Tenure. Each Director shall serve for a term ending on the date of the annual meeting following the annual meeting at which such Director was elected. Notwithstanding any provisions to the contrary contained herein, each Director shall hold office until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal.

2.4 Vacancies. Unless and until filled by the stockholders, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement thereof, may be filled only by vote of a majority of the Directors then in office, although less than a quorum, or by a sole remaining Director. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, if applicable, and a Director chosen to fill a position resulting from an increase in the number of Directors shall hold office until the next election of Directors and until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal.

2.5 Resignation. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation at its principal place of business or to the Chief Executive Officer or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.6 Chairman of the Board. If the Board of Directors appoints a chairman of the board, he shall, when present, preside at all meetings of the stockholders and the Board of Directors. He shall perform such duties and possess such powers as are customarily vested in the office of the Chairman of the Board or as may be vested in him by the Board of Directors.

2.7 Place of Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware.

2.8 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors; provided that any Director who is absent when such a determination is made shall be given notice of such determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.9 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board (if any), the Chief Executive Officer, two (2) or more Directors, or by one Director in the event that there is only one Director in office. At least one (1) days' notice to each Director, either personally or by telegram, cable, teletype, electronic mail, commercial delivery service, telex or similar means sent to his business or home address, or three (3) days' notice by written notice deposited in the mail, shall be given to each Director by the Secretary or by the officer or one of the Directors calling the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.10 Quorum, Action at Meeting, Adjournments. At all meetings of the Board of Directors a majority of Directors then in office shall constitute a quorum for the transaction of business. In the event one or more of the Directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each so disqualified; provided however, that in no case shall less than one third of the entire Board of Directors constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, the certificate of incorporation or these By-Laws. For purposes of this section, the term "entire Board of Directors" shall mean the number of Directors last fixed by the stockholders or Directors, as the case may be, in accordance with law, the certificate of incorporation and these By-Laws; provided, however, that if less than all the number so fixed of Directors were elected, the "entire Board of Directors" shall mean the greatest number of Directors so elected to hold office at any one time pursuant to such authorization. If a quorum shall not be present at any meeting of the Board of Directors, a majority of the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

2.11 Action by Consent. Unless otherwise restricted by the certificate of incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.12 Telephonic Meetings. Unless otherwise restricted by the certificate of incorporation or these By-Laws, members of the Board of Directors or of any committee thereof may participate in a meeting of the Board of Directors or of any committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2.13 Removal. Unless otherwise provided in the certificate of incorporation, any one or more or all of the Directors may be removed without cause by the holders of at least seventy-five percent (75%) of the shares then entitled to vote at an election of Directors. Any one or more or all of the Directors may be removed with cause only by the holders of at least a majority of the shares then entitled to vote at an election of Directors.

2.14 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (a) adopting, amending or repealing the By-Laws of the Corporation or any of them or (b) approving or adopting, or recommending to the stockholders any action or matter expressly

required by law to be submitted to stockholders for approval. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and make such reports to the Board of Directors as the Board of Directors may request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the Directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the conduct of its business by the Board of Directors. Adequate provisions shall be made for notice to members of all meetings of committees. One third of the members of any committee shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum, and all matters shall be determined by a majority vote of the members present.

2.15 Compensation. Unless otherwise restricted by the certificate of incorporation or these By-Laws, the Board of Directors shall have the authority to fix from time to time the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and the performance of their responsibilities as Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors and/or a stated salary as a Director. No such payment shall preclude any Director from serving the Corporation or its parent or subsidiary corporations in any other capacity and receiving compensation therefor. The Board of Directors may also allow compensation for members of special or standing committees for service on such committees.

2.16 Amendments to Article. Notwithstanding any other provisions of law, the certificate of incorporation or these By-Laws, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of a least seventy-five percent (75%) of the votes which all the stockholders would be entitled to cast at any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article II.

ARTICLE III

OFFICERS

3.1 Enumeration. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer, a Secretary and a Treasurer and such other officers with such titles, terms of office and duties as the Board of Directors may from time to time determine, including an Executive Chairman of the Board, a President, one or more Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these By-Laws otherwise provide.

3.2 Election. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a President, a Secretary and a Treasurer. Other officers may be appointed by the Board of Directors at such meeting, at any other meeting, or by written consent.

3.3 Tenure. The officers of the Corporation shall hold office until their successors are chosen and qualify, unless a different term is specified in the vote choosing or appointing them, or until their earlier death, resignation or removal. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors, at its discretion. Any officer may resign by delivering his written resignation to the Chairman of the Board (if any), to the Board of Directors at a meeting thereof, to the Corporation at its principal place of business or to the Chief Executive Officer or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

3.4 Executive Chairman of the Board. If the Board of Directors designates the Chairman of the Board of Directors as the Executive Chairman of the Board of Directors, such person shall be an officer of the Corporation. The Executive Chairman of the Board of Directors: (i) shall, in general, perform all duties as may be assigned to him or her by the Board of Directors from time to time; and (ii) may sign and execute any document, deed, paper, mortgage, bond, stock certificate, contract or other instrument or obligation in the name and on behalf of the Corporation, as authorized by the Board of Directors.

3.5 Chief Executive Officer. Subject only to the direction and control of the Board and the Executive Chairman, if any, the Chief Executive Officer shall have general charge and supervision over, and responsibility for, the business and affairs of the Corporation. Unless otherwise directed by the Board, all other Officers shall be subject to the authority and supervision of the Executive Chairman, if any, and the Chief Executive Officer. The Chief Executive Officer may enter into and execute in the name of the Corporation contracts and other instruments in the regular course of business which are authorized, either generally or specifically, by the Board. The Chief Executive Officer shall have the general powers and duties of management usually vested in the chief executive of a business corporation and shall have such other powers and duties as may be prescribed by the Board.

3.6 President. In the event the Board so designates, in the Chief Executive Officer's absence or inability to act, the President, if any, shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. Otherwise, the President, if any, shall be responsible only to the Executive Chairman, if any, to the Chief Executive Officer and to the Board for those areas of operation of the business and affairs of the Corporation as shall be delegated to the President by the Board or by the Executive Chairman, if any, or the Chief Executive Officer. If specified by the Board or by the Executive Chairman, if any, or the Chief Executive Officer, all other Officers of the Corporation (except the Executive Chairman, if any, and the Chief Executive Officer) shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the corporation contracts or other instruments in the regular course of business that are authorized, either generally or specifically, by the Board. The Board of Directors may designate the same individual as Chief Executive Officer (or as any other officer) and President.

3.7 Vice-Presidents. In the absence of the President or in the event of his or her inability or refusal to act, the Vice-President, or if there be more than one Vice-President, the Vice-Presidents in the order designated by the Board of Directors or the Chief Executive Officer shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-Presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

3.8 Secretary. The Secretary shall have such powers and perform such duties as are incident to the office of Secretary. The Secretary shall maintain a stock ledger and prepare lists of stockholders and their addresses as required and shall be the custodian of corporate records. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be from time to time prescribed by the Board of Directors or Chief Executive Officer, under whose supervision the Secretary shall be. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature.

3.9 Assistant Secretaries. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors, the Chief Executive Officer or the Secretary (or if there be no such determination, then in the order determined by their tenure in office), shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or Directors, the person presiding at the meeting shall designate a temporary or acting secretary to keep a record of the meeting.

3.10 Treasurer. The Treasurer shall perform such duties and shall have such powers as may be assigned to him or her by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, when the Chief Executive Officer or Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

3.11 Assistant Treasurers. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors, the Chief Executive Officer or the Treasurer (or if there be no such determination, then in the order determined by their tenure in office), shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe.

3.12 Bond. If required by the Board of Directors, any officer shall give the Corporation a bond in such sum and with such surety or sureties and upon such terms and conditions as shall be satisfactory to the Board of Directors, including without limitation a bond for the faithful performance of the duties of his office and for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control and belonging to the Corporation.

3.13 Action with Respect to Securities of Other Corporations. The President, the Chief Executive Officer, the Treasurer or any officer of the Corporation authorized by the Board of Directors shall, unless otherwise directed by the Board of Directors, have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE IV

NOTICES

4.1 Delivery. Except as otherwise specifically provided herein or required by law or the certificate of incorporation, all notices required to be given to any person under these By-Laws, such notice may be given by mail, addressed to such person, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Unless written notice by mail is required by law, notice may also be given by telegram, cable, telecopy, commercial delivery service, telex or similar means, addressed to such person at his address as it appears on the records of the corporation, in which case such notice shall be deemed to be given when delivered into the control of the persons charged with effecting such transmission, the transmission charge to be paid by the Corporation or the person sending such notice and not by the addressee. Notice may also be given to stockholders by a form of electronic transmission in accordance with and subject to the provisions of Section 232 of the General Corporation Law of Delaware. Oral notice or other in-hand delivery (in person or by telephone) shall be deemed given at the time it is actually given.

4.2 Waiver of Notice. Whenever any notice is required to be given under the provisions of law or of the certificate of incorporation or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

CAPITAL STOCK

5.1 Issuance of Stock. Unless otherwise voted by the stockholders and subject to the provisions of the certificate of incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any issued, authorized capital stock of the Corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

5.2 Certificates of Stock. Every holder of stock in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the chairman or Vice-chairman of the Board of Directors, or the President or a Vice-President and the Treasurer or an assistant Treasurer, or the Secretary or an assistant Secretary of the Corporation, certifying the number of shares owned by such holder in the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the certificate of incorporation, these By-Laws, applicable securities laws or any agreement among any number of shareholders or among any such holders and the Corporation shall have conspicuously noted on the face or back of such certificate either the full text of such restriction or a statement of the existence of such restriction.

5.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors or the Chief Executive Officer may, in their discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to give reasonable evidence of such loss, theft or destruction, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate.

5.4 Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which shall not precede

the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted, and which shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

5.5 Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VI

CERTAIN TRANSACTIONS

6.1 Transactions with Interested Parties. No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction or solely because his, her or their votes are counted for such purpose, if:

- (a) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or
- (b) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or
- (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

6.2 Quorum. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE VII

GENERAL PROVISIONS

7.1 Fiscal Year. The fiscal year of the Corporation shall be the calendar year unless otherwise fixed by resolution of the Board of Directors.

7.2 Seal. The Board of Directors may, by resolution, adopt a corporate seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the word "Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The seal may be altered from time to time by the Board of Directors.

7.3 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized by these By-Laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

7.4 Time Periods. In applying any provision of these By-Laws that requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, unless otherwise required by law or the certificate of incorporation, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

7.5 Certificate of Incorporation. All references in these By-Laws to the certificate of incorporation shall be deemed to refer to the certificate of incorporation of the Corporation, as amended and restated and in effect from time to time.

7.6 Severability. Any determination that any provision of these By-Laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-Laws.

7.7 Pronouns. All pronouns used in these By-Laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons so designated may require.

ARTICLE VIII

AMENDMENTS

8.1 By the Board of Directors. Except as is otherwise set forth in these By-Laws or the certificate of incorporation, these By-Laws may be altered, amended or repealed, or new by-laws may be adopted, by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

8.2 By the Stockholders. Except as otherwise set forth in these By-Laws or the certificate of incorporation, these By-Laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of all the then outstanding shares of capital stock of the Corporation entitled to vote at any regular meeting of stockholders, or at any special meeting of stockholders, voting together as a single class; provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

January 2, 2015 (effective as of January 1, 2015)

Dr. Robin L. Smith
930 Fifth Avenue
Suite 8H
New York, New York 10021

Dear Robin:

This letter serves as an amendment (the "Amendment") to (i) the employment agreement between you and NeoStem, Inc. (the "Company") dated May 26, 2006 (as amended on each of January 26, 2007, September 27, 2007, January 9, 2008, August 29, 2008, July 29, 2009, April 4, 2011, November 13, 2012, and March 11, 2014) pursuant to which you serve as the Company's Chairman of the Board and Chief Executive Officer (the "Agreement"), and (ii) your Employee Confidentiality, Invention Assignment and Non-Compete Agreement dated as of August 6, 2006 (the "Confidentiality Agreement"). Except as set forth herein, the Agreement and the Confidentiality Agreement shall remain unchanged. Initially capitalized terms used herein but not defined shall have the meaning set forth in the Agreement.

1. Employment and Term. Effective as of the date that the Board appoints a new Chief Executive Officer and such new Chief Executive Officer commences service to the Company, you will no longer be the Chief Executive Officer of the Company. For the remainder of the Term (as described below) following the appointment of a new Chief Executive Officer, you will continue to be employed by the Company under the Agreement (as amended by this Amendment). Unless terminated earlier by you (which you may do at any time by giving 30 days advance written notice to the Board), the Term shall expire on December 31, 2015, without renewal. During the balance of the Term you may accept a new CEO position as long as (1) you continue to spend significant time on Company activities as reasonably requested, (2) such services does not interfere with or prevent your services hereunder and your continued service to the Company is consented to in writing by your new employer and (3) your new position is consistent with your obligations under the Confidentiality Agreement, as described below and modified herein. After the expiration of the Term, you will continue to serve as a member of the Board and Chairman of the Board in a non-executive capacity, and for such service through the annual meeting to be held in 2016 without further compensation as long as you receive severance pay from the Company.
2. Base Salary, Bonus and Option Grant. You will continue to receive your \$545,000 annual Base Salary for the remainder of the Term. You will also receive a \$200,000 cash bonus by June 1, 2015 after you hand off your CEO duties to an incoming CEO and will be eligible for an additional annual bonus if the Company achieves its target objectives for the year (as determined by the Compensation Committee at the beginning of the year), which additional bonus will be prorated if the Term ends before December 31, 2015. Upon your execution of this Amendment, you will also be granted a stock option under the Company's 2009 Amended & Restated Equity Compensation Plan to purchase 300,000 shares of Common Stock (the "Amendment Grant") at a per-share exercise price equal to the value of the Common Stock on the date of execution of this Amendment, with one-third (1/3) of such option being vested and exercisable immediately upon grant, one-third (1/3) of such option

being vested and exercisable on June 7, 2015 and the remaining one-third (1/3) of such option being vested on December 7, 2015.

3. Perquisites. The Company will allow you to retain your current office and other perquisites, and the use of your current secretary through the end of the Term and thereafter until you are no longer a member of the Board.

4. Severance. Upon the expiration or termination of the Term, regardless of the reason, you will be entitled to the following:

- (a) The Company shall continue to pay your Base Salary (at the rate provided in this Amendment) in regular installments for a period of one year following the end of the Term (the "Severance Period").
- (b) The Company will pay you an additional cash amount equal to your annual bonus for 2013 (\$475,000), as soon as practicable after the expiration or termination of the Term (but no later than 15 days thereafter).
- (c) If you or your eligible spouse and dependents timely elect COBRA Coverage, the Company shall pay the monthly premiums for such coverage during the Severance Period; provided that, if you and your spouse or domicile partner are entitled to coverage under a subsequent employer's group health insurance plan during the Severance Period, payment of such premiums shall cease.
- (d) All of your stock options (including the Amendment Grant), to the extent not vested, shall become fully vested and exercisable, and all of your vested stock options (including the Amendment Grant) shall remain exercisable for the balance of their respective 10-year terms as if your employment had continued.
- (e) The remaining 31,332 of your 94,000 "Restricted Shares" (as defined in your Restricted Stock Grant Agreement dated as of January 2, 2014), and any other equity awards, shall become vested and non-forfeitable upon achievement of their applicable vesting requirements, as if your employment had continued.
- (f) To the extent it is transferable, the Company will transfer and assign to you its term life insurance policy that provides a death benefit to your designated beneficiaries in the amount of \$5 million, as issued by Ameritas Insurance Corp.
- (g) You will receive your cash bonus for 2015 (to the extent earned but not already paid, but as if your employment continued), and any other benefits payable under the then-existing terms of any plan, agreement or arrangement of the Company or its affiliates (the "Company Arrangements").

5. Non-Competition. Section 4 of the Confidentiality Agreement is hereby deleted and replaced with the following:

"4. Noncompetition. During the Term, and for twelve (12) months following the termination of the Term for any reason, whether by voluntary resignation or involuntary termination, or during any period in which I am receiving any financial compensation from the Company, including compensation for serving as a director of the Company, I will not without the prior written approval of (i) the chief executive officer of the Company, in the event that I am not an executive officer of the Company, and (ii) the Board of Directors of the Company, in the event that I am an executive officer of the Company, directly or indirectly become employed by or directly or indirectly participate in or assist any individual or entity that is a competitor of the Company in the stem cell or cell therapy

sectors, as conducted by the Company in the fourth quarter of 2014 and as described in its quarterly 10Q filing with the Securities and Exchange Commission on October 31, 2014.

6. Other Modifications to Restrictions. Other than as set forth in the Confidentiality Agreement (as amended by this Amendment) to protect all confidential information of the Company or otherwise, or as may be required to avoid a conflict of interest while you are a member of the Board, there shall be no other restrictions on your post-employment activities. The Company also acknowledges and agrees that your continued association with the Stem for Life Foundation, and your solicitation of your current executive assistant for new employment, will not violate any contractual restrictions to which you are subject. Your obligations under the Confidentiality Agreement shall also terminate if the Company materially defaults on any of its obligations to you, and such default continues without cure for 30 days after you provide notice of such default to the Company.
7. Mutual Releases. You agree to execute and deliver to the Company a general release of claims in the form attached hereto as Exhibit A (the "Mutual Release") after the last day of the Term and no later than the twenty-first (21st) day after the last day of the Term, which shall be countersigned by the Company upon execution by you. If you fail to timely execute and deliver the Mutual Release, or if you timely revoke the Mutual Release, the Company shall not be obligated to provide any of the payments set forth in paragraph 4 of this Amendment.
8. Indemnification. The Company shall, to the full extent permitted by law, indemnify and hold you harmless from and against any liability, damage, claim or expense incurred by reason of any act performed or omitted to be performed by you in connection with your employment with, or services for, the Company, such indemnification to include, without limitation, the advance payment of attorneys fees and other expenses reasonably incurred by you in connection with defending, or otherwise resolving, any claim based on any such act or omission. Such advances shall be made within 30 days after your presentation of an invoice for such expenses. You shall also be covered under any directors' and officers' liability insurance policies maintained by or for officers or directors of the Company on no less favorable a basis than that applying to any of the Company's officers or directors in general. Your coverage under such policies shall continue during the Term, and for not less than six years thereafter, at the level then in effect for current officers or directors of the Company.
9. Miscellaneous.
 - (a) The Company will reimburse you, or pay your attorneys directly, for legal fees and other expenses of counsel incurred by you, in an amount not to exceed \$25,000, in connection with your negotiation and implementation of this Amendment, not later than 30 days after presentation of an invoice with appropriate supporting documentation.
 - (b) The Company acknowledges and agrees that its obligations under the Agreement, as amended by this letter, shall remain in full force and effect, including, without limitation, the Company's obligations to remove legends from stock certificates and furnish information under Sections 9 and 10 in the amendment dated April 4, 2011.
 - (c) In the event of any inconsistency between the terms of this Amendment and the terms of any Company Arrangement, the terms of this Amendment will control. In the event of any termination of your employment, you shall be under no obligation to seek other employment and there shall be no offset against amounts, benefits or entitlements due you by the Company pursuant to this Amendment on account of any remuneration or benefits provided by any subsequent employment, except as expressly provided in paragraph 4(c) of this Amendment.

- (d) The Company represents and warrants that; (i) it is fully authorized by action of any person whose action is required to enter into this Amendment and to perform the Company's obligations under it; (ii) the execution, delivery and performance of this Amendment by the Company does not violate any applicable law, regulation, order, judgment or decree or any agreement, arrangement, plan or corporate governance document to which it is a party or by which it is bound; and (iii) upon the execution and delivery of this Amendment by the parties hereto, this Amendment shall be a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.
- (e) In the event of your death or a judicial determination of your incompetence, references in this employment offer to you shall be deemed, where appropriate, to refer to your beneficiary, transferee, estate or other legal representative.
- (f) All payments and benefits under this Amendment are intended either to be exempt from, or to comply with, the requirements of Section 409A and the regulations thereunder, and this Amendment shall be interpreted in accordance with such intent. References in this Amendment to the expiration or termination of the Term, a "termination of employment" and similar terms shall mean a "separation from service" within the meaning of Section 409A. Each payment under this Amendment shall constitute a separate payment within the meaning of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding anything contained in this Amendment to the contrary, if you are a "specified employee" (determined in accordance with Section 409A and Treasury Regulation Section 1.409-3(i)(2)) as of the end of the Term, and if any payment, benefit or entitlement provided for in this Amendment or otherwise both (i) constitutes a "deferral of compensation" within the meaning of Section 409A and (ii) cannot be paid or provided in a manner otherwise provided herein or otherwise without subjecting you to additional tax, interest and/or penalties under Section 409A, then any such payment, benefit or entitlement that is payable during the first 6 months following your separation from service shall be paid or provided to you in a lump sum cash payment on the earlier of (x) your death or (y) 6 months and one day after your separation from service.

If the terms of this Amendment are acceptable to you please sign where indicated below. It is understood and acknowledged that a signature delivered by facsimile or "pdf" will be considered to be valid as an original.

Very truly yours,

NEOSTEM, INC.

By: /s/ Richard Berman

Name: Richard Berman

Title: Compensation Comm. Chair

Agreed to and accepted (on January 2, 2015):

/s/ Robin L. Smith

Robin L. Smith, M.D.

Exhibit A
Mutual Release

1. **Release by the Executive.** In consideration of the payments and benefits to be made under paragraphs 4(a) and (h) of the letter (the "Amendment") dated as of January 1, 2015 between NeoStem, Inc. (the "Company") and Dr. Robin L. Smith (the "Executive"), with the intention of binding the Executive and the Executive's heirs, executors, administrators and assigns (the "Executive Parties"), the Executive does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries (the "Company Affiliated Group"), their present and former officers, directors, executives, agents, attorneys, employees and employee benefits plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing, (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any of the Company Released Parties in any capacity, including, without limitation, any and all claims (i) arising out of or in any way connected with the Executive's service to any member of the Company Affiliated Group (or the predecessors thereof) in any capacity, or the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, and (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices), any and all claims based on the Executive Retirement Income Security Act of 1974 ("ERISA"), any and all claims arising under the civil rights laws of any federal, state or local jurisdiction, including, without limitation, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans with Disabilities Act ("ADA"), Sections 503 and 504 of the Rehabilitation Act, the Family and Medical Leave Act, the Age Discrimination in Employment Act ("ADEA"), the New York State Human Rights Law, the New York City Human Rights Law, the Sarbanes Oxley Act of 2002, the False Claims Act, and any and all claims under any whistleblower laws or whistleblower provisions of other laws; provided, however, that nothing in this Section 1 releases any obligations of the Company Released Parties with respect to the rights of the Executive that are provided under, or preserved by, the Amendment.

2. **Release by Company.**

(a) The Company, on its own behalf and on behalf of each of the other member of the Company Affiliated Group, hereby releases the Executive Parties from any and all claims that the Company Released Parties had or may ever have against the Executive Parties from the beginning of time and up to and including the date that Company has executed, and delivered, this Release.

(b) Notwithstanding the foregoing, the release granted under Section 2(a) specifically excludes (i) the violation of any federal, state or local statutory and/or public policy right or entitlement that, by applicable law, is not waivable; (ii) any claim based on willful misconduct by the Executive (with willful misconduct defined in this context to mean misconduct that is known by the Executive not to be in the interest of the Company); (iii) any claim for breach of this Mutual Release or the Amendment by the Executive; (iv) the Company's right to recoup payments to the Executive, to the extent required under the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act; and (v) any wrongful act or omission occurring after the date that the Company has executed, and delivered, this Mutual Release.

(c) To the extent that this Section 2 is not enforceable against any Company Released Party, the Company agrees to promptly indemnify and hold the Executive harmless from any liability, costs or

obligations with respect to any claims (including, without limitation, any attorney fees or other charges incurred in defending any such claims) released by this Release.

3. **No Admissions.** The Company and the Executive acknowledge and agree that the releases provided in Section 1 and 2 are not to be construed in any way as an admission of any liability whatsoever by any Company Released Party or by the Executive.

4. **Representations.** The Executive represents and warrants that she is unaware of any facts that could constitute unlawful conduct by the Company that have not already been presented to the Board.

5. **Specific Waiver.** The Executive specifically acknowledges that his or her acceptance of the terms of this Mutual Release is, among other things, a specific waiver of his or her right, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive. This Mutual Release is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with the Executive's protected right to communicate or file a charge with, or participate in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission ("EEOC") or similar federal, state or local government body or agency charged with enforcing employment discrimination laws but the Executive hereby waives any and all rights to relief or recovery, under, or by virtue of, any such filing of a charge with, or investigation, hearing or proceeding conducted by, the EEOC or any other similar federal, state or local government agency relating to any claim that has been released in this Mutual Release.

6. **Voluntariness.** The Executive agrees that she is relying solely upon her own judgment; that the Executive is over 18 years of age and is legally competent to sign this Mutual Release; that the Executive is knowingly or voluntarily signing this Mutual Release of her own free will; that the Executive has read and understood the Mutual Release before signing it; and that the Executive is signing this Mutual Release in exchange for consideration that she believes is satisfactory and adequate.

7. **Legal Counsel.** The Executive acknowledges that she has been informed of the right to consult with legal counsel of her choice and has done so.

8. **Complete Agreement/Severability.** This Mutual Release together with the Amendment and the Confidentiality Agreement constitutes the complete and final agreement between the parties and supersedes and replaces all prior or contemporaneous agreements, negotiations, or discussions relating to the subject matter of this Mutual Release. All provisions and portions of this Mutual Release are severable. If any provision or portion of this Mutual Release or the application of any provision or portion of the Mutual Release shall be determined to be invalid or unenforceable to any extent or for any reason, all other provisions and portions of this Mutual Release shall remain in full force and shall continue to be enforceable to the fullest and greatest extent permitted by law.

9. **Acceptance.** The Executive acknowledges that she has been given a period of twenty-one (21) days within which to consider this Mutual Release, unless applicable law requires a longer period, in which case the Executive shall be advised of such longer period and such longer period shall apply. The Executive represents and warrants that she has had sufficient opportunity to consider this Mutual Release, has carefully read it and understands all of its terms and understands that it is valid, binding and enforceable against the Executive and the Company in accordance with its terms.

The Executive further acknowledges, understands and agrees that that the general release of claims above includes, but is not limited to, **a waiver and release of all claims that she may have under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA")** arising up to and including the

date that she signs this Mutual Release. As required by the Older Workers Benefit Protection Act of 1990, the Executive is hereby advised that:

- She is not waiving any rights or claims under the ADEA that may arise after the date she sign this Mutual Release;
- She should consult with an attorney of her choice concerning her rights and obligations under this Mutual Release before signing this Mutual Release;
- She should fully consider this Mutual Release before signing it;
- nothing in this Mutual Release prevents or precludes the Executive from challenging (or seeking a determination of) the validity of the waiver under the ADEA;
- she has 21 days from the date she received this Mutual Release to consider whether or not she wants to sign it. The Executive also should understand that she may use as much or as little of the 21-day period as she wishes before deciding whether or not to sign this Mutual Release;
- if the Executive does not sign and return this Mutual Release within the required time period, then the Company's offer to provide her with the severance and other payments described herein above, will automatically terminate;
- at any time within 7 days after signing this Mutual Release, the Executive may change her mind and revoke her acceptance of this Mutual Release. To be effective, the Executive's revocation must be in writing and either hand-delivered or sent electronically to the Company within the 7-day period.
- this Mutual Release is not effective or enforceable until (and if) the revocation period has passed without a revocation;
- if the Executive exercises her right to revoke this Mutual Release (including, without limitation, the Company's offer to provide the Executive with the severance and other payments described herein and the mutual release of claims will not be enforceable; and
- if the Executive does not revoke her acceptance of this Mutual Release, the eighth day following that date that the Executive signs this Mutual Release will be the effective date.

10. **Governing Law.** Except for issues or matters as to which federal law is applicable, this Mutual Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof. The parties consent to the exclusive forum of the state and federal courts located in New York in the Borough of Manhattan with respect to any dispute.

[Signature Page to Follow]

The Company and Executive indicate their acceptance of this Mutual Release by signing and dating it and returning it to the other. This Mutual Release may also be executed in several counterparts, each of which shall be deemed an original and said counterparts shall constitute but one and the same instrument. Signatures delivered by facsimile (including, without limitation, by "pdf") shall be effective for all purposes.

ACCEPTED AND AGREED:

Dr. Robin L. Smith

Date:_____

NeoStem, Inc.

By:_____

Name:

Title:

Date:_____

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), dated as of January 5, 2015 and effective on January 5, 2015, (the "Effective Date") is by and between NeoStem, Inc. (the "Company") and David J. Mazzo, Ph.D. (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ the Executive as its Chief Executive Officer and the Executive desires to be so employed by the Company; and

WHEREAS, the Company and the Executive each believe it is in their respective best interests to enter into this Agreement setting forth the mutual understandings and agreements reached between the Company and the Executive with respect to the Executive's employment with the Company and certain restrictions on the Executive's conduct benefitting the Company during such time and thereafter, all as set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. *Employment.* The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company on a full-time basis, for the period commencing on the Effective Date and, subject to earlier termination pursuant to Section 6 below, continuing until December 31, 2018 (the "Initial Term"). Effective upon the expiration of the Initial Term and of each Renewal Term, if any, this Agreement and the Executive's employment hereunder may be extended by the Company (acting through the Board) for an additional period of one (1) year, subject to earlier termination pursuant to Section 6 below (each, a "Renewal Term"), in each such case, commencing upon the expiration of the Initial Term or the then-current Renewal Term, as the case may be, but only if, at least ninety (90) calendar days prior to the expiration of the Initial Term or the then-current Renewal Term, as the case may be, the Company (acting through the Board) shall have given written notice to the Executive of the Company's intention to extend the Term (the "Extension Notice"). In the event that the Company does not provide an Extension Notice in the manner and within the time period set forth in the preceding sentence, the Term automatically shall expire at the end of the Initial Term or the then-current Renewal Term, as the case may be. As used in this Agreement, the "Term" shall refer to the period beginning on the Effective Date and ending on the effective date of the termination of this Agreement and the Executive's employment hereunder (the "Termination Date") in accordance with this Section 1 or Section 6 below. The Executive hereby represents and warrants to the Company that he has the legal capacity to execute and perform this Agreement, and that its execution and performance by him will not violate the terms of any existing agreement or understanding to which the Executive is a party; and the Company hereby represents and warrants to the Executive that the person executing this Agreement on its behalf has the authority to do so and to bind the Company.

Section 2. *Position and Duties.* During the Term, the Executive shall be employed as the Company's Chief Executive Officer and shall perform duties consistent with such position, including but not limited to direct responsibility for all day-to-day operations of the Company, and such other related duties

as the Company's Board of Directors (the "Board") shall reasonably request. The Executive will report to the Executive Chairman of the Board, and be subject to the lawful direction of, the Board. During the Term, and except for vacation in accordance with Section 5(a) below, the Executive shall devote his full business time, attention, skill and efforts to the business and affairs of the Company, its subsidiaries and other affiliates and shall comply with the Company's codes of conduct, policies and procedures in place from time to time; provided however; the foregoing shall not prevent the Executive from (a) engaging in not-for-profit activities (e.g., board membership with charitable, educational, or religious organizations), (b) serving on the board of directors of pSivida Corp. and Avanir Pharmaceuticals, Inc., or in the event that the Executive ceases to serve on such boards, then, subject to the prior written approval of the Board, which shall not be unreasonably withheld, serving on the board of directors (or similar governing body) of not more than two (2) other for profit corporations (or other business entities) that are not competitors of the Company (as determined in good faith by the Board, it being understood that a failure to approve if service would be inconsistent with ISS standards is reasonable), or (c) managing the Executive's personal and immediate family member's passive investments, as long as, in each case, such activities individually or in the aggregate do not materially interfere or conflict with the Executive's duties hereunder or create a potential business or fiduciary conflict (in each case, as determined in good faith by the Board). During the Term, the Executive also shall serve as a member of the Board and in such other executive-level positions or capacities as may, from time to time, be reasonably requested by the Executive Chairman and/or the Board, including, without limitation (subject to election, appointment, re-election or re-appointment, as applicable) as (i) a member of the board of directors or similar governing body of any of the Company's subsidiaries or other affiliates, (ii) an officer of any of the Company's subsidiaries or other affiliates, and/or (iii) a member of any committee of the Company and/or any of its subsidiaries or other affiliates, in each case, for no additional compensation. The Executive's position as a member of the Board shall be subject to election and/or re-election by the Company's shareholders, and the failure of the Company's shareholders to elect or re-elect the Executive shall not be deemed either (A) a breach by the Company of its obligation to the Executive or (B) a material reduction in the Executive's position, duties, responsibilities or authority. The Executive's initial principal place of employment for the performance of his services hereunder shall be at the Company's corporate headquarters in New York, NY; provided; however, it is understood that the Executive shall be required to travel (both within the US and abroad) as reasonably necessary to perform his duties hereunder.

Section 3. Compensation. For all services rendered by the Executive in any capacity required hereunder during the Term, the Executive shall be compensated as follows:

(a) The Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of \$545,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time. The Executive's Base Salary shall be subject to review by the Board and/or the Compensation Committee of the Board (the "Compensation Committee") at least annually and may be increased, but not decreased, from time to time by the Board. As used in this Agreement, the term "Base Salary" shall refer to base salary as may be adjusted from time to time.

(b) The Executive shall be entitled to participate in all compensation and employee benefit plans or programs and to receive all other benefits and perquisites that are approved by the Board and are generally made available by the Company to other senior executives of the Company and to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. Notwithstanding any of the foregoing, nothing in this Agreement shall require the Company or any subsidiary or affiliate thereof to establish, maintain or continue any particular plan or program nor preclude the amendment, rescission or termination of any such plan or program that may be established from time to time.

(c) Upon the Effective Date, the Executive shall be granted an option (the “Initial Option”) to purchase 620,000 shares (the “Initial Option Shares”) of the Company’s common stock, \$.001 par value (the “Common Stock”) under and subject to the Company’s 2009 Equity Compensation Plan, as the same may be amended and/or restated from time to time (the “2009 Equity Plan”) at an exercise price equal to the closing price of the Common Stock on the Effective Date. The Initial Option shall be subject in all respects to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a written grant agreement setting forth the terms and conditions to which such Initial Option grant shall be subject (“Initial Grant Agreement”). The Initial Grant Agreement will provide, among other things, that 100,000 shares of the Initial Option Shares shall be immediately vested, with the balance of the Initial Option Shares vesting in a series of sixteen successive equal quarterly installments (32,500 shares each) such that vesting is complete on the fourth anniversary of the Effective Date (in each case, subject to the Executive’s continued employment with the Company on the applicable vesting date). **The** Executive shall be granted, upon the Effective Date, an additional option (the “Additional Option,” and together with the Initial Option, the “Options”) to purchase 200,000 shares (the “Additional Option Shares,” and together with the Initial Option Shares, the “Option Shares”) of the Common Stock under the 2009 Equity Plan at an exercise price equal to the closing price of the Common Stock on the Effective Date. The Additional Option also shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a written grant agreement setting forth the terms and conditions to which such Additional Option grant shall be subject (the “Additional Grant Agreement”). The Additional Grant Agreement will provide, among other things, that the Additional Option Shares shall vest and become exercisable based on two (2) individual milestones (100,000 Additional Option Shares each), subject to the Executive’s continued employment by the Company on each of the applicable 1/16 milestone vesting dates. The milestones shall be mutually established by the Compensation Committee (or the Executive Chairman) and the Executive within three (3) months following the Effective Date. All Options and Option Share issuances are subject to the Executive’s execution of the Company’s Insider Trading Policy. In addition, the Executive acknowledges that in his position he will be an “affiliate” of the Company for purposes of U.S. securities laws and the Option Shares and any transfer of the Option Shares will be treated as such. The Option Shares will be included in the Company’s registration statements on Form S-8.

(d) The Executive shall be eligible to receive an annual cash bonus for each calendar year ending during the Term (“Annual Bonus”). The Executive’s target Annual Bonus will equal 55% of his Base Salary (the “Target Bonus”) and the Executive’s maximum Annual Bonus will equal 100% of his Base Salary. Annual Bonus will be determined by the Board and/or the Compensation Committee based upon the level of achievement of the Company’s corporate goals and objectives for the calendar year with respect to which the Annual Bonus relates and the Executive’s individual performance (in each case, as reasonably determined by the Board and/or the Compensation Committee). The Board agrees to take into account the Executive’s input with respect to the establishment of the Executive’s individual goals and objectives. The Board may, in its discretion, award the Executive an Annual Bonus of less than or greater than the Target Bonus depending on the Executive’s level of achievement of the performance targets. Each Annual Bonus for a calendar year, to the extent earned, will be paid in a lump sum in the following calendar year, but no later than March 15 of the calendar year immediately following the applicable calendar year for which the Annual Bonus is being measured. In order for the Executive to receive an Annual Bonus, the Executive must be actively employed by the Company on December 31 of the calendar year for which the Annual Bonus is being measured.

Section 4. *Business Expenses.* The Company shall pay or reimburse the Executive for all reasonable travel (it being understood that travel shall be arranged by the Company when practicable) and other reasonable expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement, subject to the Executive’s presentation of appropriate vouchers or receipts

in accordance with such policies and approval procedures as the Company may from time to time establish for employees (including but not limited to prior approval of extraordinary expenses) and to preserve any deductions for Federal income taxation purposes to which the Company may be entitled.

Section 5. *Benefits; Perquisites; Expense Reimbursement.* In addition to those payments and benefits set forth above or elsewhere herein, Executive shall be entitled to the following other benefits and payments:

(a) Vacation. Executive shall be entitled to four (4) weeks paid vacation per calendar year (pro rated in the event of a service year which is shorter than a calendar year), in addition to Company-observed holidays. Any vacation time not used during a calendar year shall be treated in accordance with the Company's policies relating to unused vacation (currently forfeiture without compensation).

(b) Supplemental Term Life and Long-Term Disability Insurance. The Company will pay up to \$10,000 annually (in the aggregate) for supplemental term life insurance coverage and supplemental long-term disability coverage.

(c) Non-Accountable Expense Allowance. The Company will provide the Executive with an annual expense allowance of \$12,000 in the aggregate, payable in monthly installments.

(d) D&O Insurance. The Executive shall be covered by the Directors and Officers Liability Insurance policy that generally covers the directors and officers of the Company, provided by the Company at its expense.

(e) Indemnification. The Executive shall be entitled to the benefit of the indemnification provisions contained in the Company's By-Laws or Certificate of Incorporation as they may be amended from time to time, to the extent permitted by applicable law, at the time of the assertion of any liability against the Executive.

(f) Legal Expenses. The Company shall pay for the reasonable legal fees of counsel incurred by the Executive in connection with the negotiation, preparation and execution of this Agreement, up to a maximum amount of \$10,000.

Section 6. *Termination of Employment.*

(a) Events of Termination. The Executive's employment hereunder may be terminated upon the occurrence of any of the following events:

(i) Termination for Cause. The Company (acting through the Board) may terminate the Executive's employment hereunder for Cause at any time. For purposes of this Agreement, "Cause" shall mean that, as determined by the Board, the Executive has: (A) committed gross negligence in connection with his duties as set forth herein or otherwise with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (B) committed fraud in connection with his duties as set forth herein or otherwise with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (C) engaged in personal dishonesty, willful misconduct, willful violation of any law, or breach of fiduciary duty, in each instance, with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (D) been indicted for, or has been found by a court of competent jurisdiction to have committed or plead guilty to, (1) a felony (or state law equivalent) or (2) any other serious crime involving moral turpitude or that has (or is reasonably likely to have) a material adverse effect either on (x) the Executive's ability to perform his duties under the Agreement or (y) the reputation and goodwill of the Company, regardless of whether or not such other crime is related or unrelated to the business of the Company,

its subsidiaries or other affiliates; (E) shown chronic use of alcohol, drugs or other similar substances that materially affects the Executive's work performance; (F) breached his obligations under (1) this Agreement, (2) the Confidentiality, Non-Compete and Inventions Assignment Agreement attached hereto as Exhibit A (the "Covenants Agreement") or (3) any other agreement executed by the Executive for the benefit of the Company, its subsidiaries and/or other affiliates, provided, that, if such breach described in this clause (F) is susceptible to cure (as determined in the reasonable discretion of the Board), the Executive shall have thirty (30) days after notice from the Board to cure such breach; (G) failed to materially perform the Executive's duties or to follow the lawful directives of the Board; provided, that, if such failure described in this clause (G) is susceptible to cure (as determined in the reasonable discretion of the Board), the Executive shall have thirty (30) days after notice from the Board to cure such failure; or (H) materially violated the Company's written code of conduct or other written or established policies and/or procedures in place from time to time; provided, that, if such violation described in this clause (H) is susceptible to cure (as determined in the reasonable discretion of the Board), the Executive shall have thirty (30) days after notice from the Board to cure such violation. Any notice to the Executive under this Section 6(a)(i) shall be in writing and shall specify in reasonable detail the Executive's acts or omissions that the Company alleges constitute "Cause."

(ii) Termination without Cause. The Company (acting through the Board) may terminate the Executive's employment hereunder without Cause (other than by reason of death or Disability) at any time upon notice to Executive.

(iii) Resignation for Good Reason. The Executive may voluntarily terminate his employment hereunder for Good Reason (as defined below) upon written notice to the Company in accordance with the definition thereof. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events: (A) material breach by the Company of its obligations under this Agreement; (B) the Executive's position, duties, responsibilities, or authority have been materially reduced or the Executive has repeatedly been assigned duties that are materially inconsistent with his duties set forth herein, in each case, without the Executive's consent or (C) the relocation of the Executive's principal place of employment, without the Executive's consent, in a manner that lengthens his one-way commute distance by one hundred (100) or more miles. "Good Reason" shall not be deemed to exist, however, unless (1) the Executive shall have given written notice to the Company specifying in reasonable detail the Company's acts or omissions that the Executive alleges constitute "Good Reason" within sixty (60) days after the first occurrence of such circumstances and the Company shall have failed to cure any such act or omission within sixty (60) days of receipt of such written notice, and (2) the Executive actually terminates employment within one hundred eighty (180) days following the initial occurrence of the of any of the foregoing conditions that he considers to be "Good Reason." If the Executive fails to provide this notice and cure period prior to his resignation, or resigns more than one hundred eighty (180) days after the initial existence of the condition, his resignation will not be deemed to be for "Good Reason."

(iv) Resignation without Good Reason. The Executive may voluntarily terminate his employment hereunder for any reason at any time, including for any reason that does not constitute Good Reason, upon ninety (90) days' prior written notice to the Company, provided, however, the Company reserves the right, upon written notice to the Executive, to accept the Executive's notice of resignation and to accelerate such notice and make the Executive's resignation effective immediately, or on such other date prior to the Executive's intended last day of work as the Company deems appropriate. It is understood and agreed that the Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by the Company without Cause for purposes of Section 6(a)(ii) of this Agreement, Section 7(a) of this Agreement or otherwise, or constitute Good Reason for purposes of Section 6(a)(iii) of this Agreement, Section 7(a) of this Agreement or otherwise.

(v) Disability. The Executive's employment hereunder shall terminate upon his Disability. For purposes of this Agreement, "Disability" shall mean that the Executive has been unable to perform his duties to the Company on account of physical or mental illness or incapacity for a period of ninety (90) consecutive calendar days or one hundred twenty (120) calendar days (whether or not consecutive) during any 365-day period, as a result of a condition that is treated as a total or permanent disability under the long-term disability insurance policy of the Company that covers the Executive.

(vi) Death. The Executive's employment hereunder shall automatically terminate upon his death.

(vii) Expiration of Term. As set forth in Section 1 above, the Executive's employment hereunder shall automatically terminate upon the expiration of the Term.

(b) Resignation from Directorships, Officerships and Committees. The termination of the Executive's employment for any reason shall constitute the Executive's resignation from (i) any director, officer, employee or committee position the Executive has with the Company or any of its affiliates and (ii) all fiduciary positions the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance; provided, however, the Executive agrees to take any additional actions that are deemed reasonably necessary by the Company to effectuate or evidence such resignations.

Section 7. Compensation upon Termination of Employment. All defined terms used in this Section 7 but not defined in this Section 7 or elsewhere in this Agreement shall have the meanings ascribed to such terms in the Covenants Agreement:

(a) Resignation for Good Reason; Termination without Cause. In the event that, during the Term, the Company terminates Executive's employment without Cause (other than by reason of death or Disability) or the Executive voluntarily terminates his employment for Good Reason, the Company shall, in full discharge of all of the Company's obligations to the Executive hereunder or otherwise, provide the Executive with the following payments and benefits:

(i) Accrued Rights. The Company shall pay the Executive a lump-sum amount, within thirty (30) days following the Termination Date (or earlier if required by law), equal to the sum of (A) his earned but unpaid Base Salary through the last day of the Executive's employment ("Termination Date"), (B) any bonus amount earned and vested but not paid for periods ending on or prior to the Termination Date, (C) any accrued and unused vacation time, (D) any unreimbursed business expenses or other amounts due to the Executive from the Company as of the Termination Date, and (E) all other payments and benefits to which the Executive then may be entitled under the terms of any applicable compensation arrangement or benefit, equity or perquisite plan or program or grant or this Agreement, including but not limited to any applicable insurance benefits (the "Accrued Rights").

(ii) Additional Payments. Subject to Sections 7(e) and 7(f) below, the Company shall make additional payments to Executive in the form of continuation of the Executive's then-current Base Salary (the "Additional Payments") for a period beginning on the Termination Date and ending on the twelve (12) month anniversary of the Termination Date (the "Severance Period"), payable in accordance with the Company's regular payroll practices, commencing on the Company's first regular payroll date that occurs on or immediately after the 60th day following the Termination Date; provided, however, the first installment payment of the Additional Payments shall include the cumulative amount of payments that would have been

paid to the Executive during the period of time between the Termination Date and the date the Additional Payments commence had such payments commenced immediately following the Termination Date.

(iii) COBRA Assistance. If Executive then participates in the Company's medical and/or dental plans and Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then, subject to Sections 7(e) and 7(f) below, the Company will pay monthly, on the Executive's behalf, a portion of the cost of such coverage for the Severance Period, which payments will be equal to the amount of the monthly premium for such coverage, less the amount that Executive would have been required to pay if Executive had remained an active Executive of the Company (the "COBRA Assistance"); provided, however, that if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or cause a violation of Section 409A (as defined in Section 19 below).

(iv) Pro-Rata Bonus Payment. Subject to Sections 7(e) and 7(f) below, the Company shall pay the Executive an amount equal to the product of: (A) 50% of Executive's Base Salary (at the rate in effect on the Termination Date) and (B) a fraction, the numerator of which is the number of days that the Executive was employed by the Company during the calendar year in which the Termination Date occurs and the denominator of which is 365 (the "Pro-Rata Bonus"), the aggregate amount of which Pro-Rata Bonus shall be payable in equal installments on the Company's regular payroll dates, commencing on the later of: (1) the Company's first regular payroll date that occurs on or immediately after the 60th day following the Termination Date; and (2) the date that the Executive's Annual Bonus for the calendar year in which the Termination Date would have been paid under Section 3(d) above if he had remained employed until the end of such calendar year, and ending on the last payroll date in the Severance Period.

(v) Options. The Company shall provide that twenty-five percent (25%) of all outstanding unvested equity awards granted to the Executive shall become fully vested and provide that the time period that the Executive may have to exercise such equity awards shall be extended for a period equal to the shorter of (i) one (1) year following the Termination Date, or (ii) the remaining term of the award. Except as otherwise provided in this Section 7(a)(v), all stock options shall be treated in accordance with the 2009 Equity Plan.

(b) Expiration of the Term. If the Executive's employment hereunder terminates upon the expiration of the Term because the Executive elects not to extend the Term, then the Company shall, in full discharge of all of the Company's obligations to the Executive hereunder or otherwise, pay and/or provide the Executive with any Accrued Rights under Section 7(a)(i) hereof. If the Executive's employment hereunder terminates upon expiration of the Term because the Company does not offer to extend the Term in accordance with Section 1, then, in full discharge of all of the Company's obligations to the Executive hereunder or otherwise, the Executive shall be entitled to receive the Accrued Rights under Section 7(a)(i) and the benefits described in Section 7(a)(ii) and 7(a)(iii), subject to Sections 7(e) and 7(f). In either case, all stock options shall be treated in accordance with the 2009 Equity Plan.

(c) Resignation without Good Reason; Termination for Cause or upon Death or Disability.

(i) In the event that during the Term the Company terminates Executive's employment for Cause or the Executive voluntarily terminates his employment other than for Good Reason, the Company shall, in full discharge of all of the Company's obligations to the Executive hereunder or

otherwise, pay and/or provide the Executive with any Accrued Rights under Section 7(a)(i) hereof. All stock options shall be treated in accordance with the 2009 Equity Plan.

(ii) In the event that during the Term the Executive's employment is terminated due to the Executive's death or Disability, the Company shall, in full discharge of all of the Company's obligations to the Executive (or his estate, if applicable) hereunder or otherwise, (A) pay and/or provide the Executive (or his estate with) with any Accrued Rights under Section 7(a)(i) hereof and (B) subject to Sections 7(e) and 7(f) below, provide the COBRA Assistance under Section 7(a)(iii). All stock options shall be treated in accordance with the 2009 Equity Plan.

(d) No Further Rights; Continued Obligations under the Covenants Agreement. The Executive shall have no further rights under this Agreement or otherwise to receive any other compensation or benefits after such termination or resignation of employment under the Company's severance arrangements or otherwise, except with respect to the payments and benefits specifically provided for under this Section 7. The Executive acknowledges and agrees that, on the expiration of the Term or the earlier termination of his employment for any reason or no reason (whether initiated by the Executive or the Company), the Executive shall continue to be bound by his obligations pursuant to the Covenants Agreement.

(e) Release of Claims. Notwithstanding anything contained in this Agreement to the contrary, the Company's provision of the payments and benefits under Sections 7(a)(ii), 7(a)(iii), 7(a)(iv), 7(a)(v) and 7(c)(ii) hereof shall be contingent in all respects on the Executive (or, if applicable, his estate) executing (and not revoking) a general release of claims against the Company, its affiliates and related parties, in a form reasonably satisfactory to the Company (the "Release") and the Release becoming effective (and no longer subject to revocation) within sixty (60) days following the Termination Date.

(f) Breach of Release or Covenants Agreement. Notwithstanding anything set forth in this Agreement to the contrary, in the event of a breach by the Executive of his obligations under the Covenants Agreement or the Release Agreement and in addition to any other remedies under the Covenants Agreement, the Release Agreement or at law or in equity, the Company shall have no further obligations under Sections 7(a)(ii), 7(a)(iii), 7(a)(iv), or 7(c)(ii) (if and as applicable) and the Executive shall be required, upon demand, to return to the Company any payments previously made by the Company pursuant to Section 7(a)(ii), 7(a)(iii), 7(a)(iv), or 7(c)(ii).

(g) Mitigation of Damages. In no event shall the Executive be obliged to seek other employment or take any other action by way of mitigation of the severance benefits payable to the Executive under any of the provisions of this Agreement, nor shall the amount of any severance benefit hereunder be reduced by any compensation earned by the Executive as a result of employment by another employer, except as set forth in this Agreement.

Section 8. Covenants Agreement; Corporate Policies.

(a) Covenants Agreement. The Executive acknowledges that Executive, as a condition to (and a material inducement for) the Company entering into this Agreement, is simultaneously executing the Covenants Agreement, which is attached hereto as Exhibit A, the terms of which are incorporated herein by reference, and that the terms of the Covenants Agreement will be in full force and effect as of the Effective Date and shall survive the expiration of this Agreement or the earlier termination of Executive's employment hereunder.

(b) Corporate Policies. The Executive acknowledges and agrees that during the Term, he will be bound by, and comply with, the Company's various written corporate policies applicable to other senior executives of the Company, including but not limited to its expense reimbursement policies.

Section 9. ***Withholding Taxes.*** The Company may directly or indirectly withhold from any payments made under this Agreement all Federal, state, city or other taxes and all other deductions as shall be required pursuant to any law or governmental regulation or ruling or pursuant to any contributory benefit plan maintained by the Company in which the Executive may participate.

Section 10. ***Notices.*** All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered or mailed, postage prepaid, by certified or registered mail or by use of an independent third party commercial delivery service for same day or next day delivery and providing a signed receipt as follows:

To the Company:

NeoStem, Inc.
420 Lexington Avenue
Suite 350
New York, New York 10170
Attention: General Counsel

and a copy (which shall not constitute notice) shall also be sent to:

Alan Wovsaniker, Esq.
Lowenstein Sandler LLP
65 Livingston Avenue
Roseland, NJ 07068

To the Executive:

David J. Mazzo, Ph.D.
191 Roundtop Road
Bernardsville, NJ 07924

and a copy (which shall not constitute notice) shall also be sent to:

Michael N. Sheetz, Esq.
Cooley LLP
500 Boylston St.
Boston, MA 02116

or to such other address as either party shall have previously specified in writing to the other. Notice by mail shall be deemed effective on the second business day after its deposit with the United States Postal Service, notice by same day courier service shall be deemed effective on the day of deposit with the delivery service and notice by next day delivery service shall be deemed effective on the day following the deposit with the delivery service.

Section 11. ***No Attachment.*** Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect;

provided, however, that nothing in this Section 11 shall preclude the assumption of such rights by executors, administrators or other legal representatives of the Executive or his estate and their conveying any rights hereunder to the person or persons entitled thereto.

Section 12. *Source of Payment.* All payments provided for under this Agreement shall be paid in cash from the general funds of the Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Executive or any other person. To the extent that any person acquires a right to receive payments from the Company hereunder, such right, without prejudice to rights which Executives may have, shall be no greater than the right of an unsecured creditor of the Company.

Section 13. *Binding Agreement; No Assignment.* This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and the Company and their respective permitted successors, assigns, heirs, beneficiaries and representatives. This Agreement is personal to the Executive and may not be assigned by him. This Agreement may not be assigned by the Company except in connection with a sale of all or substantially all of its assets or a merger or consolidation of the Company, and the acquiring Company or entity expressly assumes this Agreement. Any attempted assignment in violation of this Section 13 shall be null and void.

Section 14. *Governing Law; Consent to Jurisdiction.* The validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of New York. In addition, the Executive and the Company irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court sitting in New York County for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on the Executive or the Company anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. The Executive and the Company irrevocably consent to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. In any such action or proceeding, the court shall have the authority to award reasonable costs, expenses, and attorneys' fees to the party that substantially prevails.

Section 15. *Entire Agreement; Amendments.* This Agreement (including Exhibit A) embodies the entire agreement between Executive and the Company with respect to the subject matter hereof and may only be amended or otherwise modified by a writing executed by all of the parties hereto.

Section 16. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Section 17. *Severability; Blue-Penciling.* The provisions, sections and paragraphs, and the specific terms set forth therein, of this Agreement (including Exhibit A) are severable, except as specifically provided to the contrary herein. If any provision, section or paragraph, or specific term contained therein, of this Agreement or the application thereof is determined by a court to be illegal, invalid or unenforceable, that provision, section, paragraph or term shall not be a part of this Agreement, and the legality, validity and enforceability of remaining provisions, sections and paragraphs, and all other terms therein, of this Agreement

shall not be affected thereby. The Executive acknowledges and agrees that as to himself, the restrictive covenants contained in the Covenants Agreement (the “Restrictive Covenants”) are reasonable and valid in geographical and temporal scope and in all other respects. If any court determines that any of such Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. It is the desire and intent of the parties that the Restrictive Covenants will be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any Restrictive Covenant shall be adjudicated to be invalid or unenforceable, such Restrictive Covenant shall be deemed amended to the extent necessary in order that such provision be valid and enforceable, such amendment to apply only with respect to the operation of such Restrictive Covenant in the particular jurisdiction in which such adjudication is made.

Section 18. *Prior Agreements.* This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Company regarding the terms and conditions of Executive’s employment with the Company.

Section 19. *409A Compliance.*

(a) Notwithstanding anything to the contrary contained herein, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (the “Code”) concerning payments to “specified Executives,” any payment on account of the Executive’s separation from service that would otherwise be due hereunder within six months after such separation shall nonetheless be delayed until the first business day of the seventh month following the Executive’s date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction, together with interest on such cumulative amount during the period of such restriction at a rate, per annum, equal to the applicable federal short-term rate (compounded monthly) in effect under Section 1274(d) of the Code on the date of termination. If the Executive dies during the six-month postponement period prior to the payment, the amount of the payment deferred on account of Section 409A of the Code shall be paid to the personal representative of the Executive’s estate within 30 days after the date of the Executive’s. For purposes of Section 7 hereof, the Executive shall be a “specified Executive” for the 12-month period beginning on the first day of the fourth month following each “Identification Date” if he is a “key Executive” (as defined in Section 416(i) of the Code without regard to Section 416(i)(5) thereof) of the Company at any time during the 12-month period ending on the “Identification Date.” For purposes of the foregoing, the Identification Date shall be December 31.

(b) This Agreement is intended to comply with the requirements of Section 409A of the Code and regulations promulgated thereunder (“Section 409A”). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that no payments due under this Agreement shall be subject to an “additional tax” as defined in Section 409A(a)(1)(B) of the Code. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of Section 7 hereof unless he would be considered to have incurred a “separation from service” from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii).

(c) All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive’s lifetime (or during a shorter period of time

specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

(d) In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Section 409A or damages for failing to comply with Section 409A.

Section 20. Section 280G Limitation.

If any payment(s) or benefit(s) the Executive would receive pursuant to this Agreement and/or pursuant to any other agreement or arrangement would (a) constitute a “parachute payment” within the meaning of Section 280G of the Code, and (b) but for this Section 20, be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then such payment(s) or benefit(s) (collectively, “Payments”) shall be reduced to the Reduced Amount. The “Reduced Amount” shall be the largest portion of the Payments that can be paid or provided without causing any portion of the Payments being subject to the Excise Tax. If a reduction in payments or benefits constituting “parachute payments” is necessary so that the Payments equal the Reduced Amount, reduction shall occur in the following order: (i) first, Severance Payments under this Agreement, (ii) second, any other cash payments due under any other agreement between the Company and the Executive; (iii) third, cancellation of the acceleration of vesting of any stock options, (iv) fourth, cancellation of the acceleration of vesting of any restricted stock and restricted stock units; and (v) lastly, other non-cash forms of benefits. Calculations of the foregoing will be performed at the expense of the Company by an accounting firm selected by the Company. The determinations of such accounting firm shall be final, binding and conclusive upon the Company and the Executive.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by their respective duly authorized officers and the Executive has signed this Agreement, all as of the first date above written but effective as of the Effective Date.

NEOSTEM, INC.

By: /s/ Robin L. Smith

Name: Robin L. Smith

Title: Executive Chairman of the Board

/s/ David Mazzo

David J. Mazzo, Ph.D.

Exhibit A to Employment Agreement

NEOSTEM, INC.

Employee Confidentiality, Non-Compete and Inventions Assignment Agreement

I (the "Employee") recognize that NeoStem, Inc., a Delaware corporation (the "Company"), is engaged, directly or through its subsidiaries, in the business of product and process development, consulting, characterization and comparability and contract manufacturing for cell based medicine and regenerative science and storage of cells, collection and therapeutic development, as well as the research and development of proprietary cellular therapies, including a T Regulatory Cell Program in immune modulation, a CD34 Cell Program in Ischemic Repair, a very small embryonic like (VSEL) stem cell program in Tissue Regeneration and Targeted Immunotherapy Program in cancer (the "Business"). The "Business" also includes any other regenerative medicine, cellular therapies or stem cell initiatives which are or become a part of the Company's (or its subsidiaries') business during my employment tenure with the Company. Any company with which the Company enters into, or seeks or considers entering into, a business relationship in furtherance of the Business is referred to as a "Business Partner."

I understand that as part of my performance of duties as an employee of the Company (the "Engagement"), I will have access to confidential or proprietary information of the Company and the Business Partners, and I may make new contributions and inventions of value to the Company. I further understand that my Engagement creates in me a duty of trust and confidentiality to the Company with respect to any information: (1) related, applicable or useful to the business of the Company, including the Company's anticipated research and development or such activities of its Business Partners; (2) resulting from tasks performed by me for the Company; (3) resulting from the use of equipment, supplies or facilities owned, leased or contracted for by the Company; or (4) related, applicable or useful to the business of any partner, client or customer of the Company, which may be made known to me or learned by me during the period of my Engagement.

For purposes of this Agreement, the following definitions apply:

"Proprietary Information" shall mean information relating to the Business or the business of any Business Partner and generally unavailable to the public that has been created, discovered, developed or otherwise has become known to the Company or in which property rights have been assigned or otherwise conveyed to the Company or a Business Partner, which information has economic value or potential economic value to the business in which the Company is or will be engaged. Proprietary Information shall include, but not be limited to, trade secrets, processes, formulas, writings, data, know-how, negative know-how, improvements, discoveries, developments, designs, inventions, techniques, technical data, patent applications, customer and supplier lists, financial information, business plans or projections and any modifications or enhancements to any of the above.

"Inventions" shall mean all Business-related discoveries, developments, designs, improvements, inventions, formulas, software programs, processes, techniques, know-how, writings, graphics and other data, whether or not patentable or registrable under patent, copyright or similar statutes, that are related to or useful in the business or future business of the Company or its Business Partners or result from use of premises or other property owned, leased or contracted for by the Company. Without limiting the generality of the foregoing, Inventions shall also include anything related to the Business that derives actual or potential economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use.

As part of the consideration for my Engagement pursuant to the terms of the employment agreement between the Company and me dated as of January 5, 2015 (the "Employment Agreement"), and the base salary, stock options and/or other compensation and benefits to be received by me from the Company pursuant to the Employment Agreement, I hereby agree as follows:

1. **Proprietary Information and Inventions.** The Company, its Business Partners or their respective assigns, as the case may be, are and shall be the sole owner of all Proprietary Information and Inventions related to the Business and the sole owner of all patents, trademarks, service marks, copyrights, mask rights and other rights (collectively referred to herein as "Rights") pertaining to any Proprietary Information or Inventions. I hereby acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of my Engagement and which are protectable by copyright are "works for hire" as that term is defined in the United States Copyright Act (17 USCA, Section 101). I further hereby assign to the Company, any Rights I may have or acquire in any Proprietary Information or Inventions which arise in the course of my Engagement. I further agree to assist the Company or any person designated by it in every proper way (but at the Company's expense) to obtain and from time to time enforce Rights relating to said Proprietary Information or Inventions in any and all countries. I will execute all documents for use in applying for, obtaining and enforcing such Rights in such Proprietary Information or Inventions as the Company may desire, together with any assignments thereof to the Company or persons designated by it. My obligation to assist the Company or any person designated by it in obtaining and enforcing Rights relating to Proprietary Information or Inventions shall continue beyond the cessation of my Engagement ("Cessation of my Engagement"). In the event the Company is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or enforce any Right relating to Proprietary Information or to an Invention, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agents and attorneys-in-fact to act for and in my behalf and stead in the execution and filing of any such application and in furthering the application for and enforcement of Rights with the same legal force and effect as if such acts were performed by me.

2. **Confidentiality.** At all times, both during my Engagement and after the Cessation of my Engagement, whether the cessation is voluntary or involuntary, for any reason or no reason, or by disability, I will keep in strictest confidence and trust all Proprietary Information, and I will not disclose or use or permit the use or disclosure of any Proprietary Information or Rights pertaining to Proprietary Information, or anything related thereto, without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company or to enforce any of my rights under my Employment Agreement. I recognize that the Company has received and in the future will receive from third parties (including Business Partners) their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties (including Business Partners), during my Engagement and after the Cessation of my Engagement, a duty to hold all such confidential or proprietary information in the strictest confidence, and I will not disclose or use or permit the use or disclosure of any such confidential or proprietary information without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company consistent with the Company's agreement with such third party or to enforce any of my rights under my Employment Agreement or otherwise.

3. **Noncompetition and Nonsolicitation.**

(a) During my Engagement, and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer,

director, consultant, agent, employee or stockholder of any company or commercial enterprise, engage in any activity in the United States, Canada, Asia and Europe that is in Competition with the Company concerning its work or any Business Partner's work in the Business. Further during my Engagement and for a period of two (2) years after the Cessation of my Engagement, I agree not to plan or otherwise take any preliminary steps, either alone or in concert with others to set up or reengage in any business enterprise that would be in Competition with the Company in the Business; provided, however, that the foregoing shall not restrict my ability to seek other employment following the Cessation of my Engagement (whether or not I am receiving or have received any Additional Payments) as long as I do not actually commence such employment. In addition, nothing in this Agreement shall preclude me from providing services to an entity which operates multiple businesses including indirectly, through its affiliates, a business that is in Competition with the Company's Business, if that competitive affiliate is not a material part of the business of such entity and if I do not provide services, directly or indirectly, with respect to, or have supervisory or executive authority with respect to, any such affiliate which is itself directly engaged in such business that is in Competition with the Company's work in the Business. For purposes of this Agreement, "Competition" shall mean any involvement in any project competitive with the Business (as defined above) or the therapies being developed as part of the Business.

(b) During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, either alone or in concert with others, not take any of the following actions:

(i) persuade or attempt to persuade any Business Partner, Customer, Prospective Customer or Supplier to cease doing business with the Company, or to reduce the amount of business it does with the Company;

(ii) persuade or attempt to persuade any Service Provider to cease providing services to the Company or any Business Partner; or

(iii) solicit for hire or hire for myself or for any Person any Service Provider.

(iv) The following definitions are applicable to this Section 3(b):

(A) "Customer" means any Person that purchased goods or services from the Company, or engages in a collaborative arrangement with the Company, at any time within 1 year prior to the date of the solicitation prohibited by Section 3(b)(i) or (ii).

(B) "Prospective Customer" means any Person with whom the Company met or to whom the Company presented for the purpose of soliciting the Person to become a Customer of the Company within 6 months prior to the date of the solicitation prohibited by Section 3(b)(i) or (ii).

(C) "Service Provider" means any Person who is an employee or independent contractor of the Company or the Company or who was within twelve (12) months preceding the solicitation prohibited by Section 3(b)(iii) or (iv) an employee or independent contractor of the Company or the Company.

(D) "Supplier" means any Person that sold goods or services to the Company, or engages in a collaborative arrangement with the Company at any time within twelve (12) months prior to the date of the solicitation prohibited by Section 3(b)(i) or (ii).

(E) "Person" means an individual, a sole proprietorship, a corporation, a limited liability company, a partnership, an association, a trust, or other business entity, whether or not incorporated.

(c) The following shall not be deemed to breach the foregoing obligations: my ownership of stock, partnership interests or other securities of any entity not in excess of two percent (2%) of any class of such interests or securities which is publicly traded.

(d) Employee acknowledges that (i) the restrictions contained in this section are reasonable and necessary to protect the legitimate business interests of the Company, (ii) that the term of this obligation is reasonable in scope, and (iii) that this obligation is a material term, without which the Company would be unwilling to enter into an employment relationship with the Employee.

4. **Delivery of Company Property and Work Product.** In the event of the Cessation of my Engagement, I will deliver to the Company all biological materials, devices, records, sketches, reports, memoranda, notes, proposals, lists, correspondence, equipment, documents, photographs, photostats, negatives, undeveloped film, drawings, specifications, tape recordings or other electronic recordings, programs, data, marketing material and other materials or property of any nature belonging to the Company or its clients or customers, and I will not take with me, or allow a third party to take, any of the foregoing or any reproduction of any of the foregoing.

5. **No Conflict.** I represent, warrant and covenant that my performance of all the terms of this Agreement and the performance of my duties for the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my Engagement. I have not entered into, and I agree that I will not enter into, any agreement, either written or oral, in conflict herewith.

6. **No Use of Confidential Information.** I represent, warrant and covenant that I have not brought and will not bring with me to the Company or use in my Engagement any materials or documents of a former employer, or any person or entity for which I have acted as an independent contractor or consultant, that are not generally available to the public, unless I have obtained written authorization from any such former employer, person or firm for their possession and use. I understand and agree that, in my service to the Company, I am not to breach any obligation of confidentiality that I have to former employers or other persons.

7. **Enforcement; Equitable Relief.** Employee acknowledges that any breach or threatened breach by Employee of any provision of this Agreement may result in immediate and irreparable injury to the Company, and that such injury may not be readily compensable by monetary damages. In the event of any such breach or threatened breach, Employee acknowledges that, in addition to all other remedies available at law and equity, the Company shall be entitled to seek equitable relief (including a temporary restraining order, a preliminary injunction and/or a permanent injunction), and an equitable accounting of all earnings, profits or other benefits arising from such breach and will be entitled to receive such other damages, direct or consequential, as may be appropriate. In addition, and not instead of, those rights, Employee further acknowledges that Employee shall be responsible for payment of the fees and expenses of the Company's attorneys and experts, as well as the Company's court costs, pertaining to any suit, action, or other proceeding, arising directly or indirectly out of Employee's violation or threatened violation of any of the provisions of this section. The Company shall not be required to post any bond or other security in connection with any proceeding to enforce this section.

8. **Severability.** If any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable or otherwise invalid as written, the same shall be enforced and validated to

the extent permitted by law. All provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

9. **Miscellaneous.** This Agreement shall be governed by and construed under the laws of the State of New York applied to contracts made and performed wholly within such state. No implied waiver of any provision within this Agreement shall arise in the absence of a waiver in writing, and no waiver with respect to a specific circumstance, event or occasion shall be construed as a continuing waiver as to similar circumstances, events or occasions. This Agreement, together with the employment agreement between the Company and myself, contains the sole and entire agreement and understanding between the Company and myself with respect to the subject matter hereof and supersedes and replaces any prior agreements to the extent any such agreement is inconsistent herewith. This Agreement can be amended, modified, released or changed in whole or in part only by a written agreement executed by the Company and myself. This Agreement shall be binding upon me, my heirs, executors, assigns and administrators, and it shall inure to the benefit of the Company and each of its successors or assigns. This Agreement shall be effective as of the first day of my being retained to render services to the Company, even if such date precedes the date I sign this Agreement.

10. **Thorough Understanding of Agreement.** I have read all of this Agreement and understand it completely, and by my signature below I represent that this Agreement is the only statement made by or on behalf of the Company upon which I have relied in signing this Agreement.

IN WITNESS WHEREOF, I have caused this Employee Confidentiality, Non-Compete and Inventions Assignment Agreement to be signed on the date written below.

DATED:1/5/15

/s/ David Mazzo

David J. Mazzo, Ph.D.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), dated as of January 5, 2015 and effective on January 5, 2015, (the "Effective Date") is by and between NeoStem, Inc. (the "Company") and Robert S. Vaters (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ the Executive as its President and Chief Financial Officer and the Executive desires to be so employed by the Company; and

WHEREAS, the Company and the Executive each believe it is in their respective best interests to enter into this Agreement setting forth the mutual understandings and agreements reached between the Company and the Executive with respect to the Executive's employment with the Company and certain restrictions on the Executive's conduct benefitting the Company during such time and thereafter, all as set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. *Employment.* The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company on a full-time basis, for the period commencing on the Effective Date and, subject to earlier termination pursuant to Section 6 below, continuing until December 31, 2018 (the "Initial Term"). Effective upon the expiration of the Initial Term and of each Renewal Term (as defined below), if any, this Agreement and the Executive's employment hereunder may be extended by the Company for an additional period of one (1) year, subject to earlier termination pursuant to Section 6 below (each, a "Renewal Term"), in each such case, commencing upon the expiration of the Initial Term or the then-current Renewal Term, as the case may be, but only if, at least ninety (90) calendar days prior to the expiration of the Initial Term or the then-current Renewal Term, as the case may be, the Company shall have given written notice to the Executive of the Company's intention to extend the Term (the "Extension Notice"). In the event that the Company does not provide an Extension Notice in the manner and within the time period set forth in the preceding sentence, the Term automatically shall expire at the end of the Initial Term or the then-current Renewal Term, as the case may be. As used in this Agreement, the "Term" shall refer to the period beginning on the Effective Date and ending on the effective date of the termination of this Agreement and the Executive's employment hereunder (the "Termination Date") in accordance with this Section 1 or Section 6 below. The Executive hereby represents and warrants to the Company that he has the legal capacity to execute and perform this Agreement, and that its execution and performance by him will not violate the terms of any existing agreement or understanding to which the Executive is a party; and the Company hereby represents and warrants to the Executive that the person executing this Agreement on its behalf has the authority to do so and to bind the Company.

Section 2. *Position and Duties.* During the Term, the Executive shall be employed as the Company's President and Chief Financial Officer and shall perform duties consistent with such position and such other related duties as the Company's Board of Directors (the "Board"), the Company's Executive

Chairman and/or the Company's Chief Executive Officer shall reasonably request. The Executive will report to the Chief Executive Officer and be subject to the lawful direction of the Board, the Executive Chairman and the Chief Executive Officer. During the Term, and except for vacation in accordance with Section 5(a) below, the Executive shall devote his full business time, attention, skill and efforts to the business and affairs of the Company, its subsidiaries and other affiliates and shall comply with the Company's codes of conduct, policies and procedures in place from time to time; provided however; the foregoing shall not prevent the Executive from (a) engaging in not-for-profit activities (e.g. board membership with charitable, educational, or religious organizations), (b) subject to the prior written approval of the Board, serving on the board of directors (or similar governing body) of not more than one (1) other for profit corporation (or other business entity) that is not a competitor of the Company (as determined by the Board), or (c) managing the Executive's personal and immediate family member's passive investments, as long as, in each case, such activities individually or in the aggregate do not materially interfere or conflict with the Executive's duties hereunder or create a potential business or fiduciary conflict (in each case, as determined by the Board). During the Term, the Executive also shall serve in such other executive-level positions or capacities as may, from time to time, be reasonably requested by the Executive Chairman and/or the Board, including, without limitation (subject to election, appointment, re-election or re-appointment, as applicable) as (i) a member of the Board and/or as a member of the board of directors or similar governing body of any of the Company's subsidiaries or other affiliates, (ii) an officer of any of the Company's subsidiaries or other affiliates, and/or (iii) a member of any committee of the Company and/or any of its subsidiaries or other affiliates, in each case, for no additional compensation. Without limitation of the foregoing, within ninety (90) days of the Effective Date, the Company will initially nominate or appoint the Executive to serve as a member of the Board; provided that, an independent director is also added to the Board at the same time; and that thereafter, the Executive's continued position as a member of the Board shall be subject to election and/or re-election by the Company's shareholders and provided further that the failure of the Company's shareholders to elect or re-elect the Executive to serve as a member of the Board shall not be deemed to be a breach by the Company of its obligations to the Executive hereunder or otherwise. The Executive's initial principal place of employment for the performance of his services hereunder shall be at the Company's corporate headquarters in New York, NY; provided; however, it is understood that the Executive shall be required to travel (both within the US and abroad) as reasonably necessary to perform his duties hereunder.

Section 3. Compensation. For all services rendered by the Executive in any capacity required hereunder during the Term, the Executive shall be compensated as follows:

(a) The Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of \$425,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time.

(b) The Executive shall be entitled to participate in all compensation and employee benefit plans or programs and to receive all other benefits and perquisites that are approved by the Board and are generally made available by the Company to other senior executives of the Company and to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. Notwithstanding any of the foregoing, nothing in this Agreement shall require the Company or any subsidiary or affiliate thereof to establish, maintain or continue any particular plan or program nor preclude the amendment, rescission or termination of any such plan or program that may be established from time to time.

(c) Upon the Effective Date, the Executive shall be granted an option (the "Initial Option") to purchase 480,000 shares (the "Initial Option Shares") of the Company's common stock, \$.001 par value

(the “Common Stock”) under and subject to the Company’s 2009 Equity Compensation Plan, as the same may be amended and/or restated from time to time (the “2009 Equity Plan”) at an exercise price equal to the closing price of the Common Stock on the Effective Date. The Initial Option shall be subject in all respects to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a written grant agreement setting forth the terms and conditions to which such Initial Option grant shall be subject (the “Initial Grant Agreement”). The Initial Grant Agreement will provide, among other things, that 80,000 shares of the Initial Option Shares shall be immediately vested, with the balance of the Initial Option Shares vesting in a series of sixteen successive equal quarterly installments (25,000 shares each) such that vesting is complete on the fourth anniversary of the Effective Date (in each case, subject to the Executive’s continued employment with the Company on the applicable vesting date). The Executive shall be granted, upon the Effective Date, an additional option (the “Additional Option,” and together with the Initial Option, the “Options”) to purchase 120,000 shares (the “Additional Option Shares,” and together with the Initial Option Shares, the “Option Shares”) of the Common Stock under the 2009 Equity Plan at an exercise price equal to the closing price of the Common Stock on the Effective Date. The Additional Option also shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a written grant agreement setting forth the terms and conditions to which such Additional Option grant shall be subject (the “Additional Grant Agreement”). The Additional Grant Agreement will provide, among other things, that the Additional Option Shares shall vest and become exercisable based on two (2) individual milestones (60,000 Additional Option Shares each), subject to the Executive’s continued employment by the Company on each of the applicable 1/16 milestone vesting dates. The milestones shall be mutually established by the Compensation Committee (or the Executive Chairman) and the Executive within three (3) months following the Effective Date. All Options and Option Share issuances are subject to the Executive’s execution of the Company’s Insider Trading Policy. In addition, the Executive acknowledges that in his position he will be an “affiliate” of the Company for purposes of U.S. securities laws and the Option Shares and any transfer of the Option Shares will be treated as such. The Option Shares will be included in the Company’s registration statements on Form S-8.

(d) The Executive shall be eligible to receive an annual cash bonus for each calendar year ending during the Term (“Annual Bonus”). The Executive’s maximum Annual Bonus will be up to 50% of his Base Salary. The actual amount of each Annual Bonus will be determined by the Board and/or the Compensation Committee based upon the level of achievement of the Company’s corporate goals and objectives for the calendar year with respect to which the Annual Bonus relates and the Executive’s individual performance (in each case, as reasonably determined by the Board and/or the Compensation Committee). Each Annual Bonus for a calendar year, to the extent earned, will be paid in a lump sum in the following calendar year. The Annual Bonus shall not be deemed earned until the date that it is paid. Accordingly, in order for the Executive to receive an Annual Bonus, the Executive must be actively employed by the Company at the time of such payment.

Section 4. *Business Expenses.* The Company shall pay or reimburse the Executive for all reasonable travel (it being understood that travel shall be arranged by the Company when practicable) and other reasonable expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement, subject to the Executive’s presentation of appropriate vouchers or receipts in accordance with such policies and approval procedures as the Company may from time to time establish for employees (including but not limited to prior approval of extraordinary expenses) and to preserve any deductions for Federal income taxation purposes to which the Company may be entitled.

Section 5. *Benefits; Perquisites; Expense Reimbursement.* In addition to those payments and benefits set forth above or elsewhere herein, Executive shall be entitled to the following other benefits and payments:

(a) Vacation. Executive shall be entitled to four (4) weeks paid vacation per calendar year (pro rated in the event of a service year which is shorter than a calendar year), in addition to Company-observed holidays. Any vacation time not used during a calendar year shall be treated in accordance with the Company's policies relating to unused vacation (currently forfeiture without compensation).

(b) Perquisites and Reimbursement of Expenses. Executive shall receive perquisites generally available to senior executives of the Company, including, but not limited to, payment or reimbursement for cell phone, blackberry and internet service and will be reimbursed up to \$10,000 for reasonable legal fees associated with preparation of this Agreement.

(c) Supplemental Term Life and Long-Term Disability Insurance. The Company will pay up to \$10,000 annually (in the aggregate) for supplemental term life insurance coverage and supplemental long-term disability coverage.

(d) Non-Accountable Expense Allowance. The Company will provide the Executive with an annual automobile and/or club membership allowance of \$12,000 in the aggregate, payable in monthly installments.

(e) D&O Insurance. The Executive shall be covered by the Directors and Officers Liability Insurance policy that generally covers the directors and officers of the Company, provided by the Company at its expense.

(f) Indemnification. The Executive shall be entitled to the benefit of the indemnification provisions contained in the Company's By-Laws or Certificate of Incorporation as they may be amended from time to time, to the extent permitted by applicable law, at the time of the assertion of any liability against the Executive.

Section 6. *Termination of Employment.*

(a) Events of Termination. The Executive's employment hereunder may be terminated upon the occurrence of any of the following events:

(i) Termination for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time. For purposes of this Agreement, "Cause" shall mean that, as determined by the Board, the Executive has: (A) committed gross negligence in connection with his duties as set forth herein or otherwise with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (B) committed fraud in connection with his duties as set forth herein or otherwise with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (C) engaged in personal dishonesty, willful misconduct, willful violation of any law, or material breach of fiduciary duty, in each instance, with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (D) been indicted for, or has been found by a court of competent jurisdiction to have committed or plead guilty to, (1) a felony (or state law equivalent) or (2) any other serious crime involving moral turpitude or that has (or is reasonably likely to have) a material adverse effect either on (x) the Executive's ability to perform his duties under the Agreement or (y) the reputation and goodwill of the Company, regardless of whether or not such other crime is related or unrelated to the business of the Company, its subsidiaries or other affiliates; (E) shown chronic use of alcohol, drugs or other similar substances that materially affects the Executive's work performance; (F) breached his obligations under (1) this Agreement, (2) the Confidentiality, Non-Compete and Inventions Assignment Agreement attached hereto as Exhibit A (the "Covenants Agreement") or (3) any other agreement executed by the Executive for the benefit of the Company, its subsidiaries and/or other affiliates, provided, that, if such breach described in this clause (F) is susceptible to cure (as determined in the reasonable discretion of the Board), the Executive shall have thirty (30) days

after notice from the Board to cure such breach; (G) failed to perform the Executive's duties or to follow the lawful directives of the Board; provided, that, if such failure described in this clause (G) is susceptible to cure (as determined in the reasonable discretion of the Board), the Executive shall have thirty (30) days after notice from the Board to cure such failure; or (H) materially violated the Company's written code of conduct or other written or established policies and/or procedures in place from time to time; provided, that, if such violation described in this clause (H) is susceptible to cure (as determined in the reasonable discretion of the Board), the Executive shall have thirty (30) days after notice from the Board to cure such violation. Any notice to the Executive under this Section 6(a)(i) shall be in writing and shall specify in reasonable detail the Executive's acts or omissions that the Company alleges constitute "Cause."

(ii) Termination without Cause. The Company may terminate the Executive's employment hereunder without Cause (other than by reason of death or Disability) at any time upon notice to Executive.

(iii) Resignation for Good Reason. The Executive may voluntarily terminate his employment hereunder for Good Reason (as defined below) upon written notice to the Company in accordance with the definition thereof. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events: (A) material breach by the Company of its obligations under this Agreement; or (B) the Executive's position, duties, responsibilities, or authority have been materially reduced or the Executive has repeatedly been assigned duties that are materially inconsistent with his duties set forth herein, in each case, without the Executive's consent; provided, that, it is understood and agreed that the failure of the shareholders of the Company to elect or re-elect the Executive to serve on the Board (or the reduction of the Executive's position, duties, responsibilities or authority associated therewith) shall not be deemed to be a breach by the Company of its obligations under this Agreement, be deemed to be a reduction in the Executive's position, duties, responsibilities or authority or otherwise be deemed to give rise to Good Reason. "Good Reason" shall not be deemed to exist, however, unless (1) the Executive shall have given written notice to the Company specifying in reasonable detail the Company's acts or omissions that the Executive alleges constitute "Good Reason" within sixty (60) days after the first occurrence of such circumstances and the Company shall have failed to cure any such act or omission within sixty (60) days of receipt of such written notice, and (2) the Executive actually terminates employment within one hundred eighty (180) days following the initial occurrence of the of any of the foregoing conditions that he considers to be "Good Reason." If the Executive fails to provide this-notice and-cure period prior to his resignation, or resigns more than one hundred eighty (180) days after the initial existing of the condition, his resignation will not be deemed to be for "Good Reason."

(iv) Resignation without Good Reason. The Executive may voluntarily terminate his employment hereunder for any reason at any time, including for any reason that does not constitute Good Reason, upon ninety (90) days' prior written notice to the Company, provided, however, the Company reserves the right, upon written notice to the Executive, to accept the Executive's notice of resignation and to accelerate such notice and make the Executive's resignation effective immediately, or on such other date prior to the Executive's intended last day of work as the Company deems appropriate. It is understood and agreed that the Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by the Company without Cause for purposes of Section 6(a)(ii) of this Agreement, Section 7(a) of this Agreement or otherwise, or constitute Good Reason for purposes of Section 6(a)(iii) of this Agreement, Section 7(a) of this Agreement or otherwise.

(v) Disability. The Executive's employment hereunder shall terminate upon his Disability. For purposes of this Agreement, "Disability" shall mean that the Executive has been unable to perform his duties to the Company on account of physical or mental illness or incapacity for a period of ninety (90) consecutive calendar days or one hundred twenty (120) calendar days (whether or not consecutive)

during any 365-day period, as a result of a condition that is treated as a total or permanent disability under the long-term disability insurance policy of the Company that covers the Executive.

(vi) Death. The Executive's employment hereunder shall automatically terminate upon his death.

(vii) Expiration of Term. As set forth in Section 1 above, the Executive's employment hereunder shall automatically terminate upon the expiration of the Term.

(b) Resignation from Directorships, Officerships and Committees. The termination of the Executive's employment for any reason shall constitute the Executive's resignation from (i) any director, officer, employee or committee position the Executive has with the Company or any of its affiliates and (ii) all fiduciary positions the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance; provided, however, the Executive agrees to take any additional actions that are deemed reasonably necessary by the Company to effectuate or evidence such resignations.

Section 7. Compensation upon Termination of Employment. All defined terms used in this Section 7 but not defined in this Section 7 or elsewhere in this Agreement shall have the meanings ascribed to such terms in the Covenants Agreement:

(a) Resignation for Good Reason; Termination without Cause. In the event that, during the Term, the Company terminates Executive's employment without Cause (other than by reason of death or Disability) or the Executive voluntarily terminates his employment for Good Reason, the Company shall, in full discharge of all of the Company's obligations to the Executive hereunder or otherwise, provide the Executive with the following payments and benefits.

(i) Accrued Rights. The Company shall pay the Executive a lump-sum amount, within thirty (30) days following the Termination Date (or earlier if required by law), equal to the sum of (A) his earned but unpaid Base Salary through the last day of the Executive's employment ("Termination Date"), (B) any bonus amount earned and vested but not paid for periods ending on or prior to the date of termination of the Executive's employment, (C) any accrued and unused vacation time, and (D) any unreimbursed business expenses or other amounts due to the Executive from the Company as of the Termination Date (the "Accrued Rights").

(ii) Additional Payments. Subject to Sections 7(e) and 7(f) below, the Company shall make additional payments to Executive in the form of continuation of the Executive's then-current Base Salary (the "Additional Payments") for a period beginning on the Termination Date and ending on the twelve (12) month anniversary of the Termination Date (the "Severance Period"), payable in accordance with the Company's regular payroll practices, commencing on the Company's first regular payroll date that occurs on or immediately after the 60th day following the Termination Date; provided, however, the first installment payment of the Additional Payments shall include the cumulative amount of payments that would have been paid to the Executive during the period of time between the Termination Date and the date the Additional Payments commence had such payments commenced immediately following the Termination Date.

(iii) COBRA Assistance. If Executive then participates in the Company's medical and/or dental plans and Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then, subject to Sections 7(e) and 7(f) below, the Company will pay monthly, on the Executive's behalf, a portion of the cost of such coverage for the six (6) month period after the Termination Date, which payments will be equal to

the amount of the monthly premium for such coverage, less the amount that Executive would have been required to pay if Executive had remained an active Executive of the Company (the “COBRA Assistance”); provided, however, that if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or cause a violation of Section 409A (as defined in Section 19 below).

(iv) Options. All stock options shall be treated in accordance with the 2009 Equity Plan.

(b) Expiration of the Term. If the Executive’s employment hereunder terminates upon the expiration of the Term, then the Company shall, in full discharge of all of the Company’s obligations to the Executive hereunder or otherwise, pay and/or provide the Executive with any Accrued Rights under Section 7(a)(i) hereof. All stock options shall be treated in accordance with the 2009 Equity Plan.

(c) Resignation without Good Reason; Termination for Cause or upon Death or Disability.

(i) In the event that during the Term the Company terminates Executive’s employment for Cause or the Executive voluntarily terminates his employment other than for Good Reason, the Company shall, in full discharge of all of the Company’s obligations to the Executive hereunder or otherwise, pay and/or provide the Executive with any Accrued Rights under Section 7(a)(i) hereof. All stock options shall be treated in accordance with the 2009 Equity Plan.

(ii) In the event that during the Term the Executive’s employment is terminated due to the Executive’s death or Disability, the Company shall, in full discharge of all of the Company’s obligations to the Executive (or his estate, if applicable) hereunder or otherwise, (A) pay and/or provide the Executive (or his estate with) with any Accrued Rights under Section 7(a)(i) hereof and (B) subject to Sections 7(e) and 7(f) below, provide the COBRA Assistance under Section 7(a)(iii). All stock options shall be treated in accordance with the 2009 Equity Plan.

(d) No Further Rights; Continued Obligations under the Covenants Agreement. The Executive shall have no further rights under this Agreement or otherwise to receive any other compensation or benefits after such termination or resignation of employment under the Company’s severance arrangements or otherwise, except with respect to the payments and benefits specifically provided for under this Section 7. The Executive acknowledges and agrees that, on the expiration of the Term or the earlier termination of his employment for any reason or no reason (whether initiated by the Executive or the Company), the Executive shall continue to be bound by his obligations pursuant to the Covenants Agreement.

(e) Release of Claims. Notwithstanding anything contained in this Agreement to the contrary, the Company’s provision of the payments and benefits under Sections 7(a)(ii), 7(a)(iii), and 7(c)(ii) (if and as applicable) hereof shall be contingent in all respects the Executive (or, if applicable, his estate) executing (and not revoking) a general release of claims against the Company, its affiliates and related parties in a form reasonably satisfactory to the Company (the “Release”) and the Release becoming effective (and no longer subject to revocation) within sixty (60) days following the Termination Date).

(f) Breach of Release or Covenants Agreement. Notwithstanding anything set forth in this Agreement to the contrary, in the event of a material breach by the Executive of his obligations under the Covenants Agreement or the Release Agreement and in addition to any other remedies under the Covenants

Agreement, the Release Agreement or at law or in equity, the Company shall have no further obligations under Sections 7(a)(ii), 7(a)(iii), or 7(c)(i) (if and as applicable) and the Executive shall be required, upon demand, to return to the Company any Additional Payments previously made by the Company pursuant to Section 7(a)(ii).

Section 8. *Covenants Agreement; Corporate Policies.*

(a) Covenants Agreement. The Executive acknowledges that Executive, as a condition to (and a material inducement for) the Company entering into this Agreement, is simultaneously executing the Covenants Agreement, which is attached hereto as Annex A, the terms of which are incorporated herein by reference, and that the terms of the Covenants Agreement will be in full force and effect as of the Effective Date and shall survive the expiration of this Agreement or the earlier termination of Executive's employment hereunder.

(b) Corporate Policies. The Executive acknowledges and agrees that during the Term, he will be bound by, and comply with, the Company's various written corporate policies applicable to other senior executives of the Company, including but not limited to its expense reimbursement policies.

Section 9. *Withholding Taxes.* The Company may directly or indirectly withhold from any payments made under this Agreement all Federal, state, city or other taxes and all other deductions as shall be required pursuant to any law or governmental regulation or ruling or pursuant to any contributory benefit plan maintained by the Company in which the Executive may participate.

Section 10. *Notices.* All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered or mailed, postage prepaid, by certified or registered mail or by use of an independent third party commercial delivery service for same day or next day delivery and providing a signed receipt as follows:

NeoStem, Inc.
420 Lexington Avenue
Suite 450
New York, New York 10170
Attention: General Counsel

To the Executive:

Robert S. Vaters
444 E. 52nd Street
New York, NY 10022

with a copy to:
Wayne N. Outten
Outten & Golden LLP
3 Park Avenue, 29th Floor
New York, NY 10016

or to such other address as either party shall have previously specified in writing to the other. Notice by mail shall be deemed effective on the second business day after its deposit with the United States Postal Service, notice by same day courier service shall be deemed effective on the day of deposit with the delivery service and notice by next day delivery service shall be deemed effective on the day following the deposit with the delivery service.

Section 11. *No Attachment.* Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect; provided, however, that nothing in this Section 11 shall preclude the assumption of such rights by executors, administrators or other legal representatives of the Executive or his estate and their conveying any rights hereunder to the person or persons entitled thereto.

Section 12. *Source of Payment.* All payments provided for under this Agreement shall be paid in cash from the general funds of the Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Executive or any other person. To the extent that any person acquires a right to receive payments from the Company hereunder, such right, without prejudice to rights which Executives may have, shall be no greater than the right of an unsecured creditor of the Company.

Section 13. *Binding Agreement; No Assignment.* This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and the Company and their respective permitted successors, assigns, heirs, beneficiaries and representatives. This Agreement is personal to the Executive and may not be assigned by him. This Agreement may not be assigned by the Company except in connection with a sale of all or substantially all of its assets or a merger or consolidation of the Company, and the acquiring Company or entity expressly assumes this Agreement. Any attempted assignment in violation of this Section 13 shall be null and void.

Section 14. *Governing Law; Consent to Jurisdiction.* The validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of New York. In addition, the Executive and the Company irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court sitting in New York County for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on the Executive or the Company anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. The Executive and the Company irrevocably consent to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. In any such action or proceeding, the court shall have the authority to award reasonable costs, expenses, and attorneys' fees to the party that substantially prevails.

Section 15. *Entire Agreement; Amendments.* This Agreement (including Annex A) embodies the entire agreement between Executive and the Company with respect to the subject matter hereof and may only be amended or otherwise modified by a writing executed by all of the parties hereto.

Section 16. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Section 17. *Severability; Blue-Penciling.* The provisions, sections and paragraphs, and the specific terms set forth therein, of this Agreement (including Exhibit A) are severable, except as specifically provided to the contrary herein. If any provision, section or paragraph, or specific term contained therein,

of this Agreement or the application thereof is determined by a court to be illegal, invalid or unenforceable, that provision, section, paragraph or term shall not be a part of this Agreement, and the legality, validity and enforceability of remaining provisions, sections and paragraphs, and all other terms therein, of this Agreement shall not be affected thereby. The Executive acknowledges and agrees that as to himself, the restrictive covenants contained in the Covenants Agreement (the "Restrictive Covenants") are reasonable and valid in geographical and temporal scope and in all other respects. If any court determines that any of such Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. It is the desire and intent of the parties that the Restrictive Covenants will be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any Restrictive Covenant shall be adjudicated to be invalid or unenforceable, such Restrictive Covenant shall be deemed amended to the extent necessary in order that such provision be valid and enforceable, such amendment to apply only with respect to the operation of such Restrictive Covenant in the particular jurisdiction in which such adjudication is made.

Section 18. *Prior Agreements.* This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Company regarding the terms and conditions of Executive's employment with the Company.

Section 19. *409A Compliance.*

(a) Notwithstanding anything to the contrary contained herein, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code") concerning payments to "specified Executives," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six months after such separation shall nonetheless be delayed until the first business day of the seventh month following the Executive's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction, together with interest on such cumulative amount during the period of such restriction at a rate, per annum, equal to the applicable federal short-term rate (compounded monthly) in effect under Section 1274(d) of the Code on the date of termination. If the Executive dies during the six-month postponement period prior to the payment, the amount of the payment deferred on account of Section 409A of the Code shall be paid to the personal representative of the Executive's estate within 30 days after the date of the Executive's. For purposes of Section 7 hereof, the Executive shall be a "specified Executive" for the 12-month period beginning on the first day of the fourth month following each "Identification Date" if he is a "key Executive" (as defined in Section 416(i) of the Code without regard to Section 416(i)(5) thereof) of the Company at any time during the 12-month period ending on the "Identification Date." For purposes of the foregoing, the Identification Date shall be December 31.

(b) This Agreement is intended to comply with the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that no payments due under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of Section 7 hereof unless he would be considered to have incurred a "separation from service" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii).

(c) All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

(d) In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Section 409A or damages for failing to comply with Section 409A.

Section 20. Section 280G Limitation. If any payment(s) or benefit(s) the Executive would receive pursuant to this Agreement and/or pursuant to any other agreement or arrangement would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (b) but for this Section 20, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such payment(s) or benefit(s) (collectively, "Payments") shall be reduced to the Reduced Amount. The "Reduced Amount" shall be the largest portion of the Payments that can be paid or provided without causing any portion of the Payments being subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payments equal the Reduced Amount, reduction shall occur in the following order: (i) first, Severance Payments under this Agreement, (ii) second, any other cash payments due under any other agreement between the Company and the Executive; (iii) third, cancellation of the acceleration of vesting of any stock options, (iv) fourth, cancellation of the acceleration of vesting of any restricted stock and restricted stock units; and (v) lastly, other non-cash forms of benefits. Calculations of the foregoing will be performed at the expense of the Company by an accounting firm selected by the Company. The determinations of such accounting firm shall be final, binding and conclusive upon the Company and the Executive.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by their respective duly authorized officers and the Executive has signed this Agreement, all as of the first date above written but effective as of the Effective Date.

NEOSTEM, INC.

By: /s/ Robin L. Smith

Name: Robin L. Smith

Title: Executive Chairman of the Board

ROBERT S. VATERS

/s/ Robert S. Vaters

Robert S. Vaters

Annex A to Employment Agreement

NEOSTEM, INC.

Employee Confidentiality, Non-Compete and Inventions Assignment Agreement

I (the "Employee") recognize that NeoStem, Inc., a Delaware corporation (the "Company"), is engaged, directly or through its subsidiaries, in the business of product and process development, consulting, characterization and comparability and contract manufacturing for cell based medicine and regenerative science and storage of cells, collection and therapeutic development, as well as the research and development of proprietary cellular therapies, including a T Regulatory Cell Program in immune modulation, a CD34 Cell Program in Ischemic Repair, a very small embryonic like (VSEL) stem cell program in Tissue Regeneration and Targeted Immunotherapy Program in cancer (the "Business"). The "Business" also includes any other regenerative medicine or stem cell initiatives which are or become a part of the Company's (or its subsidiaries') business during my employment tenure with the Company. Any company with which the Company enters into, or seeks or considers entering into, a business relationship in furtherance of the Business is referred to as a "Business Partner."

I understand that as part of my performance of duties as an employee of the Company (the "Engagement"), I will have access to confidential or proprietary information of the Company and the Business Partners, and I may make new contributions and inventions of value to the Company. I further understand that my Engagement creates in me a duty of trust and confidentiality to the Company with respect to any information: (1) related, applicable or useful to the business of the Company, including the Company's anticipated research and development or such activities of its Business Partners; (2) resulting from tasks performed by me for the Company; (3) resulting from the use of equipment, supplies or facilities owned, leased or contracted for by the Company; or (4) related, applicable or useful to the business of any partner, client or customer of the Company, which may be made known to me or learned by me during the period of my Engagement.

For purposes of this Agreement, the following definitions apply:

"Proprietary Information" shall mean information relating to the Business or the business of any Business Partner and generally unavailable to the public that has been created, discovered, developed or otherwise has become known to the Company or in which property rights have been assigned or otherwise conveyed to the Company or a Business Partner, which information has economic value or potential economic value to the business in which the Company is or will be engaged. Proprietary Information shall include, but not be limited to, trade secrets, processes, formulas, writings, data, know-how, negative know-how, improvements, discoveries, developments, designs, inventions, techniques, technical data, patent applications, customer and supplier lists, financial information, business plans or projections and any modifications or enhancements to any of the above.

"Inventions" shall mean all Business-related discoveries, developments, designs, improvements, inventions, formulas, software programs, processes, techniques, know-how, writings, graphics and other data, whether or not patentable or registrable under patent, copyright or similar statutes, that are related to or useful in the business or future business of the Company or its Business Partners or result from use of premises or other property owned, leased or contracted for by the Company. Without limiting the generality of the foregoing, Inventions shall also include anything related to the Business that derives actual or potential economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use.

As part of the consideration for my Engagement pursuant to the terms of the employment agreement between the Company and me dated as of January 5, 2015 (the "Employment Agreement"), and the base salary, stock options and/or other compensation and benefits to be received by me from the Company pursuant to the Employment Agreement, I hereby agree as follows:

1. **Proprietary Information and Inventions.** The Company, its Business Partners or their respective assigns, as the case may be, are and shall be the sole owner of all Proprietary Information and Inventions related to the Business and the sole owner of all patents, trademarks, service marks, copyrights, mask rights and other rights (collectively referred to herein as "Rights") pertaining to any Proprietary Information or Inventions. I hereby acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of my Engagement and which are protectable by copyright are "works for hire" as that term is defined in the United States Copyright Act (17 USCA, Section 101). I further hereby assign to the Company, any Rights I may have or acquire in any Proprietary Information or Inventions which arise in the course of my Engagement. I further agree to assist the Company or any person designated by it in every proper way (but at the Company's expense) to obtain and from time to time enforce Rights relating to said Proprietary Information or Inventions in any and all countries. I will execute all documents for use in applying for, obtaining and enforcing such Rights in such Proprietary Information or Inventions as the Company may desire, together with any assignments thereof to the Company or persons designated by it. My obligation to assist the Company or any person designated by it in obtaining and enforcing Rights relating to Proprietary Information or Inventions shall continue beyond the cessation of my Engagement ("Cessation of my Engagement"). In the event the Company is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or enforce any Right relating to Proprietary Information or to an Invention, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agents and attorneys-in-fact to act for and in my behalf and stead in the execution and filing of any such application and in furthering the application for and enforcement of Rights with the same legal force and effect as if such acts were performed by me.

2. **Confidentiality.** At all times, both during my Engagement after the Cessation of my Engagement, whether the cessation is voluntary or involuntary, for any reason or no reason, or by disability, I will keep in strictest confidence and trust all Proprietary Information, and I will not disclose or use or permit the use or disclosure of any Proprietary Information or Rights pertaining to Proprietary Information, or anything related thereto, without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company or to enforce any of my rights under my Employment Agreement. I recognize that the Company has received and in the future will receive from third parties (including Business Partners) their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties (including Business Partners), during my Engagement and after the Cessation of my Engagement, a duty to hold all such confidential or proprietary information in the strictest confidence, and I will not disclose or use or permit the use or disclosure of any such confidential or proprietary information without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company consistent with the Company's agreement with such third party or to enforce any of my rights under my Employment Agreement or otherwise.

3. **Noncompetition and Nonsolicitation.**
(a) During my Engagement, and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, engage in

any activity in the United States, Canada, Asia or Europe that the Company shall determine in good faith is in Competition with the Company concerning its work or any Business Partner's work in the Business. Further during my Engagement and for a period of two (2) years after the Cessation of my Engagement, I agree not to plan or otherwise take any preliminary steps, either alone or in concert with others to set up or reengage in any business enterprise that would be in Competition with the Company in Business; provided, however, that the foregoing shall not restrict the my ability to seek other employment following the termination of his employment with the Company (whether or not I am receiving or have received any Additional Payments) as long as I do not actually commence such employment.

(b) During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, either alone or in concert with others, not take any of the following actions:

(i) persuade or attempt to persuade any Business Partner, Customer, Prospective Customer or Supplier to cease doing business with the Company, or to reduce the amount of business it does with the Company;

(ii) persuade or attempt to persuade any Service Provider to cease providing services to the Company or any Business Partner; or

(iii) solicit for hire or hire for himself or for any Person any Service Provider.

(iv) The following definitions are applicable to this Section 3(a):

(A) "Customer" means any Person that purchased goods or services, or engages in a collaborative arrangement with the Company from the Company at any time within 1 year prior to the date of the solicitation prohibited by Section 3(a)(i) or (ii).

(B) "Prospective Customer" means any Person with whom the Company met or to whom the Company presented for the purpose of soliciting the Person to become a Customer of the Company within 6 months prior to the date of the solicitation prohibited by Section 3(a)(i) or (ii).

(C) "Service Provider" means any Person who is an employee or independent contractor of the Company or the Company or who was within twelve (12) months preceding the solicitation prohibited by Section 3(a)(iii) or (iv) an employee or independent contractor of the Company or the Company.

(D) "Supplier" means any Person that sold goods or services to the Company, or engages in a collaborative arrangement with the Company at any time within twelve (12) months prior to the date of the solicitation prohibited by Section 3(a)(i) or (ii).

(E) "Person" means an individual, a sole proprietorship, a corporation, a limited liability company, a partnership, an association, a trust, or other business entity, whether or not incorporated.

(c) The following shall not be deemed to breach the foregoing obligations: my ownership of stock, partnership interests or other securities of any entity not in excess of two percent (2%) of any class of such interests or securities which is publicly traded.

(d) Employee acknowledges that (i) the restrictions contained in this section are reasonable and necessary to protect the legitimate business interests of the Company, (ii) that the term of this obligation is reasonable in scope, and (iii) that this obligation is a material term, without which the Company would be unwilling to enter into an employment relationship with the Employee.

4. **Delivery of Company Property and Work Product.** In the event of the Cessation of my Engagement, I will deliver to the Company all biological materials, devices, records, sketches, reports,

memoranda, notes, proposals, lists, correspondence, equipment, documents, photographs, photostats, negatives, undeveloped film, drawings, specifications, tape recordings or other electronic recordings, programs, data, marketing material and other materials or property of any nature belonging to the Company or its clients or customers, and I will not take with me, or allow a third party to take, any of the foregoing or any reproduction of any of the foregoing.

5. **No Conflict.** I represent, warrant and covenant that my performance of all the terms of this Agreement and the performance of my duties for the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my Engagement. I have not entered into, and I agree that I will not enter into, any agreement, either written or oral, in conflict herewith.

6. **No Use of Confidential Information.** I represent, warrant and covenant that I have not brought and will not bring with me to the Company or use in my Engagement any materials or documents of a former employer, or any person or entity for which I have acted as an independent contractor or consultant, that are not generally available to the public, unless I have obtained written authorization from any such former employer, person or firm for their possession and use. I understand and agree that, in my service to the Company, I am not to breach any obligation of confidentiality that I have to former employers or other persons.

7. **Enforcement; Equitable Relief.** Employee acknowledges that any breach or threatened breach by Employee of any provision of this Agreement may result in immediate and irreparable injury to the Company, and that such injury may not be readily compensable by monetary damages. In the event of any such breach or threatened breach, Employee acknowledges that, in addition to all other remedies available at law and equity, the Company shall be entitled to seek equitable relief (including a temporary restraining order, a preliminary injunction and/or a permanent injunction), and an equitable accounting of all earnings, profits or other benefits arising from such breach and will be entitled to receive such other damages, direct or consequential, as may be appropriate. In addition, and not instead of, those rights, Employee further acknowledges that Employee shall be responsible for payment of the fees and expenses of the Company's attorneys and experts, as well as the Company's court costs, pertaining to any suit, action, or other proceeding, arising directly or indirectly out of Employee's violation or threatened violation of any of the provisions of this section. The Company shall not be required to post any bond or other security in connection with any proceeding to enforce this section.

8. **Severability.** If any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable or otherwise invalid as written, the same shall be enforced and validated to the extent permitted by law. All provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

9. **Miscellaneous.** This Agreement shall be governed by and construed under the laws of the State of New York applied to contracts made and performed wholly within such state. No implied waiver of any provision within this Agreement shall arise in the absence of a waiver in writing, and no waiver with respect to a specific circumstance, event or occasion shall be construed as a continuing waiver as to similar circumstances, events or occasions. This Agreement, together with the employment agreement between the Company and myself, contains the sole and entire agreement and understanding between the Company and myself with respect to the subject matter hereof and supersedes and replaces any prior agreements to the extent any such agreement is inconsistent herewith. This Agreement can be amended, modified, released or changed in whole or in part only by a written agreement executed by the Company and myself. This Agreement shall be binding upon me, my heirs, executors, assigns and administrators, and it shall inure to the benefit

of the Company and each of its successors or assigns. This Agreement shall be effective as of the first day of my being retained to render services to the Company, even if such date precedes the date I sign this Agreement.

10. **Thorough Understanding of Agreement.** I have read all of this Agreement and understand it completely, and by my signature below I represent that this Agreement is the only statement made by or on behalf of the Company upon which I have relied in signing this Agreement.

IN WITNESS WHEREOF, I have caused this Employee Confidentiality and Inventions Assignment Agreement to be signed on the date written below.

DATED: January 5, 2015

/s/ Robert S. Vaters

Robert S. Vaters

NeoStem Strengthens Executive Management With Appointments of David J. Mazzo, PhD as Chief Executive Officer and Robert S. Vaters as President and Chief Financial Officer and Elects Robin Smith, MD to Executive Chair of the Board

NEW YORK, Jan. 5, 2015 (GLOBE NEWSWIRE) -- NeoStem, Inc. (Nasdaq:NBS), a leader in the development and manufacturing of cell therapy products and regenerative medicine, today announced the appointments of David J. Mazzo, PhD as Chief Executive Officer (CEO) and Robert S. Vaters as President and Chief Financial Officer (CFO). Both Dr. Mazzo and Mr. Vaters will also serve as directors of the corporation. Simultaneously, Robin Smith, MD has been elevated to the position of Executive Chair of the Board of Directors.

"We are committed to increasing shareholder value and believe these management changes will drive an evolution of our corporate strategy and be the first step in the next phase of the Company's growth," said Dr. Smith, Executive Chair of the Board. "The complementary leadership and technical skills of Dr. Mazzo and Mr. Vaters are expected to accelerate our clinical programs towards commercialization, enhance business development efforts, secure a global manufacturing footprint and provide commercial capacity for our clients with world class quality and reliability. These efforts, as part of a continued focus on pursuing broader strategic opportunities for our late-stage platform technologies, are expected to increase the franchise value of our pipeline."

Dr. Mazzo brings to NeoStem over 30 years of international experience in the biotech and pharmaceutical industry. Most recently, as CEO of Regado Biosciences, he created and led the smallest team ever to successfully design and execute a cardiovascular mega-trial. Prior to Regado, Dr. Mazzo was Chief Executive Officer of Aeterna Zentaris, a multi-national biopharmaceutical company focused on development of therapies in oncology and endocrinology indications. Previously, he had served as President and CEO of Chugai Pharma USA, LLC, the U.S. subsidiary of Chugai Pharmaceutical Co., Ltd. of Japan and a member of the Roche Group following his tenure at Schering-Plough as the Senior Vice-President of Development Operations and a member of the Board of Directors of Essex Chemie, AG. Dr. Mazzo held positions of increasing responsibility with Merck & Co., Baxter Healthcare Corporation, Rhone-Poulenc Rorer and Hoechst Marion Roussel before joining Schering-Plough. Dr. Mazzo currently is Non-Executive Chairman of pSivida, Inc. and a Director of Avanir Pharmaceuticals.

"I believe that NeoStem's product platform, that includes a late-stage clinical pipeline, presents compelling opportunities for the development of therapies for ischemic repair, cancer and autoimmune disorders," said Dr. Mazzo. "I am extremely excited to join the company at this critical time and look forward to reporting our accomplishments in the future as we achieve our strategic goals."

Robert S. Vaters comes to NeoStem from Carob Investments, a strategic, acquisition and investor consulting firm, where he was a managing partner. From 2011 to 2013, Mr. Vaters was President, CEO, and director for Orthofix International NV, having served as its Executive Vice President, Chief Financial Officer, and Chief Operating Officer from 2008 to 2010. He was the Founder/General Partner of Med-Opportunity Partners LLC where from 2006 to 2008 he identified, negotiated, and closed on middle market healthcare buyouts and growth equity investments, specializing in pharmaceutical, medical device, biologic, medical technology and specialty health care service industries. Prior to that, he was Executive Vice President, Strategy and Corporate Development for Inamed Corporation, a global healthcare company.

"After 25 years of financial, corporate strategy, investment, deal making and capital-raising experience, I look forward to contributing to NeoStem's value with the goal of setting an industry standard for financial performance and elevating the Company to the next plateau of growth while attracting a greater institutional investor base," stated Mr. Vaters.

About NeoStem, Inc.

NeoStem is a biopharmaceutical company pursuing the preservation and enhancement of human health globally through the development of cell based therapeutics that prevent, treat or cure disease by repairing and replacing

damaged or aged tissue, cells and organs and restoring their normal function. The combination of a rich therapeutics pipeline and externally recognized in-house manufacturing expertise has created an organization with unique capabilities for cost effective and accelerated product development. www.neostem.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current expectations, as of the date of this press release, and involve certain risks and uncertainties. Forward-looking statements include statements herein with respect to the successful execution of the Company's business strategy, the Company's ability to develop and grow its business, the successful development of cellular therapies with respect to the Company's research and development and clinical evaluation efforts in connection with the Company's Targeted Immunotherapy Program, Ischemic Repair Program, Immune Modulation Program and other cell therapies, the future of the regenerative medicine industry, including whether a large commercial market ever develops and whether our clients receive necessary regulatory approval to market their products, and the role of stem cells and cellular therapy in that industry, and the performance and planned expansion of the Company's contract development and manufacturing business. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. Factors that could cause future results to materially differ from the recent results or those projected in forward-looking statements include the "Risk Factors" described in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 13, 2014, the Company's Current Report on Form 8-K filed with the SEC on May 8, 2014 and in the Company's other periodic filings with the SEC. The Company's further development is highly dependent on future medical and research developments and market acceptance, which is outside of its control.

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