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): December 18, 2018 (December 12, 2018)

Neuralstem, Inc.
(Exact name of registrant as specified in Charter)

Delaware	001-33672	52-2007292
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employee Identification No.)

20271 Goldenrod Lane, 2 nd Floor, Germantown, Maryland 20876
(Address of Principal Executive Offices)

(301) 366-4960
(Issuer 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 3.02. Unregistered Sale of Equity Securities.

The disclosure in Item 5.02 of this Current Report on Form 8-K regarding the issuance of an inducement grant in the form of an option to purchase shares of the Neuralstem, Inc. (the "Company") common stock, par value $0.01 ("Common Stock") to Kenneth Carter is incorporated by reference into this Item. The inducement grant is exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(a)(2) thereof and/or Regulation D promulgated thereunder.

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

Departure of James Scully as the Company's Chief Executive Officer

On January 1, 2019, in connection with the hiring of Kenneth Carter as discussed herein, James Scully will cease to serve as the Company's Chief Executive Officer and Principal Accounting Officer. Mr. Scully will continue to be a service provider to the Company under his current consulting agreement, the term of which expires on January 31, 2019 as previously disclosed in the Company's Form 8-K filed with the Securities Exchange Commission on August 9, 2018.

Appointment of Kenneth Carter as Executive Chairman of the Board.

On December 18, 2018, the Company announced that Kenneth Carter has been appointed Executive Chairman of the Company and a member of the board of directors ("Board") to be effective beginning January 1, 2019 ("Effective Date"). Dr. Carter will serve as a Class III member of the Company's Board and will be up for re-election at the Company's 2020 annual shareholders meeting. Pursuant to Dr. Carter's appointment as a member of the Board, the Board expanded the number of directors from six (6) to seven (7).

Dr. Carter, age 59, has over 20 years of experience working in positions of substantial responsibility in the development and operations of early-stage biotechnology companies. Since 2010 when he co-founded the company, Dr. Carter has served as chairman of the board of directors of Noble Life Sciences, a private biotechnology company in Maryland. From 2011 through 2017, Dr. Carter served as president and chief executive officer of Neximmune, Inc., a private biopharmaceutical company in Maryland. He continues to serve as senior advisor of NexImmune. Prior to that, from 1999 through 2009, Dr. Carter served as president and chief executive officer of Avalon Pharmaceuticals, Inc. (NASDAQ: AVRX) until the company merged with Clinical Data, Inc. Dr. Carter also currently serves on the following boards of directors (i) since 2016, Antidote Therapeutics, Inc., a private biopharmaceutical company in Maryland, (ii) since 2011, BetaCat Pharmaceuticals, a private pharmaceutical company in Texas, and Maryland BioHealth Innovation, a biotechnology intermediary company in Maryland, and (iii) since 2007, Maryland Health Care Product Development Corporation, a biotechnology investment firm in Maryland. Dr. Carter additionally serves as a lecturer and Adjunct Faculty member of Johns Hopkins University in Maryland. Dr. Carter holds a BS in Biology and Chemistry from Abilene Christian University, a Ph.D. in Human Genetics and Cell Biology from the University of Texas Medical Branch, and a Postdoctoral degree in Cell and Molecular Biology from University of Massachusetts Medical School. In evaluating Dr. Carter's specific experience, qualifications, attributes and skills in connection with his appointment to our board, we took into account his prior work with both public and private organizations, including his experience in building biopharmaceutical organizations, his strong business development background and his past experience and relationships in the biopharma and biotech fields.

Employment Related Contracts

On December 12, 2018, in connection with Dr. Carter's employment, we entered into an at-will employment agreement (the "Employment Agreement") to be effective on the Effective Date. Pursuant to the terms of the Employment Agreement, Dr. Carter will receive a signing bonus of $20,000, a base salary of $395,000 per year and will be eligible to receive an annual cash bonus based on achievement of certain performance goals with a target of 50% of his base salary. In addition, as an inducement to Dr. Carter's employment, we issued him an inducement option to purchase 800,000 shares of Common Stock ("Inducement Option") on December 12, 2018. The Inducement Option has an exercise price of $0.425 per share, a term of ten (10) years, and vests as follows: (i) 200,000 options vest on the Effective Date, (ii) 100,000 options will vest on the six (6) month anniversary of the Effective Date, (iii) 100,000 options will vest on the two (2) year anniversary of the Effective Date and (iv) the remaining 400,0000 options will vest upon the achievement of certain performance-based milestones to be completed in a time domain within six (6) to twelve (12) months following the Effective Date. For a period of twelve (12) months following the Effective Date (subject to Dr. Carter's continued employment), if the Company enters into a transaction whereby securities are sold for cash for the primary purpose of raising capital, then the Inducement Option will be subject adjustment in the number of shares comprising the Inducement Option such that the number securities underlying the Inducement Option will equal the same percentage of the issued and outstanding shares of Common Stock prior to such transaction. Dr. Carter will also be eligible to (a) participate in the Company's health insurance and other benefits provided generally to similarly situated employees of the Company and (b) receive an annual market based stock option grant issued pursuant to one of the Company's equity compensation plans.

Pursuant to the Employment Agreement if the Company terminates Dr. Carter's employment without "Cause," Dr. Carter resigns with "Good Reason" or Dr. Carter's employment terminates due to his death or "Disability" after providing at least ninety (90) days of service, as each term is defined in the Employment Agreement, Dr. Carter will be entitled to (a) payment of his accrued but unpaid base salary, any unpaid or unreimbursed expenses, any awarded but unpaid bonuses, and any accrued but unused vacation through the date of termination; (b) the accelerated vesting of 100% of Dr. Carter's then outstanding unvested equity awards; (c) continued payment of his base salary for (i) eighteen (18) months following the termination date if termination occurs within six (6) months of the Effective Date or if termination occurs within eighteen (18) months of a "Sale Event" or "Change of Control" (as defined in the Inducement Plan (as defined below) or applicable equity compensation plans), and (ii) twelve (12) months following the termination date if termination occurs after the initial six (6) months period following the Effective Date (other than during the eighteen (18) month period following a Sale Event or Change of Control) (such salary continuation payments, "Salary Continuation"); and (d) payment of a pro rata portion of Dr. Carter's target annual bonus for the year in which the termination of employment occurs. Notwithstanding the foregoing, Dr. Carter will not be entitled to Salary Continuation if his termination of employment occurs after the twenty-four (24) month anniversary of the Effective Date.

In addition, pursuant to the Employment Agreement, the Company will: (a) reimburse Dr. Carter for tax and financial planning up to $5,000 annually, subject to the Company's receipt of appropriate documentation, and (b) reimburse up to $35,000 in the aggregate for legal and accounting expenses incurred in connection with the negotiation of his employment related agreements.

Dr. Carter also entered into (i) a confidential information and invention assignment agreement ("Assignment Agreement") governing the ownership of any inventions and confidential information and (ii) the Company's standard indemnification agreement ("Indemnification Agreement") which is entered into by the Company's officers and directors.

The foregoing summary of the Employment Agreement, Assignment Agreement, and Indemnification Agreement are qualified in their entirety by the terms of the Employment Agreement and Assignment Agreement, which are attached to this report as Exhibits 10.01, 10.02, and 10.03, respectively.

On December 18, 2018, the Company issued a press release announcing Dr. Carter's appointment, which is attached to this report as Exhibit 99.01.

Amendment of Inducement Plan

On December 12, 2018, the Board amended the Neuralstem, Inc. Inducement Award Stock Option Plan (the "Inducement Plan") to increase the number of shares authorized to be issued pursuant to stock options under the Inducement Plan from 461,538 to 2,000,000 shares of Common Stock. In accordance with NASDAQ Listing Rule 5635(c)(4), the Company did not seek approval of the amendment to the Inducement Plan by our stockholders. Pursuant to the amendment to the Inducement Plan and the issuance of the Inducement Option to Dr. Carter, the Company may grant stock options for up to a total of 1,200,000 additional shares of Common Stock to new employees of the Company.

The foregoing description of the Inducement Plan is qualified in its entirety by the terms of the Inducement Plan, as amended, attached to this report as Exhibit 4.01.

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

The information provided in Item 5.02 of this Current Report on Form 8-K is incorporated by reference into this Item 5.03.

Item 9.01 Financial Statement and Exhibits.

Exhibit No.	Description
4.01	Inducement Award Stock Option Plan as amended on December 12, 2018
10.01	Kenneth Carter Employment Agreement
10.02	Confidential Information and Invention Assignment Agreement
10.03	Indemnification Agreement
99.01	Press Release dated December 18, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 18, 2018

Neuralstem, Inc.

/s/ William Oldaker
By: William Oldaker
Chairman of the Board

INDEX OF EXHIBITS

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Exhibit 4.01

NEURALSTEM, INC.

AMENDED AND RESTATED
INDUCEMENT AWARD
STOCK OPTION PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Neuralstem, Inc. Inducement Award Stock Option Plan (the "Plan"). The purpose of the Plan is to provide non-qualified stock options to individuals not previously employees or non-employee directors of Neuralstem, Inc. (the "Company") (or following such individuals' bona fide period of non-employment with the Company), as an inducement material to the individuals' entry into employment with the Company within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Administrator" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Board"* means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"Covered Employee" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"Effective Date" means February 15, 2016.

"*Eligible Individual*" means any individual who was not previously an employee or a non-employee director of the Company or any of its Subsidiaries (or who has had a bona fide period of non-employment with the Company and its Subsidiaries) who is hired by the Company or one of its Subsidiaries.

"*Exchange Act"* means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Fair Market Value" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Capital Market or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

"*Non-Employee Director"* means a member of the Board who is not also an employee of the Company or any Subsidiary.

"Non-Qualified Stock Option" means a stock option that is not intended to be an "incentive stock option" under Section 422 of the Code.

"Option Certificate" means a written or electronic document setting forth the terms and provisions applicable to a Non-Qualified Stock Option granted under the Plan. Each Option Certificate is subject to the terms and conditions of the Plan.

"Sale Event" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, or (iii) the sale of all of the Stock of the Company to an unrelated person or entity.

"*Sale Price*" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"Stock" means the common stock, par value $0.01 per share, of the Company, subject to adjustments pursuant to Section 3.

"Subsidiary" means any corporation or other entity (other than the Company) in which the Company has at least a fifty (50) percent interest, either directly or indirectly.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE NON-QUALIFIED STOCK OPTIONS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Non-Qualified Stock Options consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Non-Qualified Stock Options may from time to time be granted;

(ii) to determine the time or times of grant;

(iii) to determine the number of shares of Stock to be covered by Non-Qualified Stock Options;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of Non-Qualified Stock Options, which terms and conditions may differ among individual Non-Qualified Stock Options and grantees, and to approve the form of Option Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of Non-Qualified Stock Options;

(vi) subject to the provisions of Section 5(b), to extend at any time the period in which a Non-Qualified Stock Option may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Non-Qualified Stock Option (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Options. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Non-Qualified Stock Options. Any such delegation by the Administrator shall include specific limitations as to the number of Non-Qualified Stock Options that may be granted during the period of the delegation and shall contain specific guidelines as to the number of Non-Qualified Stock Options that can be made to an Eligible Individual, determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Option Certificate. Non-Qualified Stock Options under the Plan shall be evidenced by Option Certificates that set forth the terms, conditions and limitations for each Option which may include, without limitation, the term of a Non-Qualified Stock Option and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Non-Qualified Stock Option Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Non-Qualified Stock Options, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Non-Qualified Stock Option granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Non-Qualified Stock Option is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Non-Qualified Stock Options shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be Six Million (6,000,000) shares (the "Initial Limit"), subject to adjustment as provided in Section 3(c). For purposes of this limitation, the shares of Stock underlying any Non-Qualified Stock Options that are forfeited, canceled, held back upon exercise of a Non-Qualified Stock Option or settlement of a Non-Qualified Stock Option to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, (ii) the number and kind of shares or other securities subject to any then outstanding Non-Qualified Stock Options under the Plan, and (iii) the exercise price for each share subject to any then outstanding Non-Qualified Stock Options, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Non-Qualified Stock Options) as to which such Non-Qualified Stock Options remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Non-Qualified Stock Options and the exercise price and the terms of outstanding Non-Qualified Stock Options to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. Except as the Administrator may otherwise specify with respect to particular Non-Qualified Stock Options in the relevant Option Certificate, in the case of and subject to the consummation of a Sale Event, all Non-Qualified Stock Options that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event unless the parties to the Sale Event agree that Non-Qualified Stock Options will be assumed or continued by the successor entity. Upon the effective time of the Sale Event, the Plan and all outstanding Non-Qualified Stock Options granted hereunder shall terminate, unless provision is made in connection with the Sale Event in the sole discretion of the parties thereto for the assumption or continuation of Non-Qualified Stock Options theretofore granted by the successor entity, or the substitution of such Non-Qualified Stock Options with new Non-Qualified Stock Options of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder). In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a cash payment to the grantees holding Non-Qualified Stock Options, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Non-Qualified Stock Options (to the extent then exercisable (after taking into account any acceleration hereunder) at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Non-Qualified Stock Options; or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Non-Qualified Stock Options held by such grantee, including those that will become exercisable upon the consummation of the Sale Event; provided, however, that the exercise of the Non-Qualified Stock Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(d) Substitute Non-Qualified Stock Options. The Administrator may grant Non-Qualified Stock Options under the Plan in substitution for stock and stock based awards held by employees, directors or other key persons of another corporation in connection with the merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Administrator may direct that the substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Non-Qualified Stock Options granted under the Plan shall not count against the share limitation set forth in Section 3(a).

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such Eligible Individuals as are selected from time to time by the Administrator in its sole discretion.

SECTION 5. NON-QUALIFIED STOCK OPTIONS

Any Non-Qualified Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve. Non-Qualified Stock Options granted pursuant to this Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable.

(a) Exercise Price. The exercise price per share for the Stock covered by a Non-Qualified Stock Option shall be determined by the Administrator at the time of grant but shall not be less than one hundred (100) percent of the Fair Market Value on the date of grant.

(b) Option Term. The term of each Non-Qualified Stock Options shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted.

(c) Exercisability; Rights of a Stockholder. Non-Qualified Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Non-Qualified Stock Option. A grantee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Non-Qualified Stock Option and not as to unexercised Non-Qualified Stock Options.

(d) Method of Exercise. Non-Qualified Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods to the extent provided in the Option Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the grantee on the open market or that have been beneficially owned by the grantee for at least six months and that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the grantee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the grantee chooses to pay the purchase price as so provided, the grantee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or

(iv) By a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the grantee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Non-Qualified Stock Option will be contingent upon receipt from the grantee (or a purchaser acting in his stead in accordance with the provisions of the Non-Qualified Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the grantee). In the event a grantee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the grantee upon the exercise of the Non-Qualified Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Non-Qualified Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Non-Qualified Stock Options may be permitted through the use of such an automated system.

SECTION 6. TRANSFERABILITY

(a) Transferability. Except as provided in Section 6(b) below, during a grantee's lifetime, his or her Non-Qualified Stock Options shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Non-Qualified Stock Options shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Non-Qualified Stock Options shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 6(a), the Administrator, in its discretion, may provide either in the Option Certificate regarding a given Non-Qualified Stock Option or by subsequent written approval that the grantee may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Non-Qualified Stock Option. In no event may a Non-Qualified Stock Option be transferred by a grantee for value.

(c) Family Member. For purposes of Section 6(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. Each grantee to whom a Non-Qualified Stock Option has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Non-Qualified Stock Option or receive any payment under any Non-Qualified Stock Option payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 7. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of a Non-Qualified Stock Option or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Non-Qualified Stock Option a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due.

SECTION 8. SECTION 409A AWARDS

To the extent that any Non-Qualified Stock Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award "), the Non-Qualified Stock Option shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Non-Qualified Stock Option may not be accelerated except to the extent permitted by Section 409A.

SECTION 9. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

(a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 10. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Non-Qualified Stock Option for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Non-Qualified Stock Option without the holder's consent. Except as provided in Section 3(c) or 3(d), without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Non-Qualified Stock Options or effect repricing through cancellation and re-grants or cancellation of Non-Qualified Stock Options in exchange for cash. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 10 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(c) or 3(d).

SECTION 11. STATUS OF PLAN

With respect to the portion of any Non-Qualified Stock Option that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Non-Qualified Stock Option or Non-Qualified Stock Options. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Non-Qualified Stock Options hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 12. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to a Non-Qualified Stock Option to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Non-Qualified Stock Option, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Non-Qualified Stock Option, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 12(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with a Non-Qualified Stock Option, notwithstanding the exercise of a Non-Qualified Stock Option or any other action by the grantee with respect to a Non-Qualified Stock Option.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Non-Qualified Stock Options do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Non-Qualified Stock Options under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Company Documents and Policies. This Plan and all Non-Qualified Stock Options granted hereunder are subject to the corporate articles and by-laws of the Company, as they may be amended from time to time, and all other Company policies duly adopted by the Board or the Administrator and as in effect from time to time regarding the acquisition, ownership or sale of Stock by employees, including without limitation policies intended to limit the potential for insider trading and to avoid or recover compensation payable or paid on the basis of inaccurate financial results or statements, employee conduct, and other similar events.

SECTION 13. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the Effective Date.

SECTION 14. GOVERNING LAW

This Plan and all Non-Qualified Stock Options and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: February 15, 2016

DATE AMENDED BY BOARD OF DIRECTORS – December 12, 2018

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of this 12th day of December 2018, by and between Neuralstem, Inc., a Delaware corporation (the "Company"), and Kenneth C. Carter (the "Employee").

WITNESSETH :

WHEREAS, the Company desires to employ Employee as its Executive Chairman and Employee desires to accept such employment; and

WHEREAS, the Company desires to enter into this Agreement regarding the terms of Employee's employment, and Employee desires to enter into this Agreement and to accept the terms and provisions of such employment, as embodied in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

Section 1. **Definitions**.

(a) "Accelerated Equity Benefit" shall have the meaning ascribed to it in Section 7(g)(iii) hereof.

(b) "Accrued Obligations" shall mean (i) all accrued but unpaid Base Salary through the Date of Termination, (ii) subject to any conditions contained in this Agreement, all bonuses that have been awarded but remain unpaid as of the Date of Termination, (iii) any unpaid or unreimbursed expenses incurred in accordance with Sections 4(f) or 6 hereof, and (iii) any accrued but unused vacation time through the Date of Termination.

(c) "Base Salary" shall mean the salary provided for in Section 4(a) hereof.

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Cause" shall mean (i) Employee's willful failure (except where due to an incapacity due to physical or mental infirmity), neglect, or refusal to perform in any material respect, Employee's duties and responsibilities, (ii) any willful or grossly negligent act of Employee that has, or could reasonably be expected to have, the effect of injuring the business of the Company or its subsidiaries in any material respect, (iii) Employee's conviction of, or plea of guilty or no contest to: (x) a felony, (y) any material violation of federal or state securities laws or (z) any other criminal charge that has, or could be reasonably expected to have, a material adverse impact on the performance of Employee's duties to the Company or otherwise result in material injury to the business of the Company or its subsidiaries, (iv) the willful commission by Employee of an act of fraud or embezzlement against the Company or its subsidiaries; (v) any material violation by Employee of the policies of the Company or its subsidiaries (including, but not limited to, those relating to sexual harassment or business conduct, and those otherwise set forth in the manuals or statements of policy of the Company or its subsidiaries), that has, or could reasonably be expected to have, the effect of injuring the business of the Company or its subsidiaries in any material respect, or (vi) Employee's willful and material breach of this Agreement or the Confidentiality Agreement.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(g) "Common Stock" shall have the meaning ascribed to in in Section 4(d) hereof.

(h) "Common Stock Equivalents" means any securities of the kind which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

(i) "Compensation Committee" means the Company's compensation committee or a committee serving such function.

(j) "Confidentiality Agreement" shall mean the Company's Confidentiality Information and Assignment Agreement attached hereto as Exhibit B.

(k) "Date of Termination" shall mean the date on which Employee's employment as Executive Chairman of the Company terminates.

(l) "Dilutive Event" means any occurrence of a transaction whereby the Company's securities are sold for cash in a transaction for the primary purpose of raising capital. For purposes of clarity, a transaction in connection with the purchase or sale of asset(s) will not be considered a Dilutive Event.

(m) "Disability" shall mean any physical or mental disability or infirmity of Employee that prevents the performance of Employee's duties for a period of (i) ninety (90) consecutive days or (ii) one hundred twenty (120) non-consecutive days during any twelve (12) month period. Any question as to the existence, extent, or potentiality of Employee's Disability upon which Employee and the Company cannot agree shall be determined by a qualified, independent physician selected by the Company and approved by Employee or, if applicable, his guardian (which approval shall not be unreasonably withheld). The determination of any such physician shall be final and conclusive for all purposes of this Agreement.

(n) "Effective Date" shall mean January 1, 2019.

(o) "Good Reason" shall mean, without Employee's consent, (i) (A) a material diminution in Employee's duties, or responsibilities, (B) adverse change in Employee's title, position, or person or entity to whom Employee reports or (C) assignment to Employee of duties not commensurate with his position, (ii) a reduction in Base Salary, (iii) a reduction in the Target Cash Bonus opportunity, but nothing herein shall be interpreted to require the Company to pay any Target Cash Bonus, as determined pursuant to Section 4(b), (iv) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law, or (v) any other material breach of a provision of this Agreement by the Company (other than a provision that is covered by clause (i)-(iv) above) or any other agreement between Employee and the Company primarily related to Employee's employment with the Company (including, but not limited to, any agreement referenced herein). Employee acknowledges and agrees that Employee's exclusive remedy in the event of any breach of this Agreement shall be to assert Good Reason pursuant to the terms and conditions of Section 7(e) hereof. Notwithstanding the foregoing, during the Term, in the event that the Board reasonably believes that Employee may have engaged in conduct that could constitute Cause hereunder, the Board may, in its reasonable good faith discretion, suspend Employee from performing Employee's duties hereunder for a period not to exceed 90 days, and in no event shall any such suspension constitute an event pursuant to which Employee may terminate employment with Good Reason or otherwise constitute a breach hereunder; *provided*, that no such suspension shall alter the Company's obligations under this Agreement during such period of suspension (including, but not limited to, payment of Base Salary as set forth in Section 4(a) hereof).

(p) "Inducement Plan" shall have the meaning ascribed to it in Section 4(d) hereof.

(q) "Inducement Grant" shall have the meaning ascribed to it in Section 4(d) hereof.

(r) "Payment Date" shall have the meaning ascribed to it in Section 7(h) hereof.

(s) "Pro Rata Bonus Payment" shall have the meaning ascribed to it in Section 7(g) hereof.

(t) "Release of Claims" shall mean a release of claims made by the Employee (or, in the case of Employee's death or Disability, a representative with authority to bind the Employee or his estate, as the case may be) in favor of the Company and its subsidiaries in the form attached hereto as Exhibit A (with any updates reasonably determined by the Company to be necessary to comply with applicable law) and the execution of which is a condition precedent to Employee's eligibility for Severance Benefits, the Accelerated Equity Benefit and the Pro-Rata Bonus Payment, as applicable, in the event his employment is terminated pursuant to subsection (b), (d), (e), or (g) of Section 7 hereof.

(u) "Severance Benefits" shall mean continued payment of Base Salary (without proration and at the rate in effect prior to any reduction giving rise to Good Reason) during the Severance Term, payable in accordance with the Company's regular payroll practices.

(v) "Severance Term" shall mean (i) the eighteen (18) month period, which commences on the first day following the Date of Termination if Employee's employment is terminated (A) pursuant to subsection (b), (d), or (e) of Section 7 hereof if such termination occurs within the initial six (6) month period of the Effective Date or (B) pursuant to Section 7(g) hereof, or (ii) the twelve (12) month period, which commences on the first day following the Date of Termination if Employee's employment is terminated pursuant to subsection (b), (d), or (e) of Section 7 hereof if such termination (A) occurs after the initial six (6) month period following the Effective Date, and (B) immediately before the Date of Termination, Employee's employment by the Company was his primary professional obligation and Employee was willing to devote not less than 85% of his professional time to the affairs of the Company. Notwithstanding the foregoing, no Severance Benefits of any kind shall be due and owed to Employee if such termination occurs after the twenty-four (24) month anniversary of the Effective Date.

(w) "Signing Bonus" shall have the meaning ascribed to it in Section 4(e) hereof.

(x) "Target Cash Bonus" shall have the meaning ascribed to it in Section 4(b) hereof.

(y) "Term" shall have the meaning ascribed to it in Section 2 hereof.

Section 2. **Acceptance and Term.** Commencing on the Effective Date, the Company agrees to employ Employee on an ***at-will basis*** (subject to the terms of Section 7 hereof), and Employee agrees to accept such employment and serve the Company, in accordance with the terms and conditions set forth herein. The term of employment shall commence on the Effective Date and continue until terminated by either party at any time, subject to the provisions herein (referred to herein as the "Term").

Section 3. **Position, Duties, and Responsibilities; Place of Performance.**

(a) Position, Duties, and Responsibilities. During the Term, Employee shall be employed and serve as Executive Chairman of the Company (together with such other position or positions consistent with Employee's title or as the Company shall specify from time to time) and shall have such duties and responsibilities commensurate therewith, and such other duties as may be assigned and/or prescribed from time to time by the Board or a committee thereof. On the Effective Date, the Board will appoint Employee to serve as a member of the Board in such class or classes of the Board as determined by the Board. During the Term, the Board will nominate Employee for election to the Board by the Company's stockholders; provided that Employee hereby agrees to submit written notice of resignation of his directorship to the Board, if requested by a majority of the Board, at any time following the Date of Termination.

(b) Performance. During the Term, Employee will be employed by the Company on a "full-time basis" (which, for purposes of this Agreement, shall mean that Employee will devote at least 85% of his business time, attention, skill, and best efforts to the performance of his duties under this Agreement) and shall not engage in any other business, occupation or activity that (x) conflicts with the interests of the Company, (y) materially interferes with the proper and efficient performance of Employee's duties for the Company, or (z) materially interferes with Employee's exercise of judgment in the Company's best interests, with such determination to be made by the Board in its reasonable good faith discretion. Notwithstanding the foregoing, nothing herein shall preclude Employee from: (i) continuing to serve on existing boards of directors as of the Effective Date, (ii) performing his Professional Activities (as defined below), or (iii) undertaking other professional or charitable activities (subject to the restrictions contained in clauses (x), (y) and (z) of this Section 3(b)), with the prior consent and approval of the Compensation Committee (which shall not be unreasonably withheld or delayed) of non-competing businesses and charitable organizations; (iv) engaging in charitable activities and community affairs; and (v) managing Employee's personal investments and affairs; *provided*, *however*, that the activities set out in clauses (i), (ii), (iii), (iv) and (v) herein shall be limited by Employee so as not to interfere in any material respect, individually or in the aggregate, with the performance of Employee's duties and responsibilities hereunder, or pose a conflict of interest or violate any provision of this Agreement such determinations to be made at the reasonable good faith discretion of the Board. Employee represents that he has provided the Compensation Committee with a comprehensive list of all outside professional activities with which he is currently involved or reasonably expects to become involved at the current time (such activities, the "Professional Activities"). In the event that, during his employment by the Company, the Employee desires to engage in other outside professional activities, not included on such list, Employee will, prior to engaging in any such activities, first seek written approval from the Compensation Committee and such approval shall not be unreasonably withheld.

Section 4. **Compensation.**

(a) Base Salary. In exchange for Employee's performance of his duties and responsibilities, Employee initially shall be paid an annual base salary of $395,000 (such annual base salary, as in effect from time to time, "Base Salary"), payable in accordance with the regular payroll practices of the Company but not less frequently than monthly. The Base Salary shall be reviewed at least annually by the Board (or a committee thereof), and the Board (or a committee thereof) may, but shall not be required to, increase the Base Salary during the Term. However, the Base salary may not be decreased and/or deferred during the Term, unless a pro-rata decrease and / or deferral of all executive employees' salaries is made following the six (6)-month anniversary of the Effective Date by the Board in good faith as a result of the financial condition of the Company. All payments referenced in this Agreement, including the Signing Bonus, are on a gross, pre-tax basis and shall be subject to all applicable federal, state and local withholding, payroll and other taxes.

(b) Target Cash Bonus. In addition to the Base Salary, Employee will be eligible to earn an annual target bonus of up to 50% of his Base Salary (the "Target Cash Bonus"). The Target Cash Bonus will be pro-rated for the initial calendar year of the Term, with such proration calculated based on the number of days Employee is employed by the Company during such year. The actual amount of such bonus, if any, will be determined by the Board (or a committee thereof) based upon Company performance and any other factors that the Board (or a committee thereof), in its reasonable good faith discretion following reasonable consultation with Employee, deems appropriate. Employee's achievement of such milestones, as well as the amount of any bonus, shall be determined by the Board in its reasonable good faith discretion. Bonuses, if any, shall be paid out no later than March 15 of the year following the applicable bonus year. Except as otherwise provided in Section 7 of this Agreement, Employee must be employed by or providing services to the Company at the time the bonus is awarded and through the end of the calendar year in which any bonus may be earned in order to be eligible for any such payment.

(c) Annual Stock Option Award. In addition to the Base Salary and Target Cash Bonus, Employee will be eligible to receive an annual market based stock option grant (the "Annual Stock Option Grant") issued pursuant to the terms of one of the Company's equity compensation plans. The actual amount of such grant, if any, will be determined by the Board (or a committee thereof) based upon Company performance and any other factors that the Board (or a committee thereof), in its reasonable good faith discretion, deems appropriate. Employee's achievement of such milestones, as well as the amount of any Annual Stock Option Grant, if any, shall be determined by the Board (or a committee thereof) in its reasonable good faith discretion. In connection with such grants, the Employee shall enter into the Company's standard stock option agreement which will incorporate the vesting schedule and other terms as determined by the Board (or a committee thereof).

(d) Inducement Grant. On the day following the Effective Date, the Company will grant Employee an option to purchase an aggregate of 800,000 shares of the Company's common stock, $0.01 par value per share (the "Common Stock"), issued pursuant to the Company's Inducement Award Stock Option Plan (the " Inducement Plan") and subject to the terms and conditions set forth herein and the form of Non-Qualified Stock Option Agreement made available to Employee (such agreement, the "Inducement Agreement" and such grant, the "Inducement Grant"); *provided*, that the Inducement Agreement shall reference this Agreement and expressly provide that, in the event of a conflict between the Inducement Agreement and this Agreement, this Agreement shall control. Of the options subject to in the Inducement Grant, 400,000 options shall be subject only to time-based vesting (in accordance with the terms of the Inducement Plan, this Section 4(b), Section 7 hereof, and the Inducement Agreement), and will vest as follows: (i) 200,000 options will vest on the Effective Date; (ii) 100,000 options will vest on the six (6) month anniversary of the Effective Date; and (iii) 100,000 options will vest on the two (2) year anniversary of the Effective Date; *provided, however*, that, except as otherwise provided in this Section 4(d) or Section 7 hereof, Employee must remain continuously employed on a full-time basis through the applicable vesting dates. The remaining 400,000 options subject to the Inducement Grant will vest upon the achievement of certain performance-based milestones within a six (6) to twelve (12) month period following the Effective Date and to be mutually agreed upon by Employee and the Compensation Committee no later than February 11, 2019, except as otherwise provided in this Section 4(d) or Section 7 hereof. The Inducement Grant will be subject to the terms set forth the Inducement Agreement, the terms of the Inducement Plan, this Section 4(d), Section 7 hereof, and any other restrictions and limitations generally applicable to the Common Stock of the Company or equity awards held by similarly situated employees of the Company or otherwise imposed by law. Notwithstanding anything contained in this Agreement, the Inducement Plan or the Inducement Agreement to the contrary, provided Employee is employed on a full-time basis immediately prior to any Sale Event, any outstanding portion of the Inducement Grant that is not vested and exercisable immediately prior to the consummation of a Sale Event (as defined in the Inducement Plan) shall become fully vested and exercisable as of the consummation of such Sale Event. For a period of twelve (12) months following the Effective Date (subject to Employee being employed on a full-time basis as the Company's Executive Chairman immediately prior to the Dilutive Event), upon the occurrence of a Dilutive Event, the number of securities comprising the Inducement Grant will be increased by such number and like kind of securities as required to make the securities underlying the Inducement Grant equal to same percentage of the issued and outstanding shares of Common Stock, taking into account the conversion of any Common Stock Equivalents and the issuance of securities pursuant to the Dilutive Event, as they represented immediately prior to the Dilutive Event.

(e) Signing Bonus. On the Effective Date, Employee will be paid a one-time signing bonus of $20,000 ("Signing Bonus").

(f) Agreement Expense Reimbursement/Annual Tax and Financial Planning Stipend . The Company agrees to pay Employee's reasonable legal, accounting and other expenses incurred in connection with the negotiation, drafting and execution of this Agreement, any agreements ancillary to this Agreement, and any separation arrangements with Employee' prior employer; provided, that the aggregate amount of the expenses to be reimbursed shall not exceed $35,000 in the aggregate. During the Term, the Company will, subject to the receipt of appropriate documentation, reimburse Employee up to $5,000 on an annual basis for Employee's actual out of pocket costs spent on tax and financial planning, prorated for any partial year of employment.

Section 5. **Employee Benefits.** During the Term, Employee shall be eligible to participate in health insurance and other benefits provided generally to similarly situated employees of the Company, subject to the terms and conditions of the applicable benefit plans (which shall govern). In addition to holidays recognized by the Company, Employee also shall receive four (4) weeks of paid vacation per year, prorated for any partial year of employment, of which up to two (2) weeks may roll-over year to year for a maximum of six (6) weeks at any given time. Nothing contained herein shall be construed to limit the Company's ability to amend, suspend, or terminate any employee benefit plan or policy at any time without providing Employee notice, and the right to do so is expressly reserved.

Section 6. **Reimbursement of Business Expenses.** During the Term, the Company shall pay (or promptly reimburse Employee) for documented, out-of-pocket expenses reasonably incurred by Employee in the course of performing his duties and responsibilities hereunder, which are consistent with the Company's policies in effect and as amended from time to time, with respect to business expenses, subject to the Company's requirements with respect to documentation and reporting of such expenses.

Section 7. **Termination of Employment.**

(a) General. Employee's employment with the Company shall terminate upon the earliest to occur of: (i) Employee's death, (ii) a termination by reason of Employee's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Employee with or without Good Reason.

(b) Termination Due to Death or Disability. Employee's employment under this Agreement shall terminate automatically upon Employee's death. The Company also may terminate Employee's employment immediately upon the occurrence of a Disability, such termination to be effective upon Employee's receipt of written notice of such termination. In the event of Employee's termination as a result of Employee's death or Disability, except as otherwise provided in Section 7(g), and conditioned upon Employee providing at least ninety (90) calendar days of service during the Term, Employee's or Employee's estates or beneficiaries, as the case may be, shall be entitled to the same payments and benefits as provided in Section 7(d) hereof, subject to the same conditions on payment and benefits as described in Section 7(d) hereof. Employee shall have no further rights to any compensation or any other benefits under this Agreement. In the event that Employee's termination occurs as a result of a death or Disability prior to ninety (90) calendar days of service during the Term, Employee's estates or beneficiaries, as the case may be, shall be entitled solely to the Accrued Obligations.

(c) Termination by the Company with Cause.

(i) The Company may terminate Employee's employment at any time with Cause, effective upon Employee's receipt of written notice of such termination; *provided*, *however*, that with respect to any Cause termination relying on clause (i), (ii), (v), or (vi) of the definition of Cause set forth in Section 1(e) hereof, to the extent that such act or acts or failure or failures to act are curable, as determined by the Board in its reasonable good faith discretion, Employee shall be given thirty (30) days' written notice by the Company of its intention to terminate his employment with Cause, such notice to state the act or acts or failure or failures to act that constitute the grounds on which the proposed termination with Cause is based, and such termination shall be effective at the expiration of such thirty (30) day notice period unless Employee has fully cured such act or acts or failure or failures to act, to the Board's reasonable satisfaction, that give rise to Cause during such period.

(ii) In the event that the Company terminates Employee's employment with Cause, Employee shall be entitled only to the Accrued Obligations. Following such termination of Employee's employment with Cause, except as set forth in this Section 7(c)(ii) or as otherwise provided in Section 7(g), Employee shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, Employee's sole and exclusive remedy upon a termination of employment by the Company with Cause shall be receipt of the Accrued Obligations.

(d) Termination by the Company without Cause. The Company may terminate Employee's employment at any time without Cause, effective upon Employee's receipt of written notice of such termination. In the event that Employee's employment is terminated by the Company without Cause (other than due to death or Disability) and provided that he fully executes and does not revoke an effective Release of Claims as described in Section 7(h), Employee shall be entitled to:

(i) The Accrued Obligations;

(ii) The Severance Benefits;

(iii) The Accelerated Equity Benefit; and

(iv) The Pro Rata Bonus Payment.

Notwithstanding the foregoing, the Severance Benefits shall immediately terminate, and the Company shall have no further obligations to Employee with respect thereto, in the event that Employee is found by a court of competent jurisdiction to have breached this Agreement, any provision of the Confidentiality Agreement or the Release of Claims. Any such termination of payment or benefits shall have no effect on the Release of Claims or any of Employee's post-employment obligations to the Company. Following such termination of Employee's employment by the Company without Cause, except as set forth in this Section 7(d) or Section 7(g), Employee shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, except as otherwise provided in Section 7(g), Employee's sole and exclusive remedy upon a termination of employment by the Company without Cause shall be receipt of (i) the Severance Benefits, the Accelerated Equity Benefit, and the Pro Rata Bonus Payment, in each case, subject to his execution of the Release of Claims, and (ii) the Accrued Obligations. If the Company makes overpayments of Severance Benefits, Employee promptly shall return any such overpayments to the Company and/or hereby authorizes deductions from future Severance Benefit amounts so long as such deduction does not violate Section 409A of the Code.

(e) Termination by Employee with Good Reason. Employee may terminate his employment with Good Reason by providing the Company at least thirty (30) days' written notice setting forth in reasonable specificity the event that constitutes Good Reason, which written notice, to be effective, must be provided to the Company on the later of: (i) within thirty (30) days of the occurrence of such event or (ii) promptly upon Employee's actual knowledge of such event. During such notice period, the Company shall have a cure right (if curable), and if not cured to the Employee's reasonable satisfaction within such period, Employee's termination will be effective upon the expiration of such cure period, and Employee shall be entitled to the same payments and benefits as provided in Section 7(d) hereof, subject to the same conditions on payment and benefits as described in Section 7(d) hereof. Following such termination of Employee's employment by Employee with Good Reason, except as set forth in this Section 7(e) or as otherwise provided in Section 7(g) or under any Company benefit plan (other than severance plans that are broad based), Employee shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, except as otherwise provided in Section 7(g) or under any Company benefit plan (other than severance plans that are broad based), Employee's sole and exclusive remedy upon a termination of employment with Good Reason shall be receipt of (A) the Severance Benefits, the Accelerated Equity Benefit, and the Pro Rata Bonus Payment, in each case, subject to his execution of the Release of Claims, and (B) the Accrued Obligations.

(f) Termination by Employee without Good Reason. Employee may terminate his employment without Good Reason by providing the Company at least sixty (60) days' written notice of such termination. In the event of a termination of employment by Employee under this Section 7(f), Employee shall be entitled only to the Accrued Obligations. In the event of termination of Employee's employment under this Section 7(f), the Company may, in its sole and absolute discretion, by written notice accelerate such date of termination without changing the characterization of such termination as a termination by Employee without Good Reason. Following such termination of Employee's employment by Employee without Good Reason, except as set forth in this Section 7(f) or as otherwise provided in Section 7(g) or under any Company benefit plan (other than severance plans that are broad based), Employee shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, except as otherwise provided in Section 7(g) or under any Company benefit plan (other than severance plans that are broad based), Employee's sole and exclusive remedy upon a termination of employment by Employee without Good Reason shall be receipt of the Accrued Obligations.

(g) Termination following a Sale Event or Change in Control. In the event Employee's employment is terminated within eighteen (18) months following a "Sale Event" or "Change in Control" (using the most expansive meaning given to such terms in the Inducement Plan or the Company's incentive equity plans, pursuant to which any applicable equity grants have been made to Employee, as the case may be): (a) by the Company for any reason other than as a result of a with Cause termination, as defined in Section 1(e) hereof, or (b) by Employee with Good Reason pursuant to Section 7(e), Employee shall be entitled to (in lieu of, and not in addition to, any payments described in Sections 7(b), (c), (d), or (e) of this Agreement):

(i) The Accrued Obligations;

(ii) The Severance Benefits, if Employee would otherwise be eligible for such Severance Benefits, provided that he fully executes and does not revoke an effective Release of Claims as described in Section 7(h) and continues to comply with the Confidentiality Agreement;

(iii) To the extent not otherwise accelerated and vested in connection with a Sale Event or Change in Control in accordance with the Inducement Plan or other applicable incentive equity plan, acceleration of the vesting of 100% of Employee's then outstanding unvested equity awards, such that all unvested equity awards then held by Employee shall vest and become fully exercisable or non-forfeitable as of the Date of Termination (the "Accelerated Equity Benefit"), in which case Employee shall have ninety (90) days from the Date of Termination to exercise the vested equity awards (as applicable); and

(iv) payment of a pro rata portion of Employee's Target Cash Bonus for the year in which the Date of Termination occurs, the proration of which is calculated based on the number of days he is employed by the Company in the year of the Date of Termination and based upon the determination by the Board, in its reasonable good faith discretion, of the achievement of the Employee's goals and objectives pursuant to Section 4(b) of this Agreement after adjusting such goals and objectives as necessary and appropriate based on the shortened performance period (the "Pro Rata Bonus Payment").

Notwithstanding the foregoing, the Severance Benefits shall immediately terminate, and the Company shall have no further obligations to Employee with respect thereto, in the event that Employee is found by a court of competent jurisdiction to have breached this Agreement, any provision of the Confidentiality Agreement or the Release of Claims. Any such termination of payment or benefits shall have no effect on the Release of Claims or any of Employee's post-employment obligations to the Company. If the Company makes overpayments of Severance Benefits, Employee promptly shall return any such overpayments to the Company and/or hereby authorizes deductions from future Severance Benefit amounts.

(h) Release. Notwithstanding any provision herein to the contrary, the payment of the Severance Benefits and the Pro Rata Bonus Payment, and the provision of the Accelerated Equity Benefit, pursuant to subsection (b), (d), (e) or (g) of this Section 7, shall be conditioned upon Employee's execution, delivery to the Company, and non-revocation of the Release of Claims (and the expiration of any revocation period contained in such Release of Claims) in accordance with the time limits set forth therein (and, in all events, within sixty (60) days following the Date of Termination); *provided*, that, in the case of Employee's death or Disability, such actions shall be taken by a representative with authority to bind Employee or, if applicable, his estate (as determined in the Company's reasonable good faith discretion). If Employee or his representative fails to execute the Release of Claims in such a timely manner, or timely revokes acceptance of such release following its execution, Employee and his estate or beneficiaries shall not be entitled to any of the Severance Benefits, the Pro Rata Bonus Payment, or the Accelerated Equity Benefit. Payment of the Severance Benefits will commence on the first regular Company payday that is at least five (5) business days following the date the Company receives a timely, effective and non-revocable Release of Claims (the "Payment Date"); *provided*, *however*, that the first payment will be retroactive to the day immediately following the Date of Termination. Payment of the Pro Rata Bonus Payment will also be made on the Payment Date. Notwithstanding the foregoing, to the extent that any portion of the Severance Benefits or Pro Rata Bonus Payment constitutes "non-qualified deferred compensation" subject to Section 409A of the Code, any payment of such portion scheduled to occur prior to the sixtieth (60th) day following the date of Employee's termination of employment hereunder, but for the condition on executing the Release of Claims as set forth herein, shall not be made until the first regularly scheduled payroll date following such sixtieth (60th) day unless otherwise permitted by Section 409A of the Code, after which any remaining such benefits shall thereafter be provided to Employee according to the applicable schedule set forth herein.

Section 8. **Confidentiality Agreement; Cooperation.**

(a) Confidentiality Agreement. As a condition of Employee's employment with the Company under the terms of this Agreement, Employee has executed and delivered to the Company a Confidentiality Agreement. The parties hereto acknowledge and agree that this Agreement and the Confidentiality Agreement shall be considered separate contracts. In addition, Employee represents and warrants that he shall be able to and will perform the duties of this position without utilizing any confidential and/or proprietary information that Employee may have obtained in connection with employment with any prior employer, and that he shall not (i) disclose any such information to the Company, or (ii) induce any Company employee to use any such information, in either case in violation of any confidentiality obligation, whether by agreement or otherwise.

(b) Litigation and Regulatory Cooperation. During and after Employee's employment, Employee shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Company employed Employee, provided, that the Employee will not have an obligation under this paragraph with respect to any claim in which the Employee has filed directly against the Company or related persons or entities or if such cooperation would be materially adverse to his own legal interests. The Employee's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Employee's employment, Employee also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Employee was employed by the Company, provided Employee will not have any obligation under this paragraph with respect to any claim in which Employee has filed directly against the Company or related persons or entities. The Company shall reimburse Employee for any reasonable out-of-pocket expenses incurred in connection with Employee's performance of obligations pursuant to this Section 8(b).

Section 9. **Taxes.** The Company may withhold from any payments made under this Agreement all applicable taxes, including but not limited to income, employment, and social insurance taxes, as shall be required by law. Employee acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that Employee has been advised by the Company to seek tax advice from Employee's own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including specifically, the application of the provisions of Section 409A of the Code to such payments. The Company shall have no liability to Employee or to any other person if any of the provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section, except in the event of the Company's or its subsidiaries' gross negligence or bad faith.

Section 10. **Additional Section 409A Provisions.** Notwithstanding any provision in this Agreement to the contrary:

(a) If at the time of the Employee's separation from service within the meaning of Section 409A of the Code, the Company determines that the Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Employee becomes entitled to under this Agreement on account of the Employee's separation from service is "non-qualified deferred compensation" subject to Section 409A of the Code and not otherwise exempt, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six months and one day after the Employee's separation from service, or (ii) the Employee's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code. Neither the Company nor Employee shall have the right to accelerate or defer the delivery of any such payments except to the extent specifically permitted or required by Section 409A.

(c) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A of the Code), (i) any such expense reimbursement or payment shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement, payment or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement, payment or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided* , that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(d) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Employee's termination of employment, then such payments or benefits shall be payable only upon the Employee's "separation from service" within the meaning of Section 409A of the Code. The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party. While the payments and benefits provided hereunder are intended to be structured in a manner to avoid the implication of any penalty taxes under Section 409A of the Code, in no event whatsoever shall the Company or any of its subsidiaries be liable for any additional tax, interest, or penalties that may be imposed on Employee as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code (other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A of the Code) , except in the event of the Company's or its subsidiaries' gross negligence or bad faith.

Section 11. **Additional Section 280G Provisions.** Notwithstanding any provision in this Agreement to the contrary:

(a) If any of the payments or benefits received or to be received by Employee (including, without limitation, any payment or benefits received in connection with a Sale Event, Change in Control, or Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 11(a), be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Employee of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to Employee if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under clause (i) above is less than the amount under clause (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section 11(a) shall be made in a manner determined by the Company that is consistent with the requirements of Section 409A of the Code.

(b) All calculations and determinations under this Section 11 shall be made by an independent accounting firm or independent tax counsel appointed by the Company (the "Tax Counsel") whose determinations shall be conclusive and binding on the Company and the Executive for all purposes. The Company shall bear all costs the Tax Counsel may incur in connection with its services.

Section 12. **Successors and Assigns.**

(a) The Company. This Agreement shall inure to the benefit of the Company and its respective successors and assigns. This Agreement may not be assigned by the Company without Employee's prior consent.

(b) Employee. Employee's rights and obligations under this Agreement shall not be transferable by Employee by assignment or otherwise, without the prior written consent of the Company; *provided*, *however*, that if Employee shall die, all cash amounts then payable to Employee hereunder shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee, or other designee, or if there be no such designee, to Employee's estate.

Section 13. **Waiver and Amendments.** Any waiver, alteration, amendment, or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties hereto; *provided*, *however*, that any such waiver, alteration, amendment, or modification must be consented to on the Company's behalf by the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

Section 14. **Severability.** If any covenants or such other provisions of this Agreement are found to be invalid or unenforceable by a final determination of a court of competent jurisdiction, (a) the remaining terms and provisions hereof shall be unimpaired, and (b) the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

Section 15. **Governing Law and Jurisdiction.** This is a Maryland contract and shall be construed under and be governed in all respects by the laws of Maryland without giving effect to the conflict of laws principles of such state. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Fourth Circuit. To the extent that any court action is initiated to enforce this Agreement, the parties hereby consent to the non-exclusive jurisdiction of the state and federal courts of Maryland. Accordingly, with respect to any such court action, Employee (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

Section 16. **Notices.**

(a) Place of Delivery. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom or which it is intended at such address or coordinates as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; *provided*, that unless and until some other address be so designated, all notices and communications by Employee to the Company shall be mailed, sent via facsimile or email or delivered to the Company at its principal executive office currently located in Germantown, Maryland and all notices and communications by the Company to Employee may be given to Employee personally or may be mailed to Employee at Employee's last known address, as reflected in the Company's records.

(b) Date of Delivery. Any notice so addressed shall be deemed to be given or received (i) if delivered by hand, on the date of such delivery, (ii) if mailed by courier or by overnight mail, on the first business day following the date of such mailing, (iii) if mailed by registered or certified mail, on the third business day after the date of such mailing or (iv) if sent via electronic mail or facsimile, on the date sent.

Section 17. **Section Headings.** The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof or affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 18. **Entire Agreement.** This Agreement, together with Confidentiality Agreement, the Inducement Plan, and any grant agreement pursuant to such Inducement Plan entered into between the Company and Employee thereunder, constitute the entire understanding and agreement of the parties hereto regarding the employment of Employee. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings, and agreements between the parties (including without limitation that certain Term Sheet offer letter given to Employee) relating to the subject matter of this Agreement.

Section 19. **Survival of Operative Sections.** Upon any termination of Employee's employment, the provisions of Section 7 through Section 21 of this Agreement (together with any related definitions set forth in Section 1 hereof) shall survive to the extent necessary to give effect to the provisions thereof.

Section 20. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

Section 21. **Gender Neutral.** Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

NEURALSTEM, INC.

By: _____
Title:

EMPLOYEE

By: Kenneth C. Carter

EXHIBIT A

General Release and Waiver of Claims

In exchange for the severance benefits to be provided to me under the Employment Agreement between me and Neuralstem, Inc. (the "Company"), dated as of December 12, 2018 (the "Employment Agreement"), to which I would not otherwise be entitled, on my own behalf and that of my heirs, executors, administrators, beneficiaries, personal representatives and assigns, I agree that this General Release and Waiver of Claims (the "Release of Claims") shall be in complete and final settlement of any and all causes of action, rights and claims, whether known or unknown, accrued or unaccrued, contingent or otherwise, that I have had in the past, now have, or might now have, in any way related to, connected with or arising out of my employment or its termination, under the Employment Agreement, or pursuant to Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, the Worker Adjustment and Retraining Notification Act, the Employee Retirement Income Security Act, the wage and hour, wage payment and fair employment practices laws and statutes of the State of Maryland (each as amended from time to time), and/or any other federal, state or local law, regulation or other requirement (collectively, the "Claims"), and I hereby release and forever discharge the Company, its subsidiaries and all of their respective past, present and future directors, shareholders, officers, members, managers, general and limited partners, employees, employee benefit plans, administrators, trustees, agents, representatives, successors and assigns, and all others connected with any of them, both individually and in their official capacities, from, and I hereby waive, any and all such Claims. This release shall not apply to (a) any claims that arise after I sign this Release of Claims, including my right to enforce the terms of this Release of Claims; (b) any claims that may not be waived pursuant to applicable law; (c) any right to indemnification that I may have under the certificate of incorporation or by-laws of the Company, and any Indemnification Agreement between me and the Company or any insurance policies maintained by the Company; or (d) any right to receive any vested benefits under the terms of any employee benefit plans and my award agreements thereunder.

Nothing contained in this Release of Claims shall be construed to prohibit me from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency, provided, however, that I hereby agree to waive my right to recover monetary damages or other individual relief in any charge, complaint or lawsuit filed by me or by anyone else on my behalf.

In signing this Release of Claims, I acknowledge my understanding that I may consider the terms of this Release of Claims for up to [twenty-one (21)/forty-five (45)][1] days from the date I receive it and that I may not sign this Release of Claims until after the date my employment with the Company terminates. I also acknowledge that I am hereby advised by the Company to seek the advice of an attorney prior to signing this Release of Claims; that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms.

[1] To be determined by the Company at the time of termination.

I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, that are not set forth expressly in the Release of Claims. I understand that I may revoke this Release of Claims at any time within seven (7) days of the date of my signing by written notice to the Chairman of the Company's Board of Directors and that this Release of Claims will take effect only upon the expiration of such seven-day revocation period and only if I have not timely revoked it.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature _____

Name _____

Date Signed _____

EXHIBIT B

Confidentiality Information and Assignment Agreement

Exhibit 10.02

NEURALSTEM, INC.

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

Employee Name: Kenneth C. Carter

Effective Date: December 12, 2018

As a condition of my becoming employed (or my employment being continued) by Neuralstem, Inc. a Delaware corporation, or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **Relationship.** This Agreement will apply to my employment relationship with the Company. If that relationship ends and the Company, within a year thereafter, either re-employs me or engages me as a consultant, I agree that this Agreement will also apply to such later employment or consulting relationship, unless the Company and I otherwise agree in writing. Any such employment or consulting relationship between the Company and me, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the "Relationship."

2. **Duties.** I will perform for the Company such duties as may be designated by the Company from time to time or that are otherwise within the scope of the Relationship and not contrary to instructions from the Company. During the Relationship, I will devote my entire best business efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company without the prior written consent of the Company.

3. **Confidential Information.**

(a) **Protection of Information.** I agree, at all times during the term of the Relationship and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, and not to disclose to any person, firm, corporation or other entity, without written authorization from the Company in each instance, any Confidential Information (as defined below) that I obtain, access or create during the term of the Relationship, whether or not during working hours, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved. I further agree not to make copies of such Confidential Information except as authorized by the Company.

(b) **Confidential Information.** I understand that "Confidential Information" means information and physical material not generally known or available outside the Company and information and physical material entrusted to the Company in confidence by third parties. Confidential Information includes, without limitation: (i) Company Inventions (as defined below); (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and designs, developments, inventions, laboratory notebooks, processes, formulas, techniques, biological materials, mask works, engineering designs and drawings, hardware configuration information, lists of, or information relating to, suppliers and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation.

(c) **Third Party Information.** My agreements in this Section 3 are intended to be for the benefit of the Company and any third party that has entrusted information or physical material to the Company in confidence.

(d) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

4. **Ownership of Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a complete list describing with particularity all Inventions (as defined below) that, as of the Effective Date, belong solely to me or belong to me jointly with others, and that relate in any way to any of the Company's proposed businesses, products or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Inventions at the time of signing this Agreement.

(b) **Use or Incorporation of Inventions.** If in the course of the Relationship, I use or incorporate into a product, process or machine any Invention not covered by Section 4(d) of this Agreement in which I have an interest, I will promptly so inform the Company. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Invention and to make, have made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute under all applicable intellectual properties without restriction of any kind.

(c) **Inventions.** I understand that "Inventions" means discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable or otherwise legally protectable. I understand this includes, but is not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design or configuration of any kind, or any improvement thereon. I understand that "Company Inventions" means any and all Inventions that I may solely or jointly author, discover, develop, conceive, or reduce to practice during the period of the Relationship, except as otherwise provided in Section 4(g) below.

(d) **Assignment of Company Inventions.** I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and all Company Inventions. I further acknowledge that all Company Inventions that are made by me (solely or jointly with others) within the scope of and during the period of the Relationship are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Company Inventions.

(e) **Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Company Inventions made by me (solely or jointly with others) during the term of the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, or any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to deliver all such records (including any copies thereof) to the Company at the time of termination of the Relationship as provided for in Sections 5 and 6.

(f) **Patent and Copyright Rights.** I agree to assist the Company, or its designee, at its expense, in every proper way to secure the Company's, or its designee's, rights in the Company Inventions and any copyrights, patents, trademarks, mask work rights, moral rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees the sole and exclusive right, title and interest in and to such Company Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue during and at all times after the end of the Relationship and until the expiration of the last such intellectual property right to expire in any country of the world. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters of patents, copyright, mask work and other registrations related to such Company Inventions. This power of attorney is coupled with an interest and shall not be affected by my subsequent incapacity.

(g) **Exception to Assignments.** I understand that the Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable state law or federal laws, if any. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and after the term of the Relationship, of all Inventions solely or jointly conceived or developed or reduced to practice by me during the period of the Relationship.

5. **Company Property; Returning Company Documents.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns.

6. **Termination Certification**. In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit B; however, my failure to sign and deliver the Termination Certification shall in no way diminish my continuing obligations under this Agreement.

7. **Notice to Third Parties.** I understand and agree that the Company may, with or without prior notice to me and during or after the term of the Relationship, notify third parties of my agreements and obligations under this Agreement.

8. **Solicitation of Employees, Consultants and Other Parties.** I agree that during the term of the Relationship, and for a period of twenty-four (24) months immediately following the termination of the Relationship for any reason, whether with or without cause, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity. Further, during the Relationship and at any time following the termination of the Relationship for any reason, whether with or without cause, I shall not use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

9. **At-Will Relationship.** I understand and acknowledge that, except as may be otherwise explicitly provided in a separate written agreement between the Company and me, my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability, other than those provisions of this Agreement that explicitly survive the termination of the Relationship.

10. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly, both during and after the end of the Relationship, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company's written request to do so.

(b) **No Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I acknowledge and agree that I have listed on Exhibit A all agreements (e.g., non-competition agreements, non-solicitation of customers agreements, non-solicitation of employees agreements, confidentiality agreements, inventions agreements, etc.), if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement, that I understand and have voluntarily accepted such provisions, and that I will fully and faithfully comply with such provisions.

11. **General Provisions.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement, along with the employment agreement between myself and the Company of even date herewith ("Employment Agreement") sets forth the entire agreement and understanding between the Company and me relating to its subject matter and merges all prior discussions between us. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even if I am an officer of the Company, I will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the Board of Directors. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Severability.** If one or more of the provisions in this Agreement are deemed void or unenforceable to any extent in any context, such provisions shall nevertheless be enforced to the fullest extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement shall not be affected.

(d) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(e) **Remedies.** I acknowledge and agree that violation of this Agreement by me may cause the Company irreparable harm, and therefore agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, I agree that a $1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.

(f) **ADVICE OF COUNSEL.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

The parties have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

COMPANY:	**EMPLOYEE:**
NEURALSTEM, INC.	Kenneth C. Carter, an Individual
By: _____	_____
Name: William Oldaker	(Signature)
Title: Chairman of the Board	
Date: _____	Date: _____
Address: 20271 Goldenrod Lane, 2nd Floor Germantown, MD 20876	Address: _____ _____

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 4(a)

Title	Date	Identifying Number or Brief Description

___ No inventions, improvements, or original works of authorship

___ Additional sheets attached

Signature of Employee:_____

Print Name of Employee:_____

Date:_____

EXHIBIT B

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Neuralstem, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any Inventions (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twenty-four (24) months from the date of this Certification, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity. Further, I shall not at any time use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Date: _____

_____

_____

Exhibit 10.03

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (**"Agreement"**) is entered into as of the [*] day of [*], 20[*] by and between Neuralstem, Inc. a Delaware corporation (the **"Company")**, and [_____] (**"Indemnitee"**).

RECITALS

A. The Company and Indemnitee recognize the continued difficulty in obtaining liability insurance for the Company's directors and officers, the significant increases in cost of such insurance and the general reductions in the coverage of such insurance.

B. The Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors and officers to expensive litigation risks at the same time as the availability and coverage of liability insurance has been severely limited.

C. The Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company and, in part, in order to induce Indemnitee to continue to provide services to the Company, wishes to provide for the indemnification and advancing of expenses to Indemnitee to the maximum extent permitted by law.

D. In view of the considerations set forth above, the Company desires that Indemnitee be indemnified by the Company as set forth herein.

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

AGREEMENT

1. Indemnification.

(a) Indemnification of Expenses. The Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee was or is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation that Indemnitee in good faith believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other (hereinafter a **"Claim"**) by reason of (or arising in part out of) any event or occurrence related to the fact that Indemnitee is or was a director or officer of the Company, or any subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of Indemnitee while serving in such capacity (hereinafter an **"Indemnifiable Event"**) against any and all expenses (including attorneys' fees and all other costs, expenses and obligations incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any such action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation), losses, claims, damages, liabilities, judgments, fines, penalties and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) of such Claim and any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses (collectively, hereinafter **"Expenses"**) if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action, suit or proceeding, Indemnitee had no reasonable cause to believe Indemnitee's conduct was unlawful.

(b) Mandatory Payment of Expenses. Notwithstanding any other provision of this Agreement other than Section 7 hereof, to the extent that Indemnitee has been successful on the merits or otherwise, including, without limitation, the dismissal of a Claim without prejudice, in defense of any Claim referred to in Section (1)(a) hereof or in the defense of any Claim, issue or matter therein, Indemnitee shall be indemnified against all Expenses incurred by Indemnitee in connection therewith.

2. Expenses; Indemnification Procedure.

(a) Advancement of Expenses. The Company shall pay all Expenses incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of any civil or criminal Claim referenced in Section 1(a) hereof in advance of the final disposition of such Claim. Indemnitee shall deliver to the Company an Undertaking, substantially in the form of Exhibit A hereto, whereby Indemnitee undertakes to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized hereby. The advances to be made hereunder shall be paid by the Company to Indemnitee following a request therefor, but in any event no later than forty-five days after receipt by the Company of written demand from Indemnitee for such advances.

(b) Notice/Cooperation by Indemnitee. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any Claim made against Indemnitee for which indemnification or advancement will or could be sought under this Agreement. Notice to the Company shall be directed to the General Counsel of the Company at the address shown on the signature page of this Agreement (or such other address as the Company shall designate in writing to Indemnitee). The failure to promptly notify the Company of the commencement of the action, suit or proceeding, or of Indemnitee’s request for indemnification, will not relieve the Company from any liability that it may have to Indemnitee hereunder or otherwise, except to the extent the Company is actually and materially prejudiced in its defense of such action, suit or proceeding as a result of such failure or delay, and any such failure or delay shall not constitute a waiver by Indemnitee of any rights under this Agreement or otherwise. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor including such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to enable the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(c) Procedure. Any indemnification and advances of Expenses provided for in Section 1 and Section 2 of this Agreement shall be paid by the Company to Indemnitee as soon as practicable after receipt of written request from Indemnitee for such indemnification or advances along with appropriate written documentation verifying such Expenses, but in any event no later than forty-five days after receipt of such request. If the Company believes that Indemnitee has not met the standards of conduct which make it permissible under applicable law for the Company to indemnify Indemnitee for the Expenses claimed, the Company may file an action in the Court of Chancery of the State of Delaware to obtain a declaratory judgment that Indemnitee is not entitled under applicable law to receive indemnification or advancement from the Company (hereinafter a **“Declaratory Action”)**. If the Company files a Declaratory Action, Indemnitee shall be entitled to receive interim payments of Expenses pursuant to Subsection 2(a) including Expenses incurred in defending a Declaratory Action unless and until the Court of Chancery of the State of Delaware issues an order or judgment that Indemnitee is not entitled under applicable law to receive indemnification or advancement from the Company. If the Court of Chancery of the State of Delaware issues an order or judgment in a Declaratory Action that Indemnitee is not entitled under applicable law to receive indemnification or advancement from the Company, the Company shall have no further obligation under this Agreement, the Company's Certificate of Incorporation, the Company Bylaws or any other applicable law, statute or rule to provide indemnification or advances of Expenses to Indemnitee and Indemnitee shall be responsible for repaying all such amounts previously advanced to Indemnitee as provided in Section 2(a).

(d) No Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its stockholders) to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct required by applicable law, nor an actual determination by the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its stockholders) that Indemnitee has not met such applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct.

(e) Burden of Proof. In a Declaratory Action, the burden of proof shall be on the Company to establish that Indemnitee is not entitled to indemnification or advances.

(f) Notice to Insurers. If, at the time of the receipt by the Company of a notice of a Claim pursuant to Section 2(b) hereof, the Company has liability insurance in effect which may cover such Claim, the Company shall give prompt notice of the commencement of such Claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Claim in accordance with the terms of such policies.

(g) Selection of Counsel. In the event the Company shall be obligated hereunder to pay the Expenses of any Claim, the Company shall be entitled to assume the defense of such Claim with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Claim. Notwithstanding the Company's assumption of the defense of any Claim, the Company shall be obligated to pay the Expenses of any Claim if (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) the Company shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, or (C) the Company shall not continue to retain counsel to defend such Claim, then the fees and expenses of counsel retained by Indemnitee shall be at the expense of the Company. The Company shall have the right to conduct such defense as it sees fit in its sole discretion, including the right to settle any Claim against Indemnitee without the consent of the Indemnitee; provided, that in no event shall the Company have the right to settle any Claim that imposes non-monetary penalties on Indemnitee without the prior written consent of Indemnitee which may be granted or withheld in Indemnitee’s sole discretion.

3. Additional Indemnification Rights; Nonexclusivity.

(a) Scope. The Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation, the Company's Bylaws or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule which expands the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, employee, agent or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule which narrows the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, employee, agent or fiduciary, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder except as set forth in Section 7(a) hereof.

(b) Nonexclusivity. The indemnification provided by this Agreement shall be in addition to any rights to which Indemnitee may be entitled under the Company's Certificate of Incorporation, its Bylaws, any agreement, any vote of stockholders or disinterested directors, the General Corporation Law of the State of Delaware, or otherwise. The indemnification provided under this Agreement shall continue as to Indemnitee for any action Indemnitee took or did not take while serving in an indemnified capacity even though Indemnitee may have ceased to serve in such capacity.

4. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, Certificate of Incorporation, Bylaw or otherwise) of the amounts otherwise indemnifiable hereunder.

5. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of Expenses incurred in connection with any Claim, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such Expenses to which Indemnitee is entitled.

6. Mutual Acknowledgement. Both the Company and Indemnitee acknowledge that in certain instances, Federal law or applicable public policy may prohibit the Company from indemnifying its directors, officers, employees, agents or fiduciaries under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

7. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) Excluded Action or Omissions. To indemnify (i) any Claim by or in the right of the Company as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware or such other court in which such Claim was brought, shall determine upon application that despite the adjudication of liability, in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses such court shall deem proper, or (ii) any other acts, omissions or transactions from which Indemnitee may not be relieved of liability under applicable law;

(b) Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to Claims initiated or brought voluntarily by Indemnitee and not by way of defense, except (i) with respect to Claims brought to establish or enforce a right to indemnification or advancement under this Agreement or any other agreement or insurance policy or under the Company's Certificate of Incorporation or Bylaws, as now or hereafter in effect relating to Claims for Indemnifiable Events, (ii) in specific cases if the Board of Directors has approved the initiation or bringing of such Claim, or (iii) as otherwise required under Section 145 of the Delaware General Corporation Law, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be;

(c) Claims Under Section 16(b). To indemnify Indemnitee for Expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute.

(d) Disgorgement of Profits and Bonuses Pursuant to Section 304. To indemnify Indemnitee for (i) any bonus or other incentive-based or equity-based compensation received by Indemnitee or (ii) any profits arising from the sale of securities made by Indemnitee that Indemnitee is required pursuant to Section 304 of the Sabarnes-Oxley Act of 2002 to reimburse to the Company.

8. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's estate, spouse, heirs, executors or personal or legal representatives after the expiration of five (5) years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such five-year period; provided , however , that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

9. Construction of Certain Phrases.

(a) For purposes of this Agreement, references to the "Company" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees, agents or fiduciaries, so that if Indemnitee is or was a director, officer, employee, agent or fiduciary of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to "serving at the request of the Company" shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or its beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

11. Binding Effect; Successors and Assigns . This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect with respect to Claims relating to Indemnifiable Events regardless of whether Indemnitee continues to serve as a director, officer, employee, agent or fiduciary of the Company or of any other enterprise at the Company's request.

12. Notice. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one day after the business day of delivery by facsimile transmission with confirmation of receipt, if delivered by facsimile transmission, with copy by first class mail, postage prepaid, and shall be addressed if to Indemnitee, at the Indemnitee address as set forth beneath Indemnitee signatures to this Agreement and if to the Company at the address of its principal corporate offices (attention: Secretary) or at such other address as such party may designate by ten days' advance written notice to the other party hereto.

13. Consent to Jurisdiction. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be commenced, prosecuted and continued only in the Court of Chancery of the State of Delaware in and for New Castle County, which shall be the exclusive and only proper forum for adjudicating such a claim.

14. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

15. Choice of Law. This Agreement shall be governed by and its provisions construed and enforced in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents, entered into and to be performed entirely within the State of Delaware, without regard to the conflict of laws principles thereof.

16. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

17. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by both the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Integration and Entire Agreement. This Agreement sets forth the entire understanding between the parties hereto and supersedes and merges all previous written and oral negotiations, commitments, understandings and agreements relating to the subject matter hereof between the parties hereto.

19. No Construction as Employment Agreement. Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained in the employ of the Company or any of its subsidiaries.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Neuralstem, Inc.

By: William Oldaker
Title: Chairman of the Board

AGREED TO AND ACCEPTED BY:

Signature: _____
[_____]

EXHIBIT A — GENERAL FORM OF UNDERTAKING FOR ADVANCEMENT OF EXPENSES

1. This instrument (this "Undertaking") is being executed by the undersigned in favor of Neuralstem, Inc. a Delaware corporation (the "Corporation"), pursuant to that certain Indemnification Agreement, made as of **[*]**, 20[*] (the "Indemnification Agreement"), by and between the Corporation and the undersigned.

2. I am requesting advancement of expenses which have been or will be actually and reasonably incurred by me or on my behalf in connection with a proceeding to which I am a party or am threatened to be made a party, or in which I am or may be participating, by reason of my status as a director, officer or fiduciary of the Company.

3. With respect to all matters related to such proceeding, I believe I acted in good faith and in a manner I reasonably believed to be in or not opposed to the best interests of the Corporation or its affiliates, and, with respect to any criminal proceeding, I had no reasonable cause to believe that my conduct was unlawful.

4. I hereby undertake to repay any advancement of expenses if it shall ultimately be determined by final judicial decision from which there is no further right to appeal or otherwise in accordance with Delaware law that I am not entitled to be so indemnified for such Expenses.

5. I am requesting advancement of Expenses in connection with the following matter: **[PROVIDE DETAILS]**

_____
Name of Indemnitee:
Dated:

Exhibit 99.01

Neuralstem Appoints Ken Carter, Ph.D., as Executive Chairman of the Board

- Seasoned biotech executive and accomplished scientific leader with broad experience from early-stage company development to managing publicly traded entities -

GERMANTOWN, Md., Dec. 18, 2018 (GLOBE NEWSWIRE) -- Neuralstem, Inc. (Nasdaq: CUR), a biopharmaceutical company focused on the development of nervous system therapies based on its neural stem cell and small molecule technologies, appointed Kenneth C. Carter, Ph.D., as the Company's Executive Chairman of the Board to be effective on January 1, 2019. Dr. Carter will replace interim CEO, Jim Scully, who will be stepping down.

"Dr. Carter brings a wealth of drug development expertise and executive leadership having led both private and public biotechnology companies. His leadership will be invaluable to Neuralstem at a critical juncture in the Company's evolution," said William Oldaker, Chairman of the Board. "Our team will greatly benefit from Dr. Carter's entrepreneurial background with development stage companies. On behalf of the Board, I would like to thank Jim for his guidance during this transition period."

"I look forward to working with the team at Neuralstem to develop and execute on a strategic plan to deliver on promising therapies and maximize value for shareholders," said Dr. Ken Carter.

Dr. Carter is a dynamic industry executive and scientific leader with deep experience in development-stage biotechnology companies. Over the past decade, he has helped found and lead several companies including NexImmune, Inc., an immuno-oncology company which he helped spin out from John Hopkins University and served as CEO from inception in 2011 until June 2017. He also co-founded and is currently Chairman of the Board of Noble Life Sciences, Inc, a pre-clinical contract research organization that enables translational science and product development for biotechnology and pharmaceutical companies. Dr. Carter was also co-founder and CEO of Avalon Pharmaceuticals from inception in 1999 until the Company's merger with Clinical Data in 2009 and led Avalon's initial public offering on the NASDAQ stock exchange in 2004. Under Dr. Carter's leadership, Avalon developed a pipeline of cancer drug candidates based on a novel high-throughput genomic screening technology and successfully secured R&D partnerships with Merck, Novartis, Sanofi-Aventis and MedImmune.

Dr. Carter has served on numerous corporate and advisory boards including the National BIO Industry Organization, Antidote Therapeutics, Inc., Iterion Pharmaceuticals and the Maryland BioHealth Initiative (BHI). He is also an adjunct faculty member at John Hopkins University. He completed a postdoctoral fellowship in Cell Biology at the University of Massachusetts Medical School. He received his doctoral degree in Human Genetics and Cell Biology at the University of Texas Medical Branch at Galveston and his B.S. at Abilene Christian University.

Inducement Grant

In connection with Dr. Carter's employment, on December 12, 2018, the Compensation Committee of the company's Board of Directors approved the grant of a non-qualified inducement stock option to purchase 800,000 shares of the company's common stock. The option has an exercise price of the $0.425 (the closing price of the common stock on the date of grant), a term of ten (10) years, and vests as follows: (i) 200,000 of the stock options vest on the effective date of employment, (ii) 100,000 of the stock options vest on the six month anniversary of the effective date of employment, (iii) 100,000 of the stock options vest on the two year anniversary of the effective date of employment, and (iv) 400,000 of the stock options vest upon the achievement of certain performance-based milestones to be agreed upon by the Company and Dr. Carter.

About Neuralstem

Neuralstem is a clinical-stage biopharmaceutical company developing novel treatments for nervous system diseases of high unmet medical need. Neuralstem's diversified portfolio of product candidates includes its proprietary neural stem cell technology.

The Company has two lead development candidates:

- NSI-566 is a neural stem cell therapy in clinical development for treatment of paralysis in stroke, for Amyotrophic Lateral Sclerosis (ALS) and for chronic spinal cord injury (cSCI).

- NSI-189 is a small molecule in clinical development for major depressive disorder (MDD) and in preclinical development for Angelman syndrome, irradiation-induced cognitive impairment, Type 1 and Type 2 diabetes,

and stroke.

Cautionary Statement Regarding Forward Looking Information

This news release contains “forward-looking statements” made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to future, not past, events and may often be identified by words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Specific risks and uncertainties that could cause our actual results to differ materially from those expressed in our forward-looking statements include risks inherent in the development and commercialization of potential products, uncertainty of clinical trial results or regulatory approvals or clearances, need for future capital, dependence upon collaborators and maintenance of our intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements. Additional information on potential factors that could affect our results and other risks and uncertainties are detailed from time to time in Neuralstem’s periodic reports, including its Annual Report on Form 10-K for the year ended December 31, 2017, and its Quarterly Report on Form 10-Q for the three, six and nine months ended March 31, June 30 and September 30, 2018, filed with the Securities and Exchange Commission (SEC), and in other reports filed with the SEC. We do not assume any obligation to update any forward-looking statements.

Contact:
Investors:
Argot Partners (Investor Relations)
212-600-1902
neuralstem@argotpartners.com